



Special Report

Pittsburgh Public Schools Procurement Practices:
A Snapshot from 2024-2025

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Executive Summary

In everything the Controller's Office does, we believe in safeguarding the fiscal health of the City of Pittsburgh and ensuring that taxpayer dollars are used effectively, efficiently, and transparently. We are committed to using data and financial analysis to identify opportunities for improvement, strengthen public integrity, and promote citywide efficiency and accountability.

This report examines procurement practices within Pittsburgh Public Schools (PPS) to assess compliance with established policy and identify opportunities for greater efficiency, transparency, and fiscal responsibility.

According to PPS policies, all contracts for materials, supplies, and work to be done on contract exceeding \$23,800 are subject to a competitive bidding process. Requests for Proposals (RFPs) are to be solicited at the discretion of the Board or administration. However, PPS notes that it is policy to solicit bids and price quotations where they may result in cost savings. Based on publicly available data, PPS has issued 498 contracts totaling over \$96 million, with 44 awarded via a competitive bidding process and only four matched to RFPs since the beginning of 2024. By handing out multi-million-dollar professional services contracts without a competitive process, the school district is potentially losing out on millions of dollars in savings.

PPS should abide by best procurement practices through a consistent RFP process:

- Make all contract and RFP information visible on its website;
- Publish bids to a wider audience;
- Increase RFP length, and;
- Create more relationships with local vendors.

These changes will reduce costs and increase productivity for the entire school district. Improving procurement processes could yield cost savings comparable to those generated by a tax increase, without burdening taxpayers, while also increasing efficiency and public confidence in the school district's financial stewardship.

Overview of Pennsylvania School District RFP Laws and Regulations

On February 7, 2023, the Pennsylvania Commonwealth Court found that Pennsylvania's current school funding system was unconstitutional.¹ The Court's decision was based on the highly differential amounts of money different school districts receive based on the wealth of their constituents. In response, both chambers of the Pennsylvania State Legislature found that an additional investment of \$4.5 billion would need to be distributed to communities that needed it most.² In July of 2024, the State Legislature made a temporary investment in "adequacy funding" across the state. Pittsburgh Public Schools was not found to be a school district requiring "adequacy funding" in 2024.

Pittsburgh Public Schools has, however, benefited from the state's "hold harmless" provision. This provision requires a school district to receive at least as much funding as it did the year prior. The hold harmless provision is incorporated into the State's basic education formula. Annual allocations to individual school districts are based on statewide adjustments.

Because some school districts have grown in population while others have decreased, there has been an increased push to move away from the "hold harmless" provision. A base-year reset, or a year-by-year funding reevaluation, would be potentially devastating for PPS, which has seen steadily decreasing enrollment.

In light of these precarious education funding headwinds, the expiration of COVID-relief funding, and current federal education policy trends, efficient and judicious use of state and local taxpayer funds is paramount. Nevertheless, Pennsylvania does not require best procurement practices for professional services. While this gives school districts the ability to be nimble, it also increases the risk of predatory vendors via a lack of competitive procurement.

¹ William Penn School District et al. v. Pa. Dept. of Education et al., 294 A.3d 537, 962 (Pa. Commonw. Ct. 2023).

² Commonwealth of Pennsylvania, Basic Education Funding Commission. [January 11, 2024] Report #2. Available at: https://www.pahouse.com/files/Documents/2024-01-11_123718_Report2.pdf

Overview of Organizational Structure and Procurement Processes at Pittsburgh Public Schools

Overview of District-level Policy

Pittsburgh Public Schools Policy Manual, Section 700: Finances, Code 709: Purchases Subject to Bid/Quotation, dictates the terms of the District's Bidding Policy. Under 709, PPS requires competitive bids for materials or supplies to be sold, furnished, or leased to the School District exceeding the established annual base amount. Additionally, competitive bids are required for contracts for work to be done over this amount unless exempted by statute.

