



MINUTES
Procurement Committee Meeting
September 1, 2021

The meeting was called to order at 4:30pm by Committee Chair Catherine Huddle. Committee Secretary Ken Loveless was also present. Ms. Blackburn Hines was unable to attend. Interim Superintendent Dr. Akil Ross attended representing the administration.

The Agenda and the minutes of the August 4, 2021 committee meeting were approved by Ms. Huddle and Mr. Loveless.

The update on expected state required Procurement Code changes and the purchasing process was deferred to a future meeting once the state's revisions to the procurement code have been finalized.

The importance of reviewing the procurement process for building and maintenance expenses relative to contracts for the original work was briefly discussed. Mr. Loveless reminded the committee of the importance of tracking warranties to avoid paying for repairs that may be covered by a warranty as well as the importance of using certified contractors in order to preserve the warranty. An example he cited was the use of a non-certified contractor who performed the sealant work on the roof of Chapin High School. Additional discussion of this topic was deferred until the CFO can meet with the committee to review current processes.

The construction completion procurement process was briefly discussed including how change orders are tracked and projects are closed out. Dr. Ross mentioned proposed changes to policy to include references to OSF's guide that requires a third-party inspector. Ms. Huddle discussed the need to carefully track change orders and owner's contingency because they can be very high dollar amounts and any savings could be spent on other building needs in the district.

Dr. Ross shared the state's revised Procurement Audit Procedures document dated 4/28/20 and highlighted the changes from the previous procedures. The committee discussed gaps that it believes should be addressed before an RFP is issued for our next procurement audit, including auditing 100% of vendors that were paid more than \$50,000 in total during the year and any areas of concern noted in prior audits. It was agreed that these recommendations would be made to the full board.

The need for a detailed procurement audit as discussed at the 8/23/21 board meeting was also discussed. Examples of procurement from prior years that appear to have deviated from the procurement code were discussed, including a 2013 payment of \$162,500 for sewer taps for Chapin Middle that were not used and expired, a 2018 construction consulting contract with an unlicensed contractor that was not approved by the board or issued via RFP, the 2018 temporary help contract that had to be amended and ratified because the contract term did not meet the procurement code, payment of amounts to this vendor that were not in the contract, payment for ongoing (not temporary) positions that were not teachers and concerns with payments

for summer construction projects not following procurement code. It was agreed that criteria/goals for potential detailed procurement audit covering the following areas would be recommended to the full board:

- Review of the known issues to determine additional contracts that may need to be ratified and any ongoing deficiencies in processes
- Review of contract terms, particularly indefinite terms
- Review of invoicing and payment relative to contracted rates
- Review of payments for items/people that were not contemplated/intended in the contract
- Auditing transactions from beginning to end (Solicitation – RFP – Contract – Payment – Termination/Renewal) to ensure all steps of the procurement policy were followed.
- Reporting of additional safeguards that may be needed such as policy changes, procurement code changes, workflow, etc.

Dr. Ross, Mr. Loveless and Ms. Huddle discussed the importance of finding any ongoing issues that may cause the district to overspend on procurement or construction because any wasted expenses could be used to address building and other needs in our district, particularly in areas where buildings may not be on par with the rest of the district.

The meeting adjourned at 5:30pm.