



ALLAN L. MCVEY
CABINET SECRETARY

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

W. MICHAEL SHEETS
DIRECTOR

March 14, 2019

Scott Eplin, District Manager
Division of Highways, District 2
801 Madison Avenue
Huntington, West Virginia 25712

Dear Mr. Eplin:

This is to transmit the final copy of the Purchasing Review of the West Virginia Division of Highways, District 2.

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.

A Corrective Action Plan Request will follow requesting your response to all the compliance issues identified in this report.

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: Linda Hatfield-Corder, District 2 Comptroller, Division of Highways
Maria Catalano, Auditor, Division of Highways

WV PURCHASING DIVISION INSPECTION REPORT

Department of Transportation

Division of Highways District 2

**FISCAL YEAR
2018**

Table of Contents

1. Inspection Report
2. Comparison With Prior Inspection
3. Inspection Report – Attachment A
4. Grading Letter
5. Letter Grade
6. Agency Comments & Purchasing Division Response– Attachment B

INTRODUCTION

We conducted a review of the internal procurement policies and procedures of the West Virginia Division of Highways, District 2. Our review was conducted on November 13-16, 2018 and was made under the authority provided by West Virginia Code §5A-3-4(a) (5) and the Code of State Rules §148-1-4.14.

The review was directed principally to determine whether agency purchasing transactions for the period under review were, in all material respects, in compliance with statute, rules and procedures

Our review indicated that, for the period of July 1, 2017 through June 30, 2018, the agency processed 9,095 procurement transactions with a value of \$71,692,444.41. (These amounts are approximate, subject to reporting limitations from WVOASIS (including possible data entry error) and errors caused by elimination of duplicate results).

SCOPE

We conducted our review in accordance with applicable provisions of Code and Rule; the Purchasing Division's Procedures Handbook; and guidelines, procedures and processes that govern the purchasing process. Our review encompassed an analysis of the internal procurement operating procedures of the spending unit and its related policies to the extent we deemed necessary to formulate an opinion on the adequacy of the system to properly manage procurement transactions.

For the stated period, we selected a judgmental sample of procurement transactions for compliance testing and performed other procedures that we considered necessary to formulate this opinion. Specifically, the scope of our review included, but was not limited to, an examination of the following:

- (1) Proper award (lowest responsible bidder meeting specifications),
- (2) Use of Statewide Contracts,
- (3) Use of internal resources,
- (4) Failure to Bid at Delegated Level,
- (5) Verification of vendor registration,
- (6) Verification of unemployment and workers' compensation, vendor status with Secretary of State's office, debarred vendor list,
- (7) Presence of signed notarized Affidavit,
- (8) Issuance of purchase order,
- (9) Fixed Asset transactions,
- (10) Certification of Non-Conflict,
- (11) Evidence of stringing, and
- (12) Attendance of Purchasing Division training conferences.

RESULTS OF REVIEW

Issue 1 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/17/18	Hydraulic Parts	American Hydraulic Ser.	\$768.82	PRCC,PC15*5414

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$12,915.46 in 24 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file.

- **Finding – C**

The listed file did not include the required purchasing "Affidavit."

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 2 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/13/18	Tools	American Producers	\$2,049.80	PRCC,PC15*7022

- **Finding – A**

The listed item was not purchased from the Statewide Contract (INDEQP) and no waiver from the Purchasing Division was present.

- **Requirement**

See Attachment A, point #1 – Statewide Contract Availability.

- **Recommendation**

We recommend investigating the statewide contracts before proceeding with future procurements. The statewide contracts are available for viewing at www.state.wv.us/admin/purchase.

Issue 3 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/17/18	Parts	Applied MSS.	\$286.90	PRCC,PC15*7709

Summary:

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$4,217.58 in 24 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

Issue 4 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/08/2018	Cleaner	Atco Manufacturing	\$1,204.00	PRCC,PC15*9554

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$5,236.84 in 9 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file.

- **Finding – C**

The listed file did not include the required purchasing "Affidavit."

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 5 (Two Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/14/18	Hydraulic hose	Belo Mine Supply.	\$244.32	PRCC,PC15*3443

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$9,367.97 in 61 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed file did not include the required purchasing "Affidavit."

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 6 (Two Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/18/18	Saw repair	Berry's Saw and Mower	\$246.75	PRCC,PC15*7703

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$5,909.84 in 20 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed file did not include the required purchasing "Affidavit."

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 7 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
01/31/18	Auto parts	Bert Wolf	\$40.59	PRCC,PC15*0604

- **Finding – A**

The listed item was not purchased from the Statewide Contract (MVAPRTS) and no waiver from the Purchasing Division was present.

- **Requirement**

See Attachment A, point #1 – Statewide Contract Availability.

- **Recommendation**

We recommend investigating the statewide contracts before proceeding with future procurements. The statewide contracts are available for viewing at www.state.wv.us/admin/purchase.

Issue 8 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/15/18	Map	C & B Blueprint	\$66.00	PRCC,PC15*3357

Summary:

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$3,946.46 in 21 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

Issue 9 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
01/03/18	Gate	Carl Bailey Classic	\$2,499.00	PRCC,PC15*0504

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$6,478.00 in 5 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker’s compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers’ Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers’ compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file.

