New York State Comptroller
THOMAS P. DiNAPOLI

Town of Great Valley

Procurement

November 2026 | 2026M-78
Prepared by the Division of Local Government and School Accountability

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Audit Results

Town of Great Valley

Audit Objective

Did the Town of Great Valley (Town) Board (Board) and officials procure goods and services in accordance with statute and Town policy and avoid prohibited conflicts of interest?

Audit Period

January 1, 2023 – April 2, 2026

Understanding the Audit Area

Procuring goods and services in accordance with applicable statues and a town's procurement policy helps promote competition, safeguard public resources and ensure purchasing decisions are transparent, accountable, made in a town's best interest and maintain public trust in a town's procurement process. It also helps prevent actual or perceived conflicts of interest and ensures decisions are free from personal of financial influence.

The Town Supervisor (Supervisor), Highway Superintendent (Superintendent) and department heads are responsible for making purchases for the Town. During the audit period, the Town paid approximately $3 million for goods and services.

Audit Summary

The Board and Town officials did not always procure goods and services in accordance with statutory requirements set forth in New York State General Municipal Law (GML) or with the Town's Procurement Policy (Policy). In addition, the Supervisor had a prohibited conflict of interest that arose from work he performed during the audit period on Town projects totaling approximately $11,000. As a result, the Town lacked assurance that goods and services were procured in the Town's best interest and under the most favorable terms and conditions, and that procurement decisions were free from prohibited conflicts of interest and personal or financial influence.

For the $2.7 million in goods and services procurements we examined, officials and department heads responsible for purchasing did not:

- Competitively bid, in accordance with GML, for public works contracts totaling approximately $397,000.
- Document seeking competitive quotes or issuing requests for proposals (RFPs) for 55 purchases totaling approximately $219,000, as required by the Policy.
- Use a competitive process before procuring professional services totaling approximately $409,000 and insurance totaling $200,000.

The report includes six recommendations that, if implemented, will improve the Town's procurement process, help prevent prohibited conflicts of interest and provide greater assurance that goods and services are procured in the Town's best interest and under the most favorable terms and conditions. Town officials agreed with our recommendations and have indicated they plan to initiate corrective action. Appendix C includes our comments on issues raised in the Town's response letter.

Procurement: Findings and Recommendations

One of the best methods for acquiring goods and services in a cost-effective manner is to create as much competition as possible before purchasing the goods or services. Whether using formal competitive bids in accordance with GML, RFPs or written and verbal quotes, a well-planned solicitation effort is important to reach as many qualified vendors as possible.

In addition to following the competitive bidding requirements set forth in GML Section 103, a town board is required to develop and adopt procurement policies and procedures, pursuant to GML Section 104-b, for procuring goods and services not required by law to be competitively bid. A town board should also establish policies or procedures to help ensure the purchases do not conflict with GML Article 18, which prohibits municipal officers and employees from having an "interest" in contracts with the municipality for which they serve.

The Town's Policy required officials authorized to make purchases to determine whether the purchase was subject to competitive bidding requirements set forth in GML Section 103. Additionally, the Policy required Town officials to seek formal bids for purchases of supplies or equipment exceeding $10,000 and public work contracts[1] exceeding $20,000, pursuant to GML Section 103.[2]

More details on the criteria used in this report, as well as resources the Office of the New York State Comptroller (OSC) makes available to local officials that can help them improve operations, are included in Appendix A.

Finding 1 – Town officials did not always procure goods and services in accordance with statute and the Town's Policy.

We reviewed purchases of goods and services totaling approximately $2.7 million from January 1, 2023 through October 31, 2025, and determined that Town officials did not always solicit competition in accordance with statutory requirements set forth in GML and the Policy.

Purchases Subject to Bidding Requirements – We reviewed 40 purchase contracts for goods and services totaling approximately $1.4 million to determine whether the Board solicited competition in accordance with the competitive bidding requirements set forth in GML Section 103 and the Policy. The Board did not solicit competitive bids for 13 of the 40 purchases (33 percent) totaling approximately $153,000. This included eight purchases of diesel fuel totaling approximately $67,000, the purchase of an alarm system totaling approximately $29,000, and the purchase of gravel totaling approximately $16,000.

We also reviewed all 30 contracts totaling approximately $488,000 associated with two public works projects to determine whether the Board solicited competition in accordance with the competitive bidding requirements set forth in GML Section 103 and the Policy. These projects included the creation of a Town park and an addition to Town Hall. Both public works projects exceeded $35,000 and officials were required by GML to publicly advertise and competitively bid the projects' purchase contracts. However, the Board did not advertise the projects or solicit competitive bids for 28 contracts totaling approximately $397,000.

