



Improving Procurement Practices at PPS

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Why Procurement Practices Matter



Cost savings



Improved service quality



Shared community investment



Increased public trust



Opportunity to align values with vendors

Current District Procurement Practices

- 2025 Established Annual Base Amount
 - Requiring three written or telephonic quotes: between \$12,900 and \$23,799
 - Requiring sealed competitive bids: \$23,800
- PPS requires competitive bids for materials or supplies to be sold, furnished, or leased to the School District exceeding the established annual base amount.
- Competitive bids are required for contracts for work to be done over this amount unless exempted by statute.

**There are no current
procurement guidelines
for professional services
at Pittsburgh Public
Schools.**

Book	Policy Manual
Section	700 Finances
Title	Purchases Subject to Bid/Quotation

Authority

It is the policy of the Board to obtain competitive bids and price quotations for products and services where such bids or quotations are required by law or where such bids or quotations may result in a cost savings to the School District.

Controller's
Report:
Analysis of
PPS Contracts



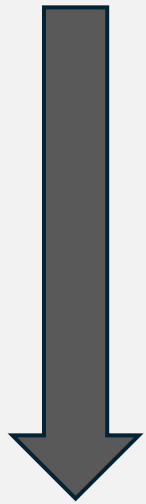
Special Report

Pittsburgh Public Schools Procurement Practices:
A Snapshot from 2024-2025

**Rachael Heisler, Office of the City Controller
& School Controller**

Report by Eli Half

Contracts By the Numbers: 2024-2025



- \$96 million+ encumbered
- 498 Contracts
- 44 Contracts Awarded through Competitive Process
- 4 Contracts Matched to Requests for Proposals

Requests for Proposals (RFPs)

Definition

Request for Proposals (RFP): The document used to solicit proposals from suppliers for commodities, i.e., goods and services. Selection is based on the evaluation of criteria and most often includes price.

RFP Practices at PPS

- 25 RFPs completed since the start of 2024
- **Average length of RFPs to be open in Pittsburgh: 27 days**
- Average length for RFPs to be open in Philadelphia: 43 days
- Average length for K-12 school districts generally: 51 days

Cost Savings Through RFP: Case Study

- Initial Agreement: out-of-state tele-mental health vendor for \$300,000 for two full-time equivalent virtual therapists (FTEs).
 - Supported by one-time grant funding
- Student Support Services at PPS leveraged a more robust RFP than in prior years, focusing on higher quality services.
- New Contract: 11.25 FTEs of in-person therapists for the school district at a cost of \$268,300
 - The per FTE cost was reduced from \$150,000 to \$23,849 -- an 84% per FTE discount.

Strategies to Improve Procurement

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- **1. Set a monetary minimum for professional services contracts required to go to bid.**
 - Philadelphia: RFPs are recommended for services valued at \$20,000 or more and are required for services over \$100,000.
 - The school district should adopt a documented bid waiver policy in lieu of a discretionary process

Strategies to Improve Procurement

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- **2. Increase the average RFP length to 50 days instead of 27 days**
 - More time for vendors to make a bid
 - Allows for broader advertising and higher quality vendors

Strategies to Improve Procurement

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- **3. Digitize processes and information about RFPs**
 - List all contracts, RFPs, bids, and contract amounts in one easy-to-access location on the school district website

Strategies to Improve Procurement

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- **4. Publish bids to a wider audience**
 - Utilize digital and physical media
 - Consider where regular vendors may seek information
 - Build relationships with healthcare and education providers in the region

Strategies to Improve Procurement

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- **5. Develop a dedicated procurement staff**
 - Currently, the CFO is the sole point of contact for procurement-related issues, creating a bottleneck
 - Dedicated procurement staff helps both vendors and PPS staff know who to contact with questions about the contracting process

Strategies to Improve Procurement

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- **5. Develop a dedicated procurement staff (cont'd)**

Potential risks from Procurement reporting to Finance include:

- Authority of Finance to impose an agenda on Procurement
- Lack of checks and balances
- Loss of potential savings or revenue generating opportunities
- Reluctance to recognize Procurement best practices.



