New York State Comptroller
THOMAS P. DiNAPOLI

Village of Moravia

Procurement

September 2026 | 2026M-82

Prepared by the Division of Local Government and School Accountability

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Audit Results

Village of Moravia

Audit Objective

Did Village of Moravia (Village) officials seek competition for procuring goods and services?

Audit Period

June 1, 2024 – June 26, 2026.

Understanding the Audit Area

Village officials should seek competition for procuring goods and services to help ensure the best value for taxpayers, prevent conflicts of interest and maintain public trust. Seeking competition also helps guard against favoritism, extravagance and fraud, while allowing interested vendors to have a fair and equal opportunity to compete for the Village's procurement opportunities.

The Village purchased more than $5 million in goods and services during the period June 1, 2024 through August 31, 2025. These procurements included payments totaling approximately $3.2 million for a wastewater treatment plant capital improvement project (capital project).

Audit Summary

Village officials did not always seek competition when procuring goods and services in accordance with statutory requirements set forth in New York State General Municipal Law (GML) and the Village's procurement policy (Policy). When Village officials do not seek competition for, or document the methods used when, procuring goods and services, the Village Board of Trustees (Board) cannot ensure that purchases are made in the most prudent and economical manner, in the Village's and taxpayers' best interests, without favoritism and comply with applicable statutes.

Specifically, Village officials did not have supporting documentation indicating that they sought competition for goods and services totaling more than $1.3 million and procured the goods and services in the most economical manner. Officials did not:

- Competitively bid for purchases totaling $281,444.
- Seek competition for 13 professional services and insurance providers that were paid $992,544.
- Obtain written quotes for 16 purchases totaling $100,176, as required by the Policy.

The report includes four recommendations that, if implemented, will improve the Village's procurement of goods and services to help ensure that purchases are made economically and in the Village's and taxpayers' best interests. Village officials generally agreed with our recommendations, and their response is included in Appendix B.

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

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 GML Section 35. 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.

Procurement: Finding and Recommendations

To help ensure the solicitation of cost-effective goods and services, village officials should seek competition when required by law or the village's procurement policy. Well-planned solicitation efforts for formal competitive bids, issuing requests for proposals (RFPs) or obtaining written quotes are effective ways to reach as many qualified vendors as possible.

Village officials generally are required by GML Section 103 to solicit competitive bids through public advertisement for purchase contracts exceeding $20,000 and public works contracts exceeding $35,000. However, GML has certain exceptions to the competitive bidding requirements. For instance, villages are authorized to make purchases using other publicly awarded government contracts, including county and New York State Office of General Services (OGS) contracts, provided certain prerequisites are met.

In addition, a village board is required by GML Section 104-b to adopt written policies and procedures for procuring goods and services that are not subject to competitive bidding requirements. The Village's Policy indicates how officials should seek competition for purchases that exceed certain dollar thresholds.

More details on the criteria used in this report, as well as resources OSC makes available to local officials that can help them improve operations, are included in Appendix A.

Finding 1 – Village officials did not always seek competition when procuring goods and services.

Village officials procured goods and services totaling more than $5 million from June 1, 2024 through August 31, 2025. We reviewed 137 purchases totaling $4.2 million and determined that Village officials did not always solicit competition in accordance with statutory GML requirements or the Policy.

<u>Competitive Bidding</u> – We reviewed 10 purchases for goods and services totaling approximately $3.1 million, which included payments totaling more than $2.5 million for capital project public works contracts that were subject to GML competitive bidding requirements. We determined that Village officials did not competitively bid purchases totaling $281,444, which included:

- Three vehicles totaling $138,708. Although the Village Police Chief (Police Chief) and Village Treasurer (Treasurer) told us that they thought they were purchasing from an OGS contract (based on the vendor's verbal statement), the vehicles were not purchased from an OGS contract. Village officials should not rely on vendor assertions and instead should review OGS contracts and procedures and retain documentation to support when purchases meet an exception to competitive bidding requirements.
- Purchases for sludge removal services totaling $72,538 and wastewater treatment plant chemicals totaling $33,328. These purchases were not competitively bid because Village officials did not implement procedures to accurately track aggregate purchases that may result in the purchases being subject to GML bidding requirements. The Village Mayor (Mayor), three Board Members, Treasurer, Department of Public Works (DPW) Supervisor, Wastewater Treatment Plant (WTP) Supervisor and Police Chief told us that they were either unaware of, or did not fully understand, the aggregate purchases bidding requirement.
- Two sewer pumps totaling $36,870. The sewer pump purchases were not competitively bid because the Treasurer, Mayor, three Board members, and WTP Supervisor told us that they were not fully aware of what needed to be bid.

