



Inspections: *Making the Grade*

2021 Agency Purchasing Conference

Inspection Services and Contract Management Unit

- ▶ Greg Clay, State Purchasing Contracts Manager
- ▶ Leslie Gwinn, Inspector
- ▶ Shane Hall, Inspector
- ▶ Mitzie Howard, Inspector
- ▶ Melissa Skiles, Inspector
- ▶ Jason Thompson, Inspector

Objectives

- ▶ The Inspection Process
- ▶ Identify Issues and Findings
- ▶ The Inspection Grading System
- ▶ Corrective Action Plan Request
- ▶ Better understanding of the inspection process, procedures, requirements, and the need for documentation

Agency Delegated Authority

West Virginia Code §5A-3-10, §5A-3-4, §5A-3-11
Code of State Rules 148-1-7.2

- ▶ In accordance with West Virginia Code and the Code of State Rules, state agencies may make purchases in the amount of \$25,000 or less for certain commodities and services.

Inspection Services

Code of State Rules Section 4.14

- ▶ The Director shall appoint inspectors to review and audit spending unit requests, purchases, and other transactions and performance that fall under the authority of the division
- ▶ Inspectors may also provide relevant training for agency personnel
- ▶ Inspectors shall have access at any and all times to personnel, records, reports, and other documents as needed
- ▶ We inspect one year in arrears. However, we can inspect any 12-month period

INSPECTION PROCESS

First

- An inspector is assigned to an agency.

Next

- The agency receives a letter from the Purchasing Division advising of their assigned inspector and the date of the impending inspection.

Then

- The inspector will review any potential findings with the agency at the end of the inspection.

When
Needed

- A draft report will be prepared and forwarded to the inspected agency for their review and comments.

Lastly

- The agency is given a two week notice to respond to the report.

Finally

- The agency response will become part of the final report. A corrective action request will follow the final report.



ALLAN L. MCVEY
CABINET SECRETARY

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION
2019 WASHINGTON ST. EAST
CHARLESTON, WEST VIRGINIA 25305-0100

W. MICHAEL SHEETS
DIRECTOR

March 4, 2021

Mr. W. Michael Sheets, Director
Purchasing Division
2019 Washington St. East
P.O. Box 50130
Charleston, West Virginia 25305

Dear Director Sheets:

Pursuant to requirements found in the *West Virginia Code*, §5A-3-3(9), and the Code of State Rules, 149CSR, the Purchasing Division is required to review certain aspects related to the governmental purchasing function. Specifically, the Purchasing Division is required to:

- determine whether commodities delivered or services performed conform to contractual requirements (§5A-3-9); and,
- review and audit spending unit requests and purchases and other transactions and performance that fall under the authority of the division (CSR §148-1-4.14).

Accordingly, please be advised that a purchasing inspection of your agency is scheduled to begin **March 23, 2021**. We plan to review agency purchases, inspect the delivery of equipment and services, and verify that all purchasing laws, rules and procedures were followed. Upon completion of the inspection, we will review potential findings with a member of your staff and, subsequently, provide a written summary of our findings and recommendations. Should you have any questions, we will be happy to discuss any of the issues relating to the inspection and, if necessary, provide training to assist you and your staff. **Moireea Skiles** has been assigned to this review.

Please send copies to the letterhead address of all records, bids, purchase orders, documentation and correspondence for the transactions listed on the attached pages by **March 23, 2021**.

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

Respectfully,

Frank Whitaker, CPPB
Assistant Director
West Virginia Purchasing Division

Enclosure

cc: Jennifer Fields, Administrative Secretary, Purchasing Division

NOTIFICATION LETTER

1. Addressed to the Director
2. Lists the Inspection Date
3. Lists your Inspector
4. Date the documents are to be received by the Inspection Service Unit

