



**ALLAN L. MCVEY**  
CABINET SECRETARY

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

**W. MICHAEL SHEETS**  
DIRECTOR

July 16, 2019

Travis Knighton, District Engineer  
Division of Highways, District 1  
1340 Smith St.  
Charleston, West Virginia 25301

Dear Mr. Knighton:

This is to transmit the final copy of the Purchasing Review of the West Virginia Division of Highways, District 1.

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: Dessie King, Comptroller, Division of Highways, District 1  
Maria Catalano, Auditor, Division of Highways  
Byrd E. White, Cabinet Secretary, Department of Transportation

# WV PURCHASING DIVISION INSPECTION REPORT

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*Department of Transportation*

*Division of Highways District 1*

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 1. Our review was conducted on December 3, 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 16,077 procurement transactions with a value of \$119,816,712.43. (These amounts are approximate, subject to reporting limitations from WVOASIS (including possible data entry error) and errors caused by elimination of duplicate results).

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## 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>
05/21/18	Light bulbs	84 Lumber	\$160.16	PRCC,PC15*7995

- **Finding – A**

The listed item was not purchased from the Statewide Contract (LIGHT) 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](http://www.state.wv.us/admin/purchase).*

**Issue 2 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/29/18	Parts	Asphalt Zipper	\$1765.46	PRCC,PC15*8009

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$17,964.76 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.*

---

- **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.*

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- **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 3      (Two Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
08/07/17	Rebuild transmission	Bens Transmission	\$2,800.00	PRCC,PC15*6030

- **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).*

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**Issue 4      (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/14/18	Parts	Best Line Eq.	\$185.24	PRCC,PC15*3074

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$16,592.21 in 33 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>
05/31/18	Parts	Big River Electric	\$246.87	PRCC,PC15*1480

**Summary:**

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$4,210.44 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 6 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/10/18	Steel	Bismark Steel	\$1,200.00	PRCC,PC15*6039

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$17,885.27 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 7 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
12/19/17	Parts	BW ROGERS CO	\$238.11	PRCC,PC15*4382

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$7,658.79 in 50 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 8      (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/29/18	Tires	C Adam Tire	\$523.44	PRCC,PC15*5421

- **Finding – A**

The listed item was not purchased from the Statewide Contract (NTIRE) 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](http://www.state.wv.us/admin/purchase).*

**Issue 9 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/08/18	Towing	CC Spike Copley Garage	\$150.63	PRCC,PC15*3619

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$16,577.44 in 53 transactions with this vendor during the fiscal year under review.

- **Finding – A**

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

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

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

---

- **Finding – B**

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

- **Requirement**

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

- **Recommendation**

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

---

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

## **Issue 10 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
01/24/18	Towing	Charleston Auto	\$495.00	PRCC,PC15*9269

### **Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$9,097.50 in 28 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>
009/05/17	Steel	Charleston Steel	\$1,217.35	PRCC,PC15*8273

**Summary:**

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$4,018.10 in 11 transactions with this vendor during the fiscal year under review.

- **Finding – A**

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

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

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

## **Issue 12 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
09/12/17	Parts	Crede Power Equipment	\$284.98	PRCC,PC15*1949

### **Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$11,196.51 in 39 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 13 (Five Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/15/18	Parts	Crede Tractor Sales	\$3,746.60	PRCC,PC15*5819

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$24,523.56 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.*
- 

- **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 14 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/13/18	Engine Service	Cummins	\$1,974.71	PRCC,PC15*3685

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$22,892.35 in 25 transactions with this vendor during the fiscal year under review.

