Minutes/August 21, 2023

The Board of Trustees of School District Five of Lexington and Richland Counties met at the Center for Advanced Technical Studies with the following members present:

Mrs. Elizabeth Barnhardt
Mrs. Rebecca Blackburn Hines, Chair
Mr. Matt Hogan, Vice Chair
Mrs. Catherine Huddle
Mike Satterfield
Kevin Scully
Kimberly Snipes, Secretary
Dr. Akil Ross, Superintendent

The following staff were in attendance:

Dr. Michael Harris, Chief Student Services and Planning Officer
Mrs. Tina McCaskill, Chief Academics Officer
Ms. Maddison Paul, Chief Financial Officer
Mrs. Amanda Taylor, Director of Communications
Dr. Tamara Turner, Chief of Human Resources
Mr. Dave Weissman, Executive Director of Operations

A livestream video link was provided to the public as a viewing option for the August 21, 2023, board meeting.

Chair Blackburn Hines called the regular meeting to order and gave welcoming remarks.

Kevin Scully, Board of Trustees, gave the Invocation and Pledge of Allegiance.

The Board conducted the School Board Spotlight.

During the Superintendent's Report, Dr. Ross presented updates on District FOCUS: Strategic Plan Update for 2022-2023 to 2026-2027; Ms. Maddison Paul, Chief Financial Officer presented and ESSER Quarterly Update (Exhibit F); and Mrs. Amanda Taylor, Director of Communications presented a 2023-2024 Back to School Video.

During the public participation, Bethany Lindberg spoke about trans rights and the courses/discussions in schools; Jay Kilmartin spoke about creating a commission/panel to review curriculum; and Joe White spoke about creating a commission panel for inappropriate matters.

The Board presented for discussion:

- Update on Five-Year Master Facilities Plan
- Discussion Regarding a Procurement Matter (Exhibit M)
- Board Retreat – September 15, 2023 (Exhibit N)

The board presented for information:

- Minority Business Procurements (Exhibit O)
- Strategic Plan Update for 2022-2023 to 2026-2027 (Exhibit P)
- McMillan, Pazdan, Smith Population and Enrollment Forecasts, 2023-24 Through 2032-33 (Exhibit Q)

A = Absent
AB = Abstain
N = No
X = Yes
R = Recuse

Record of Voting

SCHOOL DISTRICT FIVE
OF
LEXINGTON AND RICHLAND COUNTIES

Meeting of August 21, 2023

		BARNHARDT	BLACKBURN HINES	HOGAN	HUDDLE	SATTERFIELD	SCULLY	SNIPES
1.	M. Hogan S. Snipes Approve the agenda.	X	X	X	X	X	X	X
2.	M. Hogan S. Scully I make the motion to enter executive session to consider the following: a.) Selected employment items (Exhibit A) (Action); b.) Selected employment items (Exhibit B) (Information Only); c.) Receipt of legal advice regarding Board Policy GBEB (Exhibit C); d.) Contractual matter regarding Social-Emotional Learning (SEL) (Exhibit D); e.) Legal advice regarding request for use of facilities (Exhibit E).	X	X	X	X	X	X	X
3.	M. Hogan S. Scully I move that we approve the minutes of the August 7, 2023, board meeting.							
	M. Satterfield S. Scully I would like to make a motion to amend the minutes of the August 7, 2023 board meeting to reflect a 3 – 2 vote and count my vote as an abstention instead of a yes for the employee grievance (Exhibit A).	X	X	X	X	X	X	X
	VOTE ON ORIGINAL MOTION	X	X	X	X	X	X	X
4.	M. Huddle S. Barnhardt I move that we support the creation of a commission as recommended by representatives Kilmartin and White to include multiple stakeholders to review materials for age-							

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SCHOOL DISTRICT FIVE
OF
LEXINGTON AND RICHLAND COUNTIES

Meeting of August 21, 2023

		BARNHARDT	BLACKBURN HINES	HOGAN	HUDDLE	SATTERFIELD	SCULLY	SNIPES
	appropriateness and assist the legislators in the development of possible legislation and the Board with the development of possible policy. M. Huddle S. Barnhardt I make a motion to amend my motion to welcome representative Kilmartin and White to present a plan to the Board for approval.	X	N	N	X	N	N	N
	VOTE ON ORIGINAL MOTION	X	N	N	X	N	N	N
5.	M. Hogan S. Snipes I move that we approve the selected employment items as shown in Exhibit A for action.	X	X	X	X	X	X	X
6.	M. Hogan S. Snipes I move that the Board approves the administration's recommendation on approval of the Minority Business Enterprise Utilization Plan. (Exhibit G)	X	X	X	X	X	X	X
7.	M. Hogan S. Snipes I move that we approve the first reading of proposed revisions to Board Policy IKACC "Placement of Non-Accredited Private and Home School Secondary Students" (Exhibit H); Board Policy IHCA "Summer School" (Exhibit I); Board Policy IJNDAA "Distance, Online, and Virtual Education" (Exhibit J); and Board Policy IKG "Secondary Education" (Exhibit K).	X	X	X	AB	X	X	X