- **Finding – C**

The listed file did not include the required purchasing "Affidavit."

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 10 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/17/18	Mat rental	Cintas	\$130.12	PRCC,PC15*7255

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$15,954.42 in 245 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file.

- **Finding – C**

The listed file did not include the required purchasing "Affidavit."

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 11 (Two Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/28/18	Wrecker Service	Cogan's Wrecker	\$9,126.70	PRCC,PC15*4141

- **Finding – A**
There was no indication that an agency Purchase Order was issued.
 - **Requirement**
See Attachment A, point #8 – PO Issued.
 - **Recommendation**
We recommend that approved forms be used to make an award.
-

- **Finding – B**
The listed file did not include the required Certification of Non-Conflict of Interest.
 - **Requirement**
See Attachment A, point #10 – Certification of Non-Conflict of Interest.
 - **Recommendation**
We recommend maintaining purchasing files with all documentation including the Certification of Non-Conflict of Interest (where applicable).
-

Issue 12 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/13/18	Tarps	Discount Industrial	\$2,453.15	PRCC,PC15*4741

- **Finding – A**

The listed item was not purchased from the Statewide Contract (INDEQP) and no waiver from the Purchasing Division was present.

- **Requirement**

See Attachment A, point #1 – Statewide Contract Availability.

- **Recommendation**

We recommend investigating the statewide contracts before proceeding with future procurements. The statewide contracts are available for viewing at www.state.wv.us/admin/purchase.

Issue 13 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/18/18	Pest control	Dodson Pest Control	\$510.00	PRCC,PC15*1662

Summary:

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$3,465.00 in 52 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

Issue 14 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/15/18	Chemicals	Dubois Chemicals	\$1,773.26	PRCC,PC15*1026

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$7,503.26 in 5 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker’s compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers’ Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers’ compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file.

- **Finding – C**

The listed file did not include the required purchasing "Affidavit."

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 15 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/11/18	Auto parts	Dutch Miller	\$163.59	PRCC,PC15*1924

- **Finding – A**

The listed item was not purchased from the Statewide Contract (MVAPRTS) and no waiver from the Purchasing Division was present.

- **Requirement**

See Attachment A, point #1 – Statewide Contract Availability.

- **Recommendation**

We recommend investigating the statewide contracts before proceeding with future procurements. The statewide contracts are available for viewing at www.state.wv.us/admin/purchase.

Issue 16 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
01/08/18	Door	Electronic Specialty	\$3,071.00	PRCC,PC15*6980

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

There was no indication that an agency Purchase Order was issued.

- **Requirement**

See Attachment A, point #8 – PO Issued.

- **Recommendation**

We recommend that approved forms be used to make an award.

- **Finding – C**

The listed file did not include the required Certification of Non-Conflict of Interest.

- **Requirement**

See Attachment A, point #10 – Certification of Non-Conflict of Interest.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Certification of Non-Conflict of Interest (where applicable).

Issue 17 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/14/18	Bolts	Fastenal	\$48.52	PRCC,PC15*9871

- **Finding – A**

The listed item was not purchased from the Statewide Contract (FASTEN) and no waiver from the Purchasing Division was present.

- **Requirement**

See Attachment A, point #1 – Statewide Contract Availability.

- **Recommendation**

We recommend investigating the statewide contracts before proceeding with future procurements. The statewide contracts are available for viewing at www.state.wv.us/admin/purchase.

Issue 18 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
01/09/18	Auto parts	Fisher Auto Parts	\$36.72	PRCC,PC15*3114

- **Finding – A**

The listed item was not purchased from the Statewide Contract (MVAPRTS) and no waiver from the Purchasing Division was present.

- **Requirement**

See Attachment A, point #1 – Statewide Contract Availability.

- **Recommendation**

We recommend investigating the statewide contracts before proceeding with future procurements. The statewide contracts are available for viewing at www.state.wv.us/admin/purchase.

Issue 19 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/04/18	Filter	Fleetpride	\$241.68	PRCC,PC15*4903

Summary:

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$4,850.54 in 12 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

Issue 20 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/11/18	Wrecker service	Gaylocks Wrecker	\$591.00	PRCC,PC15*9586

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$12,555.77 in 29 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file.

- **Finding – C**

The listed file did not include the required purchasing "Affidavit."

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 21 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/22/18	Parts	Gillie Hyde	\$160.53	PRCC,PC15*7824

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$7,072.57 in 11 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file.

- **Finding – C**

The listed file did not include the required purchasing "Affidavit."

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 22 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/18/18	Parts	Hajoca	\$526.43	PRCC,PC15*5579

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$9,512.08 in 20 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file.

- **Finding – C**
The listed file did not include the required purchasing "Affidavit."
- **Requirement**
See Attachment A point #6 – Affidavit.
- **Recommendation**
We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 23 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
01/08/18	Tools	Harbor Freight	\$144.98	PRCC,PC15*6684

- **Finding – A**

The listed item was not purchased from the Statewide Contract (INDEQP) and no waiver from the Purchasing Division was present.

- **Requirement**

See Attachment A, point #1 – Statewide Contract Availability.