- **Finding – A**

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

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

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

---

- **Finding – B**

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

- **Requirement**

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

- **Recommendation**

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

---

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

**Issue 15 (Two Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
11/27/17	Transmission repair	DRC Designs	\$4,010.60	PRCC,PC15*5752

- **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 16 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/24/18	Drive shaft	Drive Line Services	\$454.00	PRCC,PC15*0588

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$5,239.38 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.*

---

- **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>
04/13/18	Sleeves	Gilson Co.	\$2,498.06	PRCC,PC15*9010

**Summary:**

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$3,882.81 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 18 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/25/18	Electrical Supplies	Goldfarb Electric	\$236.98	PRCC,PC15*0121

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$15,861.49 in 59 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 19 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/04/18	Plumbing parts	Gresham Plumbing	\$710.21	PRCC,PC15*3855

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$10,012.33 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 20 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/24/18	Used oil collection	H&H Oil	\$441.45	PRCC,PC15*4067

**Summary:**

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$2,772.90 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.*

**Issue 21 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/10/18	Paint supplies	Harbor Freight	\$174.65	PRCC,PC15*3558

- **Finding – A**

The listed item was not purchased from the Statewide Contract (PAINT) 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](http://www.state.wv.us/admin/purchase).*

**Issue 22 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/07/20	Release agent	Hill Manufacturing	\$769.45	PRCC,PC15*1286

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$6,960.49 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.*



**Issue 23 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/12/18	Ice	Home City Ice	\$175.27	PRCC,PC15*1854

**Summary:**

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$4,506.97 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 24 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
08/14/17	Liquid soap 55 gal.	Hotsy Equipment	\$261.80	PRCC,PC15*1478

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$11,764.55 in 17 transactions with this vendor during the fiscal year under review.

- **Finding – A**

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

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

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

---

- **Finding – B**

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

- **Requirement**

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

- **Recommendation**

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

---

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

**Issue 25 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/19/18	Hydraulic motor	Imperial Hydraulic	\$541.29	PRCC,PC15*9866

**Summary:**

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$2,612.38 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 26 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/11/18	Auto glass	J & J Auto Glass	\$249.00	PRCC,PC15*9219

**Summary:**

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$4,048.00 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 27 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/03/18	Ink stamper	J P Cooke	\$244.25	PRCC,PC15*1522

- **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](http://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>
01/31/18	Dist. Measurement kits	Jamar Technologies	\$3,222.90	PRCC,PC15*6498

- **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 29 (Two Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
01/24/18	Carport	JF Enterprises	\$3,575.00	PRCC,PC15*3934

- **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 30 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
02/07/18	Pit Cleaning	Jiffy J's Inc	\$375.00	PRCC,PC15*6350

**Summary:**

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$4,475.00 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 31 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/05/18	Jackets	Jobsite Supply	\$189.86	PRCC,PC15*7344

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$5,648.46 in 14 transactions with this vendor during the fiscal year under review.

- **Finding – A**

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

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

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

---

- **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 32 (Four Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
07/05/17	Transmission Repair	John Sang Lincoln	\$6,008.93	PRCC,PC15*3908

- **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 33 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/22/18	Key service	Johns Lock & Key	\$63.00	PRCC,PC15*7749

**Summary:**

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$4,567.16 in 41 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 34 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/17/18	Parts	Kaman Fluid Power	\$31.88	PRCC,PC15*7924

**Summary:**

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$4,201.85 in 39 transactions with this vendor during the fiscal year under review.

- **Finding – A**

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

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

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



**Issue 35 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/26/18	Nuts/bolts	Kimball Midwest	\$258.09	PRCC,PC15*2111

- **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](http://www.state.wv.us/admin/purchase).*

**Issue 36 (Five Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/04/18	Metal	Lifetite Metal	\$2,501.25	PRCC,PC15*3848

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$5,881.25 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.*

---

- **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 37 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
12/03/17	Wall heaters	Mason And Barry	\$2,650.00	PRCC,PC15*4722

- **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 38 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
12/11/17	Lift service	Matz Equipment	\$605.00	PRCC,PC15*1578

**Summary:**

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$2,759.07 in 08 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 39 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/12/18	Chemicals	Momar	\$717.70	PRCC,PC15*7334

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$17,942.02 in 28 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>
10/24/17	Plumbing repair	Mullen Plumbing	\$4,897.20	PRCC,PC15*1294

- **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).*

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**Issue 41 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/17/18	Testing equipment	Myers Associates	\$1,400.00	PRCC,PC15*7939

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$6,788.35 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 42 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/15/18	Hydraulic Hose	Nova Rubber	\$289.24	PRCC,PC15*5815

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$10,678.91 in 61 transactions with this vendor during the fiscal year under review.

