



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

W. MICHAEL SHEETS
DIRECTOR

January 10, 2019

David Brabham, District Engineer
Division of Highways, District 6
One DOT Drive
Moundsville, West Virginia 26041

Dear Mr. Brabham:

This is to transmit the final copy of the Purchasing Review of the West Virginia Division of Highways, District 6.

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 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: Mike McGreal, Comptroller, Division of Highways, District 6
Maria Catalano, Auditor, Division of Highways
Tom Smith, Cabinet Secretary, Department of Transportation

WV PURCHASING DIVISION INSPECTION REPORT

Department of Transportation

Division of Highways District 6

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 6. Our review was conducted on October 15-19, 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 11,796 procurement transactions with a value of \$70,359,865.98. (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 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/09/18	Auto parts	377 Keystone Automotive	\$560.92	PRCC,PC15*8167

- **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 2 (Five Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/09/18	Wood	84 Lumber	\$7,474.60	PRCC,PC15*1350

- **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 3 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/21/18	Steel	A Sebulsky Steel	\$255.00	PRCC,PC15*2448

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$12,648.15 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.

Issue 4 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
11/15/17	Hydraulics	A & A Supply	\$201.50	PRCC,PC15*3628

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$12,117.62 in 69 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 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/11/18	Auto glass	Advanced Auto Glass	\$155.00	PRCC,PC15*6831

Summary:

Although the individual transactions listed above falls below verbal bid limits, the agency spent a total of \$3,790.27 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 6 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/22/18	Cat 5 cable Install.	Advanced Comm.	\$4,437.00	PRCC,PC15*0167

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$8,890.30 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 7 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/12/18	Track	Air Control Products	\$5,000.00	PRCC,PC15*0017

- **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 8 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/07/18	Auto parts	Autozone	\$241.98	PRCC,PC15*2709

- **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 9 (Five Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
12/15/17	Sand filter cleanout	BBU Services	\$7,470.72	PRCC,PC15*0544

- **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 10 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/25/18	Water tap	Best Line	\$72.63	PRCC,PC15*5883

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$11,704.38 in 27 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 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/25/18	Auto parts	Bob Robinson Chev.	\$229.00	PRCC,PC15*2056

- **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 12 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/07/18	Lumber	Carter lumber	\$2,649.60	PRCC,PC15*3455

• **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 13 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/30/18	Soda clean	Chesapeake Soda Clean	\$1,761.30	PRCC,PC15*8753

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$5,157.91 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.

- **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 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/20/18	Graffiti remover	Continental Research	\$570.00	PRCC,PC15*2000

Summary:

Although the individual transactions listed above falls below verbal bid limits, the agency spent a total of \$3,278.01 in 8 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 15 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/30/18	Auto parts	Country Roads Ford	\$229.00	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 16 (Five Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/10/18	Tunnel washing	Diamond Specialized	\$6,900.00	PRCC,PC15*6339

- **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 17 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/10/18	Safety vest	Discount Industrial Supp.	\$1,192.50	PRCC,PC15*8797

- **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 18 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
10/24/17	Truck bed	Dundee Automotive	\$2,750.00	PRCC,PC15*8695

- **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 19 (Five Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/04/18	Undercarriage solution	Enzos Cleaning	\$6,452.50	PRCC,PC15*9740

- **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 20 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/20/18	Bolts	Fastenal	\$473.59	PRCC,PC15*9733

- **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 21 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
09/07/17	Parts	FYDA Freightliner	\$684.04	PRCC,PC15*7741

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$17,281.65 in 32 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 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/22/18	Clean all	General Products	\$441.25	PRCC,PC15*5665

Summary:

Although the individual transactions listed above falls below verbal bid limits, the agency spent a total of \$4,893.78 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.