List of Transactions for Review

Purchasing - 0213			
<i>Fiscal year 2020 - July 1, 2019 through June 30, 2020</i>			
<u>DOCUMENT</u>	<u>RCVD. DATE</u>	<u>VENDOR NAME</u>	<u>AMOUNT</u>
1 PRCC,0213,PC20016991	8/12/2019	4IMPRINT	498.30
2 PRCC,0213,PC20148101	6/4/2020	ADOBE 800-833-6687	407.88
3 PRCC,0213,PC20002852	7/12/2019	AMZN MKTP US MH80Q4D01	291.29
4 PRCC,0213,PC20032402	8/22/2019	AMZN MKTP US MO3TH4T91	455.12
5 PRCC,0213,PC20128602	4/13/2020	CAPITOL BUSINESS INTERIOR	8,497.66
6 PRC,0213,2000037667	5/27/2020	DELL MARKETING LP	2,118.00
7 PRCC,0213,PC20016991	8/6/2019	ELECTRONIC SPECIALTY COMP	263.00
8 TRER,0213,2000000082	8/29/2019	GALE, STEPHANIE L	334.99
9 PRCC,0213,PC20032402	9/13/2019	IN CHARLESTON BLUEPRINTS	126.00
10 TRER,0213,2000000141	9/20/2019	INGRAHAM, BRITTANY E	293.08
11 PRCC,0213,PC20032402	9/6/2019	KOENIG ART EMPORIUM	331.61
12 PRCC,0213,PC20049778	9/16/2019	KOMAX BUSINESS SYSTEMS	1,059.46
13 PRCC,0213,PC21000479	5/20/2020	LIBERTY DISTRIBUTORS INC	332.00
14 PRCC,0213,PC20050430	10/2/2019	LOWES #00675	359.96
15 PRCC,0213,PC20032402	8/15/2019	MARCO PROMOTIONAL PRODUC	1,735.09
16 PRCC,0213,PC20139519	5/12/2020	MOUNTAINEER GLASS	252.05
17 PRCC,0213,PC20148102	6/17/2020	NASPO	1,200.00
18 PRCC,0213,PC21004180	6/22/2020	NATIONAL INSITUTE OF GOVE	1,000.00
19 PRCC,0213,PC21004180	6/30/2020	NATIONAL PROCUREMENT INST	400.00
20 PRCC,0213,PC21004180	6/30/2020	OFFICEMAX/OFFICEDEPT#6877	433.41
21 PRCC,0213,PC20016991	8/6/2019	PAYPAL MADIMAGESIN	36.85

Inspector Review:

Most Common Findings

- 1 Use of Statewide Contracts
- 2 Failure to Bid at Delegated Level
- 3 Vendor Registration
- 4 Verification Searches (SOS, State Debarment)
- 5 Purchasing Affidavit

Inspector Review:

Most Common Findings

6

wvOASIS Award Document (APO, ACT, AMA)

7

Asset Tags (if applicable)

8

Certification of Non-Conflict of Interest

9

Misc (OT Approval, Not Following Emergency Procedures, Not Following Statewide Contract Ordering Instructions)

10

Stringing



Internal Sources

- ▶ Once your agency has determined a need, you should check internal sources first. W.V. Code §25-7-5
 - Sheltered Workshops
 - Correctional Industries
 - Surplus Property

1 Statewide or Agency Contracts

- ▶ If the needed commodity or service is not available from an internal source, **you must** then check availability through statewide or agency contracts **unless they are listed as (Non-Mandatory)**.
- ▶ Mandatory for use
- ▶ Commonly used commodities and/or services
- ▶ Lowest price possible for best quality
- ▶ Saves time having to bid out contracts for similar commodities or services

1 Statewide or Agency Contracts

- ▶ Agencies may request a waiver from a statewide contract if:
 - ▶ The vendor is unable to deliver by the required deliver date, assuming that the spending unit is not imposing an unreasonable delivery deadline;
 - ▶ The vendor is unresponsive to ordering requests;
 - ▶ The price of the goods or service can be found from a different source at a substantially lower cost for the exact item, with the quality and all other specifications being equal; or
 - ▶ The vendor has refused to perform.

Note: Any waiver granted must be retained in the agency file for the transaction to which the waiver applies.

Non-mandatory Statewide Contracts

Several of the Statewide Contracts are not mandatory. Keep in mind if these commodities or services are not purchased off the Statewide Contract then the purchase must mirror central procurement procedures applicable to the relevant spending threshold.

Industrial Supplies (Maintenance, Repair, and Operation Supplies)

(Non-Mandatory) MRO

This contract includes facility maintenance, repair and operations equipment and supplies.

