Date Filed: November 05, 2026

Witness: Craig Dikeman and Matthew J. Correia
Request from: ALLCO

Question:

(Follow-up to ALLCO-090, ALLCO-092, and ALLCO-093 — procurement controls.) State: (a) for each of the 47 vendors listed in ALLCO-092, subpart (b), the purchase-order data (purchase-order number, date, amount, and description) for each purchase order below $50,000 issued in 2023 through 2026, and whether an Ariba contract or sole-source justification covered the vendor during the period, in native format; (b) for each year 2023 through 2026, the number and total value of purchase orders below $50,000 released by the Procurement organization and the number of vendors whose sub-threshold purchase orders aggregated above $50,000 within a rolling twelve-month period; (c) what control, if any, performed the function of the Maximo purchase-order release control before its implementation in September 2025, and the number of purchase orders over $50,000 released from January 1, 2023 to September 2025 without an Ariba contract, a sole-source justification, or a documented exception; (d) whether the June 4, 2026 Privileged Procurement Report examined purchase-order splitting, aggregation of sub-threshold purchase orders, or milestone and advance payments, and whether any corrective action on those subjects has been taken since; and (e) each contract or purchase order entered into since January 1, 2020 under which the Company or ESC paid, or committed to pay, more than $1,000,000 in advance of the vendor's performance or incurrence of cost, with the vendor, amount, and date, and the person by title who approved it; if the Company maintains that this cannot be determined from its records, state how the invoice approvers described in ALLCO-090 verify that a milestone has been satisfied before approving payment.

Response:

a. Please refer to ALLCO-186, Attachment 1 CONFIDENTIAL, which includes the requested purchase order data for the 41 vendors identified in ALLCO-092-RV01.[i] The attachment identifies, for each purchase order below $50,000 issued from 2023-2026, the purchase order number, order date, transaction amount, purchase order description, and whether an Ariba contract or sole-source justification covered the vendor during the applicable period.

b. Please refer to the detail in ALLCO-186, Attachment 1 CONFIDENTIAL, which can be used to identify the detail requested.

c. The control feature was accomplished by the procurement agent managing the purchases to the policy and reporting was made available to the team to identify and oversee instances

where the purchase order where valued over $50,000 without the support of a sole source justification and a contract.

Before implementation of the Maximo purchase order release control in September 2025, compliance with the applicable competitive-bidding requirements was primarily managed by the responsible procurement agent. Procurement agents were responsible for determining whether purchases exceeding $50,000 were supported by an Ariba contract, an approved sole-source justification, or another documented exception.

Procurement management also had access to reporting used to identify and review purchase orders exceeding $50,000 that were not associated with an Ariba contract or sole-source justification. These controls were based on procurement agent review and management reporting rather than an automated system restriction preventing release of the purchase order.

d. No. The June 4, 2026 Privileged Procurement Report did not examine purchase-order splitting, aggregation of sub-threshold purchase orders, or milestone and advance payments.

e. The Company does not maintain a centralized report or data field that identifies contracts or purchase orders based on whether payments exceeding $1,000,000 were made in advance of vendor performance or the vendor's incurrence of cost. Accordingly, the requested population cannot be identified through a standard system report. Identifying such transactions would require a manual review of potentially responsive contracts, purchase orders, invoices, payment terms, and supporting documentation.

Invoice approvers are responsible for confirming that the applicable payment requirements have been satisfied before approving an invoice. Depending on the nature of the purchase and the applicable contractual terms, this may include reviewing evidence that services have been performed, contractual milestones have been completed, materials have been purchased or delivered, or other agreed-upon payment conditions have been satisfied.

Prior Referenced Response:

[i] ALLCO-092-RV01 Question:

With respect to purchase orders below the competitive-bid threshold: (a) state whether the Ariba or Maximo controls described in EOE-166 include any systemic detection of multiple purchase orders to the same vendor that individually fall below the $50,000 threshold but aggregate above it, and if not, state whether and how the "no policy violations" assertion accounts for such aggregation; (b) identify each vendor that received three or more purchase orders, each below $50,000, aggregating to more than $150,000 within any rolling twelve-month period during 2023 through 2026,

or produce the purchase-order data (vendor, PO number, date, amount) from which that identification can be made; and (c) identify each instance in which the procurement group, the compliance function, or the Internal Audit Department has identified the use of multiple purchase orders or contracts in lieu of competitive bidding or higher-level approval, and the disposition of each.

ALLCO-092-RV01 Response:

The Company is filing a revised response with an updated table in support of Company's original response to subpart (b).

b. The Company performed an analysis of purchase orders issued during the 2023-2026 period to identify vendors that received three or more standalone purchase orders, each individually valued below $50,000, that cumulatively exceeded $150,000 within a rolling 365-day period based on purchase order issuance date. The vendors identified through that analysis are listed below.

VENDOR NAME
AA ELECTRIC SERVICE INC
Acuity Brands Lighting
APPLE VALLEY LAWN CARE LLC
ARROW FENCE
BARNHART NORTHEAST INC
BLUE COLLAR CUSTOMS LLC
BODE EQUIPMENT CO
BRIGADE ELECTRONICS INC
CIRCUIT BREAKER SALES NE LLC
CORSERVA INC
CT CRANE & HOIST SERVICE LLC
DIVAL SAFETY EQUIPMENT INC
DYNAMIC COATING SOLUTIONS LLC
EAGLE LEASING
EMCOR SERVICES
GEC DURHAM INDUSTRIES INC
GRAINGER
GRAYBAR ELECTRIC CO INC
HARP SERVICES
HAYWOOD ASSOCIATES INCORPORATED
HOWARD INDUSTRIES INC

HYDRON INC
MCPHEE ELECTRIC LTD LLC
MJ LAWNCARE LLC
NORTHEAST TRANSFORMER SERVICES LLC
NORTHLAND INDUSTRIAL TRUCK CO
RAY JURGEN CO LLC
RED THREAD SPACES LLC
RITZ INSTRUMENT TRANSFORMER
RJR FABRICATION
S-1 MECHANICAL LLC
SCHWEITZER ENGINEERING
TAYLOR COMMUNICATIONS CORP
TULL BROTHERS INC
ULTIMATE PROFFESSIONAL GROUNDS MANAGEMENT INC
UTILITY POWER
VASEL BROTHERS INC
WB MASON
WILLIAMS SCOTSMAN
ZISTOS CORP