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School job bid called a 'sham': Attorney General's Office wants audit of Wasatch District records

By Christopher Smart
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HEBER CITY -- Wasatch School District set up a "sham" process to select a contractor for the \$4.6 million renovation of the old North School, say state investigators, in an apparent effort to skirt laws that require competitive bidding for public projects.

Citing at least five breaches of procurement statutes surrounding the project that went over budget by at least \$1.8 million, the Utah Attorney General's Office wants the state auditor to review the district's records.

"The district advertised for proposals for both architectural and construction management services and selected Architectural Design West, the firm that already had been under contract to provide the services," wrote Deputy Attorney General Philip Pugsley in a letter Thursday.

In June 2000, Keith Johansen, Wasatch's business administrator, signed a contract with Architectural Design West to renovate the 100-year-old school for district headquarters. The school board ratified the deal in December of that year.

"It is hard to view this process as anything but a sham intended to validate the earlier noncompetitive selection of Architectural Design West," Pugsley stated. "From start to finish, this process was handled incorrectly and in violation of the law."

Records obtained from the school district by a Heber Valley grass-roots group reveal that at least \$103,000 was paid to Architectural Design West before the school board approved the contract. The district paid another \$1.8 million to the Salt Lake City-based firm on invoices that lack detail.

"It is impossible to tell from the records obtained how the amounts that were paid were calculated, whether they were supported by appropriate invoices and whether an improper cost-plus component was included in the payments," Pugsley said.

The district's actions strain credulity, said Midway resident Dan Stephens, who, along with Deb Anderson and Tracy Taylor, obtained the financial records. "You have to wonder whether something nefarious didn't go on," he said.

Reached Friday, Johansen said he had no comment. Former Superintendent Danny Talbot did not return calls for this story.

But Terry Shoemaker, the present superintendent who took over after Architectural Design West left the project, said the school district will cooperate with the state auditor.

"Nobody is trying to keep the AG from what he wants," Shoemaker said. "We'll be happy when this matter is resolved."

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