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CABINET SECRETARY

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION
2019 WASHINGTON STREET, EAST
CHARLESTON, WEST VIRGINIA 25305-0130

W. MICHAEL SHEETS
DIRECTOR

April 19, 2019

Danny Thompson, CFO
Bureau for Public Health
Chief Medical Examiner
350 Capitol Street, Room 350
Charleston, West Virginia 25301

Dear Danny Thompson:

This is to transmit the final copy of the Purchasing Review of the West Virginia Bureau for Public Health Chief Medical Examiner.

A preliminary copy of this report was submitted to your agency for comment. Where significant comments were returned by your agency, we have included those as part of this final review report along with the Corrective Action Plan you submitted to the Purchasing Division.

The Inspection Service Unit will monitor future purchases through WVoasis and may complete a spot inspection in the near future to assure that the Chief Medical Examiner adheres to their Corrective Action Plan.

Thank you for your cooperation and that of your staff during this review.

Respectfully,

A handwritten signature in blue ink, appearing to read "W. Michael Sheets".

W. Michael Sheets, CPPO
Director
West Virginia Purchasing Division

Enclosure

cc: Bryan Rosen, Director of Purchasing, Department of Health and Human Resources
Bill J. Crouch, Cabinet Secretary, Department of Health and Human Resources

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INTRODUCTION

The Purchasing Division is broadly charged with the development and oversight of the procurement functions of state spending units under its authority. That authority is found in Chapter 5A, Article 3 of the West Virginia Code, and Title 148, Series 1, of the West Virginia Code of State Rules. That mandate requires that the Purchasing Division “appoint inspectors to review and audit spending unit requests and purchases and other transactions and performance.” W. Va. CSR § 148-1-4.14. The Purchasing Division’s Inspection Services Unit performs this function by regularly conducting inspections of all spending units subject to Purchasing Division oversight.

The Purchasing Division Inspection Services Unit conducted an onsite inspection of the Office of Chief Medical Examiner for the period of July 1, 2017 to June 30, 2018. Notice of the inspection was provided on February 15, 2019, and the inspection commenced on March 6, 2019. The results of the inspection are contained within this report.

SCOPE

The scope of the inspection was focused on determining whether the Chief Medical Examiner's procurement transactions for the period of July 1, 2017 to June 30, 2018 were, in all material respects, in compliance with applicable provisions of the West Virginia Code, the Code of State Rules and the Purchasing Division Procedures Handbook in effect during that time period.

Inspectors utilized spending unit payment transactions to identify potential violations with a primary focus on those transactions processed at the spending unit level without Purchasing Division involvement. Those transactions included, but were not limited to, agency delegated procurements, Section 9 procurements, agency delivery orders, General Accounting Expenditure ("GAX") payments, and P-Card payments. Notwithstanding this general focus, however, Inspectors can review any transaction or internal procurement operating procedures that they deem relevant.

As noted above, the transaction review was conducted to ensure compliance with applicable provisions of the West Virginia Code, the Code of State Rules and the Purchasing Division Procedures Handbook. More specifically, the scope of the inspection included, but was not limited to, an examination to determine if any of the following infractions had been committed:

- (1) Failure to bid at central level (Stringing)[Required to be reported to the Legislature twice annually],
- (2) Internal resources not utilized,
- (3) Statewide contract not utilized,
- (4) Failure to bid at delegated level,
- (5) Vendor registration unverified and wrong vendor fee exemption code utilized,
- (6) Failure to verify compliance checks,
 - a. Unemployment
 - b. Workers' compensation
 - c. Vendor status with Secretary of State's office
 - d. Debarred vendor list
- (7) Failure to include notarized Purchasing Affidavit,
- (8) Failure to issue wvOASIS procurement award document,
- (9) Lack of compliance with fixed asset requirements (asset tags),
- (10) Failure to include Certification of Non-Conflict of Interest form,
- (11) Miscellaneous Issues
 - a. Improper award (Unjustified award to other than lowest responsible bidder meeting specifications),
 - b. Leases exceeding six months not processed centrally
 - c. Other as needed,

SUMMARY

During the period under review, the spending unit processed 5,824 procurement transactions with a value of \$2,642,304.88. (These amounts are approximate, subject to reporting limitations from wvOASIS (including possible data entry error) and errors caused by elimination of duplicate results). Of those transactions, the Inspector selected 88 for review which represents approximately 2% of the total. This inspection of 88 selected transactions yielded 28 findings associated with 71 of the selected transactions. This means that approximately 81% of the transactions reviewed had one or more instances of noncompliance with applicable provisions of the West Virginia Code, the Code of State Rules and the Purchasing Division Procedures Handbook. The findings are further illustrated in the attached Findings Grid and Grading Sheet.