- **Finding – A**

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

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

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

---

- **Finding – B**

The listed 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 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
02/07/18	#2 diesel	Oliver Fuels	\$4,085.44	PRCC,PC15*8303

- **Finding – A**

The listed item was not purchased from the Statewide Contract (FUEL) 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](http://www.state.wv.us/admin/purchase).*

**Issue 44 (Five Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
12/05/17	Reflective sheeting	Orafol	\$5,128.20	PRCC,PC15*7709

- **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).*

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**Issue 45 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/01/18	Sprinkler system check	Pass Fire Protection	\$500.00	PRCC,PC15*6479

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$6,698.00 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 46 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
10/18/17	Survey equipment	Precision Laser	\$14,378.30	PRCC,PC15*6394

- **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**

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 47 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/14/18	Tow	Reds Rollen Garage	\$405.00	PRCC,PC15*3071

**Summary:**

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$3,425.75 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 48 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
09/22/17	Alkyd Enamel	Rfnshng Mtrl Spclist	\$2,414.88	PRCC,PC15*2163

**Summary:**

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$3,186.25 in 7 transactions with this vendor during the fiscal year under review.

- **Finding – A**

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

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

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

**Issue 49 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/24/18	Tow	Rogers Wrecker Service	\$200.00	PRCC,PC15*2118

**Summary:**

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$4,700.00 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.*

**Issue 50 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/13/18	Parts	Rudd Equipment	\$1,439.10	PRCC,PC15*6101

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$7,397.47 in 38 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 51 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
07/05/17	Parts	SFS Truck Sales	\$375.89	PRCC,PC15*0292

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$6,511.90 in 63 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 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/20/18	Cleaning supplies	Share Corporation	\$795.21	PRCC,PC15*0583

- **Finding – A**

The listed item was not purchased from the Statewide Contract (HOUSE) 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](http://www.state.wv.us/admin/purchase).*

**Issue 53 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/12/18	Traffic tubes	Shur Tite Products	\$1,990.80	PRCC,PC15*6097

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$19,833.28 in 10 transactions with this vendor during the fiscal year under review.

- **Finding – A**

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

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

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

---

- **Finding – B**

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

- **Requirement**

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

- **Recommendation**

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

- **Finding – C**

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

- **Requirement**

See Attachment A point #6 – Affidavit.

- **Recommendation**

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

**Issue 54 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/11/18	Bolts	Smith Fastener	\$72.60	PRCC,PC15*4872

- **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](http://www.state.wv.us/admin/purchase).*

**Issue 55 (Two Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
05/04/18	Parts	Snodepot	\$1,450.00	PRCC,PC15*8298

**Summary:**

The agency spent a total of \$6,266.00 in 5 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.*

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**Issue 56 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/15/18	Tree removal	SQ American Tree Expert	\$1,400.00	PRCC,PC15*5814

**Summary:**

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$3,000.00 in 2 transactions with this vendor during the fiscal year under review.

- **Finding – A**

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

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

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

**Issue 57 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/08/18	Fence	SQ J H Tomblin Fence	\$1,800.00	PRCC,PC15*5112

**Summary:**

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$4,348.00 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 58 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/01/18	Electrical supplies	State Electric Supply	\$105.32	PRCC,PC15*2120

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$12,405.43 in 37 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 59 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/11/18	Paint	The Paint Store	\$124.57	PRCC,PC15*9444

- **Finding – A**

The listed item was not purchased from the Statewide Contract (PAINT) 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](http://www.state.wv.us/admin/purchase).*

**Issue 60 (Three Findings) (Findings Rescinded – See Attachment C)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/13/18	Tire disposal	Tire & Rubber	\$4,174.29	PRCC,PC15*3681

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$8,584.32 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 61 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/03/18	Light	TVH Parts	\$378.00	PRCC,PC15*4338

**Summary:**

Although the individual transaction listed above falls below verbal bid limits, the agency spent a total of \$3,212.00 in 5 transactions with this vendor during the fiscal year under review.