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SCHOOL DISTRICT FIVE
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Meeting of August 21, 2023

			BARNHARDT	BLACKBURN HINES	HOGAN	HUDDLE	SATTERFIELD	SCULLY	SNIPES
8.	M. Hogan	S. Barnhardt	X	X	X	X	X	X	X
	I move that we approve the first reading of proposed revisions to Board Policy IKD "Honor Rolls" (Exhibit L).								
9.	M. Snipes	S. Barnhardt	X	X	X	X	X	X	X
	Adjourn at 9:04 p.m.								

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V. Findings and Recommendations

Finding #1: The SIG determined the District's accounts payable officials and project managers did not ensure sufficient documentation was provided by CCI to support the amount requested for payment in the pay apps and that the District failed to provide proper contract management and oversight of the payment process. This resulted in missed opportunities to ensure stewardship of taxpayer funds and questioned costs of $396,700.65 for the PWES project. Subsequent investigation by the SIG identified sufficient documentation that reduced the final total of questioned disbursements to only $38,362.69.

> **Recommendation #1:** The SIG recommends that the District ensure sufficient supporting invoices or other documentation are provided by the contractor to support the amount requested for payment, provide proper contract management and oversight of the contract payment process, and remediate and strengthen internal controls. Based on policy changes, internal controls, and training initiated by the District's Board, superintendent, and CFO over the past two years this matter has been addressed. **No further action is required.**

Finding #2a: The SIG determined that a selection committee member prepared written statements as required by the South Carolina Code of Laws §8-13-700 (B)(3) that provided notice to the selection committee of his/her potential conflict of interest, and the agency head was apprised of the member's potential conflict and deemed him/her qualified.

Finding #2b: The SIG determined District officials and selection committee members were unable to provide the identity of the appointing official, documentation regarding the appointments, the timing of the appointments, or the criteria used for determining qualified committee members.

> **Recommendation #2:** The SIG recommends that the agency head ensure any delegation of authority, the appointment of selection committee members, and the criteria used for selection be documented and retained in the procurement file. Based on policy changes, and internal controls implemented by the District's Board, superintendent, and CFO over the past two years this matter has been addressed. **No further action is required.**

Finding #3: The SIG determined that the Board's disregard of at least three legal reviews, including two investigations, in order to pursue ethics actions against a selection committee member constituted waste of District resources, amounting to at least $12,605 and Board interference in violation of Board policy BBA.

> **Recommendation #3:** The SIG recommends that the Board should adhere to all Board policies.

Finding #4a: The SIG determined that the District's execution of a Buyer Agency Agreement with The Education Group, Inc. without Board approval was a violation of the District's procurement code.

Finding #4b: The SIG determined that the District issued an RFP (Solicitation #2022-011) seeking a certified public accounting firm to provide procurement audit services for FYs 2019 - 2021, with the option to also audit FYs 2017 and 2018. As specified in the Scope of Work of the RFP, the procurement audit was required to be performed in accordance with the agreed upon audit procedures issued by the DPS. However, the audit agreement was changed by Board and District representatives from a procurement audit to a procurement consulting services contract, which was a substantial departure from the RFP requirements that resulted in the waste of $105,650 in District resources.

Attachment #1, pg 3 is included the minutes of the 8.21.23 meeting, at the request of Board member Rebecca Blackburn Hines pursuant to South Carolina Code Ann. Section 30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

The full report is available through the SIG's website and in the board packet for this meeting, listed as Exhibit M. I will leave it to the public to review the report in its entirety; however, I will address some of the findings and recommendations contained in the report.

First and foremost, I think it is very important to recognize that the SIG praised District 5 for proactively identifying procurement and contract management issues and moving forward through proactive strategies, policies and efforts implemented by the board, superintendent and CFO to improve upon process and internal controls.

The SIG identified 4 findings and recommendations during the course of the investigation.

These findings are: (Read pages 21-22 of report attached)

Regarding Finding 1, I believe it is very important to recognize that the lack of internal controls and complacency within the District raised several questions relating to the costs of Piney Woods Elementary School. These issues are on the District and as identified by the SIG, we have taken steps to address them. Any implication of wrongdoing by outside parties is unfounded to our present knowledge.

Findings 3 & 4 both identify recommendations directed at the board. In an attempt to address these recommendations, the board intends to do the following:

(1) We have an upcoming board retreat, in which we plan to discuss board priorities and district priorities and how we can effectively communicate & work together. In part, we will discuss policies that are directed at the board. It's important to understand that our current board contains new members. The three "most experienced" board members were elected in November 2020. We may, in the future, have additional workshops facilitated to ensure that the board understands the B policies and the roles of board members.