The Association of Certified Fraud Examiners' Fraud Risk Assessment and Generally Accepted Accounting Principles (GAAP) provide support for separation between the Procurement function and the Finance function.

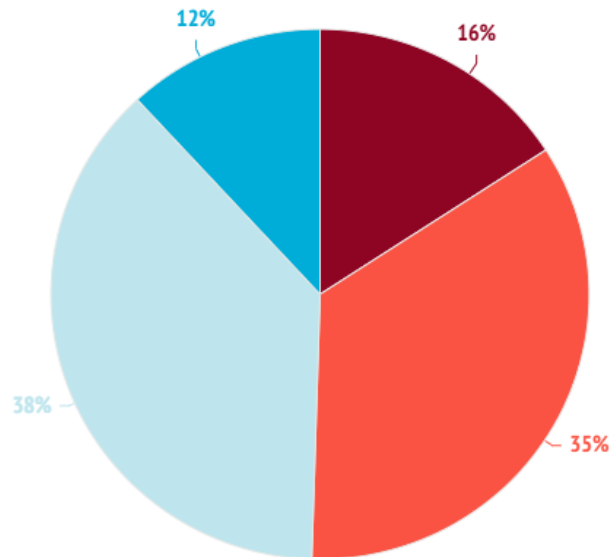
This is not an issue unique to PPS.



Vendors say it's not clear who to talk to

Districts make it easy for us to know which people we should talk to when we want to learn about their financial operations, budgeting, and purchasing processes.

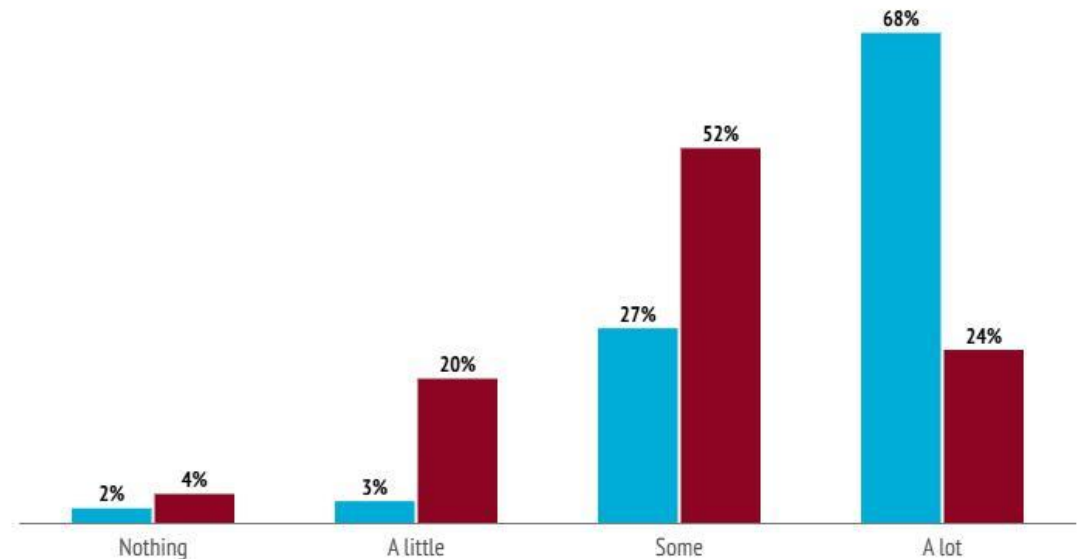
Completely disagree Somewhat disagree Somewhat agree Completely agree



1 in 4 school leaders understand little or nothing about purchasing

How much do you know about the purchasing process in your district?

District Leaders School Leaders





Next Steps: Revision of
Procurement Process