- **Recommendation**

We recommend investigating the statewide contracts before proceeding with future procurements. The statewide contracts are available for viewing at www.state.wv.us/admin/purchase.

Issue 24 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/26/18	Waste pick up	Heritage	\$510.00	PRCC,PC15*1662

Summary:

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$3,465.00 in 52 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

Issue 25 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/16/18	Shop supplies	Hill Manufacturing	\$1,070.00	PRCC,PC15*6566

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$17,597.50 in 10 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker’s compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers’ Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers’ compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file.

- **Finding – C**

The listed file did not include the required purchasing "Affidavit."

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 26 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/12/18	Ice	Home City Ice	\$89.00	PRCC,PC15*1315

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$17,720.44 in 86 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker’s compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers’ Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers’ compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file.

- **Finding – C**

The listed file did not include the required purchasing "Affidavit."

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 27 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
10/05/17	Pressure washer	Hotsy	\$5,775.09	PRCC,PC15*6683

- **Finding – A**

The listed item was not purchased from the Statewide Contract (INDEQP) and no waiver from the Purchasing Division was present.

- **Requirement**

See Attachment A, point #1 – Statewide Contract Availability.

- **Recommendation**

We recommend investigating the statewide contracts before proceeding with future procurements. The statewide contracts are available for viewing at www.state.wv.us/admin/purchase.

Issue 28 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/05/18	Hydraulics	Huntington Hose	\$317.60	PRCC,PC15*9511

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$20,464.28 in 137 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file.

- **Finding – C**
The listed file did not include the required purchasing "Affidavit."
- **Requirement**
See Attachment A point #6 – Affidavit.
- **Recommendation**
We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 29 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
01/08/18	Lights for truck	In Electronic Comm.	\$2,933.80	PRCC,PC15*7800

• **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

• **Requirement**

See Attachment A, point #3 – Bid Documentation.

• **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

• **Finding – B**

There was no indication that an agency Purchase Order was issued.

• **Requirement**

See Attachment A, point #8 – PO Issued.

• **Recommendation**

We recommend that approved forms be used to make an award.

- **Finding – C**

The listed file did not include the required Certification of Non-Conflict of Interest.

- **Requirement**

See Attachment A, point #10 – Certification of Non-Conflict of Interest.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Certification of Non-Conflict of Interest (where applicable).

Issue 30 (Five Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
01/19/18	Plow shoes	Ironhawk Industrial	\$5,207.74	PRCC,PC15*1189

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file.

- **Finding – C**
The listed file did not include the required purchasing "Affidavit."
 - **Requirement**
See Attachment A point #6 – Affidavit.
 - **Recommendation**
We recommend maintaining purchasing files with all documentation including the Affidavit.
-

- **Finding – D**
There was no indication that an agency Purchase Order was issued.
 - **Requirement**
See Attachment A, point #8 – PO Issued.
 - **Recommendation**
We recommend that approved forms be used to make an award.
-

- **Finding – E**
The listed file did not include the required Certification of Non-Conflict of Interest.
 - **Requirement**
See Attachment A, point #10 – Certification of Non-Conflict of Interest.
 - **Recommendation**
We recommend maintaining purchasing files with all documentation including the Certification of Non-Conflict of Interest (where applicable).
-

Issue 31 (Five Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/26/18	Transmission	Jasper Engine	\$3,898.00	PRCC,PC15*1557

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$11,311.00 in 4 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file

- **Finding – C**
The listed file did not include the required purchasing "Affidavit."
 - **Requirement**
See Attachment A point #6 – Affidavit.
 - **Recommendation**
We recommend maintaining purchasing files with all documentation including the Affidavit.
-

- **Finding – D**
There was no indication that an agency Purchase Order was issued.
 - **Requirement**
See Attachment A, point #8 – PO Issued.
 - **Recommendation**
We recommend that approved forms be used to make an award.
-

- **Finding – E**
The listed file did not include the required Certification of Non-Conflict of Interest.
 - **Requirement**
See Attachment A, point #10 – Certification of Non-Conflict of Interest.
 - **Recommendation**
We recommend maintaining purchasing files with all documentation including the Certification of Non-Conflict of Interest (where applicable).
-

Issue 32 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/18/18	Glass	Justice Glass	\$393.23	PRCC,PC15*0318

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$8,180.95 in 26 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file

- **Finding – C**

The listed file did not include the required purchasing "Affidavit."

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 33 (Five Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
10/20/17	Retread tires	Kings Tire	\$7,050.00	PRCC,PC15*1179

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file.