(2) The SIG recommended that the Board receive training regarding the District's procurement code and the role and authority of the procurement officer in awarding contracts. No one on this board is an expert on procurement and we welcome this opportunity to improve. Upon approval of the SIG, we have identified some highly qualified state procurement officials and are currently seeking to coordinate the appropriate trainings/workshops to address this recommendation.

Finally, I want to reiterate that the SIG's report stands on its own.

Submitted to the Minutes of the August 21, 2023 Board Meeting

Rebecca Blackburn Hines, Board Chair

Attachment #1, pg. 2 is included with the minutes of the 8.21.23 meeting, at the request of Board member Rebecca Blackburn Hines pursuant to South Carolina Code Ann. Section 30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

On September 19th, 2022, the Board of Trustees (at that time), held a special called meeting at the district office to receive the Phase II report provided by JAG, an external auditor. Following executive session, the Board convened in open session and voted on a series of motions related to the report. Some of these motions included:

(1) Motion to direct our attorney to share the Procurement Examination and Consulting Phase II Report dated September 19, 2022 with the South Carolina Attorney General and the Office of Inspector General per Section 2420 in the District's procurement code "reporting of anticompetitive practices;"
(2) Motion to direct our attorney to send the letter to the vendor as discussed in executive session in order to recoup excess costs and overbilling we believe the District incurred;
(3) Motion in accordance with the District's procurement code Section 4220 Causes for Debarment or Suspension, we instruct the Chief Financial Officer, as the District's Chief Business Official to conduct an administrative review of the audit finding and other relevant information within 90 days to determine if debarment or suspension is warranted for any of the vendors included in the Procurement Examination and Consulting Phase II Report dated September 19, 2022;
(4) Motion to direct the administration to review the internal recommendations and other relevant facts included in the Procurement Examination and Consulting Phase II Report dated September 19, 2022 and present a plan to the Board for review and approval within 60 days.

These motions passed unanimously; each board member had their own reasons for voting in the affirmative.

As to the first motion relating to reporting Phase II to the AG and OIG, the board was informed at a later date that the proper protocol was to notify the Governor's Office of such report; Therefore, on October 10th, 2022, a motion directing the board chair (Ms. Hammond) to "send a letter with the Procurement Examination and Consulting Phase II Report to the Governor to request his review for consideration of requesting a review by the Office of Inspector General," was unanimously approved by the board.

On January 17, 2023, after the 2022 election cycle, the Governor's Office sent a letter requesting the Office of the State Inspector General to initiate and conduct a review or investigation of the District's procurement-related issues associated with the Piney Woods Elementary School construction project pursuant to South Carolina Code of Laws, Sec. 1-6-35. In addition, the request provided for the SIG to initiate and conduct a review or investigation of any different or additional allegations of fraud, waste, abuse, mismanagement, misconduct, violations of state or federal law, or wrongdoing as the SIG deemed appropriate.

The current board and district administration was made aware of this request by the Governor's Office in late January, early February of 2023. It was made explicitly clear that this investigation was to remain confidential until such time as a final report was published to the public, which has been adhered to by both the board and the administration. On August 18th, 2023, the SIG's report was made available to the public.

The SIG has made it abundantly clear to the board and administration that this report stands on its own. It is the product of the SIG's investigation and does not rely on outside findings or reports.

Attachment #1, pg. 1 is included with the minutes of the 8.21.23 meeting, at the request of Board member Rebecca Blackwell Hines pursuant to South Carolina Code Ann. Section 30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Recommendation #4: The SIG recommends that the Board and District leadership receive training regarding the District's procurement code and the role and authority of the procurement officer in awarding contracts.

Attachment #1 1.89.4 is included with the minutes of the 8.21.23 meeting, at the request of Board member Rebecca Blackburn Hines pursuant to South Carolina Code Ann. Section 30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Attachment #1, pg. 1 is included with the minutes of the 8.21.23 meeting, at the request of Board member Cathy Huddle pursuant to South Carolina Code Ann. Section 30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

From Catherine Huddle
RE: OIG Review of PWES Construction

I have many concerns with the report prepared by the OIG. There were at least two concerning areas which were omitted from the report – use of related third party subcontractor and campaign donations during the RFP period. My emails to Mr. Lamkin regarding these issues are attached.