<u>Professional Services and Insurance</u> – We reviewed 107 disbursements totaling $992,544 that were paid to 13 professional service and insurance providers and determined that Village officials did not seek any competition when obtaining these services, and the Policy did not include competition requirements for these purchases.

Although there is no legal requirement to do so, Village officials should seek competition when obtaining professional services and insurance. Using an RFP process increases the awareness of other providers who could offer similar services at a more favorable rate, which could result in existing providers providing more favorable terms. It also helps assure taxpayers that Village officials are properly using Village funds to purchase goods and services in their best interests.

Other Purchases Not Subject to Competitive Bidding – We reviewed 20 purchases totaling $108,613 that were not subject to competitive bidding requirements and determined that Village officials did not solicit written quotes for 16 purchases totaling $100,176, as required by the Policy, for items such as uniforms, supplies, ammunition and equipment rentals.

The DPW Supervisor and WTP Supervisor told us that they usually did not obtain quotes because they purchased from local vendors or vendors with which they had good working relationships. However, although the Policy states that the Village encourages purchasing from local vendors, these purchases were not allowable exceptions to the Policy's quote requirement.

The Mayor and Treasurer told us that they were aware that not all purchases had written quotes as required by the Policy. They also said that they were trying to improve Policy compliance, but did not provide adequate explanations for not complying with the Policy for these purchases.

When Village officials do not seek competition or document the methods used to procure goods and services, the Board cannot ensure that Village purchases comply with applicable statutes and are made in the most prudent and economical manner, in the Village's and taxpayers' best interests and without favoritism.

Recommendations

The Board should:

1. Ensure that officials comply with GML and the Policy when procuring goods and services.
2. Amend the Policy to include specific requirements and guidelines to:
   - Ensure that officials use a competitive process, when required, to procure professional services and insurance.
   - Develop and implement procedures to accurately track aggregate purchases of the same goods or services.

The Board and Village officials should:

3. Attend OSC's Seeking Competition in Procurement training, which can be accessed on OSC's website at: https://www.osc.state.ny.us/local-government/academy.

Village officials should:

4. Procure goods and services according to applicable statutes and the Policy and retain sufficient supporting documentation, such as bids and quotes, for all purchases requiring competition.

Appendix A: Profile, Criteria and Resources

Profile

The Village is located in the Town of Moravia in Cayuga County. The Village is governed by the elected five-member Board, which includes the Mayor and four Board members, and is responsible for managing and controlling the Village's financial operations.

The Treasurer serves as the Village's chief fiscal officer and purchasing agent and is responsible for managing the Village's day-to-day financial activities. The Treasurer, Mayor, DPW Supervisor, WTP Supervisor and Police Chief are all allowed to make purchases. The Treasurer prepares and signs all purchase orders, thereby approving purchases before the Board reviews and approves them before payment.

The Village's fiscal year runs from June 1 through May 31.

Criteria

According to GML Section 103, villages generally are required to advertise for competitive bids for purchase contracts exceeding $20,000 and public works contracts exceeding $35,000. When the purchase contract is subject to competitive bidding, village officials should award the contract to the lowest responsible bidder. Also, to determine whether competitive bidding is necessary, village 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 with the first purchase date of the good or service. However, GML sets forth certain exceptions to the competitive bidding requirements. For instance, villages are authorized, as an exception to competitive bidding, to make purchases using other publicly awarded government contracts, including county and OGS contracts, provided certain prerequisites are met.

GML Section 104-b requires a village board to adopt written policies and procedures for procuring goods and services that are not subject to competitive bidding requirements. GML also states that goods and services must be procured prudently, economically and in a manner that is in the taxpayers' best interest and is not influenced by favoritism, extravagance, fraud or corruption. GML does permit a village board to indicate, in its procurement policies, the circumstances or types of procurement for which solicitation of alternative proposals will not be in the village's best interest. The procurement policies also should describe procedures for maintaining documentation to support and verify these actions taken. Using a competitive method, such as an RFP process, can help ensure that a village obtains needed qualified services upon the most favorable terms and conditions and in the best interest of taxpayers.

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 the methodology used to achieve desired results and estimated completion times. Obtaining professional services through an RFP process helps village officials avoid any potential appearance of partiality when awarding these contracts.

The Policy requires Village officials to review every purchase to determine whether it is a purchase contract or a public works contract and whether the purchase is subject to competitive bidding. The Policy requires officials to obtain up to three written quotes when purchasing goods and services exceeding $500 that are not subject to competitive bidding or excluded by the Policy. The Policy also indicates that officials should make a good faith effort to obtain the required number of quotes and should document each action taken.

