



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

W. MICHAEL SHEETS
DIRECTOR

November 16, 2018

James Roten, District Engineer
Division of Highways, District 3
624 Depot Street
Parkersburg, West Virginia 26102

Dear Mr. Rotan:

This is to transmit the final copy of the Purchasing Review of the West Virginia Department of Transportation District Three. Based on the results of the inspection, no further action is required at this time. Should you feel a response is warranted; your comments will become part of the Inspection Report file.

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".

FOR
W. Michael Sheets, CPPO
Director
West Virginia Purchasing Division

Enclosure:

cc: Angie Moorman, Procurement Manager, Division of Highways
Karen Greenburg, District 3 Comptroller, Division of Highways
Tom Smith, Cabinet Secretary, Department of Transportation

WV PURCHASING DIVISION INSPECTION REPORT

Department of Transportation

Division of Highways District 3

FISCAL YEAR
2018

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INTRODUCTION

We conducted a review of the internal procurement policies and procedures of the West Virginia Division of Highways, District 3. Our review was conducted on September 17-21, 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 12,777 procurement transactions with a value of \$49,204,562.31. (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 wvOASIS procurement award document,
- (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 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
02/28/18	Hydraulic power unit	A & A Safety	\$8,692.73	PRCC,PC15*4378

- **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 2 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/25/18	Hose reel	A & A Safety	\$3,150.00	PRCC,PC15*9717

- **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 (Two Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
12/31/17	Vehicle repair	Aamco Transmissions	\$2,496.28	PRCC,PC15*6585

Summary:

The agency spent a total of \$13,957.06 in 7 transactions with this vendor during the fiscal year under review.

- **Finding – A**

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 – 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 4 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/27/18	Auto parts	Advanced Auto	\$348.21	PRCC,PC15*8778

- **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 5 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
08/13/17	Chain binder	American Producers	\$891.41	PRCC,PC15*7775

- **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 6 (Five Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
09/14/17	Excavator parts	Anderson Equipment	\$4,217,24	PRCC,PC15*0880

Summary:

Although the individual transaction listed above falls below written bid limits, the agency spent a total of \$10,631.64 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.
-

- **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 7 (Two Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/29/18	Outdoor Camera	Asco Services	\$750.00	PRCC,PC15*4047

Summary:

The agency spent a total of \$11,499.75 in 20 transactions with this vendor during the fiscal year under review.

- **Finding – A**

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 – 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 8 (Two Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/26/18	Auto repair	Astorg Body Shop	\$453.95	PRCC,PC15*7490

Summary:

The agency spent a total of \$11,347.27 in 11 transactions with this vendor during the fiscal year under review.

- **Finding – A**

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 – 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 9 (Two Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/21/18	Engine	Astorg Ford	\$4,113.37	PRCC,PC15*6988

- **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 10 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/01/18	Oil seals	Bearing Dist.	\$190.40	PRCC,PC15*6812

Summary:

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$2,892.13 in 18 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 11 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/11/18	Propane	BFS Petro Prod	\$839.14	PRCC,PC15*0573
05/30/18	Propane	BFSP Bulk Plant	\$1,060.00	PRCC,PC15*7072

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$7,614.10 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 12 (Two Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/05/18	Trailer parts	Black Spring Service	\$277.30	PRCC,PC15*6453

Summary:

The agency spent a total of \$8,805.61 in 7 transactions with this vendor during the fiscal year under review.

- **Finding – A**

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 – 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 13 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/17/18	Hydraulic hoses	C M & I	\$389.43	PRCC,PC15*7548

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$22,653.44 in 153 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 14 (Two Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/15/18	Lumber	Carter Lumber	\$3,835.93	PRCC,PC15*3274

- **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 15 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
08/03/17	Phyzite	Chase Coating & Lam.	\$3,969.50	PRCC,PC15*9921

- **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 16 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/22/18	Hydraulic hose	Daves Auto	\$78.28	PRCC,PC15*7500

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$5,159.27 in 47 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 17 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/11/18	Wrecker service	Emerick Bros.	\$427.50	PRCC,PC15*5583

