

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Education
Niskayuna Central School District
1239 Van Antwerp Road
Niskayuna, NY 12309-5317

We have performed the procedures enumerated below on the records of Niskayuna Central School District (the District). The District is responsible for the completeness and accuracy of its records.

The Niskayuna Central School District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report, and as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and associated findings are:

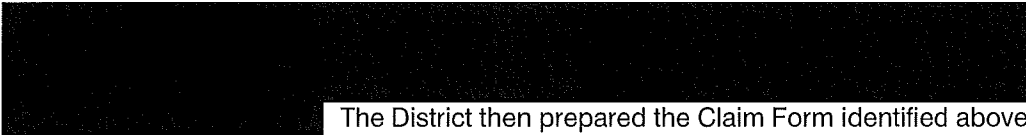
1. Determine requirement to competitively bid professional services.

Findings: Under District Policy 5411 Procurement of Goods and Services adopted December 11, 2018 (current policy), Professional Services, which explicitly includes architects, are not required to be competitively bid. A board resolution was passed on October 6, 2020, related to undertaking a Capital Project at District Buildings and made reference to King & King Architects throughout the resolution. This policy is consistent with guidance from the New York State Education Department Purchasing Handbook, Chapter IV Competitive Purchasing which identifies "professional service contracts such as insurance, electricity, water, or services performed by engineers, architects, and attorneys" as items that are not subject to the Competitive Bidding requirements of GML 5-A.

2. Review all documentation including purchase order, invoice, AIA document, claim form, requisition forms or any other relevant documentation related to any requisition or payment request to King & King Architects made between July 1, 2020 through September 24, 2021 for approval and compliance with District policies.

Findings: Upon review of all payments made to King & King Architects between July 1, 2020 and June 30, 2021 we noted seven checks paid to King & King Architects that related to the 2020 Building Conditions Survey and Long-Range Plan Purchase Order 43473 dated March 5, 2020 and reviewed the related contract. The payments liquidated the entire approved \$180,000 purchase order and all payments were approved by the Claims Auditor. Additionally, there was \$2,500 paid on a \$15,000 Purchase Order 44227 dated July 18, 2020 related to modular conference rooms and a \$3,103.58 payment made pursuant to a \$420,000 Purchase Order 39826 dated November 13, 2018 related to 1301 Hillside Avenue. Both of these payments were accompanied by approved purchase orders and invoices.

We noted no payments after June 30, 2021 to King & King Architects. One Claim Form, for \$1,577,900, however, was presented for payment. Documentation provided with the Claim Form consisted of a purchase order prepared by King & King Architects, a summary of work performed to date by King & King Architects and a draft version of an AIA contract with King & King Architects. The Claim Form was authorized by the Superintendent and Director of Business and Finance in September 2021. Since the Claim Form was not accompanied by a District Purchase Order, formal invoice, or executed contract, the Purchasing Agent and Claims Auditor of the District did not approve the \$1,577,900 payment.



The District then prepared the Claim Form identified above. They did not prepare a District Purchase Order.

Based on the pattern of events noted above, the District has issued Purchase Orders and made payments based on invoices to this vendor for a number of projects over the past year. For this reason, the request of \$1,577,900 payment to King & King Architects without an approved District purchase order or invoice, deviated from standard procedures that had been routinely followed.

3. Review annual conflict of interest forms from business office employees and Board of Education members for disclosure of related parties.

Findings: Discussions with the District Clerk indicated there have been no reported conflicts of interest from Business Office employees or the Board of Education to her knowledge.

4. Review documentation related to how the District selected King & King Architects as an "economical and prudent use of public monies", in accordance with District Policy 5411.

Findings: There was a Board resolution passed on September 15, 2020 related to undertaking a Capital Project at District Buildings and made reference to King & King Architects throughout the resolution. Additionally, it is noted that at the September 4, 2018 Board of Education meeting, King & King Architects were appointed as Architects for the District.

Under Policy 5411 Procurement of Goods and Services adopted December 11, 2018, there is a requirement related to professional services that are not competitively bid as follows: "In order to procure professional services, and avoid the appearance of favoritism or impropriety, the District will document its selection process to demonstrate its economical and prudent use of public monies and to ensure fair competition."

Under the previous version of Policy 5411 Procurement of Goods and Services adopted June 7, 2016 (the policy in place at the appointment of King & King Architects 9/4/18), there was no explicit requirement to document the selection process for services that were not competitively bid.

Current Policy 5411 is silent to if there is a requirement to document the selection process if an appointment for professional services is renewed annually. Based on discussion with the Director of Business and Finance, they do not provide annual justifications for any District professional service non-competitively bid (attorneys, fiscal advisors, etc.)

We were engaged by the Niskayuna Central School District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the District records. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Niskayuna Central School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Niskayuna Central School District Board of Education members and is not intended to be and should not be used by anyone other than the specified party.

Marvin and Company, P.C.

Latham, NY
October 4, 2021