



State of New Jersey

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

OFFICE OF THE STATE COMPTROLLER
P.O. BOX 024
TRENTON, NJ 08625-0024
(609) 984-2888

KEVIN D. WALSH
Acting State Comptroller

August 30, 2022

**VIA CERTIFIED MAIL-
RETURN RECEIPT REQUESTED AND ELECTRONIC MAIL**

Daniel Del Vecchio, Superintendent
Camden County Educational Services Commission
225 White Horse Avenue
Clementon, NJ 08021

Dear Superintendent Del Vecchio:

This letter is issued by the New Jersey Office of the State Comptroller (OSC) to the Camden County Educational Services Commission (CCESC) to address violations of *N.J.S.A. 52:15C-10* related to five procurements issued by CCESC from January 1, 2019 to May 6, 2021.

OSC's Procurement Division recently conducted a survey of all Educational Service Commissions (ESCs) operating in the State of New Jersey. The survey requested each ESC to provide information on any contract awarded above the value of \$500,000 from January 1, 2019 to May 6, 2021 pursuant to OSC authority in *N.J.S.A. 52:15C-1 et seq.* Based on the information provided by CCESC, five violations involving contracts valued at a total of approximately \$54.4 million were identified and are outlined below.

*N.J.S.A. 52:15C-10(b)*¹ requires CCESC to submit to OSC notice and appropriate documentation of any procurement expected to be greater than \$12.5 million, at least 30 days prior to advertisement. We refer to these required procurement submissions as Pre-advertisement Reviews. CCESC's survey response revealed its failure to comply with the statutory mandate for Pre-advertisement Review in one instance:

1. Procurement for "General Construction Repairs" awarded for \$12,499,999 on March 15, 2019

N.J.S.A. 52:15C-10(a) requires CCESC to submit to OSC notice and appropriate documentation of any procurement awarded with a value of more than \$2.5 million, but less than

¹ As of July 1, 2020, OSC's review thresholds were adjusted pursuant to *N.J.S.A. 52:15C-10(d)* such that the \$10 million threshold was changed to \$12.5 million and the \$2 million threshold was changed to \$2.5 million.

\$12.5 million, within 20 days of the procurement award. We refer to these required submissions as Post-award Reviews. CCESC's survey response revealed its failure to comply with the statutory mandate for Post-award Review in four instances:

1. Procurement for "Communications Systems" awarded for \$12,499,999 on July 1, 2020;
2. Procurement for "Student Transportation Services" awarded for \$4,399,686 on September 1, 2020;
3. Procurement for "Automated Building Systems" awarded for \$12,499,999 on March 1, 2021; and
4. Procurement for "Groundskeeping [&] Turf Management" awarded for \$12,499,999 on March 3, 2021.

OSC notes that CCESC submitted three contracts during the survey period, all valued at \$12,499,999, just under the OSC Pre-advertisement review threshold for Post-award review. OSC's concern regarding contract valuation was addressed in correspondence and communications separate from this survey. Since the May 6, 2021 letter, CCESC has submitted one contract for Pre-advertisement review.

The Pre-advertisement and Post-award Reviews conducted by OSC under state law are designed to protect public funds and to prevent the sorts of abuses that undermine public confidence in government. As discussed in *N.J.S.A. 52:15C-1*, these contract reviews exist because in 2007 the Legislature elected "to subject governmental financial activities to uniform, meaningful, and systematic public scrutiny[.]" finding that oversight of public contracting would "strengthen public accountability with the goal of increasing public trust and confidence that every tax dollar collected by government is spent wisely and well[.]" The Legislature's efforts to protect taxpayers through contract reviews has been substantially disregarded by CCESC.

The facts and findings in this letter may be finalized and made public in accordance with *N.J.S.A. 52:15C-11* and *N.J.S.A. 52:15C-10*. OSC will consider any comments submitted by CCESC in response to this letter prior to making the findings public. Please respond with any comments to this letter in writing no later than September 13, 2022.

Thank you for your attention to this matter.

Very truly yours,

KEVIN D. WALSH
ACTING STATE COMPTROLLER

By: Barbara D. Geary
Barbara D. Geary
Director, Procurement Division

c: Patrick Madden, Business Administrator (via electronic mail)