The Supervisor and two Board members told us the Board selected vendors based on the limited number of local vendors and the vendors' reputation. They also told us that the Board would not have sought competition in some instances because local contractors were familiar with Town buildings and the Town officials were satisfied with the goods and services vendors provided.

Satisfaction with existing vendors is not a legally defensible reason to deviate from competitive bidding and/or procurement policy requirements. Instead, had the Board sought formal bids, or utilized other statutorily

1 OSC has opined that under GML Section 103, "purchase contracts" involve the acquisition of commodities (e.g., equipment, materials, supplies), while "contracts for public work" encompass services, labor, and construction. See 1987 Ops St Comp No. 87-46.
2 GML Section 103 requires competitive bids for purchase contracts exceeding $20,000 and contracts for public work exceeding $35,000. However, the Board may choose to be more restrictive and set lower thresholds, which was the case in the Town's Policy.

permissible procurement processes,[3] the Board may have saved Town resources and helped eliminate excessive spending. For example, we compared diesel and unleaded fuel purchased by the Superintendent during the audit period, totaling approximately $89,000, with diesel and unleaded fuel contracts awarded by the New York State Office of General Services (OGS) and determined that, had the Superintendent utilized OGS contracts,[4] the Town could have potentially saved more than $8,000 (9 percent) on these purchases.

Purchases Subject to RFPs and Quotes – We reviewed 69 purchases, totaling approximately $245,000, which were subject to competitive requirements other than formal bidding under the Town's Policy, to determine whether the Board properly sought competition in accordance with the Policy for purchases not subject to competitive bidding requirements.[5] Town officials did not have adequate documentation indicating they sought competition for 55 of the 69 purchases (80 percent) totaling approximately $219,000. These purchases included goods and services such as property and building maintenance, auto parts, tires and vehicle and equipment fuel (Figure 1).

Figure 1: Purchases Without RFPs or Quotes

Purchase Categories	Cost
Property and Building Maintenance	$50,000
Buildings and Garage Supplies	34,000
Auto Parts and Tires	30,000
Recreation Activities	27,000
Office Supplies and Subscriptions	22,000
Vehicle and Equipment Fuel	21,000
Tools and Equipment	20,000
Uniforms	15,000
Total	**$219,000**

The Supervisor and two Board members told us the Board obtained quotes for purchases, but they did not know that officials needed to retain this documentation. However, the Policy was reviewed and adopted annually and included provisions detailing that officials had to maintain and file documentation for competitive purchasing to support purchase activity. Specifically, the Policy reads: "All information gathered in complying with the procedures of this Guideline [requiring RFPs/quotes] shall be preserved and filed with the documentation supporting the subsequent purchase or public works contract."

Professional Services and Insurance Coverage – While the procurement of professional services is a well-established exception to statutory competitive bidding requirements, GML Section 104-b requires towns to adopt policies and procedures governing the procurement of goods and services, such as professional services, when competitive bidding is not required. The Policy did not require the use of competitive methods when obtaining professional services or insurance coverage. As a best practice, to promote transparency and competition, the Board should periodically issue RFPs or obtain quotes before re-awarding contracts for professional services and/or insurance coverage.

Because the Policy did not require officials to solicit competition for professional services or insurance coverage, the Board did not seek competition, such as issuing RFPs or obtaining written or verbal quotes, before procuring professional services totaling approximately $409,000 (Figure 2) or insurance coverage totaling approximately $200,000.

3 GML sets forth certain exceptions to the competitive bidding requirements. One exception, often referred to as piggybacking, allows towns to procure certain goods through the use of other governmental contracts.

4 To obtain the contract pricing offered through OGS, officials would need to submit the District's necessary fuel requirements for the upcoming contract period, prior to awarding the contracts, or reach an agreement with the OGS contract vendor.

5 Purchases made either during each fiscal year or 12-month periods within the testing period did not equal the monetary thresholds that required mandatory bidding pursuant to GML Section 103 or the Town's Policy.

Figure 2: Professional Services

Service Categories	Cost
Accounting	$156,000
Engineering	80,000
Legal	64,000
Assessment	61,000
Information Technology	44,000
Mechanical	4,250
Total	**$409,250**

Although the Supervisor and three Board members indicated that Town officials were satisfied with the Town's current professional service providers and insurance coverage, using a competitive process to obtain proposals or quotes increases the awareness of other professional service or insurance providers who could offer similar services at more favorable rates, could result in existing professional service and insurance providers offering more favorable terms, and helps assure taxpayers that procurements are made in their best interests.