The base amount is listed in the District administrative regulation 709-AR-2 of 2 and updated by the Solicitor's Office on at least an annual basis. The 2025 amount requiring competitive sealed bids is \$23,800, and the 2025 amount requiring three written or telephonic quotes is between \$12,900 and \$23,799. Quotations are required from at least three qualified and responsible contractors for all contracts exceeding the established base amount.

Maintenance work may be performed by District personnel regardless of the entire cost or value of the work.

The District's practices for professional services contracts are relatively vague. Section 709 states "[c]ertain contracts for professional services, including, but not limited to, architectural, engineering, and legal services, may be awarded without the need for competitive bidding. RFPs relating to services not subject to competitive bid may be solicited at the discretion of the Board or administration." However, no further guidelines are given on what standards determine whether a professional services contract requires a bid, including a monetary minimum.

The District is authorized by the Board to negotiate appropriate cooperative purchase agreements with other political subdivisions. Purchases not done through established cooperative purchasing arrangements such as COSTARS, PEPPM, and GSA require an agreement approved by the Board and the relevant body.

District policy includes a commitment to cost-saving procurement processes, stating "It is the policy of the Board to obtain competitive bids and price quotations for products and services where such bids or quotations are required by law or where such bids or quotations may result in a cost savings to the School District."

In 2019, the Pennsylvania Auditor General released an audit on the PPS procurement practices and found that they did not competitively bid out transportation contracts, negatively impacting costs.³ The school district has not acted on this audit's findings.

Overview of State-level Policy

District policy largely mirrors Pennsylvania State Law. P.L. 30, No. 14, Section 751 dictates the terms of work to be done under contracts let on bids. This provision requires competitive bids for all construction, reconstruction, repairs, and maintenance where the cost exceeds a base amount of \$23,800 (adjusted for 2025). Adjustments are based on the Department of Labor's

³ Commonwealth of Pennsylvania, Office of the Auditor General. (2019) *Performance Audit: Pittsburgh Public Schools, Allegheny County – Student Transportation Operations, July 1 2014 – June 30 2018*. Pennsylvania Auditor General.

Consumer Price Index (Section 120). Contracts must be given to the lowest responsible bidder, barring an emergency. In the event of an emergency, at least three responsible bids must be solicited.

At least three bids are required from qualified and responsible contractors for projects above \$12,900 but below \$23,799 (adjusted for 2025). Districts are permitted to utilize their maintenance personnel regardless of the proposed project cost.

P.L. 30, No. 14, Section 807.1 governs the purchasing of supplies by school districts. All furniture, equipment, textbooks, school supplies, and other equipment costing \$23,800 (adjusted for 2025) must be advertised for bid and given to the lowest responsible bidder. There are exemptions to this statute, including for maps, music, globes, charts, and other teacher demonstration devices necessary for school use.

State law does not provide guidance on the use of RFPs for professional service contracts. However, the State's Department of General Services provides a Procurement Handbook.⁴

Case Study: Philadelphia

The School District of Philadelphia is explicit that professional services or capital contracts greater than \$100,000 require an RFP, with an RFP recommended for contracts over \$20,000. The only exception to this occurs when "Sole Source Procurement is used" in extraordinary cases when only one possible vendor is expected to be able to meet a unique district need on an emergent timeline. Similar to other non-school district city and county agencies, the procurement landing page for the School District of Philadelphia (SDP) is systematically organized with dates of bid postings, vendor conferences, Q&As from submitted questions, and the name of the relevant procurement officer.⁵ Once a formal proposal and RFP have been closed, the monthly board agenda consists of a packet of not only board tabs, but a description of the services rendered, as well as their originating office.