- **Finding – A**

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

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

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



**Issue 62 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/06/18	Water	Tyler Mountain Water	\$550.10	PRCC,PC15*9721

- **Finding – A**

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

- **Requirement**

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

- **Recommendation**

*We recommend investigating the statewide contracts before proceeding with future procurements. The statewide contracts are available for viewing at [www.state.wv.us/admin/purchase](http://www.state.wv.us/admin/purchase).*

**Issue 63 (Two Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/05/18	Repair	Western Branch Diesel	\$2,404.63	PRCC,PC15*0117

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$21,359.25 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 64 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
01/05/18	Wheels	Wheels Now	\$3,623.77	PRCC,PC15*7993

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$10,736.94 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 65 (Five Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
10/02/17	Generator	XSPEC Power	\$10,000.00	PRCC,PC15*6931

- **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 66 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
04/24/18	Chemicals	Zep Sales and Service	\$374.58	PRCC,PC15*1027

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$10,947.97 in 17 transactions with this vendor during the fiscal year under review.

- **Finding – A**

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

- **Requirement**

See Attachment A, point #3 – Bid Documentation.

- **Recommendation**

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

---

- **Finding – B**

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

- **Requirement**

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

- **Recommendation**

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

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- **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 67 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/23/18	Auto parts	Advanced Auto	\$174.87	PRCC,PC15*0279
06/08/18	Auto parts	Automotive Distributors	\$592.82	PRCC,PC15*3560
09/29/17	Auto parts	Bert Wolfe	\$104.38	PRCC,PC15*5296
11/29/17	Auto parts	C & O Chevrolet	\$37.88	PRCC,PC15*1240
06/13/18	Auto parts	Clay Auto	\$68.14	PRCC,PC15*3914
01/17/18	Auto parts	I77 Ford	\$235.15	PRCC,PC15*8480
02/21/18	Auto parts	Jones Performance	\$2,824.00	PRCC,PC15*8951
02/05/18	Auto parts	Norris Northup Dodge	\$263.20	PRCC,PC15*0870
06/15/18	Auto parts	Reds Truck Center	\$467.60	PRCC,PC15*5870
06/22/18	Auto parts	SFS Truck Sales	\$274.84	PRCC,PC15*7744
04/11/18	Auto parts	Smith Chevrolet	\$106.37	PRCC,PC15*1893
06/20/18	Auto parts	Todd Judy Ford	\$147.18	PRCC,PC15*0585
11/19/17	Auto parts	Turnpike Ford	\$43.04	PRCC,PC15*0093
05/09/18	Auto parts	Advantage Fleet	\$218.35	PRCC,PC15*4134

- **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](http://www.state.wv.us/admin/purchase).*

**Issue 68 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
01/28/18	Torch handle	Amazon	\$438.24	PRCC,PC15*8875
08/17/18	Hammer drill	American Producers	\$707.00	PRCC,PC15*7900
06/13/18	Paint gun	Applied MSS	\$436.74	PRCC,PC15*7037
03/27/18	Litter grabber	Arcmate Mfg	\$2,443.20	PRCC,PC15*9268
01/30/18	Welding Hood	Barkers Gas	\$206.00	PRCC,PC15*4588
07/18/17	Saw Blades	Coastal Tool	\$401.50	PRCC,PC15*2230
08/25/17	Safety vest	Discount Industrial Supply	\$3,465.00	PRCC,PC15*2720
02/19/18	Drill	Factory Outlet Maxtool	\$188.98	PRCC,PC15*8805
06/18/18	Ban saw blades	Fastenal	\$115.68	PRCC,PC15*5826
09/25/17	Tools	Home Depot	\$138.22	PRCC,PC15*0253
06/11/18	Clevis & chain	Industrial Supply	\$200.00	PRCC,PC15*6044
09/19/17	Safety glasses	J & B Tool	\$97.75	PRCC,PC15*6921
01/24/18	Welding gloves	Mabscott Supply	\$293.87	PRCC,PC15*3934
07/14/17	Tools	MAC Tools	\$517.99	PRCC,PC15*2211
06/21/18	Welding rods	Matheson	\$198.59	PRCC,PC15*4308
08/07/17	Tools	Myers Tire Supply	\$542.21	PRCC,PC15*7661
05/08/18	Extractor set	P. Dailey Snap On	\$121.00	PRCC,PC15*9430
06/21/18	Gloves	Pro Chem	\$140.40	PRCC,PC15*4281
06/15/18	Tools	Quality Metal	\$99.00	PRCC,PC15*7908
10/17/17	Battery Booster	Snap On Tools	\$279.98	PRCC,PC15*3497
05/22/18	scanner	SOL Snap On	\$995.00	PRCC,PC15*7984
05/17/18	Pressure Wash Hose	SQ Jobsite Supply	\$741.78	PRCC,PC15*3056
10/17/17	Crimper	Tool Source	\$167.76	PRCC,PC15*7978
11/20/17	Tool box	Tractor Supply	\$229.99	PRCC,PC15*0058
06/15/18	Roloc disk	Tri State Industrial	\$1,271.25	PRCC,PC15*9434
06/05/18	Saw	Zoro Tools	\$205.83	PRCC,PC15*7361