- **Finding – C**
The listed file did not include the required purchasing "Affidavit."
 - **Requirement**
See Attachment A point #6 – Affidavit.
 - **Recommendation**
We recommend maintaining purchasing files with all documentation including the Affidavit.
-

- **Finding – D**
There was no indication that an agency Purchase Order was issued.
 - **Requirement**
See Attachment A, point #8 – PO Issued.
 - **Recommendation**
We recommend that approved forms be used to make an award.
-

- **Finding – E**
The listed file did not include the required Certification of Non-Conflict of Interest.
 - **Requirement**
See Attachment A, point #10 – Certification of Non-Conflict of Interest.
 - **Recommendation**
We recommend maintaining purchasing files with all documentation including the Certification of Non-Conflict of Interest (where applicable).
-

Issue 34 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
11/03/17	Repair	Konecranes	\$750.00	PRCC,PC15*6150

Summary:

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$3,833.00 in 4 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

Issue 35 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/18/18	Parts	Lawson Products	\$1,916.69	PRCC,PC15*5593

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$23,021.98 in 35 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file

- **Finding – C**
The listed file did not include the required purchasing "Affidavit."
- **Requirement**
See Attachment A point #6 – Affidavit.
- **Recommendation**
We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 36 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
07/28/17	Valve	Matz Equipment	\$476.00	PRCC,PC15*2246

Summary:

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$3,965.85 in 6 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

Issue 37 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
09/13/17	Auto parts	Mike Ferrell Ford	\$122.48	PRCC,PC15*1735

- **Finding – A**

The listed item was not purchased from the Statewide Contract (MVAPRTS) and no waiver from the Purchasing Division was present.

- **Requirement**

See Attachment A, point #1 – Statewide Contract Availability.

- **Recommendation**

We recommend investigating the statewide contracts before proceeding with future procurements. The statewide contracts are available for viewing at www.state.wv.us/admin/purchase.

Issue 38 (Four Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
09/08/17	Ladder rack	Mullins Distributing	\$3,255.00	PRCC,PC15*5276

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$6,510.00 in 2 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file

- **Finding – C**
There was no indication that an agency Purchase Order was issued.
 - **Requirement**
See Attachment A, point #8 – PO Issued.
 - **Recommendation**
We recommend that approved forms be used to make an award.
-

- **Finding – D**
The listed file did not include the required Certification of Non-Conflict of Interest.
 - **Requirement**
See Attachment A, point #10 – Certification of Non-Conflict of Interest.
 - **Recommendation**
We recommend maintaining purchasing files with all documentation including the Certification of Non-Conflict of Interest (where applicable).
-

Issue 39 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/19/18	Hydraulics	Nova Rubber	\$230.35	PRCC,PC15*7241

Summary:

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$2,674.41 in 14 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

Issue 40 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
08/03/17	Poly wafers	Old Dominion Brush	\$1,357.00	PRCC,PC15*1544

Summary:

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$4,133.50 in 3 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

Issue 41 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/15/18	Molly lube	Pro Chem.	\$416.07	PRCC,PC15*1026

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$13,350.45 in 23 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file

- **Finding – C**

The listed file did not include the required purchasing "Affidavit."

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 42 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/13/18	Volt meter	Remichel	\$124.57	PRCC,PC15*7028

- **Finding – A**

The listed item was not purchased from the Statewide Contract (INDEQP) and no waiver from the Purchasing Division was present.

- **Requirement**

See Attachment A, point #1 – Statewide Contract Availability.

- **Recommendation**

We recommend investigating the statewide contracts before proceeding with future procurements. The statewide contracts are available for viewing at www.state.wv.us/admin/purchase.

Issue 43 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/13/18	Parts	Rudd Equipment	\$204.78	PRCC,PC15*5806

Summary:

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$3,820.08 in 21 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

Issue 44 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/15/18	Fire extinguisher insp.	Sentry Fire Protection	\$661.17	PRCC,PC15*1021

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$7,364.91 in 17 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file

- **Finding – C**

The listed file did not include the required purchasing "Affidavit."

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 45 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/13/18	Insect repellent	Share Corporation	\$2,335.06	PRCC,PC15*1306

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$20,992.25 in 21 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file

- **Finding – C**

The listed file did not include the required purchasing "Affidavit."

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 46 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/14/18	Lights	SQ Electric Services	\$1,738.71	PRCC,PC15*1680

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$13,629.75 in 12 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file

- **Finding – C**

The listed file did not include the required purchasing "Affidavit."

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 47 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/17/18	Auto parts	Stephens Auto	\$330.76	PRCC,PC15*7733

- **Finding – A**

The listed item was not purchased from the Statewide Contract (MVAPRTS) and no waiver from the Purchasing Division was present.

- **Requirement**

See Attachment A, point #1 – Statewide Contract Availability.

- **Recommendation**

We recommend investigating the statewide contracts before proceeding with future procurements. The statewide contracts are available for viewing at www.state.wv.us/admin/purchase.

Issue 48 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/09/18	Grease tubes	Texas Refinery	\$1,315.50	PRCC,PC15*8691

Summary:

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$4,804.82 in 7 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

Issue 49 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
02/28/18	Elevator Maintenance	The Murphy Elevator Co	\$280.00	PRCC,PC15*9883

Summary:

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$2,800.00 in 11 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

Issue 50 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/19/18	Auto parts	Tim Short Chevy	\$67.50	PRCC,PC15*9665

- **Finding – A**

The listed item was not purchased from the Statewide Contract (MVAPRTS) and no waiver from the Purchasing Division was present.

- **Requirement**

See Attachment A, point #1 – Statewide Contract Availability.

- **Recommendation**

We recommend investigating the statewide contracts before proceeding with future procurements. The statewide contracts are available for viewing at www.state.wv.us/admin/purchase.

Issue 51 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/25/18	Auto parts	Todd Judy Ford	\$64.62	PRCC,PC15*0322

- **Finding – A**

The listed item was not purchased from the Statewide Contract (MVAPRTS) and no waiver from the Purchasing Division was present.

