



MARK D. SCOTT
CABINET SECRETARY

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION

W. MICHAEL SHEETS
DIRECTOR

January 27, 2022

Tabitha Crist, CFO,
Bldg. 6 Room 700
1900 Kanawha Blvd. E
Charleston, WV 25305

Dear Tabitha Crist,

This is to transmit the final copy of the Purchasing Review of the West Virginia Department of Education School for the Deaf and Blind.

A preliminary copy of this report was submitted to your agency for comment. Where significant comments were returned by your agency, we have included those as part of this final review report.

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

Thank you for your cooperation and that of your staff during this review.

Respectfully,

A handwritten signature in blue ink, appearing to read "W. Michael Sheets".

W. Michael Sheets, CPPO
Director
West Virginia Purchasing Division

Enclosure

cc: Jo Ann Adkins, Purchasing and Operations Manager, Office of Internal Operations
W. Clayton Burch, Superintendent, Department of Education

WV PURCHASING DIVISION INSPECTION REPORT

Department of Education

West Virginia School for the Deaf and Blind

FISCAL YEAR
2020

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INTRODUCTION

The Purchasing Division is broadly charged with the development and oversight of the procurement functions of state spending units under its authority. That authority is found in Chapter 5A, Article 3 of the West Virginia Code, and Title 148, Series 1, of the West Virginia Code of State Rules. That mandate requires that the Purchasing Division “appoint inspectors to review and audit spending unit requests and purchases and other transactions and performance.” W. Va. CSR § 148-1-4.14. The Purchasing Division’s Inspection Services Unit performs this function by regularly conducting inspections of all spending units subject to Purchasing Division oversight.

The Purchasing Division Inspection Services Unit conducted a remote inspection of the West Virginia School for the Deaf and Blind for the period of July 1, 2019, through June 30, 2020. Notice of the inspection was provided on April 7, 2021, and the inspection commenced on November 2, 2021. The results of the inspection are contained within this report.

SCOPE

The scope of the inspection was focused on determining whether the West Virginia School for the Deaf and Blind's procurement transactions for the period of July 1, 2019, through June 30, 2020 were, in all material respects, in compliance with applicable provisions of the West Virginia Code, the Code of State Rules and the Purchasing Division Procedures Handbook in effect during that time period.

Inspectors utilized spending unit payment transactions to identify potential violations with a primary focus on those transactions processed at the spending unit level without Purchasing Division involvement. Those transactions included, but were not limited to, agency delegated procurements, Section 9 procurements, agency delivery orders, General Accounting Expenditure ("GAX") payments, and P-Card payments. Notwithstanding this general focus, however, Inspectors can review any transaction or internal procurement operating procedures that they deem relevant.

As noted above, the transaction review was conducted to ensure compliance with applicable provisions of the West Virginia Code, the Code of State Rules and the Purchasing Division Procedures Handbook. More specifically, the scope of the inspection included, but was not limited to, an examination to determine if any of the following infractions had been committed:

- (1) Failure to bid at central level (Stringing)[Required to be reported to the Legislature twice annually]
- (2) Failure to bid at delegated level,
- (3) Statewide contract not utilized,
- (4) Vendor registration unverified and wrong vendor fee exemption code utilized
- (5) Failure to verify compliance checks
 - a. Unemployment
 - b. Workers' compensation
 - c. Vendor status with Secretary of State's office
 - d. Debarred vendor list
- (6) Failure to include notarized Purchasing Affidavit,
- (7) Failure to issue wvOASIS procurement award document,
- (8) Lack of compliance with fixed asset requirements (asset tags),
- (9) Failure to include Certification of Non-Conflict of Interest form,
- (10) Miscellaneous Issues
 - a. Improper award (Unjustified award to other than lowest responsible bidder meeting specifications),
 - b. Leases exceeding six months not processed centrally
 - c. Other as needed

SUMMARY

During the period under review, the spending unit processed 1,616 procurement transactions with a value of \$2,255,070.08. These amounts are approximate, subject to reporting limitations from wvOASIS (including possible data entry error) and errors caused by elimination of duplicate results. Of those transactions, the Inspector selected 100 for review which represents approximately 4% of the total. This inspection of 100 selected transactions yielded 45 findings associated with 16 of the selected transactions. This means that approximately 16% of the transactions reviewed had one or more instances of noncompliance with applicable provisions of the West Virginia Code, the Code of State Rules and the Purchasing Division Procedures Handbook. The findings are further illustrated in the attached Findings Grid and Grading Sheet.