Summary:

Although the individual transactions listed above falls below verbal bid limits, the agency spent a total of \$4,247.50 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 18 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
07/20/17	Bolts	Fastenal	\$273.40	PRCC,PC15*9147

- **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 19 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/14/18	Bolts	Fasteners & Supply	\$210.00	PRCC,PC15*7803

- **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 20 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/26/18	Parts	Fleetpride	\$134.52	PRCC,PC15*9741

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$12,500.74 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 21 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/05/18	Used oil collection	H & H Oil	\$173.70	PRCC,PC15*6426

Summary:

Although the individual transactions listed above falls below verbal bid limits, the agency spent a total of \$2,926.80 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.

Issue 22 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/15/18	Concrete blocks	Hanson RM Arrow	\$1,650.00	PRCC,PC15*7545

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$8,420.00 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 23 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/27/18	Ice	Home City Ice	\$328.73	PRCC,PC15*3332

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$13,129.43 in 64 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 24 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
02/24/18	Hydraulic repair	Imperial Hydraulic Service	\$882.50	PRCC,PC15*0586

Summary:

Although the individual transactions listed above falls below verbal bid limits, the agency spent a total of \$2,824.12 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 25 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/16/18	Auto parts	J & S Auto Supply	\$151.60	PRCC,PC15*5309

- **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 26 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/25/18	A frame	J & J Fabrication	\$807.23	PRCC,PC15*1411

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$5,532.33 in 18 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>
06/15/18	Auto parts	Jenkins Auto Parts	\$74.04	PRCC,PC15*7569

- **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 28 (Two Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/03/18	Hog ring tool	King-Hughes	\$4,459.95	PRCC,PC15*9670

- **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 29 (Five Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
12/14/17	Retread tire	Kings Tire	\$5,030.00	PRCC,PC15*8020

- **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 30 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/10/18	Sign post	Korman Signs	\$2,701.58	PRCC,PC15*4755

- **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 31 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/11/18	Cylinder head	KSD Enterprises	\$3,071.86	PRCC,PC15*8877

- **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 32 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/15/18	Welding hood	Matheson	\$100.00	PRCC,PC15*7574

- **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 33 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/12/18	Equipment repair	Matz Equipment	\$335.00	PRCC,PC15*8825

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$5,177.60 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 34 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
02/14/18	Door repair	May Contracting	\$2,487.50	PRCC,PC15*0561

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$8,575.00 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.

Issue 35 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/21/18	Camlock	McClanahan Service	\$119.75	PRCC,PC15*7050

- **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 36 (Two Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
02/27/18	HVAC repair	Morrison Inc	\$2,812.50	PRCC,PC15*2568

- **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 37 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
11/28/17	Auto glass	Murrays Glass	\$389.77	PRCC,PC15*7255

Summary:

Although the individual transactions listed above falls below verbal bid limits, the agency spent a total of \$4,525.46 in 15 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 38 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
08/14/17	Suspension seat	Northern Tool	\$399.48	PRCC,PC15*5513

- **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 39 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
08/08/17	Hose	Nova Rubber	\$234.05	PRCC,PC15*7772

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$8,066.63 in 16 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 40 (Two Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/30/18	Lead Test	Occupational Medicine	\$4,840.00	PRCC,PC15*4843

- **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 41 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/24/18	Auto glass	Oesterle Auto Glass	\$200.00	PRCC,PC15*5384

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$14,004.55 in 56 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 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/11/18	Bag cement	Pioneer Masonry	\$660.75	PRCC,PC15*6421

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$8,931.24 in 36 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 43 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
10/13/17	Parts	Polar Service Center	\$2,789.98	PRCC,PC15*5175

- **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 44 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/21/18	Starter/parts	Pro Line Distribution	\$216.50	PRCC,PC15*2528

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$11,896.45 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 45 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/18/18	Auto glass	Ripley Auto Glass	\$375.00	PRCC,PC15*7501

Summary:

Although the individual transactions listed above falls below verbal bid limits, the agency spent a total of \$2,714.96 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.