Other areas of concern:

- $38,362.69 of questioned costs not supported by the vendor even after the OIG obtained documents from the vendor. It appears the OIG report is explaining this away as only 0.14% of the GMP. But shouldn't our district care about $38,000+ whether it was part of a construction contract or from any other vendor?
- LEED/Green Globe certification that was included in the architect's contract but not delivered (see attached)
- Mentions of "minority board members" questioning an issue (pg 13 of the report) that was never discussed in public. How could the OIG know about matters that were never discussed in public without talking with ALL of the board members that were present, (which I know was not done)?
- A Finding (#3 on page 18) that the board received "at least three legal reviews" and this "constituted a waste of District resources" without ANY such documentation. Having been on the board during a portion of this time I know this statement to be factually inaccurate with at least respect to one of the attorneys.
- This same finding stated this was "Board interference in violation of Board policy BBA". (pg 8 & 9) This is totally incorrect in my opinion. Board Policy BBA states that the board is responsible for "ensuring compliance with state laws". Furthermore, state law (SC 59-19-10) states "Each school district shall be under the management and control of the board of trustees provided in this article".

The special audit ~~conducted~~ requested by the board found many issues – most of which have since been corrected by policy revisions made by the board and process changes by our Finance department. It is a shame that this report pointed out the short-comings of the district but appears to totally ignore what appear to be problematic vendor issues.

LASTLY, The assertion that the Special procurement audit "resulted in the waste of $105,650 in District resources because the district apparently used faulty RFP language is absurd (see attached)

District Five of Lexington & Richland Counties

Cathy Huddle <chuddle@lexrich5.org>

Donations to voting board members

Cathy Huddle <chuddle@lexrich5.org> Thu, Jul 20, 2023 at 2:02 PM
To: "Lamkin, Brian" <brianlamkin@oig.sc.gov>
Cc: Ward Bradley <ward@mbmlawsc.com>

Mr. Lamkin, I realize that you are trying to stay out of ethics issues, however, when reviewing a procurement event like PWES, I would think that the actions of a contractor with respect the the RFP should be included, regardless on how it may also touch on the ethics commission, which is focused on office holders.

Attached is a portion of the RFP that Contract Construction agreed to. Note the wording under Section B: "offeror agrees not to give anything to the Owner, any affiliated organizations, or the employees, agents or officials of either, prior to award."

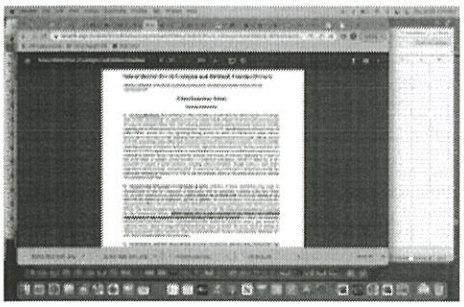
It appears that Contract Construction violated those terms when their Principals donated to 4 of 7 board members between 10/7/2018 and 10/29/2018. These donations were after the RFP was issued on 8/9/2018 and before 12/10/2018 when the board voted to award the contract.

Even if you don't want to get into the possible ethics violation by a vendor, I think the district needs to know how they should handle this section of all standard RFPs: "Violation of these restrictions may result in disqualification of your bid, suspension or debarment and may constitute a violation of the state Ethics Act". Obviously the "and may constitute a violation of the state Ethics Act" is out of the district's hands but the other actions are not. If a district learns that a vendor has violated the restrictions after award, how should it be handled? Should a district suspend or debar the vendor if it becomes aware of the violation after it is too late to disqualify the vendor from award? Would failure to take any action in the face of a known violation of this provision of the RFP be a procurement issue?

If these questions are not going to be addressed by your report, who should address them?

Thank-you,
Cathy Huddle

--
Catherine Huddle
Lexington Richland Five School Board Trustee



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2194K

Attachment #1, pg. 2 is included with the minutes of the 8.21.23 meeting, at the request of Board member Cathy Huddle pursuant to South Carolina Code Ann. Section 30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

pg 2

District Five of Lexington & Richland Counties

Cathy Huddle <chuddle@lexrich5.org>

LEEDs/Green Globes - Architect

Cathy Huddle <chuddle@lexrich5.org> Mon, Jul 17, 2023 at 8:12 AM
To: "Lamkin, Brian" <brianlamkin@oig.sc.gov>
Cc: Ward Bradley <ward@mbmlawsc.com>

Mr. Lamkin, I believe Thursday night you indicated that a LEEDs or Green Globes requirement was not in the contract with Quakenbush. Attached is an email with attachments from then-Chair Robert Gantt with the contracts approved by the board. Section 1.1.6 (screenshot attached) of the contract with Quakenbush includes the LEEDs silver or Green Globes Two Globes requirement.

If you have a copy of the fully executed contract and it is different with regard the LEEDs/Green Globes please let me know and send it to me.

The University of South Carolina apparently believes it is a valuable program: https://sc.edu/about/offices_and_divisions/sustainability/sustainability_on_campus/buildings_offices/index.php and a quick Google search of other South Carolina school districts shows a number of new schools built with LEED or Green Globes certification.