The inspection also revealed that on 11 occasions, the spending unit failed to obtain competitive bids as required by the applicable dollar level of spend. That number is comprised of 2 instances of failing to bid at the central level (also known as stringing), and 9 instances of failing to bid at the delegated level. Any instances of failure to bid at the central level will be reported to the Legislature as required by the West Virginia Code.

Based on the findings contained in this report, the Purchasing Division recommends the spending unit work to improve any areas of noncompliance. Given that the agency received a score of 76% C on the inspection and there was a pattern of findings or one or more cases of stringing, the first step must be the completion of a Corrective Action Plan. A request for which will be provided to you after this inspection is finalized.

Grading Sheet

West Virginia School for the Deaf & Blind FY2020 Statistics

Conformance Rate & Score (100 Points Possible)

Transactions Reviewed	100	Points Possible	100
Non-Conformance Rate (See Summary Page)	16.0%	Points Deducted	16
Conformance Rate	84.0%	Points Received (Conformance Score)	84

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)	2	2.00%	30	10
Failure to Bid at Delegated Level	9	9.00%	20	17
Statewide Contract not utilized	1	1.00%	15	12
Vendor Registration unverified/wrong fee code	0	0.00%	5	5
Failure to verify Compliance Checks	10	10.00%	5	3
Purchasing Affidavit Not Included	3	3.00%	5	4
Wvoasis Award Document Not Issued	9	9.00%	5	4
Asset Tag/Number not affixed	0	0.00%	5	5
Certification of Non-Conflict of Interest not included	10	10.00%	5	4
Miscellaneous Issue	1	1.00%	5	4
Total	45		100	68

Overall Agency Score

Conformance & Findings Average	Overall Letter Grade
76.0%	C

Scale (See Weight Application*)

90 --100 = A
 80 --89.9 = B
 70-- 79.9 = C
 60-- 69.9 = D
 <60 = 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.

EXHIBIT A: DETAILED INSPECTION FINDINGS

Issue 1: Failure to bid at central level (Stringing)

Authority: W. Va. Code § 5A-3-10; Procedures Handbook Section 6

Explanation: State law mandates that the Purchasing Division competitively bid for the purchase of commodities and services estimated to exceed twenty-five thousand dollars. The law also prohibits a spending unit from issuing a series of requisitions or divide or plan procurements to circumvent this twenty-five thousand dollar threshold. The transactions listed below violated this legal mandate and will be reported to the West Virginia Legislature as required by law.

Transactions in Violation: (2 Instances)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
10/17/2019	Medical Equipment	E3 Diagnostics INC	\$9,978.50	PRC,2000018025

Additional Detail: The agency spent \$43,590.00 with the listed vendor during the fiscal year under review.

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
4/4/2020	Food	US Foods 2L	\$3,243.78	PRCC,PC20116173

Additional Detail: The contract for US Foods expired on September 30, 2019. The agency spent \$50,992.48 with the vendor after the contract expired.

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit establish central contracts through the Purchasing Division for each of the items included above and any other commodities or services that will exceed \$25,000 in a rolling 12 month period.
2. The Purchasing Division recommends that the spending unit utilize wvOASIS to create reports that will allow the spending unit to track spend and determine when spending is closing to exceeding the \$25,000 limit.

3. The Purchasing Division recommends that the spending unit forecast future needs for its commodities and services to determine in advance what should be procured at the central level.
4. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

Issue 2: Failure to bid at delegated level

Authority: W. Va. Code § 5A-3-11(a); W. Va. CSR § 148-1-7.2; Procedures Handbook Section 5

Total Transactions in Violation: (9 Instances)

Explanation: The Purchasing Division has established competitive bidding requirements that spending units must follow when procuring commodities and services below \$25,000.01, and above \$2,500.00. For those transactions listed below, the spending unit has failed to obtain and document competitive bids as required.