The inspection also revealed that on 5 occasions, the spending unit failed to obtain competitive bids as required by the applicable dollar level of spend. That number is comprised of 1 instance of failing to bid at the central level (also known as stringing), and 4 instances of failing to bid at the delegated level. Any instances of failure to bid at the central level will be reported to the Legislature as required by the West Virginia Code.

Based on the findings contained in this report, the Purchasing Division recommends the spending unit work to improve any areas of noncompliance. Given that the agency received a score of 49.1% on the inspection and there was a pattern of findings or one or more case of stringing, the first step must be the completion of a Corrective Action Plan, a request for which will be provided to you after this inspection is finalized.

Grading Sheet

Chief Medical Examiner FY2018 Statistics				
Transactions Reviewed	88			
Non-Conformance Rate (See Summary Page)	81.0%			
Conformance Rate	19.0%			
Findings Summary				
<i>Finding Category</i>	Number of Findings	Finding Percentage	Points possible	Points Received
Failure to Bid at Central Level (Stringing)	1	1.14%	30	20
Internal resources not utilized	2	2.27%	15	12
Statewide contract not utilized	0	0.00%	15	15
Failure to Bid at Delegated Level	4	4.55%	15	12
Vendor registration unverified/Wrong fee c	0	0.00%	5	5
Failure to verify compliance checks	1	1.14%	5	4
Purchasing Affidavit not included	12	13.64%	5	3
wvOASIS award document not issued	3	3.41%	3	2.4
Asset Tag/Number not affixed	3	3.41%	3	2.4
Cert. of Non-Conflict not included	2	2.27%	3	2.4
Miscellaneous Issue	0	0.00%	1	1
Total	28		100	79.2
Overall Agency Score				
Non-Conformance & Findings Average			Overall Letter Grade	
49.1%			F	
Scale (See Weight Application*)				
91.66 -- 100 = A	The Finding Summary and Number of Findings does not directly correlate with the Transactions Reviewed and Non-Conformance Rate because each transaction can yield multiple findings, and findings like stringing can include multiple transactions in a single finding.			
83.33 -- 91.65 = B				
75 -- 83.32 = C				
66.66 -- 74.99 = D				
<66.65 = F				

EXHIBIT A: DETAILED INSPECTION FINDINGS

Issue 1: Failure to bid at central level (Stringing)

Authority: W. Va. Code § 5A-3-10; Procedures Handbook Section 6

Explanation: State law mandates that the Purchasing Division competitively bid for the purchase of commodities and services estimated to exceed twenty-five thousand dollars. The law also prohibits a spending unit from issuing a series of requisitions or divide or plan procurements to circumvent this twenty-five thousand dollar threshold. The transactions listed below violated this legal mandate and will be reported to the West Virginia Legislature as required by law.

Transactions in Violation: (1 Instance)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/06/18	Drug screening kits	In 1 Step Detect Association	\$2,500.00	PRCC,18*91040
11/20/17	Drug screening kits	TFS Microgenics corp	\$884.91	PRCC,18*38703
01/05/18	Drug screening kits	wwwdrugtestsitecom	\$2,338.00	PRCC,18*49570

Additional Detail: Although the individual transactions listed above falls below bid limits, the agency spent a total of \$28,123.92 in 20 transactions with the listed vendors during the fiscal year under review.

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit establish central contracts through the Purchasing Division for each of the items included above and any other commodities or services that will exceed \$25,000 in a rolling 12 month period.
2. The Purchasing Division recommends that the spending unit utilize wvOASIS to create reports that will allow the spending unit to track spend and determine when spending is closing to exceeding the \$25,000 limit.