Philadelphia follows state law and two additional sources of best practices: the National Institute of Governmental Purchasing (NIGP) and the Council of the Great City Schools (CGCS). Both groups clearly recommend systematizing an RFP process and delegating appropriate management and oversight of procurement.^{6,7} For Pittsburgh Public Schools, the publicly posted district organization chart shows only two names listed on the organizational chart reporting to the CFO's office.⁸

⁴ Commonwealth of Pennsylvania, Department of General Services. [2025] *Procurement Handbook*. Available at: <https://www.pa.gov/agencies/dgs/procurement-resources/procurement-handbook>

⁵ School District of Philadelphia, Finance Office. (n.d.) *Sole Source Procurement*. [online]. Available at: <https://www.philasd.org/finance/#sdpprocurement> (Accessed: 21 July 2025).

⁶ National Institute of Governmental Purchasing. *CARE Global Best Practices*. <https://www.nigp.org/our-profession/global-best-practices> (Accessed: 10 October 2025).

⁷ Council of the Great City Schools. [October 2018]. *Best Practices in Urban Public School Procurement: Guidelines, Standards, and Lessons*. Available at:

<https://www.cgcs.org/cms/lib/DC00001581/Centricity/Domain/35/Best%20Practices%20in%20Procurement.pdf>

⁸ Pittsburgh Public Schools. (n.d.) *Pittsburgh Public Schools Organizational Chart 2023*. [online PDF]. Available at: <https://resources.finalsite.net/images/v1721322509/pghschoolsorg/n8icijqhrmputdkxyt/PPSOrgChart23.pdf> (Accessed: 3 August 2025).

Data Analysis of Pittsburgh Public Schools Contracts

Methodology and Sources

Data analysis on competitive bids was completed based on bid information on the BoardDocs website. The publicly available contract information on the PPS website allowed for all of the contracts to be analyzed, but additional details about bids could not be obtained.

For RFPs, available information on PPS' website only lists the broad RFP outline, lacking information on what vendors bid, for how much money, who ultimately received the contract, and for what amount. Some of this data is available through BoardDocs, but full information regarding RFPs has not been shared with the Controller's office at the time of this report. A request for information was made regarding vendor participation and the decision-making process. No centralized tracking system is available for RFPs District-wide.

For both RFPs and competitive bids, contracts were matched to both BoardDocs tabs and listed bid opportunities and RFPs. No centralized information source was available. All data surrounding the contracts is up to date as of August 19, 2025.

Analysis

Since the start of 2024, PPS has given out \$96,114,827.31 in 498 separate contracts, including funds that have been obligated for multiple years. This averages to \$193,001.66 per contract. Under the policies stipulated by the school district, all contracts for capital projects, materials, and supplies over \$23,800 are subject to a competitive bidding process in order to ensure the contract is given out to the lowest responsible bidder. This process is designed to create a market for the service and thus, lower the price the district would have to pay in such contracts. There are no formal policies for an RFP. However, District policy specifies a competitive process should be used when it may result in cost savings.

Of the 498 contracts given out since the start of 2024, only 156 were under \$23,800, totaling \$1,461,032.40, leaving 342 contracts above the competitive bidding threshold. Our office was only able to match four contracts above this threshold to an RFP, totaling only \$5,448,562.50. Additionally, 44 contracts were given out through competitive bids. The total of these contracts was \$20,235,142.00. Although these contracts are listed as competitively bid out contracts, the reality is that there is little competition for each bid. When looking through each contract with listed bids, it is regularly the same handful of contractors that bid on each posting. This may indicate issues with advertising to a broader swath of potential contractors.

Although broader bids were lacking, these 44 contracts obtained through competitive bids did produce savings. On average, the chosen contract was 20.9% lower than the runner-up bid and around 30% lower than subsequent bids. If applying this approximate cost savings to all other contracts over \$23,800, the district would have saved around \$15 million since 2024.