Transactions in Violation: (3 Instances)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
5/5/2020	Fire System Maintenance & Repair	Fire Protection Products	\$329.96	PRCC,PC20138360
12/10/2019	Security System Repairs	Newtech Systems Inc.	\$2,452.27	PRCC,PC20087846
6/5/2020	Elevator Service	Eastern Elevator Service	\$1,422.68	PRCC,PC20150486

Additional Detail: Although the individual transactions listed above fall below the verbal bid limit, the agency aggregate spent for each vendor exceeded \$2,500.00 for the fiscal year under review.

Transactions in Violation: (3 Instances)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
9/15/2019	Evacuation Chairs	4MD Medical.com	\$7,450.00	PRCC,PC20029761
9/25/2019	Door Locks	Architectural Interior PR	\$4,548.69	PRCC,PC20053814
12/9/2019	Bus Repairs	Kingmor Supply Inc Roanoke	\$5,225.60	PRCC,PC20087722

Additional Detail: Documentation for the transactions listed above showed no evidence of verbal bids and no justification for a direct-award purchase.

Transactions in Violation: (2 Instances)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
6/23/2020	Rubber Mulch	DIRECTRUBBE	\$13,206.00	PRCC,PC21011260
10/28/2019	Refrigerated Trailer Rental	SQ RCS Transport	\$10,557.50	PRCC,PC20057648

Additional Detail: Documentation for the transactions listed above showed no evidence of written bids. A procurement of \$10,000.01 to \$25,000 must be publicly advertised for no less than 10 business days in the West Virginia Purchasing Bulletin within wvOASIS.

Transactions in Violation: (1 Instance)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
4/16/2020	Sign Language	Sign Language Interpret	\$5,158.31	PRCC,PC20129042

Additional Detail: Although the individual transaction listed above may fall below the written bid limits, the agency entered into an agreement with the vendor for \$25,000.00.

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit follow the requirements associated with each delegated spending limit.
2. The Purchasing Division recommends that the spending unit utilize wvOASIS to create reports that will allow the spending unit to track spend and determine when spending is closing to exceeding spending limits.
3. The Purchasing Division recommends that the spending unit forecast future needs for its commodities and services to determine in advance what should be competitively bid at delegated verbal and written bid levels.
4. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

Issue 3: Statewide Contract Not Utilized

Authority: W. Va. CSR § 148-1-7.4.c.; Procedures Handbook Section 3.6.2

Explanation: The Purchasing Division has authority to establish contracts at a statewide level to secure economies of scale that would not be possible on an agency by agency basis. Once established, the Purchasing Division can mandate that spending units utilize those statewide contracts. For the transactions listed below, the spending unit has obtained the commodity or service in question outside of an available statewide contract without a valid waiver.

Transactions in Violation: (1 Instance)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>	<u>SWC</u>
10/17/19	Package Delivery	UPS	\$26.77	PRCC,PC20057648	<u>PKGSVS</u>

Additional Detail: Applicable items were not purchased from the Statewide Contract and no waiver from the Purchasing Division was present.

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit personnel become familiar with what is available from statewide contracts and either procure those commodities and services from statewide contracts or obtain a waiver from the Purchasing Division.
2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.
3. Agencies should issue a delivery order to obtain goods or services from central open-end contracts unless the West Virginia State Auditor's Office has approved an alternate ordering and payment method.
4. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

Issue 4: Vendor Registration Unverified/Wrong Vendor Fee Exemption Code Utilized

Authority: W. Va. CSR § 148-1-6.1; Procedures Handbook Section 4

Explanation: The agency must verify that the vendor is registered, and the registration fee paid, if applicable. The registration process includes having the proper disclosure of information in the wvOASIS vendor/customer account. Certain vendors are exempted from paying the vendor registration fee mandated by the authority referenced above. wvOASIS has created fee exemption codes that allow the spending unit to designate the appropriate exemption code on a transactional basis.

Transactions in Violation: (0 Instances)

Purchasing Division Recommendation:

1. The Purchase Division recommends that the spending unit only utilize vendor fee exemption codes for transactions that would permit a vendor to avoid paying the vendor registration fee.
2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.
3. The Purchasing Division recommends that the spending unit contact the Vendor Registration section within the Purchasing Division if there is uncertainty about when and how to apply a vendor fee exemption code.

Issue 5: Failure to Verify Compliance Checks

(Workers Comp, Unemployment, Sec. of State, Debarment)

Authority: W. Va. CSR § 148-1-6.1.e.; Procedures Handbook Section 5.3.1.6.