- **Requirement**

See Attachment A, point #1 – Statewide Contract Availability.

- **Recommendation**

We recommend investigating the statewide contracts before proceeding with future procurements. The statewide contracts are available for viewing at www.state.wv.us/admin/purchase.

Issue 52 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
10/23/17	Auto parts	Turnpike Ford	\$100.92	PRCC,PC15*6196

- **Finding – A**

The listed item was not purchased from the Statewide Contract (MVAPRTS) and no waiver from the Purchasing Division was present.

- **Requirement**

See Attachment A, point #1 – Statewide Contract Availability.

- **Recommendation**

We recommend investigating the statewide contracts before proceeding with future procurements. The statewide contracts are available for viewing at www.state.wv.us/admin/purchase.

Issue 53 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
02/08/18	Bottled water	Tyler Mountain	\$137.75	PRCC,PC15*0354

- **Finding – A**

The listed item was not purchased from the Statewide Contract (WVARF) and no waiver from the Purchasing Division was present.

- **Requirement**

See Attachment A, point #1 – Statewide Contract Availability.

- **Recommendation**

We recommend investigating the statewide contracts before proceeding with future procurements. The statewide contracts are available for viewing at www.state.wv.us/admin/purchase.

Issue 54 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
09/20/17	Package	UPS	\$25.80	PRCC,PC15*0073

- **Finding – A**

The listed item was not purchased from the Statewide Contract (PKGSVS) and no waiver from the Purchasing Division was present.

- **Requirement**

See Attachment A, point #1 – Statewide Contract Availability.

- **Recommendation**

We recommend investigating the statewide contracts before proceeding with future procurements. The statewide contracts are available for viewing at www.state.wv.us/admin/purchase.

Issue 55 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/06/18	Garage Door Repair	Varney Door Co	\$2,037.94	PRCC,PC15*8108

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$6,419.07 in 6 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file

- **Finding – C**

The listed file did not include the required purchasing "Affidavit."

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 56 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
11/03/17	Bed repair	WE-Heritage	\$975.00	PRCC,PC15*3905

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$19,048.47 in 83 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file

- **Finding – C**
The listed file did not include the required purchasing "Affidavit."
- **Requirement**
See Attachment A point #6 – Affidavit.
- **Recommendation**
We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 57 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
09/28/17	Truck parts	Webbs Truck Parts	\$2,781.54	PRCC,PC15*6392

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$13,032.89 in 51 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file

- **Finding – C**
The listed file did not include the required purchasing "Affidavit."
- **Requirement**
See Attachment A point #6 – Affidavit.
- **Recommendation**
We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 58 (Five Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/17/18	Transmission	Western Branch Diesel	\$11,295.07	PRCC,PC15*2330

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file.

- **Finding – C**

The listed file did not include the required purchasing "Affidavit."

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Affidavit.

- **Finding – D**

There was no indication that an agency Purchase Order was issued.

- **Requirement**

See Attachment A, point #8 – PO Issued.

- **Recommendation**

We recommend that approved forms be used to make an award.

- **Finding – E**

The listed file did not include the required Certification of Non-Conflict of Interest.

- **Requirement**

See Attachment A, point #10 – Certification of Non-Conflict of Interest.

- **Recommendation**

We recommend maintaining purchasing files with all documentation including the Certification of Non-Conflict of Interest (where applicable).

Issue 59 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/27/18	Springs	WV Spring and Radiator	\$304.40	PRCC,PC15*5774

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$9,012.99 in 13 transactions with this vendor during the fiscal year under review.

- **Finding – A**

Documentation showed no evidence of competitive bidding and no justification for a sole-source purchase.

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

We recommend maintaining purchasing files with all documentation, including, but not limited to: specifications used when making the purchase, listing of bids, all correspondence and any justification/explanation required for the transaction.

- **Finding – B**

The listed purchase did not include proof of coverage for either worker's compensation, unemployment compensation or Secretary of State Registration.

- **Requirement**

See Attachment A, point #5 – Workers' Compensation/Unemployment Compensation and Secretary of State Registration.

- **Recommendation**

We recommend verifying proof of Secretary of State Registration, workers' compensation and unemployment compensation coverage prior to award. Further, we recommend retaining this documentation with the purchasing file

- **Finding – C**
The listed file did not include the required purchasing "Affidavit."
- **Requirement**
See Attachment A point #6 – Affidavit.
- **Recommendation**
We recommend maintaining purchasing files with all documentation including the Affidavit.

Issue 60 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/18/18	Steel	Huntington Steel	\$220.00	PRCC,PC15*3460

Summary:

During the period under review, the agency spent a total of \$34,176.86 in 36 transactions with this vendor which exceeds the formal bid limit of \$25,000.00.

- **Finding – A**

The pattern of transactions and amount spent with this vendor during the fiscal year could be construed as stringing.

- **Requirement**

See Attachment A, point #1 – Stringing.

- **Recommendation**

We strongly recommend that the Agency monitor its ongoing purchases to avoid crossing delegated purchasing limits without applicable bids.