Issue 23 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/18/18	Concrete saw	Green Acres Lawn	\$1,547.92	PRCC,PC15*7823

- **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 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/24/18	Ice	Home City Ice	\$102.87	PRCC,PC15*7647

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$10,314.72 in 74 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 25 (Five Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/11/18	Door	In Dennis Miller Doors	\$8,233.80	PRCC,PC15*8512

- **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 26 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/04/18	Mile post locator	Jamar Technologies	\$816.18	PRCC,PC15*7281

Summary:

Although the individual transactions listed above falls below verbal bid limits, the agency spent a total of \$3,297.82 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 27 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/26/18	Auto Parts	Jim Robinson Ford	\$576.23	PRCC,PC15*7176

- **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 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
08/31/17	Recap Tires	Kings Tire	\$2,451.00	PRCC,PC15*8081

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$10,301.00 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 29 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/07/18	Parts cleaner	Kleenline Parts	\$816.18	PRCC,PC15*3454

Summary:

Although the individual transactions listed above falls below verbal bid limits, the agency spent a total of \$4,860.00 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 30 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
09/07/17	Parts	Kuester	\$387.55	PRCC,PC15*2551
05/09/18	Parts	Kuester	\$31.82	PRCC,PC15*6282

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$5,014.35 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 purchases 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 files 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 31 (Five Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
12/27/17	Trench drain	L B Foster	\$2,880.00	PRCC,PC15*7925

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$11,219.00 in 8 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 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/05/18	Lift parts	Matz Equipment	\$659.66	PRCC,PC15*2020

Summary:

Although the individual transactions listed above falls below verbal bid limits, the agency spent a total of \$3,893.95 in 8 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 33 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/05/18	Filters	McClanahan Service	\$290.38	PRCC,PC15*3688

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$5,741.94 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 34 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/11/18	Tow	Middle Creek Garage	\$400.00	PRCC,PC15*1375

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$11,315.00 in 31 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>
06/25/18	Auto parts	Ohio Valley Ford	\$1163.76	PRCC,PC15*9993

- **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 36 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/11/18	Portable Toilets	Ohio Valley Septic	\$150.00	PRCC,PC15*5927

Summary:

Although the individual transactions listed above falls below verbal bid limits, the agency spent a total of \$3,685.93 in 45 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>
06/05/18	Extractor set	Partsmaster	\$109.96	PRCC,PC15*6808

- **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 38 (Four Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/25/18	ADA Computer	Rel Tec Corp.	\$6,950.00	PRCC,PC15*3924

- **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.

- **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>
06/21/18	Grind wheels	Richland Supply	\$447.40	PRCC,PC15*5889

- **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 40 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
10/02/17	Crane repair	Simmers Crane Design	\$3,453.00	PRCC,PC15*5130

- **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 41 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/15/18	Punch set	Snap On	\$280.13	PRCC,PC15*1975

- **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 42 (Five Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
10/24/17	Steel	Sparta Steel	\$3,008.62	PRCC,PC15*1142

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$12,130.50 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.
-

- **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 43 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/11/18	Ban saw blades	Specialty Supply	\$93.44	PRCC,PC15*1126

- **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 44 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
07/21/17	File folders	Staples	\$359.43	PRCC,PC15*3506

- **Finding – A**

The listed item was not purchased from the Statewide Contract (OFFICE) 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 45 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/22/18	Auto parts	Straub CDJR	\$84.72	PRCC,PC15*0440

- **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 46 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/04/18	Auto parts	Team Ford	\$151.00	PRCC,PC15*7159

- **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 47 (Five Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/21/18	Fabricated Bushing	Tri State Elect.	\$165.24	PRCC,PC15*2447

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$8,425.68 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.
-

- **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 48 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/24/18	Pest control	Tri State Exterminating	\$130.00	PRCC,PC15*7645

Summary:

Although the individual transactions listed above falls below verbal bid limits, the agency spent a total of \$4,642.00 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 49 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/12/18	Conv wafers	United Rotary Brush	\$885.03	PRCC,PC15*4997

Summary:

Although the individual transactions listed above falls below verbal bid limits, the agency spent a total of \$3,243.00 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 50 (Three Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
12/01/17	manlift	United Rentals	\$2,807.10	PRCC,PC15*168.38

- **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 51 (Five Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
09/01/17	Flood clean up	Vapor jet.	\$15,062.83	PRCC,PC15*7953

- **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 52 (Five Findings)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/20/18	Sorting Hooks	Voto Sales.	\$407.10	PRCC,PC15*2001

Summary:

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$11,599.62 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.