GeoEnergy describes 6 benefits of LEEDs including lower operational costs and improved air quality: https://goenergylink.com/blog/six-benefits-of-leed-certification/#:~:text=LEED%20certification%20offers%20financial%2C%20environmental,emissions%20and%20achieving%20ESG%20objectives.

Thursday night you mentioned that achieving LEEDs cost about $150,000. Since the contract included LEEDs or Green Globes and it was not delivered, the architect saved that $150,000. Shouldn't the school district either receive the certification (which I don't think is now possible) or at the very least, $150,000 back from the architect?

Thank-you,
Cathy Huddle

---------- Forwarded message ---------
From: **Robert Gantt** <ganttrw@bellsouth.net>
Date: Tue, Dec 11, 2018 at 7:25 PM
Subject: Fwd: Clean Versions of Contracts
To: <bhutchison@lexrich5.org>, <michaelcates@lexrich5.org>, ewhite@lexrich5.org <EWhite@lexrich5.org>, jhammond@lexrich5.org <jhammond@lexrich5.org>, Kenneth Loveless <kloveless@lexrich5.org>, <ngardner@lexrich5.org>
Cc: csmelton@lexrich5.org <csmelton@lexrich5.org>, Len Richardson <lrichard@lexrich5.org>

Board Members,
Attached are the "Clean Versions of Contracts" approved by the Board of Trustees and provided by Mr. Montgomery per our request last night. Please review and forward any significant concerns to me at your earliest convenience and no later than 12 noon Friday December 14, 2018. Additionally please keep this information CONFIDENTIAL since the contracts have not been fully executed.
Thank you,

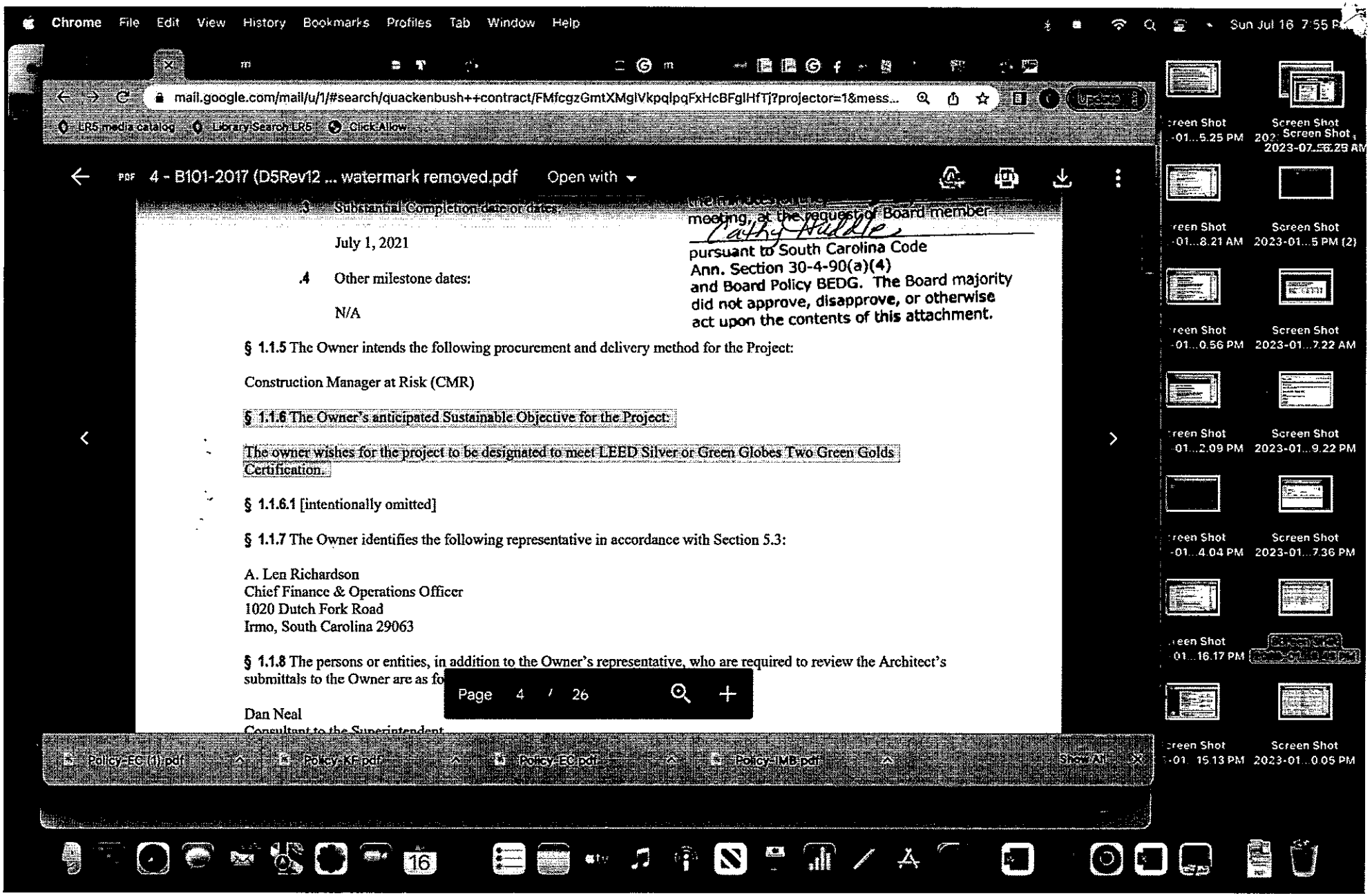
Robert W. Gantt
Chairman, School Board of Trustees
District Five of Lexington and Richland Counties