Issue 61 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/15/18	Parts	Kimball Midwest	\$2,456.61	PRCC,PC15*6669

Summary:

During the period under review, the agency spent a total of \$30,469.04 in 49 transactions with this vendor which exceeds the formal bid limit of \$25,000.00.

- **Finding – A**

The pattern of transactions and amount spent with this vendor during the fiscal year could be construed as stringing.

- **Requirement**

See Attachment A, point #1 – Stringing.

- **Recommendation**

We strongly recommend that the Agency monitor its ongoing purchases to avoid crossing delegated purchasing limits without applicable bids.

Issue 62 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/14/18	Filters	McClanahan Service	\$1,109.02	PRCC,PC15*3630

Summary:

During the period under review, the agency spent a total of \$26,483.95 in 25 transactions with this vendor which exceeds the formal bid limit of \$25,000.00.

- **Finding – A**

The pattern of transactions and amount spent with this vendor during the fiscal year could be construed as stringing.

- **Requirement**

See Attachment A, point #1 – Stringing.

- **Recommendation**

We strongly recommend that the Agency monitor its ongoing purchases to avoid crossing delegated purchasing limits without applicable bids.

Issue 63 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/13/18	Tar remover	Momar	\$1,481.01	PRCC,PC15*9098

Summary:

During the period under review, the agency spent a total of \$39,133.34 in 34 transactions with this vendor which exceeds the formal bid limit of \$25,000.00.

- **Finding – A**

The pattern of transactions and amount spent with this vendor during the fiscal year could be construed as stringing.

- **Requirement**

See Attachment A, point #1 – Stringing.

- **Recommendation**

We strongly recommend that the Agency monitor its ongoing purchases to avoid crossing delegated purchasing limits without applicable bids.

SUMMARY

This review of 382 selected transactions from an approximate 9,095 total transactions yielded 131 findings associated with 63 of the selected transactions. This indicates that approximately 16% of the transactions reviewed had one or more problems of potential nonconformity with Purchasing Division laws, rules and/or regulations.

In October 2018, the Purchasing Division conducted our annual purchasing conference for agency procurement officers at Camp Dawson. At this conference, attendees were offered the opportunity to attend 11 workshops focusing on more than 30 different topics.

Listed below, you will find the names of your Agency employees who participated in our conference and the number of classes they attended:

Angie Moorman: attended 4 workshops (11 available)

Based on the findings contained in this report, we strongly suggest that the Division of Highways District 2 comply with all recommendations and take appropriate action as required.

A Corrective Action Plan Request will follow requesting your response to all the compliance issues identified in this report.

COMPARISON WITH PRIOR INSPECTION

A previous inspection of the West Virginia Division of Highway District 2 was conducted in February of 2015. The review consisted of 401 selected transactions from an approximate 10,029 total transactions from July 1, 2013 through June 30, 2014. This review resulted in 90 findings associated with 58 of the selected transactions. This indicated that 14% 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 2015 to the current 2019 inspection, below is a summary of the issues identified during the 2015 inspection, as compared to the findings from the current inspection.

Summary of Problem Transactions		
<i>Findings</i>	2015	2018
Stringing	3	4
Statewide Contract	6	16
Internal Resources	0	0
Failure to Bid at Delegated Level	34	42
Vendor Registration	1	0
Verification Searches	21	26
Affidavit	20	27
wvOasis Award Document/Purchase Order	3	8
Asset Tag/Number	0	0
Certification of Non-Conflict of Interest	2	8
Miscellaneous Issue	0	0
<i>Total</i>	90	131

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>.

Inspection Report – Attachment A

Requirements from the West Virginia Purchasing Division Procedures Handbook (Issuance Date: July 1, 2015), the West Virginia Code, the West Virginia Code of State Rules (148 CSR 1) and the West Virginia State Travel Policy (July 1, 2015).

1. Statewide Contract Availability:

Section 3.6.2.1 of the Handbook states:

“No agency may be exempt from using statewide contracts without prior written approval from the Purchasing Director.”

Section 5.1 of the Handbook states:

“Prior to seeking competitive bids, agencies must first check the following mandatory contracts or internal resources: statewide contract or agency open-end contract existing for the commodity or service. . . .”

2. Internal Resources:

Section 5.1 of the Handbook states:

“Prior to seeking competitive bids, agencies must first check the following mandatory contracts or internal resources. . . Surplus Property, Correctional Industries and the West Virginia Association of Rehabilitation Facilities.”

Section 3.6.1.2 of the Handbook states:

“In accordance with West Virginia Code, §25-7-5, all offices, departments, institutions and agencies of the state which are supported in whole or in part by this state shall purchase, and all political subdivisions of this state may purchase, all articles or products which they require from the commissioner, if those articles or products are produced or manufactured by correctional industries, as provided by article 7 of Chapter 25 of the West Virginia Code. No state office, department, institution or agency may purchase an article or product which correctional industries produces from any other source, unless specifically excepted from the provisions of §25-7-5 pursuant to §25-7-6.”

Section 3.6.1.3 of the Handbook states:

“All state agencies are required by West Virginia Code, §5A-3-10, to purchase commodities and services from sheltered workshops whenever such commodities and services are available and meet certain quality and price standards which are comparable to open-market sources.”