There were 25 RFPs completed since the start of 2024, and the average length that they were open was approximately 27 days. The length of an RFP is particularly low. The average length for

School District of Philadelphia RFPs is 43 days, and the average length for K-12 school districts is 51 days.⁹

A short RFP length may disincentivize competition by not allowing enough time for new high-quality vendors to submit a proposal. It also may signal to outside vendors considering a bid that an RFP is not actually looking for competitive bids, and the RFP is merely perfunctory. An example of this was the RFP from March 2025 for Contracted Staffing, providing a total of \$18,450,000 to three vendors through an 11-day RFP. Another example is a 6-day RFP for Digital Interventions for Mathematics that gave out \$1,965,000 to three vendors. These short RFP processes that are giving out multimillion-dollar contracts do not abide by best procurement practices. With an RFP a few weeks longer, more bids could have been solicited, and millions of dollars could have been potentially saved.

There are 263 contracts totaling \$63,869,511.41 that are above \$23,800 in value, a recommended threshold for utilizing an RFP. That is an average of \$242,849.85 per contract. If the mandatory RFP threshold were set to \$100,000, as Philadelphia has done, there are still 121 contracts left totaling \$56,741,291.75. This averages to \$468,936.30 per contract.

This means that there are hundreds of contracts over the suggested RFP threshold distributed without a competitive process. While some of the contracts include services that only one vendor could provide, most of these contracts would benefit from an RFP in the interest of cost savings and results.

Beyond cost savings, a robust procurement process can ensure high quality services and compliance with federal, state, and local labor laws. The school district may benefit from developing policies around what constitutes a "responsible" bidder. To meet this definition, procurement specialists should consider past contracts with a vendor, industry standards, and comparable bids. When necessary, the school district should rely on third-party expertise.

A proper RFP that lasts around 51 days and is advertised broadly to those in Pittsburgh and across the country could result in large savings and improved services. The RFP procurement process should be detailed, clear, and accessible. The withholding of key information from the public surrounding these RFP processes breaches the trust that parents and residents have in the district. The public deserves easy access to the information surrounding who the school district is giving its money to and how it made those decisions, especially when millions of dollars are at stake.

⁹ EUNA Solutions. [2019] *Your Guide to RFP Cycle Times in Public Procurement*. <https://eunasolutions.com/resources/your-guide-to-rfp-cycle-times-in-public-procurement> (Accessed: 10 October 2025).

Case Study of Contracted Mental Health Services Obtained Through RFP

The collaboration between the Student Support Services Department at PPS and several community-based mental health agencies (e.g., FamilyLinks, TCV Deveraux, Clarvida, and The Children's Institute) highlights how optimized procurement with defined RFPs can maximize opportunities for cross-sector partnerships that unlock state and federal funds and stimulate opportunities for re-investment in mental health, special education, social services, and workforce development.

Background and Original Use of PCCD Grant in the 2024-2026 School Years

One of the first contracts identified as predatory related to an out-of-state tele-mental health vendor who came with the annual price tag of \$300,000 for two full-time equivalent virtual therapists (FTEs). This service was supported by one-time grant funding and would be otherwise discontinued, which in turn would cut students off from much-needed mental health support. New leadership in the Department of Student Support Services reached out to multiple local community groups with an eye for agencies that had positive student reviews and experience in trauma-informed care. In doing so, they recognized that other local vendors might be able to provide the service for not only a lower price point but also higher quality. These local vendors could also provide referrals to other community agencies, creating greater continuity of care.

Savings and Optimizing the RFP Process for the PA PCCD Grant

By identifying that many local vendors invest significant time training their staff to be culturally competent and ensuring all insurance compliance requirements are met, the Student Support Services at PPS leveraged a more robust RFP than in prior years. They specifically sought out vendors with the insurance licensure and quality of service delivery necessary for insurance reimbursement, in turn reducing the cost paid by the district while increasing the quality of service.

Strikingly, the same PCCD Grant of \$300,000 annually that in the years prior covered only two FTE of telehealth therapists was now able to cover 11.25 FTE of in-person therapists for the school district at a cost of \$268,300. The per FTE cost was reduced from \$150,000 to \$23,849 (an 84% per FTE discount).