Box Truck Rentals

(Non-Mandatory) COMTRKRN

This contract with Enterprise Rent A Car Co. is to provide Nationwide Truck Rental Services

Office Supplies

(Non-Mandatory) OFFICE

This contract includes paper clips, bulletin boards, labels, notepads, pens and pencils, file folders, index cards, tape and tape dispensers, staples and staplers.

② Failure to Bid at Delegated Level

- ▶ Documentation must be on file at the agency location or in wvOASIS

\$0-\$2,500

No competition required, but encouraged

\$2,500.01-\$10,000

Three verbal bids required (WV-49)

A wvOASIS Procurement Award Document is required for purchases exceeding \$2,500

\$10,000.01-\$25,000

The ARFQ is required for all purchases between \$10,000.01 and \$25,000 and must be advertised in wvOASIS. Three written bids are required when possible.

Greater than \$25,000

Formal acquisition process (CRQS/CRQM) Purchasing Division

3 Vendor Registration - Verification

CSR 148-1-6. Registration, Bidding, and Award

- ▶ All vendors must be registered with the Purchasing Division, unless:
 - Using a P-card for travel-related services
 - Using a P-card for payments less than \$25,000 yearly from a spending unit
- ▶ Vendors may register through the Vendor Self-Service or by completing the vendor registration and disclosure statement provided by the Purchasing Division.

Section 9 Purchases

- ▶ In accordance with West Virginia Code §5A-3-1(a)1, §5A-3-3(2) and the West Virginia Code of State Rules §148-1-4.1, the Director has determined that it is not possible to obtain certain commodities and services through the competitive bidding process
- ▶ The Director has identified those commodities and services in the Impossible to Bid List of Commodities and Services
- ▶ Vendor registration and all other requirements for the dollar amount of the purchase are mandatory for contracts for these commodities and services; however, the annual vendor registration fee is waived
- ▶ Spending units purchasing from vendors under the Impossible to Bid List must continue to observe the standard purchasing procedure associated with a normal competitive purchase of the same dollar amount

Transactional Exemption Process


- ▶ VNREGEX table in wvOASIS
- ▶ \$2,500 threshold related to \$125 vendor registration fee
- ▶ Vendor registration fee exemption for specific transactions


Vendor Registration Exemption

Department	Unit	Vendor Registration Exemption Code	Vendor Registration Exemption Description
0213	0213PC		CSR 148-1-6 Pcard Less Than \$25,000
✓ 0213	0213SMALL		CSR 148-1-6.c.3 PO Less Than \$2,500.01

First Prev Next Last

Save [Undo](#) Delete Insert [Copy](#) Paste [Search](#)

*Department : 0213 

Unit : 

*Vendor Registration Exemption Code : 0213SMALL

Vendor Registration Exemption Description : CSR 148-1-6.c.3 PO Less

Transactional Exemption Process

- ▶ Additional Handbook-related transactional exemption codes to vendor registration deployed to all departments
- ▶ Code usage reviewed by Purchasing Division Inspection Unit

Vendor Registration Exemption			
Department	Unit	Vendor Registration Exemption Code	Vendor Registration Exemption Description
✓ 0213		0213ADVERTISING	Advertising pursuant to the Purchasing Procedures Handbook Section 9.1 at WVPurchasing.gov
0213		0213ATTORNEY	Attorneys and law firms pursuant to the Purchasing Procedures Handbook Section 9.3 at WVPurchasing.gov
0213		0213AVIATIONFUEL	Aviation fuel pursuant to the Purchasing Procedures Handbook Section 9.4 at WVPurchasing.gov
0213		0213COURTORDER	Court-ordered payments pursuant to the Purchasing Procedures Handbook Section 9.20 at WVPurchasing.gov
0213		0213COURTPLACEMENT	Court-ordered placements pursuant to the Purchasing Procedures Handbook Section 9.6 at WVPurchasing.gov
0213		0213DUES	Professional association dues pursuant to the Purchasing Procedures Handbook Section 9.12 at WVPurchasing.gov
0213		0213EMERGENCY SVCS	Emergency services, non-construction, non-architectural, non-engineering pursuant to the Purchasing Procedures Handbook Section 9.5 at WVPurchasing.gov
0213		0213ENTERTAINER	Entertainers pursuant to the Purchasing Procedures Handbook Section 9.7 at WVPurchasing.gov
0213		0213HISTORICAL	Artwork and historical items pursuant to the Purchasing Procedures Handbook Section 9.2 at WVPurchasing.gov
0213		0213HOSPITALITY	Hospitality pursuant to the Purchasing Procedures Handbook Section 9.8 at WVPurchasing.gov

