

STERLING HIGH SCHOOL DISTRICT
801 PRESTON AVENUE, SUITE B • SOMERDALE, NEW JERSEY 08083-2149
Phone: 856-784-3545 Fax: 856-784-7823

December 22, 2016

Ms. Jean Grubb
School Business Administrator
Black Horse Pike Regional School District
580 Erial Rd.
Blackwood, NJ 08012

RE: ROD Grant Projects

Dear Ms. Grubb:

I am writing to advise of the outcome of an investigation undertaken by the New Jersey Department of Education, Office of Fiscal Accountability and Compliance (“OFAC”), relevant to the work performed at your District through a shared services agreement with Sterling Regional High School District Board of Education (“Sterling”) d/b/a South Jersey Technology Partners (“SJTP”).

The New Jersey School Development Authority (“SDA”) notified OFAC of a potential violation of the Public School Contracts Law, N.J.S.A. 18A:18A-21(c)(2) (“PSCL”), in connection with the SDA’s review of the reimbursement requests submitted by school districts in connection with Regular Operating District grants (“ROD grants”). OFAC’s resulting investigation, and Sterling’s internal investigation, showed that there were three bids advertised by Sterling for which notice of certain addenda was transmitted less than the statutorily mandated seven (7) business days prior to the opening of the bid. OFAC’s investigation concluded that the bid process was otherwise compliant, and the addenda was transmitted to all bidders, none of whom objected. Accordingly, OFAC did not seek a withholding of State funds, and instead required Sterling to adopt a Corrective Action Plan.

As required by OFAC, Sterling reviewed and publicly discussed the findings of OFAC’s investigation, and thereafter adopted a Corrective Action Plan. A copy of the OFAC investigation report is enclosed here, as well as the Corrective Action Plan and resolution adopted by Sterling in response to the report.

You are receiving this letter because some, or all, of the work performed at your District, through your District’s shared services agreement with Sterling, may have been procured through one of the bids affected by this issue. Sterling has been advised by OFAC that your Board should review the Corrective Action Plan, read it into the record at a public Board Meeting, and provide us with a certified copy of the minutes from the meeting, evidencing the receipt and review of the Corrective Action Plan. Your Board does not need to adopt a Corrective Action Plan.

Upon receipt, Sterling will provide copies of the certified minutes to the SDA. SDA's ROD grant reimbursement request procedure requires SDA to review any outstanding PSCL violation, and determine whether the violation has been addressed. The certified minutes are intended to provide confirmation to SDA that your District is aware of, and has satisfactorily addressed this issue.

We appreciate your patience and understanding as we work to address this issue on behalf of all our partner districts. Should you have any questions, please do not hesitate to contact my office, or have your counsel contact our solicitor, Alicia Hoffmeyer, Esquire, of the Comegno Law Group, P.C., at (856) 234-4114.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mark Napoleon', with a stylized flourish at the end.

Mark Napoleon
Superintendent

c: Francesco Frangella (via email w/enc. at Francesco.Frangella@doe.state.nj.us)
Kathleen Alexander (via email w/enc. at KAlexander@njsda.gov)
Alicia Hoffmeyer (via email w/enc. at ahoffmeyer@comegnolaw.com)



State of New Jersey
DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

KIMBERLEY HARRINGTON
Acting Commissioner

November 18, 2016

Ms. Louise Barikian, President
Sterling High School Board of Education
501 S Warwick Road
Somerdale, NJ 08083

Dear Ms. Barikian:

SUBJECT: Sterling High School – Public School Contracts Law Violation
OFAC Case #INV-041-16

The Department of Education, Office of Fiscal Accountability and Compliance completed a review of the timing of the notice of addenda to the bid specifications for the June 2014 General Bid, February 2015 Security and Controls Bid, and the January 2015 General Bid at various school districts associated with Sterling High School, South Jersey Technology Partnership. The review was initiated upon notification by the New Jersey School Development Authority of a potential violation of the Public School Contracts Law, N.J.S.A. 18A:18A-21c.(2) – Notice of revisions or addenda to advertisements. The results of the review, confirming that the timing of the notice was noncompliant with the aforementioned statute, are detailed in the attached report. Please provide a copy for each board member.

Utilizing the process outlined in the attached “Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process,” the Sterling High School Board of Education is required pursuant to N.J.A.C. 6A:23A-5.6, to publicly review and discuss the findings in this report at a public board meeting no later than 30 days after receipt of the report. Within 30 days of the public meeting, the board must adopt a resolution certifying that the findings were discussed at a public meeting and the board approved a corrective action plan which addresses the findings raised in the report and/or submit an appeal of any findings in dispute. A copy of the resolution and the approved corrective action plan and/or notice of intent to appeal must be sent to this office within 10 days of adoption by the board. Direct your response to my attention.

Also, pursuant to N.J.A.C. 6A:23A-5.6(c), you must post the findings of the report and the board’s corrective action plan on your school district’s website. Should you have any questions, please contact Thomas C. Martin, Manager, Investigations Unit, at (609) 633-9615.

Sincerely,

Robert J. Cicchino, Director
Office of Fiscal Accountability and Compliance

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Attachments

www.nj.gov/education

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STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE
INVESTIGATIONS UNIT

STERLING HIGH SCHOOL
ADDENDA BIDDING NOTICE REVIEW
OFAC CASE #INV-041-16

REPORT OF EXAMINATION
NOVEMBER 2016

INVESTIGATIVE SUMMARY

The Department of Education, Office of Fiscal Accountability and Compliance (OFAC) received notification from the New Jersey School Development Authority (SDA) of a potential violation of the Public School Contracts Law, N.J.S.A. 18A:18A-21(c)(2) – Notice of revisions or addenda to advertisements.

