



TO: Mr. Danial Haven Jr.  
Fiscal Practices Manager

FROM: Mrs. Sherri Mathews-Hazel, CPA   
Chief Financial Officer

DATE: October 1, 2024

RE: **Richland County School District One Recovery Plan**

Richland County School District One ("The District") provides the following in response to the South Carolina Department of Education report, dated August 2, 2024:

**Section H. Findings and Recommendations – Procurement of Construction Management Services**

**Finding Sec. IV – 1:** The *District 2001 Code* in effect during the VFELC procurement process lacked *Article 9 Construction, Architect-Engineer, Construction Management, and Land Surveying Services* of the *CPC* (SC Code of Laws, §11-35-2910 through 3245) and therefore was not sufficient to govern the VFELC procurement process.

**District Recovery Plan:**

*The District adopted the State Model Code, effective July 1, 2022, approved by the State Fiscal Accountability Authority Division (SFAA) of Procurement Services (DPS). There has been no additional "new build" type construction initiated since this project. Projects henceforth have been in compliance with Richland One Article 9 guidance regarding Construction according to SC Code 11-35-3020 procurement procedures. The district's recovery plan includes but is not limited to the following:*

- Procurement officials will engage in professional development courses beginning September 19, 2024, plus other courses offered through State Fiscal Authority and Accountability (SFAA).*
- Procurement officials will engage in internal training with Procurement team to include Procurement Code review for understanding; Training will be ongoing during monthly staff meetings and special sessions.*
- An external certified professional accountant (CPA) firm will conduct professional training addressing the State Procurement Code during current fiscal year.*
- An external CPA firm will assess and review procurement internal controls.*

**Finding Sec. IV – 2:** The District did not have a procurement code that was consistent with the CPC and therefore, the District was subject to the CPC.

**District Recovery Plan:**

*The District adopted the State Model Code effective July 1, 2022, and is currently in compliance for all procurements.*

**Finding Sec. IV – 3:** The procurement processes the District utilized for the VFELC procurement did not comply with the requirements of the CPC and the State Manual and the District did not seek approvals from the OSE as required by the CPC and the State Manual.

**District Recovery Plan:**

*Procurement officials will follow the requirements outlined through the SC Consolidated Code and State manual to include obtaining the required approval pertaining to construction procurements as applicable.*

**Finding Sec. IV – 4:** The District published an Intent to Award that awarded contracts to two contractors to provide the same services on one project, an action that was not permissible by state statute.

**District Recovery Plan:**

*The District did not award contracts to two contractors for the same services on one project.*

*The District contract was structured to qualify two vendors to construct multiple learning centers. (See below transcript excerpt from board meeting dated August 8, 2023)*

*“The Board of School Commissioners approved a contract with Contract Construction for the pre-construction phase of the VFELC on August 8, 2023”.*

*The item was approved by a 4-2 vote.*

*There were no projects associated with the Intent to Award as it was applicable to the Construction Manager at Risk (CM-R) services only.*

**Finding Sec. IV – 5:** The District mismanaged the \$31 million allocated by the Board for the “Early Childhood Center LR” on 12/13/22 by awarding an unauthorized procurement.

**Recommendation Sec. IV – 5:** The District should rectify the situation in accordance as required by [SC Code of Regulations, §19-445.2015](#) “Unauthorized or Illegal Procurements.”

**District Recovery Plan:**

*The SIG reported there were no criminal activity or indication of fraudulent activity. The Board of School Commissioners voted and approved to ratify the construction procurement on August 9, 2024. (See below transcript excerpt from board meeting dated August 9, 2024)*

*“Administration recommends ratifying the contract with Contract Construction in accordance with the SIG recommendation under SC Regulation 19-445.2015”*

*The item was approved by a 4-2 vote.*

**Finding Sec. IV – 6:** The District mismanaged the retention of the CM-R services bid file for the VFELC, putting the District at risk of violating the Chapter 12 §902.21 of the SC Code of Regulations.

**Recommendation Sec. IV – 6:** The District should implement internal controls to ensure all bid files required to be retained be stored in a matter that is retrievable and accessible.

**District Recovery Plan:**

*The District has strengthened and modified the retention system where the procurement records are digitized, secured, retrievable and accessible. The District’s recovery plan includes but is not limited to, the following actions:*

*Procurement staff has modified the current retention system file checklist for all procurement contract files has been modified to ensure all elements for solicitation are identified and included for compliance.*

*Procurement staff has modified the current internal file system to ensure accessibility for audit compliance.*

**None-Procurement Issues:**

*The District was requested to address non-procurement matters in the recovery plan. The District has asked the State Department for clarification as it relates to those matters. Once additional information is provided, the recovery plan will be revised to reflect a detailed course of action for the remaining items.*

Cc Dr. Aaron Bishop, Chairman  
Dr. Craig Witherspoon, Superintendent