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

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 Village Officials

The content below is a reproduced copy of the original response letter issued by Village officials, is reformatted to meet the Americans with Disabilities Act *Web Content Accessibility Guidelines (WCAG)*[1] and may include changes to spelling and grammar. The substance of the content was not changed.

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September 8, 2026

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We appreciate the Comptroller's time and attention in conducting this audit and reviewing the Village's operations and practices. We consider the audit process an important opportunity to strengthen our policies, procedures, and overall operations.

We are closely examining the results and recommendations outlined in the audit with our consultants. We are using this review to assist in preparing a revised procurement plan that will meet or exceed the Comptroller's expectations and address the concerns identified through the audit process.

Our goal is to ensure that these changes are practical, sustainable, and consistent with applicable requirements and best practices. The Village is committed to fulfilling its obligations, maintaining accountability, and continuing to serve the public in an effective, responsible, and transparent manner.

The Village has reviewed all your recommendations and will ensure that we are compliant. These efforts will be documented in a corrective action plan, which improve our processes and ensure the Village's commitment to sound governance, accountability, and service to the public.

Sincerely,

Christopher D. Fulton
Mayor, Village of Moravia

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

Appendix C: 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 Village officials and reviewed the Board's meeting minutes and the Policy to gain an understanding of the Village's procurement process.
- We reviewed 1,373 disbursements totaling $5.1 million from June 1, 2024 through August 31, 2025 (the last complete month after audit notification) to identify purchases that were subject and not subject to competitive bidding requirements, which included:
  - 10 purchases totaling $3.1 million that were subject to competitive bidding requirements. We interviewed Village officials and reviewed available procurement documentation to determine whether Village officials complied with competitive bidding statutes and retained sufficient supporting documentation.
  - 107 payments totaling $992,544 paid to 13 professional service and insurance providers. We interviewed Village officials to determine whether they used a competitive process to obtain these services.
  - 20 payments for purchases totaling $108,613 from June 1, 2024 through August 31, 2025. We used our professional judgment to select these 20 purchases. We selected four purchases totaling $70,211 that were greater than $14,999 but less than $20,001 and were not subject to competitive bidding. We used a random number generator to select an additional 16 disbursements totaling $38,402. We reviewed invoices and available procurement documentation (such as quotes and purchase order forms) to determine whether the purchases were for reasonable Village purposes and whether Village officials complied with the Policy when purchasing the goods and services.

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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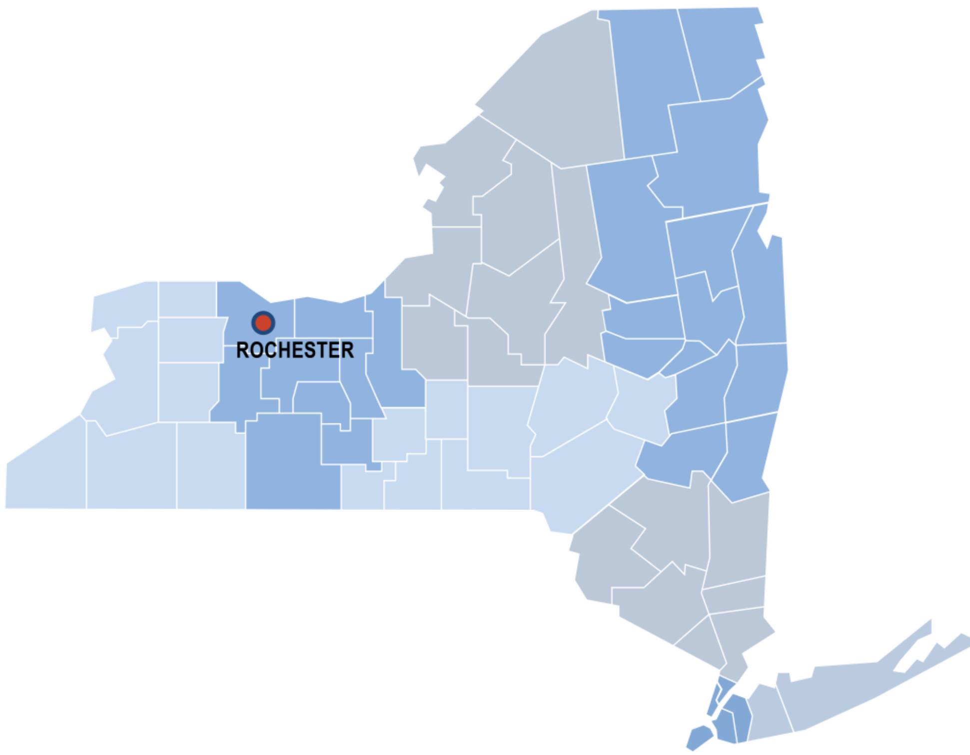

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