3. The Purchasing Division recommends that the spending unit forecast future needs for its commodities and services to determine in advance what should be procured at the central level.
4. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward

Issue 2: Internal Resource Not Utilized

Authority: W. Va. Code §§ 25-7-5 and 5A-3-10; Procedures Handbook Section 3.6.1

Explanation: State law mandates that certain social welfare programs be utilized prior to a spending unit obtaining commodities and services in the open market. Those programs include the Sheltered Workshops established to assist disabled individuals in finding employment, and the Correctional Industries program that provides prison inmates with meaningful work. The transactions listed below should have been obtained from one of these programs, or a waiver should have been obtained. The inspection revealed that the transactions were outside of the internal programs and no waiver was granted.

Transactions in Violation: (2 Instances) The 2 instances of not utilizing Internal Resources will be reflected in the **Finding** Summary of the Grading Sheet. Due to the grouping of same or similar commodities or services, the transactions reviewed not utilizing Internal Resources totals 3 and will reflect this in the **Non-Conformance Rate** of the Grading Sheet.

1 Instance (grouped)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
08/07/17	Scrubs	Charleston Dept. Store	\$163.94	PRCC,18*11646
08/08/17	Scrubs	Scrubs & Beyond Ecomm	\$352.84	PRCC,18*11848

Additional Detail: The transactions listed above must be purchased from WVARF.

1 Instance

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/05/18	Sign printing	Fastsigns	\$1,108.50	PRCC,18*91040

Additional Detail: The transaction listed above must be purchased from Correctional Industries.

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit personnel become familiar with what is available from internal sources and either procure those commodities and services from internal sources or obtain a waiver from the Purchasing Division.
2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

Issue 3: Statewide Contract Not Utilized

Authority: W. Va. CSR § 148-1-7.4.c.; Procedures Handbook Section 3.6.2

Explanation: The Purchasing Division has authority to establish contracts at a statewide level to secure economies of scale that would not be possible on an agency by agency basis. Once established, the Purchasing Division can mandate that spending units utilize those statewide contracts. For the transactions listed below, the spending unit has obtained the commodity or service in question outside of an available statewide contract without a valid waiver.

Transactions in Violation: (0 Instances)

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit personnel become familiar with what is available from statewide contracts and either procure those commodities and services from statewide contracts or obtain a waiver from the Purchasing Division.
2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

Issue 4: Failure to bid at delegated level

Authority: W. Va. Code § 5A-3-11(a); W. Va. CSR § 148-1-7.2; Procedures Handbook Section 5

Explanation: The Purchasing Division has established competitive bidding requirements that spending units must follow when procuring commodities and services below \$25,000, and above \$2,500.01. For those transactions listed below, the spending unit has failed to obtain and document competitive bids as required.

Transactions in Violation: (4 Instances) The 4 instances of failure to bid at delegated level will be reflected in the **Finding** Summary of the Grading Sheet. Due to the grouping of same or similar commodities or services, the transactions reviewed without the failure to bid totals 15 and will reflect this in the **Non-Conformance Rate** of the Grading Sheet.

1 Instance (grouped)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/12/18	Lab materials	Agilenttechnologies	\$2,200.00	PRCC,18*65179
04/18/18	Disc kit	CSI Forensic Supply	\$1,877.76	PRCC,18*74170
06/20/18	Cap tubes	Daigger Scientific Inc.	\$1,862.95	PRCC,19*01873
04/10/18	X-Ray badges	Landauer Inc.	\$701.20	PRCC,18*74323
09/25/17	Medical Supplies	Tri-Tech/National Law	\$1,185.64	PRCC,18*25711

Additional Detail: Although the individual transactions listed above falls below the verbal bid limit, the agency aggregate spend for each vendor exceeded the verbal bid threshold.

1 Instance (grouped)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
09/22/17	Medical Supplies	Biotage	\$4,720.02	PRCC,18*25681
06/20/18	Pharmaceuticals	Cayman Chemical Co. Inc.	\$16.00	PRCC,19*01021
06/29/18	Pharmaceuticals	Cerilliant Corp.	\$888.50	PRCC,19*02213
06/11/18	Speciality gasses	Matheson-136	\$367.36	PRCC,18*95137
06/15/18	Solvents	TFS Fishersci Ecom Chi	\$1,524.09	PRCC,18*01021

04/26/18	Boot covers	Thomas Scientific	\$954.32	PRCC,18*78639
05/01/18	Bottles	U.S. Plastic Corp.	\$993.96	PRCC,18*79272
05/01/18	Sample holders	WTC Waters Corp.	\$830.97	PRCC,18*79259

Additional Detail: Although the individual transactions listed above falls below written bid limit, the agency aggregate spend for each vendor exceeded the written bid threshold.