- **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 53 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/20/18	Zep o shine	Zep Sales and Service	\$978.99	PRCC,PC15*7901

Summary:

Although the individual transactions listed above falls below verbal bid limits, the agency spent a total of \$4,870.48 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 54 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/23/18	Parts	Lawson Products	\$514.14	PRCC,PC15*4309

Summary:

During the period under review, the agency spent a total of \$74,132.21 in 128 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 55 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/22/18	Hydraulics	Wheeling Rubber Product	\$64.22	PRCC,PC15*2648

Summary:

During the period under review, the agency spent a total of \$33,256.66 in 220 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 56 (One Finding)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
01/26/18	Snow Plow	Wheeling Spring	\$5,312.00	PRCC,PC15*3760

Summary:

During the period under review, the agency spent a total of \$28,554.13 in 43 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 501 selected transactions from an approximate 11,769 total transactions yielded 131 findings associated with 57 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 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 6 comply with all recommendations and take appropriate action as required.

A Corrective Action Plan 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 6 was conducted in October of 2015. The review consisted of 459 selected transactions from an approximate 10,866 total transactions from July 1, 2013 through June 30, 2014. This review resulted in 95 findings associated with 54 of the selected transactions. This indicated that 12% 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	3
Statewide Contract	5	16
Internal Resources	0	0
Failure to Bid at Delegated Level	32	36
Vendor Registration	2	0
Verification Searches	25	23
Affidavit	25	23
wvOasis Award Document/Purchase Order	0	15
Asset Tag/Number	0	0
Certification of Non-Conflict of Interest	1	15
Miscellaneous Issue	0	0
Total	95	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, §148-1-14"

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

December 20, 2018

David Brabham, District Engineer
Division of Highways, District 6
One DOT Drive
Moundsville, West Virginia 26041

Dear Mr. Brabham:

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: ($\frac{\text{"Findings Summary - Points Received" column} + \text{"Non-conformance Rate"}}{200}$)

"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 black ink, appearing to read "Greg Clay". The signature is fluid and cursive, with the first name "Greg" and last name "Clay" clearly distinguishable.

Greg Clay, Contracts Manager
Purchasing Division

Enclosure

cc: Angie Moorman, Procurement Manager, Division of Highways
Mike McGreal, Comptroller, Division of Highways, District 6

West Virginia Division of Highways District 6 FY2018 Statistics

Transactions Reviewed	501
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	3	0.60%	30	18
Statewide Contract	16	3.19%	15	9
Internal Resources	0	0.00%	15	15
Failure to Bid	36	7.19%	15	9
Vendor Registration	0	0.00%	5	5
Verification Searches	23	4.59%	5	4
Affidavit	23	4.59%	5	4
wvOasis Award Document	15	2.99%	3	2.4
Asset Tag/Number	0	0.00%	3	3
Certification of Non-Conflict of Interest	15	2.99%	3	2.4
Miscellaneous Issue	0	0.00%	1	1
Total	131		100	72.8

Overall Agency Score	
Non-Conformance & Findings Average	Overall Letter Grade
80.9%	C

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

SUMMARY OF AGENCY COMMENTS

On December 20, 2019 the West Virginia Purchasing Division provided the West Virginia Division of Highways, District 6, with a draft copy of the Purchasing Division Inspection Report for Fiscal Year 2018. Comments from the agency were received on January 2, 2019. There were 131 findings from 501 selected transactions reviewed by the Inspector.

Agency Comments	
Issue	Agency Comments
54	<p>There were 3 finding (54, 55, and 56) that said <i>"The pattern of transactions and amount spent with this vendor could be construed as stringing."</i></p> <p>When they started dealing with Lawson Products, I advised them not to do this. Somewhere in my files and emails is my documentation for me telling them not to do this. It was done anyway.</p>
55, 56	<p>These were purchased on an as needed basis for repairs. It would cost a lot of money to stock all of this.</p> <p>EXPLANATION: These types of purchases are for repairs and are many smaller individual purchases. We'll try to identify some standard items and get bids.</p>