1213 Old Tamah Road
Irmo, SC 29063
803-920-0652 (c)
ganttrw@bellsouth.net

Attachment #1 1993 is included with the minutes of the 8.21.23 meeting, at the request of Board member Cathy Huddle pursuant to South Carolina Code Ann. Section 30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Begin forwarded message:

pg 3


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Sun Jul 16 7:55 PM
mail.google.com/mail/u/1/#search/quackenbush++contract/FMfcgzGmtXMglVkpqlpqFxHcBFglHfTj?projector=1&mess...
LR5 media catalog
Library Search LR5
Click Allow
4 - B101-2017 (D5Rev12 ... watermark removed.pdf
Open with
.3 Substantial Completion date or dates:
July 1, 2021
.4 Other milestone dates:
N/A
meeting, at the request of Board member Cathy Riddle, pursuant to South Carolina Code Ann. Section 30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.
§ 1.1.5 The Owner intends the following procurement and delivery method for the Project:
Construction Manager at Risk (CMR)
§ 1.1.6 The Owner's anticipated Sustainable Objective for the Project:
The owner wishes for the project to be designated to meet LEED Silver or Green Globes Two Green Golds Certification.
§ 1.1.6.1 [intentionally omitted]
§ 1.1.7 The Owner identifies the following representative in accordance with Section 5.3:
A. Len Richardson
Chief Finance & Operations Officer
1020 Dutch Fork Road
Irmo, South Carolina 29063
§ 1.1.8 The persons or entities, in addition to the Owner's representative, who are required to review the Architect's submittals to the Owner are as fo
Page 4 / 26
Dan Neal
Consultant to the Superintendent
Policy-EC (1).pdf
Policy-KF.pdf
Policy-EC.pdf
Policy-IMB.pdf
Show All

District Five OF LEXINGTON & RICHLAND COUNTIES

Cathy Huddle <chuddle@lexrich5.org>

FW: CCI Docs

Cathy Huddle <chuddle@lexrich5.org> Fri, Jul 14, 2023 at 3:57 PM
To: "Lamkin, Brian" <brianlamkin@oig.sc.gov>
Cc: Ward Bradley <ward@mbmlawsc.com>

Mr. Lamkin, Please see attached contract and screenshot of section 2.3.2.4 regarding related party subcontractors. Last night we were told this requirement was not in the contract with Contract Construction. However, as you see it was in the contract and there is no written record of Contract Construction adhering to this requirement of the contract with respect to Owens Cleaning service.

Not only was the contract not followed, the circumstances around Owens are concerning. It appears to be an entity created just before the PWES project and that PWES was its only contract at the time. In my opinion, that and the fact that it was an unapproved related subcontractor are red flags for a possible shell company as outlined in this primer on the most common types of construction fraud:
https://www.constructionbusinessowner.com/insurance/most-common-types-construction-fraud

This unapproved related party received a material amount of funds that would have reverted to the district at the end of the project had they not been spent. Owens Cleaning and the amounts paid may well be legitimate; but given that the contract was not followed and the highly unusual nature of the situation, I would have hoped that this matter would have been investigated in detail including checking HR records, payroll records, IRS reporting, workers comp, etc.

Thank-you,
Cathy Huddle

[Quoted text hidden]
--
Catherine Huddle
Lexington Richland Five School Board Trustee
[Quoted text hidden]

