



Eastport Fire District

Procurement

2025M-50 | September 2025

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Audit Results

Eastport Fire District



Audit Objective

Did the Eastport Fire District (District) Board of Commissioners (Board) seek competition for the procurement of goods and services?

Audit Period

January 1, 2024 – December 31, 2024

Understanding the Audit Area

Generally, fire district (district) purchases should be made in the best interest of the taxpayers. One method for ensuring that goods and services are acquired in a cost-effective manner is to create as much competition as possible. Whether using formal competitive bids in accordance with New York State General Municipal Law (GML), requests for proposals (RFPs) or written and verbal quotes, a well-planned solicitation effort is important to reach as many qualified vendors as possible. Every district must adopt its own policies and procedures for procurement of goods and services not required by law to be competitively bid.

A Board member is responsible for the District's procurement process. During the audit period, the District paid 108 vendors for goods and services totaling \$847,191. This included 11 professional service and insurance vendors paid \$214,672 and 20 vendors paid \$96,955 for purchases that did not require formal competition but required quotes.

Audit Summary

The Board-adopted procurement policy (Policy) addresses the procurement of goods and services not required to be bid. However, the Policy does not provide guidance or encourage competitive methods for the procurement of professional services and insurance. The Board did not use a competitive method such as issuing RFPs or obtaining competitive quotes to procure professional services and insurance coverage from 10 vendors totaling \$203,097. When officials do not seek competition for professional services, they lack assurance that services are procured in the most economical way, in the best interests of the taxpayers.

In addition, the District paid 20 vendors for goods and services totaling \$96,955, without obtaining quotes as required by the Policy. As a result, the District may not have received the best price for the goods and services it purchased.

The report includes three recommendations that, if implemented, will improve District officials' ability to ensure they are receiving the proper quality and pricing for their procurements of goods and services. District officials generally agreed with our recommendations, and their response is included in Appendix B.

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the Office of New York State Comptroller's (OSC) authority as set forth in Article 3 of GML. Our methodology and standards are included in Appendix C.

The Board has the responsibility to initiate corrective action. Pursuant to Section 181-b of New York State Town Law, a written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and forwarded to our office within 90 days. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, Responding to an OSC Audit Report, which you received with the draft audit report. We encourage the Board to make the CAP available for public review.

Procurement Findings and Recommendations

Districts are required by GML Section 104-b to adopt written policies and procedures for procuring goods and services not subject to competitive bidding requirements. Goods and services not required to be competitively bid, such as professional services, must be procured in a manner that ensures the prudent and economic use of public funds in the best interest of the taxpayers. One of the goals of seeking competition is to enable the district to obtain quality goods and services at the lowest possible cost. Seeking competition also guards against favoritism, extravagance and fraud, while allowing interested vendors a fair and equal opportunity to compete.

More details on the criteria used in this report, as well as resources/publications we make available to District officials that can help officials improve the District's procurement practices (Figure 2), are included in Appendix A.

Finding 1 – Officials did not always seek competition for professional services and insurance coverage.

The District's Policy did not encourage using competitive methods when obtaining professional services. The Policy states, "In certain circumstances it may not be in the best interest of the Fire District to solicit quotations." The Policy further states that these services do not readily lend themselves to competitive procurement procedures. This section of the Policy includes professional services or services requiring special or technical skills and insurance coverage and/or services of an insurance broker. However, when officials do not seek competition for professional services, they lack assurance that services are procured in the most economical way, in the best interests of the taxpayers and without favoritism.

During the audit period, the District procured professional services and insurance coverage from 11 vendors totaling \$214,672. While District officials procured annual auditing services totaling \$11,575 by using an RFP process, they did not solicit competition to 10 vendors that provided professional services and insurance coverage totaling \$203,097 (Figure 1).

Further, the District's Policy includes a form that details the required quote thresholds for goods and services, and space to document quotes obtained and exemptions from seeking competition. We were informed by two Board members that District officials reached out to other insurance providers, but it was not

Figure 1: Professional Services and Insurance Coverage Procured Without Competition

Category	Amount
Commercial Insurance	\$58,998
Life Insurance	34,843
Workers Comp Insurance (Volunteer and Employee)	33,732
Medical Services	22,590
Financial Advisement Services	18,265
Information Technology Services	7,985
LOSAP (Length of Service Award Program) Management	7,896
Accounting Services	7,615
Legal Services	6,673
Grant Writing	4,500
Total	\$203,097

documented. Officials could not explain why the form was not used but agreed that it would be a good practice to start using it.

Also, officials stated that different companies have different coverage; therefore, it is difficult to compare. However, using an RFP process can increase officials' awareness of other service providers that may offer similar services at a more favorable cost.