Transactional Exemption Process

- ▶ Code input into the “Vendor Registration Exemption” field within the Header portion of the wvOASIS award document under the General Information tab

The screenshot displays the wvOASIS interface for an Agency Delivery Order (ADO). The 'General Information' tab is active, showing various document details. A red arrow points to the 'Vendor Registration Exemption' field, which is highlighted with a red box containing the text 'Transactional Code from VNREGEX'. The field is currently empty, and a red arrow points to it from the left side of the slide.

Field	Value
Document Name	Purchasing Division Bldg. 15 desktop PC order Fall 2015
Record Date	10/26/2015
Budget FY	2016
Fiscal Year	2016
Period	4
Document Description	Purchasing Division Bldg. 15 desktop PC order, Fall 2015
Actual Amount	\$4,040.00
Closed Amount	\$4,040.00
Closed Date	12/10/2015
PCard ID	
PCard Exp	
Accounting Profile	
Procurement Folder	151742
Procurement Type	Agency Delivery Order
Procurement Type ID	12
Vendor Registration Exemption	
Cited Authority	
Confirmation Order	<input type="checkbox"/>
Blanket Agreement	<input type="checkbox"/>

4 Vendor Verification Searches

Under the Vendor/Customer component, view the Fee and Vendor Compliance Holds tab.


- ▶ A blank box means there are no holds, and the vendor is in compliance with that government entity
- ▶ At this point in time, it is our understanding that state debarment and Secretary of State are the only verifications that must occur outside of the system

▼ **Fee and Vendor Compliance Holds**


Registration Application Date :	01/07/2019	<input type="checkbox"/>	Tax Clearance :	<input type="checkbox"/>
Registration Effective Date :	01/18/2019	<input type="checkbox"/>	Unemployment Insurance :	<input type="checkbox"/>
Registration Expiration Date :	01/18/2020	<input type="checkbox"/>	Worker's Compensation :	<input type="checkbox"/>
Pre-Registration Code :	<input type="text"/>	<input type="checkbox"/>	Secretary of State Registration :	<input type="checkbox"/>
		<input type="checkbox"/>	Federal Debarred :	<input type="checkbox"/>

Secretary of State Verification Search

<http://apps.sos.wv.gov/business/corporations/>



West Virginia Secretary of State
Mac Warner



West Virginia Secretary of State — Online Data Services Business and Licensing

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Business & Licensing

Business Organization Search

SEARCH TIPS: If you have trouble finding a business, try the following:

1. Enter one or more key words in the business name
2. Use the % symbol for a wild card search.
Example: searching for Fraternal Order Eagles 1234 ABCD, Inc.
%Fraternal%1234%
3. The search will NOT return any organizations that are sole proprietors, as they are not filed with the Secretary of State's Office. They are filed with the West Virginia State Tax Department. To verify if an organization is a sole proprietor and/or has a business registration call the West Virginia State Tax Department at 304-558-8683.

Organization	<input type="text"/>
Agent/Officer/Name	<input type="text"/>
Show Advanced Search Options	<input type="button" value="Search"/> <input type="button" value="Reset"/>

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5 Purchasing Affidavit

- ▶ Used to certify that bidders do not owe any debts to the state which would preclude them from receiving a purchase order
- ▶ Purchases or contracts exceeding \$10,000 require a Purchasing Affidavit
 - A single purchase or aggregated totals (i.e. several purchases which exceed \$10,000)
- ▶ Must be signed and dated by the vendor
- ▶ Must be notarized

STATE OF WEST VIRGINIA
Purchasing Division
PURCHASING AFFIDAVIT

CONSTRUCTION CONTRACTS: Under W. Va. Code § 5-22-1(i), the contracting public entity shall not award a construction contract to any bidder that is known to be in default on any monetary obligation owed to the state or a political subdivision of the state, including, but not limited to, obligations related to payroll taxes, property taxes, sales and use taxes, fire service fees, or other fines or fees.