Beyond cost savings, there was also a significant increase in quality and access to critical mental health supports. In-person care allowed for more seamless family outreach, school-based team meetings, and care coordination. Each of the new vendors' extensive back-end network of case management, resource coordination, and complex medical billing and operational support was also leveraged for mutual benefit.

Opportunities to realize cost-savings with improved quality through use of best procurement practices

There is ample evidence to suggest more robust procurement processes support higher quality, more cost-effective service delivery. This is especially pertinent for professional services, where state laws and guidance are most ambiguous. The following recommendations are key takeaways that are intended to be a starting point for future discussion and inter-governmental planning

1. Setting a monetary minimum for professional services contracts required to go to bid.

By having different thresholds and timelines for which professional services have to be bid out and are open to RFPs (e.g., the process used in the School District of Philadelphia), the district can ensure that it is able to solicit the highest quality vendors at the most cost-effective rate. The school district should adopt a documented bid waiver policy in lieu of a discretionary process.

2. Increase the average length of an RFP to 50 days.

When an RFP is open longer, there is more time for vendors to make a bid and resulting in lower prices. When an RFP is only open for a short amount of time, vendors without a history of bidding on PPS contracts might feel that they are not welcome to bid on the contract and that a vendor has already been found. By abiding by standard procurement practices, the RFP length should be increased from 27 to as close to 50 days as possible.

3. Increase transparency of the RFP and Contract process by adopting new reporting structure by digitizing all information.

All parents, staff, faculty, and taxpayers should be able to access information regarding the money that the school district spends. PPS should adopt a system, similar to SDP, that lists all contracts, RFPs, bids, and contract amounts in one easy-to-access location on the school district website. Adding this information will make it easier for parties to understand the school district's finances and hold contractors accountable for their services.

4. Publish bids in a more widely accessible way, including at school board meetings, community meetings, and other spaces to encourage community-based vendors to bid on district contracts.

From discussions with large clinician and hospital networks in the region, many have expressed a lack of knowledge about opportunities to bid for school-based contracts. Many have indicated they would have submitted a bid (especially for services related to mental health and speech therapy) if they either knew more about when bids were released or if the RFP windows were open longer. Explicit callouts of bids in multiple forms of media and public spaces would maximize the collective community's capacity and excitement to partner with the school district.

5. Relationship-building with local service providers and non-profits, including hospitals and universities.

Oftentimes, the highest cost vendors are not the highest quality or culturally competent service providers. Due to increasing workforce shortages city-wide since the pandemic, PPS often finds itself contracting with staffing agencies to fulfill special education, IEP, and other essential services. Nursing, speech therapy, occupational therapy, and autism support services are large

contractual expenses for PPS. A large driver of the high costs is that most of the contracted agencies are not licensed to be able to receive insurance reimbursement. While many vendors cite that they don't bill insurance to maximize access to supports, the larger, more latent reason is often that they are providing care without adequate documentation that does not rise to the quality necessary for insurance reimbursement. This perpetuates a vicious cycle where some of the most expensive vendors offer lower quality service with less trained staff, without the documentation burdens to which insurance-licensed community groups often must adhere to.

By partnering with local vendors and incentivizing their participation through inclusive procurement practices, insurance licensure becomes a vehicle to reduce the end cost of many professional services to schools while freeing up funding for re-investment in the workforce and local economy. Given the expiration of COVID ARPA/ESSER funding and current federal policy, it is especially pressing now to build relationships and networks where coordinated efforts are made to leverage all possible funding that might otherwise be left on the table.

Pittsburgh Public School District Response

Response from Solicitor Ira Weiss on behalf of the Pittsburgh Public School District:

“The Report confirms that the procurement practices of the School District of Pittsburgh including its practices with Requests for Proposals are in conformity with the Public School Code, the Pennsylvania Procurement Code and other applicable laws.”