1 Instance (grouped)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
09/29/17	Autopsy saws	Mopec	\$2,473.60	PRCC,18*26877
01/31/18	Autopsy saws	Salam International Inc.	\$1,734.38	PRCC,18*56586
10/16/17	Autopsy saws	Summit Medical Specialties	\$1,624.44	PRCC,18*29315

Additional Detail: Although the individual transactions listed above falls below bid limits, the agency spent a total of \$8,262.42 in 4 transactions with the listed vendors during the fiscal year under review.

1 Instance

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
01/12/18	Medical waste disposal	Stericycle	\$10,753.20	PRCC,18*50225

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit follow the requirements associated with each delegated spending limit.
2. The Purchasing Division recommends that the spending unit utilize wvOASIS to create reports that will allow the spending unit to track spend and determine when spending is closing to exceeding spending limits.
3. The Purchasing Division recommends that the spending unit forecast future needs for its commodities and services to determine in advance what should be competitively bid at delegated verbal and written bid levels.

4. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

Issue 5: Vendor Registration Unverified/Wrong Vendor Fee Exemption Code Utilized

Authority: W. Va. CSR § 148-1-6.1; Procedures Handbook Section 4

Explanation: The agency must verify that the vendor is registered, and the registration fee paid, if applicable. The registration process includes having the proper disclosure of information in the wvOASIS vendor/customer account. Certain vendors are exempted from paying the vendor registration fee mandated by the authority referenced above. wvOASIS has created fee exemption codes that allow the spending unit to designate the appropriate exemption code on a transactional basis. An improper exemption code was utilized in the processing of the transactions listed below.

Transactions in Violation: (0 Instances)

Purchasing Division Recommendation:

1. The Purchase Division recommends that the spending unit only utilize vendor fee exemption codes for transactions that would allow a vendor to avoid paying the vendor registration fee.
2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.
3. The Purchasing Division recommends that the spending unit contact the Vendor Registration section within the Purchasing Division if there is uncertainty about when and how to apply a vendor fee exemption code.

Issue 6: Failure to Verify Compliance Checks
(Workers Comp, Unemployment, Sec. of State, Debarment)

Authority: W. Va. CSR § 148-1-6.1.e.; Procedures Handbook Section 5.2.3.

Explanation: The authority cited above requires that a vendor be licensed and in good standing in accordance with all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or other state agencies or political subdivisions prior to being awarded a contract. The mandated compliance checks were not included in the transactions listed below.

Transactions in Violation: (1 Instance)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
01/12/18	Medical waste disposal	Stericycle	\$10,753.20	PRCC,18*50225

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit perform all compliance checks mandated by the Handbook and properly document those compliance checks in the contract file.
2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

Issue 7: Purchasing Affidavit Not Included

Authority: W. Va. Code §§ 5A-3-10a and 5-22-1; Procedures Handbook Section 5.2.3.

Explanation: West Virginia law has several restrictions against awarding a contract to a vendor that owes a debt to the State or its political subdivisions. The Purchasing Affidavit must be signed by the vendor prior to contract award to obtain assurance that the vendor is in compliance with the statutory mandates.

Transactions in Violation: (12 Instances) The 12 instances of no Purchasing Affidavit will be reflected in the **Finding** Summary of the Grading Sheet. Due to the grouping of same or similar commodities or services, the transactions reviewed without the Purchasing Affidavit totals 33 and will reflect this in the **Non-Conformance Rate** of the Grading Sheet.