3. Failure to Bid at Delegated Level:

Section 5.1.2 of the Handbook states:

"Purchases \$2,500.01 to \$5,000.00: A minimum of three (3) verbal bids are required, when possible, and the lowest bid meeting specification must be awarded the purchase order/contract. All bids must be present in the file. Bids shall be documented and recorded for public record."

Section 5.1.3 of the Handbook states:

"Purchases \$5,000.01 to \$25,000.00: A minimum of three (3) written bids are required, when possible, and the lowest bid meeting specification must be awarded the purchase order/contract. All bids must be present in the file. "

"An Agency Request for Quotation or a Centralized Request for Quotation should be used for documenting and making these requests. In all cases, state agencies must attempt to obtain at least three (3) written bids for a product or service. A "no bid" is not considered a bid."

4. Vendor Registration:

Section 5.2.3 of the Handbook states:

"Prior to an award, a vendor must be in compliance with the following and the agency shall retain documentation in the file:

Vendor registration process (must be registered and the fee paid if applicable)."

5. Verification Searches:

Section 5.2.3 of the Handbook states:

- **Workers' Compensation/Unemployment Compensation:**

*"In accordance with the West Virginia Code §21A-2-6, verification of current unemployment fee status and Workers' Compensation coverage is required to ensure the vendor is not in default with Workers' Compensation and Employment Compensation." **wvOASIS automatically verifies compliance prior to award***

- **State/Federal Debarment:**

"Verification that the vendor is not debarred by the federal government. wvOASIS automatically verifies this federal compliance prior to award."

- **Vendors licensed and in good standing – Secretary of State's Office**

*"In accordance with the **Code of State Rules** 148 CSR 6.1.7, the vendor must be licensed and in good standing with any and all state and local law and requirements, including proper registration and good standing with the Secretary of State's office and the State Tax Department, regardless of payment method, To search for a business or corporation with the Secretary of*

State's office, visit <http://apps.sos.wv.gov/business/corporations>. **Agencies must verify this compliance prior to award.**"

6. Affidavit:

Section 5.2.3 of the Handbook states:

"Purchasing Affidavit (required on all contracts exceeding \$5,000);"

7. Agreement Addendum: (WV-96)

Section 5.2.3 of the Handbook states:

"Required when vendors submit alternate terms and condition with their bid"

8. wvOASIS Procurement Award Document:

Section 5.1.2 of the Handbook states (for purchases \$2,500.01 to \$5,000.00)

"A wvOASIS procurement award document is required for purchases exceeding \$2500. Awards are to be made only to vendors who are properly registered with the Purchasing Division."

Section 5.1.3 of the Handbook states (for purchases of \$5,000.01 to \$25,000.00):

"An Agency Request for Quotation or a Centralized Request for Quotation should be used for documenting and making these requests."

9. Asset Number Required:

Section 5.5 of the Handbook states:

"Fixed Assets: After payment has been made to the vendor, reportable property must be added to the Fixed Assets module of wvOASIS."

10. Certificate of Non-Conflict of Interest:

Section 5.2.3 of the handbook states:

"A public record of all purchasing transactions must be kept on file at the agency location. . . This file must also include a Certificate of Non-Conflict of Interest."

11. Receiving:

Section 5.3 of the handbook states:

"In accordance with the West Virginia State Auditor's receiving report requirements (Code of State Rules, §155-1-4), materials must be opened and inspected within 24 hours of receipt. . . Agencies must verify the shipment against the specifications in the purchase order and retain a copy of the receiving report prepared for the Auditor's office with the purchasing file. For receipt of services, a receiving report similar in form to that required by the Auditor's office shall be completed, signed and retained with the purchasing file."

11

"spending units may include a memorandum to file in the purchasing file indicating the storage location of the receiving reports. The actual reports shall be produced on demand, in accordance with the Code of State Rules, §148-1-4-14"

12. Stringing:

According to the Purchasing Division's Procedures Handbook, the definition for "stringing" is "issuing a series of requisitions or purchase orders to circumvent competitive bidding or to defeat the State purchasing card transaction or delegated purchasing limit."

The West Virginia Code, §5A-3-10 states:

(a) A purchase of and contract for commodities, printing and services shall be based, whenever possible, on competitive bids.

(b) The director shall solicit sealed bids for the purchase of commodities and printing which is estimated to exceed twenty-five thousand dollars. No spending unit shall issue a series of requisitions or divide or plan procurements to circumvent this twenty-five thousand dollar threshold or otherwise avoid the use of sealed bids. Any spending unit which awards multiple contracts for the same or similar commodity or service to an individual vendor over any twelve-month period, the total value of which exceeds twenty-five thousand dollars, shall file copies of all contracts awarded to the vendor within the twelve preceding months with the director immediately upon exceeding the twenty-five thousand dollar limit, along with a statement explaining how the multiple contract awards do not circumvent the twenty-five thousand dollar threshold. If the spending unit does not immediately report to the director, the director may suspend the purchasing authority of the spending unit until the spending unit complies with the reporting requirement of this subsection. The director may conduct a review of any spending unit to ensure compliance with this subsection. Following a review, the director shall complete a report summarizing his or her findings and forward the report to the spending unit. In addition, the director shall report to the Joint Committee on Government and Finance on the first day of January and July of each year the spending units which have reported under this subsection and the findings of the director. . . .