South Jersey Technology Partnership (SJTP) is a shared services organization of Sterling High School (District) which provides services, including construction, to participating school districts. The District initiated a June 2014 General Bid, a February 2015 Security and Controls Bid, and a January 2015 General Bid for districts utilizing the District's shared services program.

The notification by the SDA indicated the subsequent addendums to the above bids specifications was forwarded to bidders. However, the requisite seven day notice requirement attached to the addenda was not adhered to. The OFAC conducted a review of the timing of the notice of addenda to the bids specifications for the project. As a result of that review, the following was noted:

SJTP advertised for the solicitation of competitive bids for various construction projects. The bids solicitation included a notice that SJTP would accept sealed bids to be opened on specific dates of the respective bids. Addendums were issued on all three bids to each prospective bidder citing revisions, modifications or clarifications to the bid specification documents.

N.J.S.A. 18A:18A-21c.(2) provides:

“For all contracts for construction work, notice shall be provided no later than seven days, Saturdays, Sundays, or holidays excepted, prior to the date for acceptance of bids, [Emphasis added.] to any person who has submitted a bid or who has received a bid package in any of the following ways: i) in writing by certified mail or ii) by certified facsimile transmission, meaning that the sender's facsimile machine produces a receipt showing date and time of transmission and that the transmission was successful or iii) by a delivery service that provides certification of delivery to the sender.”

Based upon the provisions of the statute, the calculation of the required seven day time period begins on the date notification was made and must exclude Saturdays, Sundays, holidays and the bid opening date. As such, the calculation for the required seven day time period for the addendums on all bids calculated to under the seven required days. .

Conclusion

The District violated provisions of N.J.S.A. 18A:18A-21c.(2) by failing to provide the required seven-business day notice of addendums to bid specifications.

Examination of the bid documents and proposal submissions confirmed that, with the exception of the addenda violation, the bid process was compliant with the provisions of the Public School

Contracts Law pertaining to the bid solicitation. However, the addendum was issued in less than the required seven day time period.

Recommendation

The District must develop and submit to the OFAC a corrective action plan that will identify the procedures the District will implement to ensure future compliance with N.J.S.A. 18A:18A-21c.(2).

Because all bidders were contacted with respect to the District's modifications to the bid specification documents and no objections were made by any of the bidders, the OFAC will not seek a withholding of State funds under the provisions of N.J.A.C. 6A:26-14.1.

Submitted by:



Thomas C. Martin, Manager
Investigations Unit

Approved by:



Robert C. Cicchino, Director
Office of Fiscal Accountability and Compliance

Investigator

Francesco Frangella

STERLING REGIONAL HIGH SCHOOL DISTRICT BOARD OF EDUCATION

WHEREAS, the New Jersey Department of Education, Office of Fiscal Accountability and Compliance (“OFAC”) received notification from the New Jersey School Development Authority (“NJSDA”) of a potential violation of the Public School Contracts Law, N.J.S.A. 18A:18A-21(c)(2) (“PSCL”), in connection with NJSDA’s review of the reimbursement requests submitted by certain school districts in connection with Regular Operating District grants (“ROD grants”); and

WHEREAS, OFAC’s resulting investigations showed PSCL violations related to the untimely notice of Addenda in connection with the SJTP General Bid June 2014, the SJTP General Bid January 2015, and the SJTP Security and Controls Bid February 2015 as follows:

Bid Name	Bid Opening	Date of Addendum
SJTP General Bid June 2014	6.17.2014	6.13.2014
SJTP General Bid January 2015	1.30.2015	1.29.2015
SJTP Security and Controls Bid February 2015	3.4.2015	2.25.2015

WHEREAS, the Board has reviewed and publicly discussed the findings of OFAC investigation INV-041-16 as it relates to the untimely notice of Addendum in connection with the SJTP General Bid June 2014, the SJTP General Bid January 2015, and the SJTP Security and Controls Bid February 2015; and

WHEREAS, the Administration has prepared a Corrective Action Plan for the Board to implement; and

WHEREAS, the Corrective Action Plan shall be transmitted to any school district believed to be affected by the untimely addenda; and

NOW THEREFORE BE IT RESOLVED, that the Board hereby accepts and approves the attached Corrective Action Plan.

Motion: Mr. Hiltner Second: Mr. Smith

Roll Call: Campbell, Condell, Hiltner, Sims, Smith and Barikian voting YES.

This Resolution was adopted by the Sterling Regional High School District Board of Education at a Public Meeting on December 1, 2016.


Elizabeth Giambone, School Business Administration/Board Secretary

Dated: December 1, 2016

Corrective Action Plan

School District Name	County	Date
Sterling High School District	Camden	December 1, 2016
Contact Person	Contact's Telephone Number:	Contact's Email:
Elizabeth M. Giambrone, Business Administrator/Board Secretary	(856) 882-1171	EGiambrone@sterling.k12.nj.us

OFAC Investigation Number	Corrective Action Approved by the Board	Method of Implementation	Individual Responsible for Implementation	Completion Date of Implementation
OFAC Case #INV-041-16.	For all contracts for construction work, notice shall be provided no later than seven (7) days, Saturday, Sundays, or holidays excepted, prior to the date for acceptance of bids, as per N.J.S.A. 18A:18A-21c.(2).	The Business Administrator will coordinate with architects, engineers and other professional service providers to insure that, when issuance of addenda or clarification is required, the District is in compliance with N.J.S.A. 18A:18A-21c.(2).	Elizabeth M. Giambrone, Business Administrator/ Board Secretary	November 3, 2016, going forward.



 CHIEF SCHOOL ADMINISTRATOR

December 1, 2016
 DATE



 BOARD SECRETARY/SCHOOL BUSINESS ADMINISTRATOR

December 1, 2016
 DATE