Recommendations

1. The Board and Town officials should comply with statutory bidding requirements and the Policy when procuring goods and services.

2. The Board should update the Policy to provide guidance to officials and department heads for soliciting competition for professional services and insurance coverage, such as periodically using an RFP process or obtaining written or verbal quotes.

3. Town officials should adhere to the Policy by retaining supporting documentation of the actions taken when procuring goods and services.

Finding 2 – Town officials did not avoid conflicts of interest.

During the audit period, the Board approved approximately $11,000 in payments to the Supervisor for his operation of heavy equipment on several Town-property maintenance projects. This included grading a public park, shaping a parking lot, placing large rocks along the new parking lot at Town Hall, and cleaning up a condemned building within the Town.

The invoices submitted by the Supervisor for services performed during the audit period were agreements for services purchased by the Town and, therefore, "contracts" for purposes of GML Article 18. The Supervisor had an "interest" in the contracts because he received a direct monetary or material benefit from them; checks were made payable to the Supervisor in his individual capacity, as "vendor." Additionally, the Supervisor had one or more of the powers or duties set forth in GML Section 801, such as approving payment under the contracts and/or auditing the vouchers as a member of the Board. Therefore, because no statutory exception appeared to apply, the Supervisor had a prohibited interest in the contracts.

The Supervisor told us he was unaware that the work he performed was a conflict of interest. He told us he contacted local contractors to perform the work, but was informed that they were either too busy or that the jobs were too small for them to be interested. However, the Supervisor could not provide any formal documentation to support this statement.

Additionally, the Board did not adopt a code of ethics policy for Town officials that would have established standards of conduct and helped to define and identify potential conflicts of interest. The Supervisor and two Board members told us they did not adopt a code of ethics policy because they were unaware it was required by law.

When officials, in their private capacities, conduct business with the municipality they serve, the public may question the appropriateness of these transactions.

Recommendations

The Board should:

4. Attend training specifically for their responsibilities of creating and adopting required policies.

5. Develop and adopt a code of ethics policy, as required by GML, to communicate the expected standard of conduct to Town officials and employees.

6. Ensure Town officials and employees are familiar with, and follow, the requirements of GML Article 18 relating to conflicts of interest.

This audit was conducted pursuant to Article V, Section 1 of the State Constitution and OSC's authority as set forth in Article 3 of GML. The audit's methodology and standards are included in Appendix D.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and provided to OSC within 90 days, pursuant to Section 35 of GML. For more information on preparing and filing the CAP, please refer to the OSC brochure, *Responding to an OSC Audit Report*, which was provided with the draft audit report. The Board is encouraged to make the CAP available for public review in the Clerk's office.

Appendix A: Profile, Criteria and Resources

Profile

The Town, located in Cattaraugus County, is governed by the elected five-member Board, which is composed of the Supervisor and four Board members. The Board is responsible for the general management and oversight of Town operations and financial affairs, including verifying compliance with GML and policy thresholds for purchasing. The Supervisor serves as the chief executive officer and fiscal officer and is responsible for overseeing day-to-day financial activities.

The Town has approximately 1,900 residents and covers approximately 50 square miles. The adopted 2025 budget totaled approximately $3.5 million. The Town provides services including road maintenance, water, sewer and general government support.

Criteria

In accordance with GML Section 103, towns are generally required to advertise competitive bids for purchase contracts exceeding $20,000 and public works contracts exceeding $35,000. To determine whether competitive bidding is necessary, town officials must consider whether the aggregate cost of a good or service within a 12-month period will exceed competitive bidding thresholds. The timeline for the aggregate cost determination should start from the first purchase date of the goods or service. The Town can use the prior year's expenditures as a method to estimate whether the purchase will exceed the bid limit for the current year. In lieu of soliciting competitive bids, towns may use other publicly awarded government contracts, such as those of a county or State contract.

GML Section 104-b requires a board to adopt written policies and procedures for procuring goods and services that are not required to be competitively bid and annually review the policies and procedures. Purchases of goods and services not subject to competitive bidding requirements must be procured in a manner that helps ensure the prudent and economical use of town money, and helps protect against favoritism, extravagance, fraud or corruption.

Issuing RFPs or obtaining written or verbal quotes are good business practices and effective ways to help ensure that towns receive professional services at the best possible prices. An RFP provides detailed information on the type of service needed and the evaluation criteria used to award the contract. Evaluation criteria can include experience, work plans and methodology used to achieve desired results and estimated completion times. Obtaining professional services through an RFP process helps town officials procure needed services at, and with, the most advantageous terms and conditions. It also helps officials avoid any potential appearance of partiality when awarding these contracts.