1 Instance (grouped)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/26/18	Body transport	Brown Professional Service	\$841.50	GAX,19*15954
06/30/18	Body transport	C&R Funeral Home Transport	\$213.75	GAX19*16911
06/29/18	Body transport	Chapmans Mortuary Inc.	\$75.00	GAX19*03949
06/29/18	Body transport	Charleston Mortuary Service	\$369.00	GAX19*15977
06/21/18	Body transport	CM Services LLC	\$157.50	GAX19*16769
06/29/18	Body transport	Cravens Funeral Home Inc.	\$253.50	GAX,19*16027
06/24/18	Body transport	Davis Funeral Home	\$81.00	GAX,19*03942
06/28/18	Body transport	Delaney Transport Services	\$369.00	GAX,19*16977
06/28/18	Body transport	Eackles Spencer & Norton Funeral Home	\$708.75	GAX,19*16995
06/29/18	Body transport	Ferguson Livery Service	\$75.00	GAX,19*03960
06/26/18	Body transport	Helsley Johnson Funeral Home Inc.	\$261.00	GAX,19*16269
06/09/18	Body transport	Hunter Anderson Funeral Home	\$605.25	GAX,19*17731
06/20/18	Body transport	L&F Transport Service LLC	\$75.00	GAX,19*17306
05/30/18	Body transport	Leavitt Funeral Home	\$180.00	GAX,18*38852
06/22/18	Body transport	Melton Mortuary Inc.	\$139.00	GAX,19*16324
06/20/18	Body transport	Mullenbach Funeral Homes LLC.	\$436.50	GAX,19*16332

06/29/18	Body transport	Propps Mortuary Transport	\$251.50	GAX,19*16808
06/22/18	Body transport	Reliable Transport LLC	\$697.50	GAX,19*16351
06/28/18	Body transport	Rosedale Funeral Chapel	\$75.00	GAX,19*17524
08/14/17	Body transport	Tri State Mortuary Service	\$75.00	GAX,18*38161
06/29/18	Body transport	Twin State Mortuary	\$317.25	GAX,19*17568
06/19/18	Body transport	Wrights Livery Service	\$405.00	GAX,19*16552

Additional Detail: Although the spending unit is declaring these transactions as an exemption under Section 9, the files still must contain all required documentation for that dollar amount. Each of the individual transactions listed above falls below the \$5,000.00 threshold, but the agency aggregate spent for each vendor exceeded \$5,000.00.

9 Instances

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/27/18	Lab testing	CAMC Labworks	\$1,364.00	GAX,19*06344
09/22/17	Medical Supplies	Biotage	\$4,720.02	PRCC,18*25681
06/20/18	Pharmaceuticals	Cayman Chemical Co. Inc.	\$16.00	PRCC,19*01021
06/29/18	Pharmaceuticals	Cerilliant Corp.	\$888.50	PRCC,19*02213
06/11/18	Speciality gasses	Matheson-136	\$367.36	PRCC,18*95137
06/15/18	Solvents	TFS Fishersci Ecom Chi	\$1,524.09	PRCC,18*01021
04/26/18	Boot covers	Thomas Scientific	\$954.32	PRCC,18*78639
05/01/18	Bottles	U.S. Plastic Corp.	\$993.96	PRCC,18*79272
05/01/18	Sample holders	WTC Waters Corp.	\$830.97	PRCC,18*79259

Additional Detail: Although each of the individual transactions listed above falls below the \$5,000.00 threshold, the agency aggregate spent for each vendor exceeded \$5,000.00.

1 Instance (grouped)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
09/29/17	Autopsy saws	Mopec	\$2,473.60	PRCC,18*26877
01/31/18	Autopsy saws	Salam International Inc.	\$1,734.38	PRCC,18*56586
10/16/17	Autopsy saws	Summit Medical Specialties	\$1,624.44	PRCC,18*29315

Additional Detail: Although the individual transactions listed above falls below the \$5,000.00 threshold, the combined agency aggregate spend for the 3 vendors listed is \$8,262.42 in 4 transactions.

1 Instance

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
01/12/18	Medical waste disposal	Stericycle	\$10,753.20	PRCC,18*50225

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit obtain a properly completed Purchasing Affidavit and maintain a copy in the contract file for all transactions exceeding \$5,000.01 (the threshold for obtaining written bids).
2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

Issue 8: wvOASIS Award Document Not Issued

Authority: Procedures Handbook Section 5.1.2

Explanation: The Purchasing Division Procedures Handbook requires that a procurement award document be issued for all purchases exceeding \$2,500 in value. This requirement ensures that the transaction is recorded in wvOASIS in a way that allows it to be easily identified and tracked and helps to prevent spending in violation of procurement laws, rules, and procedures.