- **Finding – A**

The listed item was not purchased from the Statewide Contract (INDEQ) 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](http://www.state.wv.us/admin/purchase).*

**Issue 69 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
07/14/17	Glass	Mountaineer Glass	\$630.88	PRCC,PC15*2182

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$16,365.38 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.*

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- **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 70 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/14/18	Glass	Mountaineer Glass	\$4,745.00	PRCC,PC15*5874

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$16,365.38 in 32 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**

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 71 (Three Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/21/18	Truck parts	Fleetpride	\$106.00	PRCC,PC15*6013
12/31/17	Truck parts	Fleetpride	\$29.48	PRCC,PC15*3620

**Summary:**

Although the individual transactions listed above falls below written bid limits, the agency spent a total of \$21,804.76 in 94 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 72 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
07/18/17	Mat rental	Cintas	\$88.55	PRCC,PC15*7728

**Summary:**

During the period under review, the agency spent a total of \$36,896.12 in 339 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 73 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
03/20/18	Engine	Jasper Engine Exchange	\$5,700.00	PRCC,PC15*7888

**Summary:**

During the period under review, the agency spent a total of \$33,443.21 in 8 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 74 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/25/18	Hydraulic parts	Lawson	\$495.42	PRCC,PC15*0150

**Summary:**

During the period under review, the agency spent a total of \$41,402.29 in 106 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 75 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/12/18	Lights	SQ Electronic Services	\$393.60	PRCC,PC15*1846

**Summary:**

During the period under review, the agency spent a total of \$75,070.29 in 70 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 76 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/18/18	Steel	West Virginia Steel	\$1,043.16	PRCC,PC15*6106

**Summary:**

During the period under review, the agency spent a total of \$35,396.22 in 73 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 77 (One Finding)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/12/18	Repair	WV Spring and Radiator	\$2,429.63	PRCC,PC15*9428

**Summary:**

During the period under review, the agency spent a total of \$92,761.32 in 94 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 78 (Two Findings)**

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
06/05/18	Elevator repair	Thyssenkrupp Elevator	\$4,678.00	PRCC,PC15*3895

- **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).*
-

## SUMMARY

This review of 672 selected transactions from an approximate 16,077 total transactions yielded 163 findings associated with 116 of the selected transactions. This indicates that approximately 17% 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 1 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 1 was conducted in March of 2015. The review consisted of 616 selected transactions from an approximate 13,559 total transactions from July 1, 2013 through June 30, 2014. This review resulted in 188 findings associated with 103 of the selected transactions. This indicated that 17% 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.

<b>Summary of Problem Transactions</b>		
<b><i>Findings</i></b>	<b>2015</b>	<b>2018</b>
Stringing	6	6
Statewide Contract	14	12
Internal Resources	0	0
Failure to Bid at Delegated Level	63	51
Vendor Registration	2	0
Verification Searches	44	35
Affidavit	44	33
wvOasis Award Document/Purchase Order	7	12
Asset Tag/Number	0	0
Certification of Non-Conflict of Interest	7	14
Miscellaneous Issue	1	0
<b><i>Total</i></b>	<b>188</b>	<b>163</b>