Issue 46 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
02/14/18	Locks	Runyon Lock Service	\$2,088.25	PRCC,PC15*8768

Summary:

Although the individual transactions listed above falls below verbal bid limits, the agency spent a total of \$4,213.75 in 18 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 47 (Four Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/01/18	Parts cleaner	Safety Kleen Systems	\$272.29	PRCC,PC15*9382

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$11,327.77 in 44 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**

The listed purchase did not include documentation showing that vendor registration had been verified.

- **Requirement**

See Attachment A, point #4 – Vendor Registration.

- **Recommendation**

We recommend verifying, prior to award, that successful bidders are registered with the Purchasing Division

Issue 48 (Two Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/21/18	Flex tube	Shur Tite Products	\$3,706.50	PRCC,PC15*0112

- **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 49 (Five Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/15/18	Dri pak unit	Sonoma Reinforcing	\$9,900.00	PRCC,PC15*7572

Summary:

The agency obtained verbal bids for the above transaction. The transaction was for \$9,900.00 in which written bids are required.

- **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 50 (Two Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
07/05/17	Pipe bending	Specialty Pipe	\$3,000.00	PRCC,PC15*0080

- **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 51 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/10/18	Compressed gas	Star Weld	\$464.00	PRCC,PC15*0863

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$13,605.64 in 75 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 52 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/26/18	Garage Doors	Stepp and Sons	\$2,050.00	PRCC,PC15*1446

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$14,664.02 in 19 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 53 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/11/18	Asphalt binder pail	Thorworks Industries	\$1,645.08	PRCC,PC15*2094
05/29/18	Asphalt binder pail	Thorworks Industries	\$1,665.08	PRCC,PC15*7068

Summary:

Although the individual transactions listed above falls below verbal bid limits, the agency spent a total of \$3,310.16 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.

Issue 54 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/28/18	Package	United Parcel Service	\$62.60	PRCC,PC15*0985

- **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 (Six Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
10/03/17	Memorial statue	Vandalia Bronze Inc	\$35,891.67	PRCC,PC15*677

- **Finding – A**

The listed purchase did not include documentation showing that vendor registration had been verified.

- **Requirement**

See Attachment A, point #4 – Vendor Registration.

- **Recommendation**

We recommend verifying, prior to award, that successful bidders are registered with the Purchasing Division

- **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).
-

- **Finding – F**

The listed file did not include the required written approval from the Purchasing Division.

- **Requirement**

Section 9.2 of the Purchasing Handbook states:

Artwork and Historical Items: This exemption includes the purchase of and service to artwork and historical items, i.e. restoring governors' portraits, refurbishing chandeliers, etc. An agency attempting to procure commodities and services under this exemption must obtain written approval from the Purchasing Division prior to making any purchase.

- **Recommendation**

We recommend that the Agency obtain written approval from the Purchasing Division and maintain this with the purchasing file.

Issue 56 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/17/18	Parts	WE-Heritage	\$534.52	PRCC,PC15*7562

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$20,982.21 in 43 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.

SUMMARY

This review of 530 selected transactions from an approximate 12,777 total transactions yielded 127 findings associated with 58 of the selected transactions. This indicates that approximately 11% of the transactions reviewed had one or more problems of potential nonconformity with Purchasing Division laws, rules and/or regulations.

In August 2017, the Purchasing Division conducted our annual purchasing conference for agency procurement officers at Canaan Valley State Park Resort. 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:

Karen Greenburg: attended 11 workshops (11 available)

Angie Mooreman: attended 4 workshops (11 available)

Based on the findings contained in this report, we strongly suggest that the Division of Highways District 3 comply with all recommendations and take appropriate action as required.

COMPARISON WITH PRIOR INSPECTION

A previous inspection of the West Virginia Division of Highway District 3 was conducted in May of 2015. The review consisted of 564 selected transactions from an approximate 12,585 total transactions from July 1, 2013 through June 30, 2014. This review resulted in 139 findings associated with 88 of the selected transactions. This indicated that 16% of the transactions reviewed during the inspection had one or more problems of potential nonconformity with Purchasing Division laws, rules, and/or regulations.