Transactions in Violation: (3 Instance) The 3 instances of wvOasis Award Document Not Issued will be reflected in the **Finding** Summary of the Grading Sheet. Due to the grouping of same or similar commodities or services, the transactions reviewed without the Award Document totals 8 and will reflect this in the **Non-Conformance Rate** of the Grading Sheet.

1 Instance (grouped)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
01/15/18	Medical examiner	Bradley R Hughes	\$2,850.00	GAX,18*83457
06/30/18	Medical examiner	Janessa Lynn Maynard	\$3,375.00	GAX,19*06613
5/25/18	Medical examiner	Jeffery S Corder	\$2,600.00	GAX,18*36594
5/24/18	Medical examiner	Jimmy D Sadler	\$2,725.00	GAX,18*36621
12/29/17	Medical examiner	Shawn Little	\$4,650.00	GAX,18*76140
12/27/17	Medical examiner	Teddy W Hager	\$2,875.00	GAX,18*76154

Additional Detail: Although the spending unit is declaring these transactions as an exemption under Section 9, the files still must contain all required documentation for that dollar amount.

2 Instances

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
09/22/17	Medical supplies	Biotage	\$4,720.02	PRCC,18*25681
01/12/18	Medical waste disposal	Stericycle	\$10,753.20	PRCC,18*50225

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit issue a purchase order through wvOASIS and maintain a copy in the contract file for all transactions exceeding \$2,500.01 (the threshold for obtaining verbal bids).

2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

Issue 9: Asset Tag Not Affixed

Authority: W. Va. Code § 5A-3-34; Surplus Property Operations Manual, Part II, Section 1.4

Explanation: The Surplus Property Operations Manual requires that all reportable assets must have a numbered identification tag affixed to the asset. Agencies are responsible for obtaining and placing the proper tags on the assets. This method of tagging assets helps to easily identify state assets during physical inspection and to guard against asset theft.

Transactions in Violation: (3 Instances)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/13/18	Computers	HP Inc	\$5,229.00	PRM,18*34748
09/29/17	Autopsy saw	Mopec	\$2,473.60	PRCC,18*26877
01/31/18	Autopsy saw	Salam International Inc.	\$1,734.38	PRCC,18*56586

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit obtain a properly affix asset tags to all reportable assets. In conjunction with this, the spending unit must maintain accurate inventory records in wvOASIS.
2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

Issue 10: Cert. of Non-Conflict Not Included

Authority: W. Va. Code §§ 5A-3-31 and 6B-2-5; Procedures Handbook Section 3.7.1.5.2

Explanation: The Purchasing Division requires all evaluators, advisors, and the agency procurement officer, despite the type of transaction, to sign a Certification of Non-Conflict of Interest form prior to contract award to ensure compliance with W. Va. Code § 5A-3-31 and § 6B-2-5 by affirming that they do not have a conflict of interest and did not communicate with the vendor during the solicitation, evaluation, and award period.

Transactions in Violation: (2 Instances) The 2 instances of Certificate of Non-Conflict Not Included will be reflected in the **Finding** Summary of the Grading Sheet. Due to the grouping of same or similar commodities or services, the transactions reviewed without the Non-Conflict totals 7 and will reflect this in the **Non-Conformance Rate** of the Grading Sheet.

1 Instance (grouped)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
01/15/18	Medical examiner	Bradley R Hughes	\$2,850.00	GAX,18*83457
06/30/18	Medical examiner	Janessa Lynn Maynard	\$3,375.00	GAX,19*06613
5/25/18	Medical examiner	Jeffery S Corder	\$2,600.00	GAX,18*36594
5/24/18	Medical examiner	Jimmy D Sadler	\$2,725.00	GAX,18*36621
12/29/17	Medical examiner	Shawn Little	\$4,650.00	GAX,18*76140
12/27/17	Medical examiner	Teddy W Hager	\$2,875.00	GAX,18*76154

Additional Detail: Although the spending unit is declaring these transactions as an exemption under Section 9, the file still must contain all required documentation for that dollar amount.