ALL CONTRACTS: Under W. Va. Code §5A-3-10a, no contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

EXCEPTION: The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. Code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Employer default" means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

"Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

AFFIRMATION: By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (W. Va. Code §61-5-3) that: (1) for construction contracts, the vendor is not in default on any monetary obligation owed to the state or a political subdivision of the state, and (2) for all other contracts, that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

WITNESS THE FOLLOWING SIGNATURE:

Vendor's Name: _____

Authorized Signature: _____ Date: _____

State of _____

County of _____, to-wit: _____

Taken, subscribed, and sworn to before me this ____ day of _____, 20__.

My Commission expires _____, 20__.

AFFIX SEAL HERE **NOTARY PUBLIC** _____

Purchasing Affidavit (Revised 01/19/2018)

6 **wvOASIS Procurement Award Document**

Required for all purchases in excess of \$2,500, regardless of payment method (warrant or P-card)

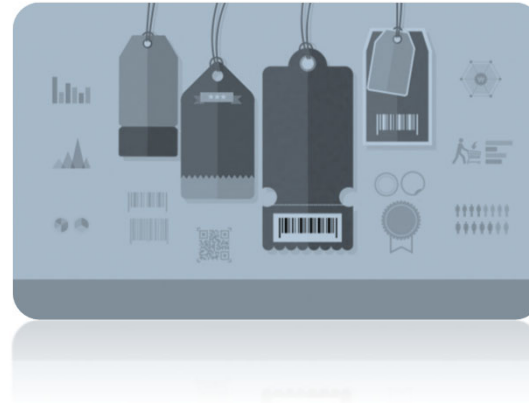
**wvOASIS Procurement Award Document
(APO, ACT, or AMA)**

APO - Agency Purchase Order-One Time Purchase not to exceed \$25,000

ACT - Agency Contract for a fixed amount with renewal years not to exceed \$25,000 per 12-month period

AMA – Agency Master Agreement, open-end contract that covers a period of time in which all terms, conditions and prices are specified except for quantity. (not to exceed \$25,000 in a 12-month period)

7 Asset Tags



What is reportable inventory?

- ▶ An asset that costs \$1,000 or more and has a useful life of one (1) year or more
- ▶ All computers (including laptops and central processing units [CPU]) with an acquisition cost of \$500 or more
- ▶ All firearms regardless of the cost

8

Certification of Non-Conflict



STATE OF WEST VIRGINIA
Purchasing Division

CERTIFICATION OF NON-CONFLICT OF INTEREST

West Virginia Code § 5A-3-31: "It shall be unlawful for any person to corruptly combine, collude or conspire with one or more other persons with respect to the purchasing or supplying of commodities or printing to the state under the provisions of this article if the purpose or effect of such combination, collusion or conspiracy is either to (1) lessen competition among prospective vendors, or (2) cause the state to pay a higher price for such commodities or printing than would be or would have been paid in the absence of such combination, collusion or conspiracy, or (3) cause one prospective vendor or vendors to be preferred over one or more other prospective vendor or vendors. Any person who violates any provision of this section shall be guilty of a felony, and, upon conviction thereof, shall be confined in the penitentiary not less than one nor more than five years, and be fined not exceeding five thousand dollars."

West Virginia Code § 6B-2-5(b)(1): "A public official or public employee may not knowingly and intentionally use his or her office or the prestige of his or her office for his or her own private gain or that of another person."

West Virginia Code § 6B-2-5(d)(1): "[N]o elected or appointed public official or public employee or member of his or her immediate family or business with which he or she is associated may be a party to or have an interest in the profits or benefits of a contract which the official or employee may have direct authority to enter into, or over which he or she may have control"

The individual(s) listed below have been charged to evaluate or serve as members or advisors of an evaluation committee for the solicitation as specified [_____]

By signing this form, each individual acknowledges that: (1) his or her service on the evaluation committee is not in violation of West Virginia Code § 5A-3-31, § 6B-2-5, or any other relevant code section; (2) his or her service on the evaluation committee does not create a conflict of interest with any of the participating vendors; and (3) he or she has not had or will not have contact relating to the solicitation identified above with any participating vendors between the time of the bid opening and the award recommendation without prior approval of the Purchasing Division.