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.*



ALLAN L. MCVEY  
CABINET SECRETARY

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

W. MICHAEL SHEETS  
DIRECTOR

April 15, 2019

Travis Knighton, District Engineer  
Division of Highways, District 1  
1340 Smith St.  
Charleston, West Virginia 25301

Dear Mr. Knighton:

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,



Greg Clay, Contracts Manager  
WV Purchasing Division

Enclosure

cc: Dessie King, Comptroller, Division of Highways, District 1  
Maria Catalano, Auditor, Division of Highways



## West Virginia Division of Highways District 1 FY2018 Statistics

Transactions Reviewed	672
Non-Conformance Rate (See Summary Page)	17.0%
Conformance Rate	83.0%

Findings Summary				
Finding Category	Number of Findings	Finding Percentage	Points possible	Points Received
Stringing	6	0.89%	30	12
Statewide Contract	12	1.79%	15	12
Internal Resources	0	0.00%	15	15
Failure to Bid	51	7.59%	15	9
Vendor Registration	0	0.00%	5	5
Verification Searches	35	5.21%	5	4
Affidavit	33	4.91%	5	4
wvOasis Award Document	12	1.79%	3	2.4
Asset Tag/Number	0	0.00%	3	3
Certification of Non-Conflict of Interest	14	2.08%	3	2.4
Miscellaneous Issue	0	0.00%	1	1
<b>Total</b>	<b>163</b>		<b>100</b>	<b>69.8</b>

Overall Agency Score	
Non-Conformance & Findings Average	Overall Letter Grade
<b>76.4%</b>	<b>C</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.

# Attachment B

## Agency Comments



WEST VIRGINIA DEPARTMENT OF TRANSPORTATION

**Division of Highways**

Office of the District Engineer/Manager

District One

1340 Smith Street · Charleston, West Virginia 25301-1492 · (304) 558-3001

Byrd E. White, III  
Secretary of Transportation

Jimmy Wriston, P. E.  
Deputy Secretary/  
Acting Commissioner

May 3, 2019

Greg Clay, Contracts Manager  
WV Purchasing Division  
2019 Washington Street, East  
Charleston, WV 25305-0130

Dear Mr. Clay,

We are in receipt of your draft copy of the Purchasing Review of the West Virginia Division of Highways, District One. You had requested that we respond to comments by May 8, 2019. The findings regarding stringing are required to be answered with explanation. Our explanation for stringing comments is contained in this letter and attachments.

**General Response to Stringing Comments**

During the period under review, it was not the intent of District One to circumvent competitive bidding or to defeat the State purchasing card transactions or delegated purchase limit. During the time period under review, there were approximately 16,077 procurement transactions. The sample contained 672 items. Problems were noted with approximately 17% of the transactions. During the time period reviewed, there were more than 30 different individuals in more than 20 locations purchasing items for use by District One.

Possible stringing was noted in six issues. We will continue to strive to make every effort to comply with State Purchasing Procedures. It is our hope that with the further implementation of WV OASIS within the Division of Highways, issues like stringing can be recognized prior to occurring.

The following address the individual issues regarding stringing noted in the report:

**Issue 72**

This dealt with the purchase of materials from Cintas. District One purchases a variety of products from this vendor. These purchases are made by various locations within District One. The transaction reviewed was for a mat rental. All organizations within District One have been instructed on the correct vendor to purchase or rent mats from. The total transactions with this vendor were \$36,896.12 consisting of several different items for several locations. As noted in our general explanation, it was never the intent of District One to violate purchasing procedures.

**Issue 73**

This dealt with purchases from Jasper Engine Exchange. We will monitor future purchases and attempt to follow the purchasing regulations necessary to remain compliant. As noted in our general explanation, it was never the intent of District One to violate purchasing procedures.

**Issue 74**

This dealt with the purchase of materials from Lawson. District One has purchased a variety of products from this vendor. These purchases are made by various locations within District One. The transaction reviewed was for hydraulic parts. All organizations within District One have been instructed to limit purchases from outside vendors and to always use available contracts when possible. We have placed no solicitation signs up at all organizations in an attempt to reduce solicitors. The total transactions with this vendor were \$41,402.29 consisting of several different items for several locations. As noted in our general explanation, it was never the intent of District One to violate purchasing procedures.