Additionally, the Legislative Rule §148-1 states that the Director shall:

7.2.b If an agency fails to comply with the procedures and requirements established for purchases of \$25,000 or less, the Director has the ability to:

7.2.b.1 Suspend or reduce purchasing authority for that spending unit,

7.2.b.2 Require the spending to provided additional reports and documentation relating to purchases of \$25,000 or less for Purchasing Division review,

7.2.b.3 Require the agency to submit to additional oversight tht the Director deems appropriate, or

7.2.b.4 Require that the agency personnel responsible for purchases of \$25,000 or less participate in remedial training provided by the Purchasing Division

13. Travel:

Section 5.2.2.1, 5.2.2.2 of the State Travel Policy states:

"Privately-owned vehicles may be used for state travel with agency approval when agency owned or leased vehicles are unavailable. A privately-owned vehicle should not be used when reimbursement costs are expected to exceed \$50.00 per day or mileage reimbursement is expected to cost more than the cost of commercial travel (air, rental car, etc.). Milage allowance for privately owned vehicles engaged in State business will be based on the GSA rate in effect at the trime of the travel. The rate covers all operating costs such as fuel, maintenance, insurance, etc., and no additional reimbursement will be made for such expenses."

Section 5.2.4.1 of the State Travel Policy states:

A commercial rental vehicle should only be used when a temporary need arises, a state vehicle is unavailable and the cost will be less than the reimbursement associated with a privately-owned vehicle. Only the Traveler renting the commercial rental vehicle is permitted to operate the vehicle. If state employees are traveling together it must be noted on the rental agreement if they will operate the vehicle.

West Virginia Division of Highways District 2 FY2018 Statistics

Transactions Reviewed	382
Non-Conformance Rate (See Summary Page)	16.0%
Conformance Rate	84.0%

Findings Summary				
Finding Category	Number of Findings	Finding Percentage	Points possible	Points Received
Stringing	4	1.05%	30	0
Statewide Contract	16	4.19%	15	9
Internal Resources	0	0.00%	15	15
Failure to Bid	42	10.99%	15	6
Vendor Registration	0	0.00%	5	5
Verification Searches	26	6.81%	5	4
Affidavit	27	7.07%	5	4
Award Document	8	2.09%	3	2.4
Asset Tag/Number	0	0.00%	3	3
Certification of Non-Conflict of Interest	8	2.09%	3	2.4
Miscellaneous Issue	0	0.00%	1	1
Total	131		100	51.8

Overall Agency Score	
Non-Conformance & Findings Average	Overall Letter Grade
67.9%	D

Scale (See Weight Application*)
91.66 -- 100 = A
83.33 -- 91.65 = B
75 -- 83.32 = C
66.66 -- 74.99 = D
<66.65 = F

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.

Attachment B

Agency Comments and Purchasing Division Response

SUMMARY OF AGENCY COMMENTS & PURCHASING DIVISION RESPONSE

On November 13-16, 2018 the West Virginia Purchasing Division provided the West Virginia Division of Highways District 2 with a draft copy of the Purchasing Division Inspection Report for Fiscal Year 2018. Comments from the agency were received on February 22, 2019. This inspection of 382 selected transactions yielded 131 findings associated with 63 of the selected transactions. This indicates that approximately 16% of the transactions reviewed had one or more problems of potential nonconformity with Purchasing Division laws, rules and/or regulations.

Agency Comments & Purchasing Division Response		
Issue #	Agency Response	Purchasing Response
15	Dutch Miller—Dealer only item.	Reference Section 3.6.2.1 Statewide Contracts in the West Virginia Procedures Handbook: The listed part is available on the Motor Vehicle Auto Parts Statewide Contract. If the item is available but cannot meet time, quality, quantity, or other factors, the agency must obtain a waiver from the Purchasing Division. If the item is not available, the agency must obtain documentation from the vendor and must have that documentation in the file at the time of inspection. The finding stands.
27	Hotsy—Grainger could not supply specifications needed for the requested item. Requested pressure washer was 3000 PSI, natural-gas powered. This was put out for verbal bids. The pressure washer was purchased from the lowest bidder. It had to be returned because the item sent was a 3-phase electric pressure washer. We had no power source to operate, and we had requested natural gas powered. It was returned, and a natural gas-powered pressure washer was purchased from Hotsy.	If the item is not available from the INDEQP Statewide Contract, the agency must obtain documentation from the vendor and must have that documentation in the file at the time of inspection. The finding stands.
36	Justice Glass—Duplicated of Issue 32	This finding was a duplicate. The finding has been rescinded.

Agency Comments & Purchasing Division Response

Issue #	Agency Response	Purchasing Response
51	Tim Short Chevrolet – Item purchased was out of stock at NAPA Auto Parts.	<i>Reference Section 3.6.2.1 Statewide Contracts in the West Virginia Procedures Handbook:</i> If the item is available but cannot meet time, quality, quantity, or other factors, the agency must obtain a waiver from the Purchasing Division. If the item is not available, the agency must obtain documentation from the vendor and must have that documentation in the file at the time of inspection. The finding stands.