6 attachments

JAG JARAMILLO ACCOUNTING GROUP CREATING CLARITY FROM COMPLEXITY

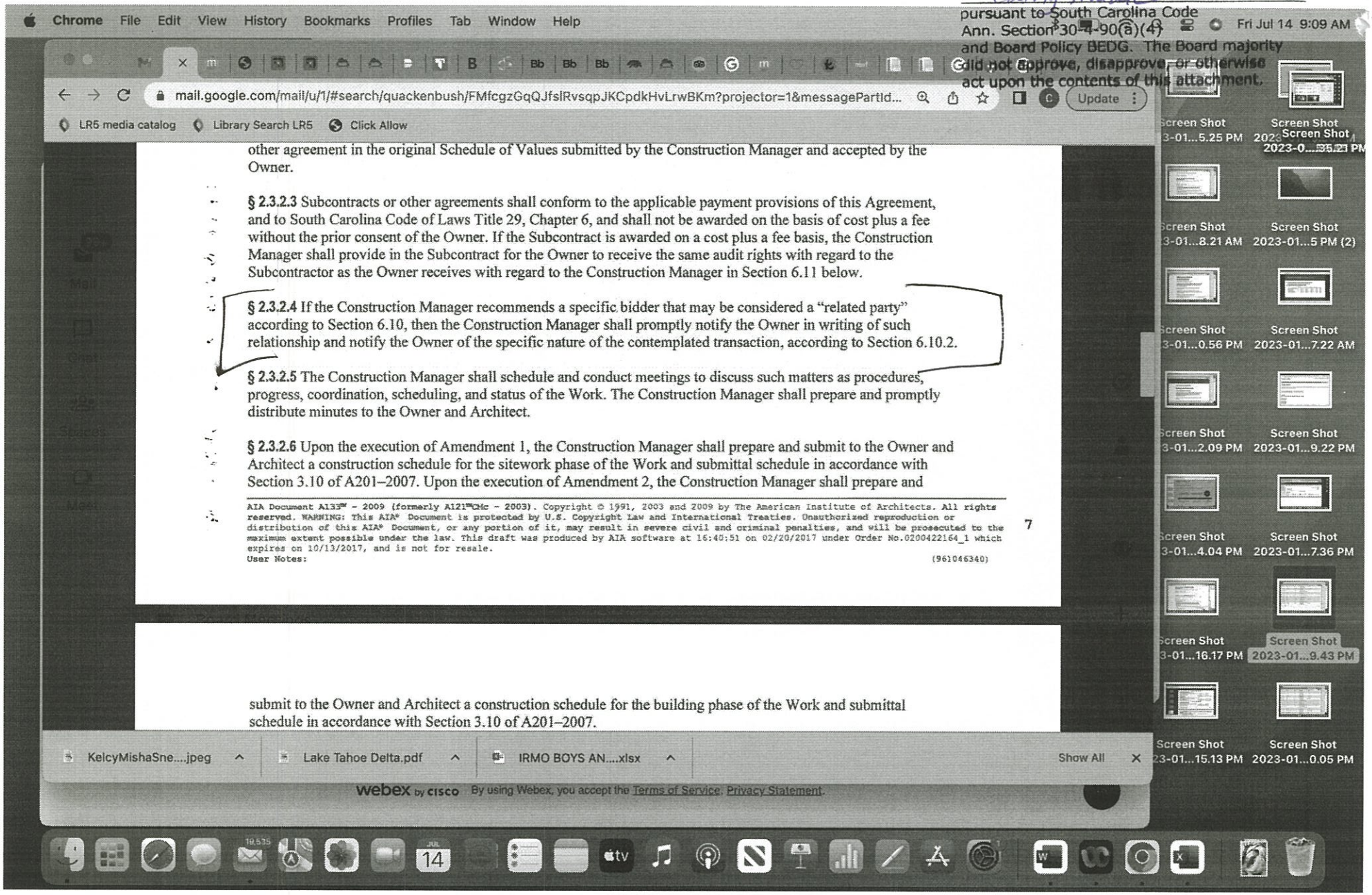
image002.png
1915K

Attachment #1, pg 5 is included with the minutes of the 8.21.23 meeting, at the request of Board member Cathy Huddle pursuant to South Carolina Code Ann. Section 30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

image001.png
9K

pg 5

Attachment #1 pg. 6 is included with the minutes of the 8.21.23 meeting, at the request of Board member Cathy Huddle, pursuant to South Carolina Code Ann. Section 30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.



other agreement in the original Schedule of Values submitted by the Construction Manager and accepted by the Owner.

§ 2.3.2.3 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and to South Carolina Code of Laws Title 29, Chapter 6, and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner. If the Subcontract is awarded on a cost plus a fee basis, the Construction Manager shall provide in the Subcontract for the Owner to receive the same audit rights with regard to the Subcontractor as the Owner receives with regard to the Construction Manager in Section 6.11 below.

§ 2.3.2.4 If the Construction Manager recommends a specific bidder that may be considered a "related party" according to Section 6.10, then the Construction Manager shall promptly notify the Owner in writing of such relationship and notify the Owner of the specific nature of the contemplated transaction, according to Section 6.10.2.

§ 2.3.2.5 The Construction Manager shall schedule and conduct meetings to discuss such matters as procedures, progress, coordination, scheduling, and status of the Work. The Construction Manager shall prepare and promptly distribute minutes to the Owner and Architect.

