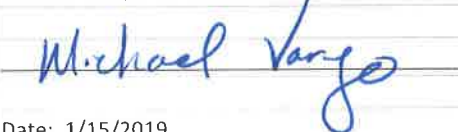


KINDERHOOK CSD OSC AUDIT: CORRECTIVE ACTION PLAN FOR PROCUREMENT

| Audit Period | Procurement Type | OSC Findings | Kinderhook Response to OSC Findings | Kinderhook Corrective Action Plan | Target Complete Date | Status | Contact |
|----------------------|------------------|--|--|---|----------------------|-----------|--------------------------------|
| 7/1/2016 - 11/9/2017 | Purchasing | Boiler Maintenance: There was no bidding done in the amount of \$7,660 | This was considered an emergency purchase. There was a cracked boiler section. If this was not fixed immediately District would have been left with no back up if the other boiler section failed. Since this occurred in the winter heating season, it was deemed an emergency purchase. Bid process per policy was re-implemented in 2017-18 | In the future the District will avoid a similar oversight by implementing the following: 1. Periodic review of the purchasing policy by the District's Policy Committee to ensure proper purchasing criteria are in place. 2. Annual review of purchasing policy by Directors/Principals, the Purchasing Agent and Claims Auditor 3. All emergency purchases will require written explanation and documentation. | 2/1/2019 | Completed | Michael Brennan, Steve Marotta |
| 7/1/2016 - 11/9/2017 | Purchasing | Gas & Diesel Purchasing: There are no recorded bids for \$6,064 of purchases | Although bidding didn't occur with this purchase, the vendor selected was under the State Contracting price resulting in a financial savings to the District. Bid process per policy was re-implemented in 2017-18 | In the future the District will avoid a similar oversight by implementing the following: 1. Periodic review of the purchasing policy by the District's Policy Committee to ensure proper purchasing criteria are in place. 2. Annual review of purchasing policy by Directors/Principals, the Purchasing Agent and Claims Auditor 3. All fuel purchased by State Contract will be reviewed annual to confirm competitive pricing is maximized. | 2/1/2019 | Completed | Michael Brennan, Dan Doyle |

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|----------------------|-----------------------|---|---|---|-----------|-----------|--------------------------------|--|--|
| 7/1/2016 - 11/9/2017 | Purchasing | Propane Purchasing: There are no recorded bids for \$4,450 of purchases. | Propane was initially bid in 2010 with a 4-year annual option to extend the contract. District did not realize that the extensions had expired. However, the District can confirm that the propane purchase was less expensive than the State Contract offer, which resulted in a financial savings to the District. Additionally, bid process was re-implemented in 2017-18. | In the future the District will avoid a similar oversight by implementing the following: 1. Periodic review of the purchasing policy by the District's Policy Committee to ensure proper purchasing criteria are in place. 2. Annual review of purchasing policy by Directors/Principals, the Purchasing Agent and Claims Auditor 3. All fuel purchased by State Contract will be reviewed annual to confirm competitive pricing is maximized. | 6/30/2017 | Completed | Michael Brennan, Steve Marotta | | |
| 7/1/2016 - 11/9/2017 | Professional Services | Attorney Services: District had invoices in the amount of \$40,500 and did not have a recent RFP on file for legal services provided. | The District was in the process of issuing a RFP during OSC's audit. A RFP was issued in the Spring of 2018 and a firm was selected to provide legal services. | In the future the District will avoid a similar oversight by implementing the following: 1. District to create a master list of Professional Services providers including how services were procured and dates of procurement. 2. Review procurement list annually. | 2/1/2019 | Completed | Michael Brennan, Michael Vanyo | | |
| 7/1/2016 - 11/9/2017 | Professional Services | IT Consulting Services: Consultanting Services in the amount of \$20,070. No RFP issued. | The District was without an IT Director and was unable to secure an adequate replacement through Civil Service or BOCES. Therefore, a contract between the BOE and an IT vendor with District familiarity was agreed upon and approved by the BOE to fill this need. As of 6/30/2018, the District terminated its agreement with the prior IT consulting firm and secured services through BOCES (NERIC). | In the future the District will avoid a similar oversight by implementing the following: 1. District to create a master list of Professional Services providers including how services were procured and dates of procurement. 2. Review procurement list annually. | 2/1/2019 | Completed | Michael Brennan | | |
| | | | Michael Vanyo, Kinderhook CSD Superintendent  | | | | | | |
| | | | Date: 1/15/2019 | | | | | | |