The Town's Policy required officials authorized to make purchases to determine whether they must use a competitive bidding process to procure the goods and services. The analysis required by officials applied to any purchase contract that exceeded $10,000, or was expected to exceed $10,000 in the aggregate, for the same good or service within the fiscal year. The analysis also applied to public works contracts exceeding $20,000.

The Policy also indicates that a certain number of proposals or quotes need to be obtained before the purchase, depending on the dollar threshold as follows:

- Purchases greater than $3,000, but less than or equal to $10,000, require issuing a written RFP and/or obtaining written/fax quotes from three vendors.

- Purchases less than or equal to $3,000, but greater than $1,000, require a verbal price request for the goods and services from at least two vendors.

A town board should also ensure contracts do not conflict with GML Article 18, which prohibits municipal officers and employees from having an "interest" in contracts with the municipality for which they serve when

they also have the power or duty, either individually or as a town board member to negotiate, prepare, authorize or approve the contract; to authorize or approve payment under the contract; to audit bills or claims under the contract; or to appoint an officer or employee with any of those powers or duties. For this purpose, a "contract" includes any claim, account, demand against or agreement with a municipality, express or implied. Municipal officers and employees have an interest in a contract when they receive a direct or indirect monetary or material benefit as a result of a contract. Municipal officers and employees are also deemed to have an interest in the contracts of, among others, a corporation of which they are an officer, director or employee, or directly or indirectly own or control any stock.

Additional Resources

OSC's *Local Government Management Guides,* and other informational resources that are available on OSC's website to help officials understand and perform their responsibilities, include:

- *Seeking Competition in Procurement:* *https://www.osc.ny.gov/files/local-government/publications/pdf/seeking-competition-in-procurement.pdf*
- *Fiscal Oversight Responsibilities of the Governing Board:* *https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf*
- *"Piggybacking" Law: Exception to Competitive Bidding:* https://www.osc.ny.gov/files/localgovernment/publications/pdf/piggybacking-law.pdf

In addition, local officials can use OSC's website to search for audits, resources, publications and training for officials at: https://www.osc.ny.gov/local-government

Appendix B: Response From Town Officials

The content below is a reproduced copy of the original response letter issued by Town officials, is reformatted to meet the Americans with Disabilities Act *Web Content Accessibility Guidelines (WCAG)*,[6] and may have included changes to spelling and grammar. The substance of the content was not changed.

Town of Great Valley

To whom it may concern,

We have reviewed and agree with the findings of the audit report and will address all recommendations provided regarding the Town's procurement practices.

The Town has adopted an updated procurement policy, as of March 9, 2026, which addresses statutory bidding requirements and soliciting competition for professional services. The Town will ensure that all officials adhere to the policy and retain all necessary and appropriate supporting documentation.

Additionally, the Town Board will attend training via the OSC Academy for New York State's Local Officials website to ensure understanding of their responsibilities relating to procurement and are familiar with the requirements of GML relating to conflicts of interest. The Town Board will also adopt a code of ethics policy.

We would like to note that, regarding the work performed by the Town Supervisor at the Town parks, it was significantly difficult obtaining quotes for the use of the necessary machinery for the work to be performed. The Supervisor reached out to multiple companies to request a quote for the machinery and work that needed to be done and was told by all companies he reached out to that they did not perform such work or have the necessary equipment [OSC Comment: See Appendix C, Note 1]. Since the Supervisor owned the needed machinery, it was deemed more cost and time effective for the Supervisor to perform the work.

Thank you for your work on the audit. The Town will submit the appropriate corrective action plan addressing each recommendation individually.

Sincerely,

Dan Brown
Supervisor, Town of Great Valley

6 https://www.ada.gov/resources/2024-03-08-web-rule/#highlights-of-the-requirements-in-the-rule

Appendix C: OSC Comments on the Town's Response

Note 1

Although the Supervisor stated he contacted multiple contractors who were unable or uninterested in performing the work, he did not retain documentation supporting these assertions, as required by the Town's Policy. Given the Supervisor's prohibited interest in the contracts and personal financial benefit he received, it was particularly important for officials to comply with the policy and retain documentation demonstrating that the procurement decisions were adequately supported.