**Issue 75**

This dealt with the purchase of materials from Electronic Services. District One has purchased a variety of products from this vendor. These purchases are made by various locations within District One. The transaction reviewed was for lights. While not for lights specifically, we have previously had a contract with this vendor that expired on 12/31/17, this purchase was on 6/12/18. It appears that contract was not renewed. All organizations within District One have been instructed to check contract expiration dates periodically to limit occurrences of purchasing off expired contracts and to ensure that the product they are purchasing is covered by the particular contract they are using. We will also monitor future purchases and attempt to follow the purchasing regulations necessary to remain compliant. The total transactions with this vendor were \$75,070.29 consisting of several different items for several locations. As noted in our general explanation, it was never the intent of District One to violate purchasing procedures.

**Issue 76**

This dealt with the purchase of materials from West Virginia Steel. District One has purchased a variety of products from this vendor. These purchases are made by various locations within District One. The transaction reviewed was for steel. Due to the frequent cost fluctuations with steel and steel related products we have not attempted to develop and request a contract for these products, however we will monitor future purchases and attempt to follow the purchasing regulations necessary to remain compliant. The total transactions with this vendor were \$35,396.22 consisting of several different items for several locations. As noted in our general explanation, it was never the intent of District One to violate purchasing procedures.

**Issue 77**

This dealt with purchases of repairs and materials from WV Spring and Radiator. District One has purchased a variety of products from this vendor. These purchases are made by various locations within District One. The transaction reviewed was for a repair. The total transactions with this vendor were \$92,761.32 consisting of several different items for several locations. We will monitor future purchases and attempt to follow the purchasing regulations necessary to remain compliant. As noted in our general explanation, it was never the intent of District One to violate purchasing procedures.

**Additional Comments**

**Issue 60, Finding One**

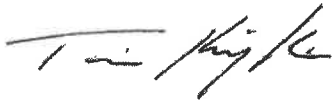
This dealt with bid documentation for a tire disposal on 6/13/18 through Tire and Rubber. This purchase is covered under DOT1700000029 (see attached) which was valid 2/1/17 – 1/31/20. When something is covered by a contract it is my understanding that we are not required to get bids.

**Summary**

We will continue to strive to make every effort to comply with State Purchasing Procedures. It is our hope with the continued implementation of WV Oasis within the Division of Highways, issues like stringing can be recognized prior to occurring.

Should you have any questions or require further clarification, you may contact me at 304-558-3001.

Sincerely,



Travis Knighton  
District Engineer/Manager

Attachment

CC: Dwaine Shingleton, Director of Finance, Division of Highways  
Dusty Smith, Acting Procurement Manager, Division of Highways

# Attachment C

## Agency Comments and Purchasing Division Response

## SUMMARY OF AGENCY COMMENTS & PURCHASING DIVISION RESPONSE

On April 15, 2019, the West Virginia Purchasing Division provided the West Virginia Division of Highways, District 1, with a draft copy of the Purchasing Division Inspection Report for Fiscal Year 2018. Comments from the agency were received on July 10, 2019. There were 166 findings from 117 selected transactions reviewed by the Inspector.

<b>Agency Comments &amp; Purchasing Division Response</b>		
<b>Issue #</b>	<b>Agency Response</b>	<b>Purchasing Response</b>
72	<p>This dealt with the purchase of material from Cintas. District One purchases a variety of products from this vendor. These purchases are made by various locations within District One. The transaction reviewed was for a mat rental. All organizations within District One have been instructed on the correct vendor to purchase or rent mats from. The total transactions with this vendor were \$36,896.12 consisting of several different items for several locations. As noted in our general explanation, it was never the intent of District One to violate purchasing procedures.</p>	<p>No agency shall issue a series of requisitions to circumvent the \$25,000 threshold. Violation of the \$25,000 threshold is commonly referred to as "stringing," and is prohibited by law. Instances of stringing must be reported to the Legislature. <b>Reference West Virginia Code §5A-3-10(b)</b></p> <p><b>Reference Purchasing Handbook 3.7.1.2 Open-End Contracts:</b> The Purchasing Division issues both statewide contracts and agency open-end contracts. The Purchasing Division, at its discretion or upon request of any state agency, may establish a contract for specific commodities and services required. These open-end contracts are convenient for recurrent purchases. For agency open-end contracts, the state agency determines its specific needs and submits a <b>Requisition</b> to the Purchasing Division for competitive bid. Open-end contracts are processed as master agreements in wvOASIS.</p> <p><b>Reference Purchasing Handbook 6.2.1.7</b> When the Request for Quotation process is used, competitive bids are received, properly evaluated and an award is made to the <b>lowest responsible bidder</b> meeting specifications, in accordance with the <b>West Virginia Code §5A-3-11</b>.</p>