The Treasurer stated the District has used the same attorney for years because the attorney is familiar with the District and his fees are reasonable. As a result, they have used the same attorney for about 20 years. While District officials may be comfortable with their long-term relationships, soliciting these services through a competitive method, such as issuing RFPs, can help provide assurance that quality services are obtained under the most favorable terms and conditions.

Recommendations

1. The Board should update the Policy to provide additional guidance to officials for soliciting competition for professional services and insurance coverage, such as using an RFP process or obtaining quotes.
2. District officials should use the form that is attached to the Policy to document quotes obtained, or the reason for exemption from competition.

Finding 2 – District officials did not follow the District's Policy regarding competitive quotes.

Officials did not obtain competitive quotes in accordance with the District's Policy. According to the District's Policy, purchases of goods and services between \$2,000-\$4,999 require two verbal quotes, and purchases between \$5,000-\$19,999 require three written quotes. We reviewed 24 purchases from 20 vendors that provided goods and services totaling \$96,955. Nineteen purchases required two verbal quotes, and five purchases required three written quotes. District officials did not use the form that is attached to the Policy and, as a result, did not document seeking competition, or the reason for not seeking competition for any of the 24 purchases, such as equipment, repairs, maintenance and sanitation.

At the January 2024 organizational meeting, the Board appointed certain vendors for use throughout the year for specific goods or services. For example, vendors were appointed to provide heating oil, diesel fuel and propane gas without obtaining quotes or documenting any price comparison. The three fuel vendors were paid a total of \$14,598. District officials did not review the vendors' total aggregate amounts to determine whether they should receive additional quotes based on the total dollar amount. The heating oil purchases required three written quotes, and the diesel fuel and propane gas purchases

required two verbal quotes based on the aggregate amounts paid to these vendors. Officials did not seek competition because they were comfortable with the vendors they were using and believed they were receiving a good price.

However, without ensuring that competition is sought in accordance with the Policy, the Board and District officials are not assured that goods and services are acquired at the best price and that purchases are made in the most prudent and economical manner in the best interests of taxpayers.

Recommendation

3. District officials should obtain competitive quotes in accordance with the Policy.

Appendix A: Profile, Criteria and Resources

Profile

The District is located in Suffolk County and provides fire protection services to Eastport, Speonk, Remsenburg and parts of Manorville. The Board is composed of five elected Commissioners, each serving a five-year term. The Board delegated the responsibility of purchasing to a member of the Board.

Criteria – Procurement

GML Section 104-b requires a board to adopt written policies and procedures governing the procurement of goods and services, including professional services, that are not subject to the competitive bidding requirements set forth in GML Section 103. Such policies and procedures help ensure the prudent and economical use of public money, as well as help guard against favoritism, improvidence, extravagance, fraud and abuse. Written procurement policies and procedures also provide guidance to employees involved in the procurement process and help ensure that competition is sought in a reasonable and cost-effective manner. GML permits districts to set forth in their policies the circumstances when, or the types of procurements for which, the district has determined solicitation of alternative proposals or quotations will not be in the district's best interest. Nonetheless, using a competitive method, such as an RFP process to obtain proposals, can help ensure that a district obtains needed qualified services upon the most favorable terms and conditions, and in the best interest of the taxpayers. Although not required by law, a district's procurement policy should also establish a reasonable interval when RFPs should be reissued to obtain proposals, such as for professional services, to increase competition and create potential cost savings.

Officials should also ensure that a district's procurement policy is followed. In addition, it is good practice for management or their designee to periodically review a list of vendors and the cumulative amounts purchased from individual vendors. The review can be used to identify aggregate purchases that may be subject to competition.

The District's Policy states that purchases:





- Between \$1-\$1,999 are solely based on a Board decision,
- Between \$2,000-\$4,999 require two verbal quotations, and
- Between \$5,000-\$19,999 require three written quotations.

Seeking competition helps ensure goods and services are obtained at the best price and guards against favoritism, extravagance and fraud, while allowing interested vendors a fair and equal opportunity to compete.

Additional Procurement Resources

Figure 2: OSC Publications

OSC *Local Government Management Guides* and other informational resources are available on our website to help officials understand and perform their responsibilities and implement effective internal controls.