Name/Title	Agency	Signature	Date

Revised February 8, 2016

- ▶ Form used by members or advisors of an evaluation committee to certify they have no conflict of interest with any of the participating vendors
- ▶ This form is required for agency delegated purchases exceeding \$2,500. Agencies may adopt this policy at their discretion for purchases \$2,500 or less
- ▶ This form is required for a single purchase or a contract when the amount exceeds \$2,500

9 MISCELLANEOUS FINDINGS

- ▶ CTO APPROVAL (OFFICE OF TECHNOLOGY APPROVAL)
- ▶ NOT FOLLOWING EMERGENCY PROCEDURES
- ▶ NOT FOLLOWING STATEWIDE CONTRACT INSTRUCTIONS
- ▶ THIRD-PARTY BOOKING
- ▶ TIE BIDS
- ▶ NO DOCUMENTS PROVIDED DURING INSPECTION

Misc. Findings –

No WVOT Approval

- ▶ CTO Requisition Review is required by West Virginia State Code to review all proposed IT acquisitions unless:
 - ▶ Under \$2,500 for
 - ▶ HARDWARE
 - ▶ ROUTERS
 - ▶ Adobe DC PDF and Nuance PDF Software
 - ▶ Removable Media (Check with your Agency Privacy Officer, State Privacy Office, and OT Security Office when applicable.)

Misc. Findings –

No WVOT Approval

- ▶ The following Statewide Contracts require Office of Technology Approval via 3rd party approval in OASIS:
 - IP19 – Desktop and Laptop Computers and Monitors
 - DIGICOP – (Lease or Purchase of Multi-Function Copiers)
 - MAILMCHN – Digital Mail

Misc. Findings –

Not Following Emergency Procedures

- ▶ Not Following Emergency Procedures.
- ▶ Emergency
 - ▶ *A purchase made when unforeseen circumstances arise, including delays by contractors, delays in transportation and unanticipated volume of work. A report of any such purchase, together with a record of competitive bids upon which it was based, is to be submitted to the Purchasing Director. Emergency purchases are not used for hardship resulting from neglect, poor planning or lack of organization by the spending unit. Failure to plan does not make it an emergency situation.*

Misc. Findings –

Not Following Emergency Procedures

Emergency Purchases of \$25,000 or Less

- 3 Bids if possible
- Agency Justification
- Agency wvOASIS award document
- Agency Master Terms and Conditions
- Documentation for the Dollar Threshold

Emergency Purchases exceeding \$25,000

- 3 Bids if Possible
- Written Justification to Purchasing Director for Approval
- Requisition forward to Purchasing Division for Processing
- Purchasing Master Terms and Conditions
- Documentation for the Dollar Threshold



10 Stringing

Purchasing Division Procedures Handbook, **Section 5.1:**

- ▶ “No agency is permitted to issue a series of requisitions to circumvent the \$25,000 threshold or any established delegated 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.”

Stringing

Purchasing Division Procedures Handbook, **Section 5.1:**

- ▶ Amounts spent with vendors are viewed comprehensively
- ▶ State agencies should continuously monitor their expenditures with vendors to ensure that the total amount spent with a given vendor, within any 12-month period, does not exceed an applicable bid threshold without the proper level of documentation and bidding
- ▶ Any amount spent through competitive bidding with the Purchasing Division does not count toward the aggregate spend.

Stringing

Purchasing Division Procedures Handbook, **Section 5.1:**

SIMILAR MATERIAL OR SERVICE EXAMPLE					
PRCC,0433,PC20001147	7/9/2019	HEINERS BAKERY	2,350.00	BAKERY ITEMS	
PRCC,0433,PC20011106	8/2/2019	FLOWERS FOODS INC.	2,350.00	BAKERY ITEMS	
PRC,0433,2000000213	9/6/2019	FLOWERS FOODS INC.	2,450.00	BAKERY ITEMS	
PRC,0433,2000001240	10/3/2019	FLOWERS FOODS INC.	2,490.00	BAKERY ITEMS	
PRC,0433,2000023423	11/4/2019	HEINERS BAKERY	2,499.00	BAKERY ITEMS	
PRCC,0433,PC20080504	12/6/2019	FLOWERS FOODS INC.	2,352.00	BAKERY ITEMS	
PRCC,0433,PC20090403	1/7/2020	FLOWERS FOODS INC.	2,350.00	BAKERY ITEMS	
PRCC,0433,PC20100736	2/3/2020	FLOWERS FOODS INC.	2,350.00	BAKERY ITEMS	
PRCC,0433,PC20112519	3/10/2020	HEINERS BAKERY	2,350.00	BAKERY ITEMS	
PRCC,0433,PC20134727	5/7/2020	FLOWERS FOODS INC.	2,350.00	BAKERY ITEMS	
PRCC,0433,PC20136360	5/14/2020	FLOWERS FOODS INC.	2,350.00	BAKERY ITEMS	
PRC,0433,2000010599	6/9/2020	FLOWERS FOODS INC.	2,350.00	BAKERY ITEMS	
TOTAL TRANSACTIONS-			28,591.00		