When comparing the statistics from 2015 to the current 2018 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		
Findings	2015	2018
Stringing	5	0
Statewide Contract	11	11
Internal Resources	0	0
Failure to Bid at Delegated Level	51	33
Vendor Registration	3	2
Verification Searches	32	25
Affidavit	32	25
wvOasis Award Document/Purchase Order	3	15
Asset Tag/Number	0	0
Certification of Non-Conflict of Interest	2	15
Miscellaneous Issue	0	1
Total	139	127

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."

..

"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.



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

W. MICHAEL SHEETS
DIRECTOR

November 16, 2018

James Roten, District Engineer
Division of Highways, District 3
624 Depot Street
Parkersburg, West Virginia 26102

Dear Mr. Rotan:

The attached documentation following this letter is a grading system which the West Virginia Purchasing Division has developed as a mechanism for evaluating agency conformance to purchasing policies and procedures. This tool has been created with the intent of assessing the progress of those directly responsible for agency procurement related transactions to identify areas which are deficient. Several agencies were selected as a test case for review of this system.

The following is an explanation of the grading system:

"Transactions Reviewed" is the number of transactions under examination for the given fiscal year.

"Non-Conformance Rate" as found in the draft and final report summary pages, is the overall agency error-rate, as a percentage, in which the agency is not in compliance with purchasing policies and procedures. This figure is determined by summing the number of problem transactions then dividing that total by the number of transactions under review.

"Conformance Rate" is the percentage of overall agency compliance with purchasing policies and procedures.

"Finding Summary" is the collection of issues (i.e. "findings") discovered during the inspection of agency transactions. The finding categories are a weighted points system. Findings deemed to be more serious are allotted a larger possible point deduction than those of a more administrative nature. Deductions are based on the percentage of findings in relation to the number of transactions reviewed. See attached weight application chart.

As an example: If under the "Finding Category" of "Stringing" the "Number of Findings" were 6, and the number of "Transactions Reviewed" were 635, the "Finding Percentage" would be .94%. This percentage would yield a point deduction of -6 (as explained in the weight application chart). This number is then reduced from the "Points Possible" column.

"Overall Agency Score" is the total number of the "Findings Summary" "Points Received" column averaged with "Non-Conformance Rate" as determined by the following equation: ("Findings Summary - Points Received" column + "Non-conformance Rate") / 200))

"Overall Letter Grade" is the global result of inspection report.

Should you have any questions or require further clarification, please contact Greg Clay, at (304) 558-5780. Your assistance is greatly appreciated.

Respectfully,

A handwritten signature in blue ink that reads "Greg Clay". The signature is written in a cursive style with a large initial "G" and "C".

Greg Clay, Contracts Manager
Purchasing Division

Enclosure

cc: Angie Moorman, Procurement Manager, Division of Highways
Karen Greenburg, District 3 Comptroller, Division of Highways

West Virginia Division of Highways District 3 FY2018 Statistics

Transactions Reviewed	530
Non-Conformance Rate (See Summary Page)	11.0%
Conformance Rate	89.0%

Findings Summary				
Finding Category	Number of Findings	Finding Percentage	Points possible	Points Received
Stringing	0	0.00%	30	30
Statewide Contract	11	2.08%	15	9
Internal Resources	0	0.00%	15	15
Failure to Bid	33	6.23%	15	9
Vendor Registration	2	0.38%	5	4
Verification Searches	25	4.72%	5	4
Affidavit	25	4.72%	5	4
wvOasis Award Document	15	2.83%	3	2.4
Asset Tag/Number	0	0.00%	3	3
Certification of Non-Conflict of Interest	15	2.83%	3	2.4
Miscellaneous Issue	1	0.19%	1	0.8
Total	127		100	83.6

Overall Agency Score	
Non-Conformance & Findings Average	Overall Letter Grade
86.3%	B

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.