1 Instance

01/12/18	Medical waste disposal	Stericycle	\$10,753.20	PRCC,18*50225
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Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit include a properly completed Certification of Non-Conflict of Interest form prior to contract award for all transactions exceeding \$2,500.01 and maintain a copy in the contract file.

2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

Issue 11: Miscellaneous

Authority: Various

Explanation: Over the course of the inspection, various miscellaneous issues are often identified. Those items are included in this section.

Transactions in Violation: (0 Instances)

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit's procurement officer participate in training on the topics listed herein that are offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

EXHIBIT B: COMPARISON WITH PRIOR INSPECTIONS

A previous inspection of the Office of Chief Medical Examiner was conducted in September 7, 2011. The review consisted of 135 selected transactions from an approximate 2,967 total transactions from July 1, 2010 through June 30, 2011. This review resulted in 15 findings associated with 22 of the selected transactions. This indicated that 16% of the transactions reviewed during the inspection had one or more problems of potential nonconformity with Purchasing Division laws, rules, and/or regulations.

When comparing the statistics from 2011 to the current 2018 inspection, below is a summary of the issues identified during the 2011 inspection, as compared to the findings from the current inspection.

Summary of Problem Transactions		
<i>Findings</i>	2011	2018
Failure to Bid at Central Level (Stringing)	1	1
Internal Resources not utilized	0	2
Statewide Contract not utilized	1	0
Failure to Bid at Delegated Level	5	4
Vendor Registration unverified/wrong Fee Code	1	0
Failure to verify Compliance Checks	2	1
Purchasing Affidavit not included	2	12
wvOasis Award Document not issued	0	3
Asset Tag/Number not affixed	3	3
Cert. of Non-Conflict of Interest not included	0	2
Miscellaneous Issue	0	0
<i>Total</i>	15	28

There are multiple training resources available from the Purchasing Division in-house training program, as well as, through on-line training modules. These training resources would assist in educating procurement staff in purchasing procedures/requirements. Additional information can be obtained by contacting Samantha Knapp, Staff Development Specialist, at (304) 558-7022 or by visiting the Purchasing Division's website <http://www.state.wv.us/admin/purchase/training/default.html>.

EXHIBIT C: AGENCY TRAINING REPORT

Importance of Training: The Purchasing Division has found that training in procurement significantly improves the ability of the spending unit to comply with applicable provisions of the West Virginia Code, the Code of State Rules and the Purchasing Division Procedures Handbook.

Statutory Requirements:

- W. Va. Code § 5A-3-60 requires that All executive department secretaries, commissioners, deputy commissioners, assistant commissioners, directors, deputy directors, assistant directors, department heads, deputy department heads and assistant department heads are hereby required to take two hours of training on purchasing procedures and purchasing cards annually.
- W. Va. CSR § 148-1-3.2 mandates that all designated procurement officers receive 10 hours of procurement training annually.

Available Training: The Purchasing Division has implemented a very robust training program that is available to all procurement officers subject to Purchasing Division oversight. That training includes:

- Online Modules
- Webinars
- Live Training Sessions
- Annual conferences
- Basic and Advanced Procurement Certification Programs
- Agency Specific Targeted Training

Training: The Purchasing Division records indicate that during the inspection period the following individuals within the spending unit have obtained training as shown below:

Individual Name:

Alisha Sodder

Attended 11 workshops (11 available)

Danny Thompson

Attended 9 workshops (11 available)

Lesley Walizer

Attended 11 workshops (11 available)

Purchasing Division Recommendations:

The Purchasing Division recommends that all procurement officers, regardless of their status as designated or undelegated, participate in at least 10 hours of training annually and that all officials subject to the training requirements in W. Va. Code § 5A-3-60 take the required 2 hours of Purchasing and P-Card Training.

EXHIBIT D: AGENCY RESPONSE TO INSPECTION FINDINGS



STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
Bureau for Public Health
Commissioner's Office

Bill J. Crouch
Cabinet Secretary

Catherine C. Slemp, MD, MPH
Commissioner & State Health Office

MEMORANDUM

TO: Gregory Clay, State Purchasing Contracts Manager
FROM: Danny W. Thompson, Chief Financial Officer
DATE: April 9, 2019
RE: Response to Purchasing Inspection Report OCME 6/30/2017 to 7/01/2018

Mr. Clay,

In response to the draft report you presented regarding the purchasing inspection referenced above, we do not take exception to the findings you have listed. We had already begun working on some of the issues noted and continue to work to correct the deficiencies in other areas. I am including our Corrective Action Plan for the findings as presented.