§ 2.3.2.6 Upon the execution of Amendment 1, the Construction Manager shall prepare and submit to the Owner and Architect a construction schedule for the sitework phase of the Work and submittal schedule in accordance with Section 3.10 of A201–2007. Upon the execution of Amendment 2, the Construction Manager shall prepare and

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User Notes: (961046340)

submit to the Owner and Architect a construction schedule for the building phase of the Work and submittal schedule in accordance with Section 3.10 of A201–2007.

6

Mr. Lamkin, On Thursday night I believe the draft report we reviewed characterized the special procurement audit as "a waste of $102,000" as I understood at least in part because the RFP resembled an RFP for regular procurement audits, which had already been conducted.

However, as we discussed, the board clearly intended for a special audit and not a regular audit. Attached are the minutes from that meeting.* The board discussed concerns with the preceding procurement audits and the need for a special audit during that meeting as well as preceding meetings on July 12 and August 23. Links to the videos for those meetings are available at: https://www.lexrich5.org/Page/27797 As discussed during the meetings, the board felt a special detailed audit was needed because previous audits had not discovered issues like the very costly duplicate sewer tap purchases and contracts without required approvals and we wanted to find all the holes in our processes and take corrective action.

While the board used the term "audit", it was preceded by the word "special" and the board clearly wanted a special procurement review and we also knew the word audit is not limited to the formal financial and procurement audits.

As we discussed, the board does not typically review RFPs to ensure they are consistent with the motions voted on by the board. However, I would certainly understand if the OIG recommends that the board do so going forward.

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Attachment #1 pg. 7 is included with the minutes of the 9/13/21 meeting, at the request of Board member Cathy Hiller pursuant to South Carolina Code Ann. Section 30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon th

* Board voted unanimously on 9/13/21 to "issue an RFP for a detailed procurement audit for fiscal years 2018-2019, 2019-2020 and 2020-2021" with specific requirements.

Attachment #1, pg. 8 is included with the minutes of the 8.21.23 meeting, at the request of Board member Cathy Hollis, pursuant to South Carolina Code Ann. Section 30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Policy BBA Board Powers and Duties

Issued 1/06

Purpose: To establish the basic legal structure in which the board operates.

The law of the state requires district boards to discharge certain duties and confers upon them many legislative, judicial and executive powers.

The board takes a broad view of its required functions. It sees them as the following:

Legislative/Policymaking

The legislative authority includes policymaking action and the review of rules and regulations established to put policies into operation. The board is responsible for the adoption of policy. The policies will be put in written form and continually re-evaluated in terms of the changing needs and functions of public education.

Executive

The superintendent performs administrative duties for the board by virtue of the powers delegated to him/her. The board will hold the superintendent responsible for the proper and efficient administration of schools.

Quasi-judicial

The board serves in a quasi-judicial function when it acts on appeals of parents/legal guardians, pupils or employees on decisions made by the superintendent or his/her designee.

Appraisal and approval

The board is responsible for evaluating the effectiveness of its policies and how well they have been put into action. The superintendent recommends specific action, and it is the function of the board to appraise the value and importance of each recommendation and to act on each proposal.

Educational planning

The board is responsible for requiring and acquiring reliable information from responsible sources which will enable it and the staff to work toward the continuing improvement of the education program.

Interpretation

The board is responsible for providing adequate and direct means for keeping the local citizenry informed about the schools and for keeping itself and the staff informed about the wishes of the public. All planning, both that which is and is not related to the budget, should be communicated to the public if citizens are to support the school program.

Operational action

The board is responsible for carrying on board business, such as adopting procedures for meetings, electing board officers, and ensuring compliance with state laws and directives of the state department of education.

Provision of financial resources

The board is responsible for adopting a budget which will provide the resources in terms of buildings, staff, materials, equipment and programs to enable the school system to carry out its mission.

Reviewing action

The board has final authority within the law for the operation of schools. No section of these policies and procedures may be construed to limit the statutory powers of the board to exercise its own judgment on the basis of the recommendation of the superintendent.

Visits to schools

Board members should make official visits to the school only under board authorization and with the full knowledge of staff including the superintendent, principals and other supervisors.

Board members may make visits to schools or classrooms (just as parents/legal guardians or other community members might) after making arrangements for visitations through the principals of the various schools. Such visits will be regarded as informal expressions of interest in school affairs and not as "inspections" or visits for supervisory or administrative purposes.

Adopted 2/24/69; Revised 11/16/81, 1/9/06

Legal references:

S.C. Code, 1976, as amended:

Section 59-19-90 - General powers and duties of school trustees.

Title 59 - Public education.

Attachment #1 pg. 9 is included with the minutes of the 8.21.23 meeting, at the request of Board member Cathy Tiddle pursuant to South Carolina Code Ann. Section 30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.