Quiz

1. Certification of Non-Conflict of Interest is required at what dollar amount?
 - ▶ A. \$2,500.00
 - ▶ B. Exceeding \$2,500.00
 - ▶ C. \$10,000.00
 - ▶ D. \$25,000.01
 - ▶ E. \$25,000.00
2. A wvOASIS award document is required at what dollar amount?
3. An Agency Award Document (APO) can not exceed what dollar amount?
4. A Purchasing Affidavit is required when contracts exceed _____.

**Agency makes two payments of
\$2,500.01 to a single vendor within a
12-month period.**

Stringing or Not Stringing?

**Agency makes a one-time payment
of \$25,000.01 or more to a single
vendor within a 12-month period.**

Stringing or Not Stringing?

Agency makes multiple payments to multiple vendors for the same commodity or service that aggregate to \$25,000.01 or more within a 12-month period.

Stringing or Not Stringing?

**Agency makes a payment of \$15,000
in June one calendar year and makes
a second payment of \$15,000 to the
same vendor in July of the following
calendar year.**

Stringing or Not Stringing?

INSPECTION GRADING SYSTEM

West Virginia (Insert Agency Name Here) FY2021 Statistics				
Conformance Rate & Score (100 Points Possible)				
Transactions Reviewed	100	Points Possible	100	
Non-Conformance Rate (See Summary Page)	10.0%	Points Deducted	10	
Conformance Rate	90.0%	Points Received (Conformance Score)	90	
Findings Summary & Score (100 Points Possible)				
Finding Category	Number of Findings	Finding Percentage	Points possible	Points Received (Finding Score)
Failure to Bid at Central Level (Stringing)	1	1.00%	30	20
Failure to Bid at Delegated Level	1	1.00%	20	17
Statewide Contract not utilized	1	1.00%	15	12
Vendor Registration unverified/wrong fee code	1	1.00%	5	4
Failure to verify Compliance Checks	1	1.00%	5	4
Purchasing Affidavit Not Included	1	1.00%	5	4
Wvoasis Award Document Not Issued	1	1.00%	5	4
Asset Tag/Number not affixed	1	1.00%	5	4
Certification of Non-Conflict of Interest not included	1	1.00%	5	4
Miscellaneous Issue	1	1.00%	5	4
Total	10		100	77
Overall Agency Score				
Conformance & Findings Average			Overall Letter Grade	
83.5%			B	
Scale (See Weight Application*)		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.		
90 --100 = A				
80 --89.9 = B				
70 -- 79.9 = C				
60-- 69.9 = D				
<60 = F				

Corrective Action Plan

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Corrective Action Plan

In response to the final report issued **XX/XX/XXXX**

Agency Name: **AGENCY NAME**
Agency Address: **AGENCY ADDRESS**
Agency Contact: **XXXXXXX**

Inspection Date(s): **XXXXXXXX**
Phone: **(304) XXX-XXXX**
Email: **@wv.gov**

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

Issue # 1 - (1 Instance)

Finding: Stringing – The pattern of transactions and amount spent with this vendor during fiscal year could be construed as stringing. During the period under review, the agency spent a total of **\$52,072.75** in **248** transactions with this vendor which exceeds the formal bid limit of \$25,000.00.

(VENDOR'S NAME)

Name and Title of Responsible Person:

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

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

XX/XX/XXXX

Informational Resources

- Purchasing Division Procedures Handbook
 - www.state.wv.us/admin/purchase/handbook
- Purchasing Division Website
 - WVPurchasing.gov
- Inspection Services Unit
 - www.state.wv.us/admin/purchase/Inspection
- Inspection Report Index
 - www.state.wv.us/admin/purchase/inspection/inspectReports.html

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