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PPS must reform its contracting practices

Summary: On Jan. 12, the controller for Pittsburgh Public Schools (PPS) – who also serves as the city controller – delivered a presentation to the school board based on a [special report](#) released in October. The report highlighted deficiencies in the request-for-proposals (RFP) and competitive bidding procedures in awarding contracts, potentially costing the district millions of dollars. Given the district’s ongoing financial woes, compounded by the board failing to pass a much-needed school consolidation plan in November, any and all avenues to find cost savings must be seriously explored.

Background

The report states that PPS’ procurement practices found in its policy manual are largely reflective of state law on construction or maintenance and the purchasing of supplies. By [statute](#), competitive bids are required for construction, maintenance, reconstruction or repairs where the cost equals or exceeds a base amount of \$23,800 for 2025, updated annually. At least three responsible bids are required for projects which cost more than a (separate) base amount of \$12,900 but less than the base amount of \$23,800. Similarly, “[all] furniture, equipment, textbooks, school supplies, and other equipment costing [a base amount of \$23,800 for 2025, updated annually] must be advertised for bid [for at least three weeks] and given to the lowest responsible bidder.”

However, there is no statute which “[provides] guidance on the use of RFPs for professional service contracts.” As such, “[t]he district’s practices for professional contracts are relatively vague.” Some professional services, such as architectural, engineering and legal services may be awarded without the need for competitive bidding, while RFPs not subject to competitive bidding may be awarded subject to the discretion of the board or administration. There is no further clarification on which professional services contracts would require a bid, though there is a measure which states it is “policy of the Board to obtain competitive bids and price quotations … where such bids or quotations may result in a cost savings to the School District.”

Report findings

The report analyzes publicly available data on competitive bids listed on the [BoardDocs](#) website. Contract data from PPS' [website](#) provided sufficient information for analysis, but failed to list details including additional bids. The [website](#) similarly shows minimal RFP details, "lacking information on what vendors bid, for how much money, who ultimately received the contract, and for what amount." This section does, however, feature new tabs for facilities and purchase bid results but only includes one past entry at the time of writing.

From Jan. 1, 2024, through Aug. 19, 2025, the report states PPS awarded a total of \$96,114,827 in 498 separate contracts. These contracts included a broad scope of construction repairs and supplies to mental health, consulting and engineering design and other services. 156 of those contracts were under the \$23,800 threshold and totaled just \$1,461,032 with the remaining 342 contracts totaling \$94,653,795. The controller's office was only able to match four contracts above the threshold with an RFP, totaling just \$5,448,562.

Just 44 contracts of the 342 total were awarded via competitive bid and totaled \$20,235,142. The report notes that these contracts produced an average of 20.9 percent cost savings compared to the runner-up bid. But the bids regularly featured the same list of contractors.

Recommendations

The report listed several recommendations to help improve financial discipline, participation and transparency in PPS' procurement process.

Two ideas are borrowed from the School District of Philadelphia (SDP). The first is to set a monetary threshold for which construction and professional services contracts require an RFP (and to solicit competitive bids). For SDP, professional services and capital contracts over \$100,000 require an RFP and one is recommended for contracts over \$20,000. Adopting similar rules would help clarify and bring consistency to PPS' vague and discretionary policies.

The other recommendation is to increase the length that an RFP is open. Since the start of 2024, the district completed 25 total RFPs which were open, on average, for 27 days. RFPs for SDP were open for an average of 43 days while the controller recommended a length of 50 days.

Adopting both measures would allow for more potential bids, ideally increasing competition and quality, while diversifying the vendor pool.

The report also highlighted the shortcomings of data and resources available on the district's website. A centralized data source which provides detailed information regarding contracts, RFPs and vendor participation would allow for greater public

scrutiny and accountability compared to the scattered and/or scant information currently available. PPS can look to the City of Pittsburgh's [dedicated procurement website](#) as a starting point.

Lastly, the controller's office recommends PPS build relationships with local service providers in an effort to both reduce costs and increase the quality of services provided to students. A case study highlighted a one-time grant PPS received for \$300,000 which secured two full-time equivalent telehealth therapists. After the Student Support Services Department at PPS reached out to multiple local and community-based vendors, a \$268,300 outlay secured 11.25 full-time equivalent in-person therapists.

Conclusion

The controller estimated that implementation of these policies could generate \$10-15 million in savings annually. However, the actual cost savings will be difficult to predict *ex ante*. That is, based on estimates versus actual costs.

Regardless, finding cost savings is imperative as PPS remains in a precarious financial situation. Assessment appeals have chipped away at the property tax base, while federal pandemic relief funds are almost fully spent. PPS' 2026 approved budget received a boon of \$12.1 million thanks to cyber charter reforms in the state budget, while district taxpayers were spared roughly \$3.4 million as a 4 percent property tax increase was reduced to 2 percent owing to a state provision regarding an excess property tax relief allocation. Despite these savings, PPS still expects a \$5.7 million deficit, which will further draw down the district's dwindling reserves.

The Allegheny Institute has repeatedly highlighted the district's extraordinarily high spending per student – \$33,524, 10th highest in the state as per the most recent data (2023-2024) from the Pennsylvania Department of Education. Yet, PPS [ranked](#) just 466 out of 610 Pennsylvania school districts and charter schools for the 2023-2024 academic achievement exams (see *Policy Brief Vol. 25, No. 28*). Taxpayers, parents and students deserve better.

The PPS board and administration must begin the process of adopting procurement reforms as a relatively straightforward measure to ensure taxpayers dollars are being spent appropriately and help achieve much-needed savings.

If significant savings are achieved, the board and administration must not use it as an excuse to abandon the school consolidation plan, dubbed the "Future-Ready Facilities Plan" (see *Policy Brief Vol. 25, No. 41*). Enrollment declines of over 20 percent since the 2015-2016 school year have emptied out buildings and stretched a tight budget even thinner. The board voted to reconsider legislation enacting the plan at a Jan. 28 meeting, which allows the legislation to be discussed, changed and voted on at the board's discretion. Revisions to ensure support from both the community and a majority of the board must be made expeditiously.

Rightsizing PPS' footprint, combined with meaningful contracting reform, are actionable steps to help move the district away from fiscal profligacy and toward focusing on providing a better education for students.

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