**Agency Comments & Purchasing Division Response**

Issue #	Agency Response	Purchasing Response
73	<p>This dealt with purchases from Jasper Engine Exchange. We will monitor future purchases and attempt to follow the purchasing regulations necessary to remain compliant. As noted in our general explanation, it was never the intent of District One to violate purchasing procedures.</p>	<p>See Purchasing Response for Issue 72</p>
74	<p>This dealt with the purchase of materials from Lawson. District One has purchased a variety of products from this vendor. These purchases are made by various locations within District One. The transaction reviewed was for hydraulic parts. All organizations within District One have been instructed to limit purchases from outside vendors and to always use available contracts when possible. We have placed no solicitation signs up at all organizations in an attempt to reduce solicitors. The total transactions with this vendor were \$41,402.29 consisting of several different items for several locations. As noted in our general explanation, it was never the intent of District One to violate purchasing procedures.</p>	<p>See Purchasing Response for Issue 72</p>
75	<p>This dealt with the purchase of materials from Electronic Services. District One has purchased a variety of products from this vendor. These purchases are made by various locations within District One. The transaction reviewed was for lights. While not for lights specifically, we have previously had a contract with this vendor that expired on 12/31/17, this purchase was on 6/12/18. It appears that contract was not renewed. All organizations within District One have been instructed to check contract expiration dates periodically to limit occurrences of purchasing off expired contracts and to ensure that the product they are purchasing is covered by the particular contract they are using. We will</p>	<p>See Purchasing Response for Issue 72</p>



**Agency Comments & Purchasing Division Response**

Issue #	Agency Response	Purchasing Response
	<p>also monitor future purchases and attempt to follow the purchasing regulations necessary to remain compliant. The total transactions with this vendor were \$75,070.29 consisting of several different items for several locations. As noted in our general explanation, it was never the intent of District One to violate purchasing procedures.</p>	
76	<p>This dealt with the purchase of materials from West Virginia Steel. District One has purchased a variety of products from this vendor. These purchases are made by various locations within District One. The transaction reviewed was for steel. Due to the frequent cost fluctuations with steel and steel related products we have not attempted to develop and request a contract for these products, however we will monitor future purchases and attempt to follow the purchasing regulations necessary to remain compliant. The total transactions with this vendor were \$35,396.22 consisting of several different items for several locations. As noted in our general explanation, it was never the intent of District One to violate purchasing procedures.</p>	<p align="center">See Purchasing Response for Issue 72</p>
77	<p>This dealt with purchases of repairs and materials from WV Spring and Radiator. District One has purchased a variety of products from this vendor. These purchases are made by various locations within District One. The transaction reviewed was for a repair. The total transactions with this vendor were \$92,761.32 consisting of several different items for several locations. We will monitor future purchases and attempt to follow the purchasing regulations necessary to remain compliant. As noted in our general explanation, it was never the intent of District One to violate purchasing procedures.</p>	<p align="center">See Purchasing Response for Issue 72</p>

**Agency Comments & Purchasing Division Response**

<b>Issue #</b>	<b>Agency Response</b>	<b>Purchasing Response</b>
60	This dealt with bid documentation for a tire disposal on 6/13/18 through Tire and Rubber. This purchase is covered under DOT1700000029 (see attached) which was valid 2/1/17 – 1/31/20. When something is covered by a contract it is my understanding that we are not required to get bids.	This finding has been rescinded. Going forward, we recommend all information be kept in the file or referencing the P-Card payment to the awarded contract.