

Santa Maria-Bonita-school District's Questionable Construction Plan

SUMMARY

After receiving a citizen complaint, the Grand Jury undertook an inquiry into the Santa Maria-Bonita School District contracting fiasco with TurnKey companies. The District undertook approximately 20 projects from 1999 to 2005 involving construction of new buildings and remodeling of others with a total cost of approximately \$100,000,000. The District entered into this extremely complex undertaking The transactions were structured to avoid provision of protective bonds ensuring funds in the event of a default and eliminated almost all checks and balances of the construction process. This report describes the carelessness that resulted in the School District's problems that arose.. It depicts a Board of Education and Superintendent that trusted and relied upon people who did not merit such confidence. This report is a message to public contracting authorities to prevent a breakdown of the requirements that were designed to protect the taxpayer and public contracting entities. The pressure of a rapidly increasing student population does not justify a less than alert approach to construction project arrangements and management.

Their was 1 agency's requested to respond to the "Santa Maria-Bonita School Dustrict..."
Santa Maria-Bonita Board of Education

Santa Maria-Bonita Board of Education Response

Recommendation 1: The Santa Maria-Bonita School District should review the construction and finance transactions related to the TurnKey projects to determine the validity of such transactions.

Response 1: The Santa Maria-Bonita School District has implemented this recommendation. The District has reviewed, via outside auditors, claims analysts, accountants, and legal counsel, the validity of the construction and finance transactions related to the TurnKey projects

Recommendation 2: The Santa Maria-Bonita School District should establish internal procedures with a separation of duties and functions under more then one official to ensure that a proper check and balance procedure exists.

Response 2: The Santa Maria-Bonita School District has implemented this recommendation. Santa Maria-Bonita School District has established internal procedures assigning duties and functions to many officials, thus creating checks and balances over expenditures of District funds.