We are changing our Bureau structure to have trained personnel on site at OCME facilities and will continue to provide appropriate training. Due to small staff size, and staffing difficulties Bureau wide, the staff at OCME are pulling double and triple duty. They are being asked to fill in and work in areas they have no formal training, and do not have time to research and complete tasks as they are required. With the addition of a purchasing employee on site, it will assist in minimizing this burden, and will hopefully lead to easier functionality, and better purchasing inspection reports in the future.

If you have any questions, or would like to further discuss the report, please do not hesitate to contact me. I am more than happy to speak/work with yourself or Mitzie at any point in time.

Thank you!

A handwritten signature in black ink, appearing to be "D. Thompson".

Corrective Action Plan

In response to the final report issued 03/25/2019

Agency Name: OMCE – Chief Medical Examiner’s Office Inspection Date(s): 7/01/2017 – 6/30/2018
Agency Address: 350 Capitol Street, Room 206, Charleston Phone: 304-356-5232
Agency Contact: Danny W. Thompson/Chief Financial Officer Email: danny.w.thompson@wv.gov

Issue(s) # 1, 2, 3, 4, 5, 6, 9, 11

Finding:

- A. Failure to bid at central level (stringing)
- B. Internal Resource Not Utilized
- C. Statewide Contract Not Utilized
- D. Failure to Bid at Delegated Level
- E. Vendor Registration Unverified/Wrong Vendor Fee Exemption Code Utilized
- F. Failure to Verify Compliance Checks

Corrective Action: (Must include: Steps to correct the specific concerns identified by reviewers; steps to identify and correct similar issues which may be present within the agency but not specifically identified by the inspectors.)

A contract employee from the CDC has been added at the OCME Office. This employee will be working as a purchasing assistant and is receiving Purchasing training. This employee has already completed the online training modules provided by Department of Administration. The employees in the past at OCME have not been purchasing staff and were not educated on the proper procedures. With this new employee receiving proper training, the instances of issues should decrease.

Quality Assurance and Monitoring: (Must include steps to monitor status and prevent recurrence of similar problems in the future. Each corrective action step must have corresponding quality assurance/monitoring activity.)

The contract employees work is being reviewed by BPH Central Finance Purchasing, and will continue to be included in all training that is available to purchasing staff to reinforce the current policies and procedures.

Name and Title of Responsible Person:

Danny W. Thompson, Chief Financial Officer

Target Date for Completion: (Must be completed within 60 days of the final report date)

04/30/2019

Corrective Action Plan

In response to the final report issued 03/25/2019

Agency Name: OMCE – Chief Medical Examiner’s Office
Agency Address: 350 Capitol Street, Room 206, Charleston
Agency Contact: Danny W. Thompson/Chief Financial Officer

Inspection Date(s): 7/01/2017 – 6/30/2018
Phone: 304-356-5232
Email: danny.w.thompson@wv.gov

Issue(s) # 7, 10

Finding:

A. Purchasing Affidavit Not Included

Corrective Action: (Must include: Steps to correct the specific concerns identified by reviewers; steps to identify and correct similar issues which may be present within the agency but not specifically identified by the inspectors.)

A new procedure is being developed by DHHR Central Purchasing and DHHR BPH Purchasing that will require a written agreement with Body Transport vendors which will include the Purchasing Affidavit and a Certificate of Non-Conflict for each vendor. This same documentation will be required for all Medical Examiners.

Quality Assurance and Monitoring: (Must include steps to monitor status and prevent recurrence of similar problems in the future. Each corrective action step must have corresponding quality assurance/monitoring activity.)

All documentation will be required by BPH Accounts Payable to attach with each payment in the wvOASIS system. This will ensure all documentation is maintained with proper dates to pay the invoices.

Name and Title of Responsible Person:

Danny W. Thompson, Chief Financial Officer

Target Date for Completion: (Must be completed within 60 days of the final report date)

04/30/2019