Appendix D: Audit Methodology and Standards

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

- We interviewed Town officials and reviewed the Town's procurement policy and procedures and Board meeting minutes to gain an understanding of and evaluate the adequacy of procurement procedures, as well as controls in place to identify prohibited conflicts of interest.

- We used our professional judgment to select purchases from approximately $3 million in purchases between January 1, 2023 and October 31, 2025. We selected and reviewed 170 purchases totaling approximately $2.7 million. Based on threshold limits set in the Town's Policy, we selected all 40 purchases for goods, services and equipment greater than $10,000 totaling approximately $1.4 million, 51 purchases from vendors who received the 20 highest payments for amounts greater than $3,000 but less than $10,000 totaling approximately $209,000, and 18 purchases from vendors who received the 20 highest payments for amounts greater than $1,000 but less than $3,000 totaling approximately $36,000. We also selected all 30 purchases associated with public works contracts totaling approximately $488,000, all 23 professional service purchases totaling approximately $409,000 and all eight insurance purchases totaling approximately $200,000.

- For purchases that exceeded competitive bidding thresholds, we reviewed documentation to determine whether officials sought competition through bids or purchased items through a State or other municipal contract. For other purchase thresholds, we reviewed documentation to determine whether officials sought competition based on the requirements in the Town's Policy and whether the purchase served an appropriate Town purpose. When appropriate documentation was not maintained to demonstrate competition was sought or another acceptable purchasing method was used, we discussed these purchases and vendors with Town officials.

- We reviewed identified professional service and insurance payments with corresponding claim packets and discussed them with officials to determine whether Town officials procured professional services and insurance coverage in a competitive manner through issuing RFPs or by obtaining quotes.

- To determine the amount the Town could have potentially saved by using OGS awarded fuel contracted vendors, we obtained and compared the per gallon rates charged for unleaded and diesel fuel by the Town's vendors against OGS awarded contracts for the claims paid between January 1, 2023 and October 31, 2025.

- We reviewed Town records for all payments made to Town officials and employees between January 1, 2023 and October 31, 2025. We identified a total of 11 payments and spoke with Town employees and officials about these payments and reviewed supporting documentation to determine whether officials complied with GML Article 18.

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

Questions?

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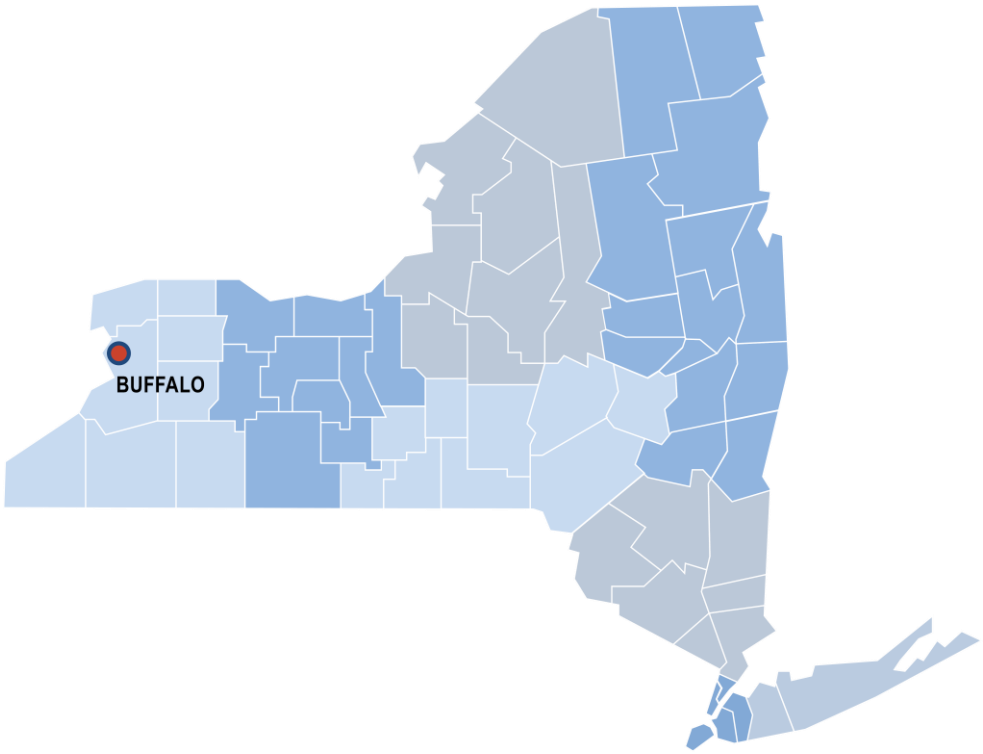

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