Seeking Competition in Procurement	The Practice of Internal Controls
<div><div>LOCAL GOVERNMENT MANAGEMENT GUIDE</div><div>Seeking Competition in Procurement</div><div></div><div><div>Office of the New York STATE COMPTROLLER Thomas P. DiNapoli</div><div>Local Government and School Accountability</div></div><div>OPERATIONS SERIES</div></div> <div>https://www.osc.ny.gov/files/local-government/publications/pdf/seeking-competition-in-procurement.pdf</div>	<div><div>LOCAL GOVERNMENT MANAGEMENT GUIDE</div><div>The Practice of Internal Controls</div><div></div><div><div>Office of the New York STATE COMPTROLLER Thomas P. DiNapoli</div><div>Local Government and School Accountability</div></div><div>INTERNAL CONTROLS SERIES</div></div> <div>https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf</div>

In addition, our website can be used to search for audits, resources, publications and training for officials: <https://www.osc.ny.gov/local-government>.

Appendix B: Response From District Officials

**Board of Commissioners
Eastport Fire District
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Eastport, NY 11941**

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Thomas Collins
Ryan King
Paul Massey
Mark Yakaboski

Keith Kostuk, **Secretary**
Francis Mazura, **Treasurer**
Richard Vella, **Deputy Treasurer**
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August 22, 2025

Response to the Audit of The Eastport Fire District
Conducted by representatives of the Office of the New York State Comptroller

Responses to Recommendations

Recommendation #1: The Eastport Fire District Board of Fire Commissioners will update the policy to provide additional guidance to officials for soliciting competition for professional services and insurance coverage, such as using an RFP process or obtaining quotes.

Recommendation #2: The Eastport Fire District Board of Fire Commissioners will utilize the form that is attached to the Policy to document quotes obtained, or the reason for exemption from competition.

Recommendation #3: The Eastport Fire District Board of Fire Commissioners will obtain competitive quotes in accordance with the policy.

Corrective Action Plan

The above responses constitute our Corrective Action Plan which will go into effect immediately.

Note: We do not disagree with the findings of the audit. The Eastport Board of Fire Commissioners finds that they have acted with due diligence with regard to all expenses approved during the 2024 fiscal year. These elements were not reported on each Purchase Order due to the repetitive nature of the purchases, however the district will provide appropriate documentation going forward.

Sincerely,

Edward Schneyer, **Chairman**
Eastport Fire District Board of Fire Commissioners

Appendix C: Audit Methodology and Standards

We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed District officials and reviewed the District's Policy and Board meeting minutes to gain an understanding of the District's procurement process.
- We obtained cash disbursement data and a vendor summary report for the period January 1, 2024 through December 31, 2024. After removing payroll-related payments, 108 vendors totaling \$847,191 remained.
- We selected the 11 vendors that provided professional services and insurance to the District. We reviewed the claims for evidence of competition or quotes and the purchasing form. We requested any RFPs that the District issued.
- We selected all 20 vendors that provided goods and services totaling more than \$2,000 that were subject to competition. We reviewed individual claims to determine whether there were individual purchases over \$2,000, or if total payments in the aggregate would exceed a dollar threshold and require competitive methods. The District made more than one purchase over the quote threshold from some vendors. We determined that 19 purchases required two verbal quotes and five purchases required three written quotes. We reviewed the claims for evidence of competition or quotes and the purchasing form. We requested copies of quotes and completed purchasing forms.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or relevant population size and the sample selected for examination.

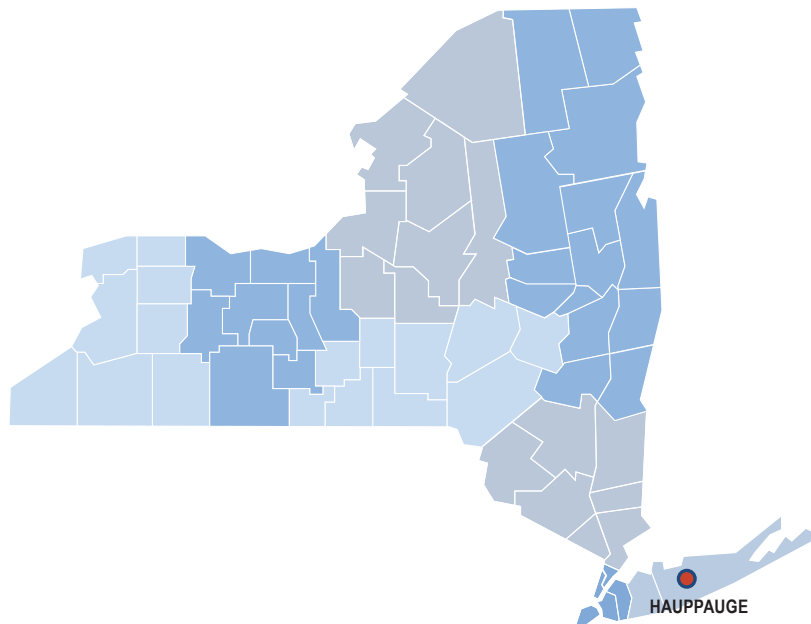
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