Explanation: The authority cited above requires that a vendor be licensed and in good standing in accordance with all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or other state agencies or political subdivisions prior to being awarded a contract. The mandated compliance checks were not included in the transactions listed below.

Transactions in Violation: (10 Instances)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
9/15/2019	Evacuation Chairs	4MD Medical.com	\$7,450.00	PRCC,PC20029761
9/25/2019	Door Locks	Architectural Interior PR	\$4,548.69	PRCC,PC20053814
6/23/2020	Rubber Mulch	DIRECTRUBBE	\$13,206.00	PRCC,PC21011260
6/5/2020	Elevator Service	Eastern Elevator Service	\$1,422.68	PRCC,PC20150486
5/5/2020	Fire System Maintenance & Repair	Fire Protection Products	\$329.96	PRCC,PC20138360
12/9/2019	Bus Repairs	Kingmor Supply Inc Roanoke	\$5,225.60	PRCC,PC20087722
12/10/2019	Security System Repairs	Newtech Systems Inc.	\$2,452.27	PRCC,PC20087846
12/12/2019	Pool Heaters	Pool Supply Unlimited	\$6,000.00	PRCC,PC20087516
4/16/2020	Sign Language	Sign Language Interpret	\$5,158.31	PRCC,PC20129042
10/28/2019	Refrigerated Trailer Rental	SQ RCS Transport	\$10,557.50	PRCC,PC20057648

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit perform all compliance checks mandated by the Handbook and properly document those compliance checks in the contract file.

2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

Issue 6: Purchasing Affidavit Not Included

Authority: W. Va. Code §§ 5A-3-10a and 5-22-1; Procedures Handbook Section 5.3.1.6.

Total Transactions in Violation: (3 Instances)

Explanation: West Virginia law has several restrictions against awarding a contract to a vendor that owes a debt to the State or its political subdivisions. The Purchasing Affidavit must be signed by the vendor prior to contract award to obtain assurance that the vendor is in compliance with the statutory mandates.

Transactions in Violation: (1 Instance)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
4/16/2020	Sign Language	Sign Language Interpret	\$5,158.31	PRCC,PC20129042

Additional Detail: Although the above transaction falls below the limit requiring a Purchasing Affidavit to be present, the agency entered into an agreement with the vendor for \$25,000.00. All documents for that amount must be present in the file.

Transactions in Violation: (2 Instances)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
6/23/2020	Rubber Mulch	DIRECTRUBBE	\$13,206.00	PRCC,PC21011260
10/28/2019	Refrigerated Trailer Rental	SQ RCS Transport	\$10,557.50	PRCC,PC20057648

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit obtain a properly completed Purchasing Affidavit and maintain a copy in the contract file for all transactions exceeding \$10,000.00 (the threshold for obtaining written bids).
2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

Issue 7: wvOASIS Award Document Not Issued

Authority: Procedures Handbook Section 5.2.2

Explanation: The Purchasing Division Procedures Handbook requires that a procurement award document be issued for all purchases exceeding \$2,500 in value. This requirement ensures that the transaction is recorded in wvOASIS in a way that allows it to be easily identified and tracked and helps to prevent spending in violation of procurement laws, rules, and procedures.

Transactions in Violation: (9 Instances)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
9/15/2019	Evacuation Chairs	4MD Medical.com	\$7,450.00	PRCC,PC20029761
9/25/2019	Door Locks	Architectural Interior PR	\$4,548.69	PRCC,PC20053814
6/23/2020	Rubber Mulch	DIRECTRUBBE	\$13,206.00	PRCC,PC21011260
2/11/2020	Washers & Dryers	Best Buy	\$3,729.92	PRCC,PC20109948
5/5/2020	Portable A/C Units	Home Depot	\$4,159.92	PRCC,PC20020059
12/9/2019	Bus Repairs	Kingmor Supply Inc Roanoke	\$5,225.60	PRCC,PC20087722
12/12/2019	Pool Heaters	Pool Supply Unlimited	\$6,000.00	PRCC,PC20087516
4/16/2020	Sign Language	Sign Language Interpret	\$5,158.31	PRCC,PC20129042
10/28/2019	Refrigerated Trailer Rental	SQ RCS Transport	\$10,557.50	PRCC,PC20057648

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit issue a purchase order through wvOASIS and maintain a copy in the contract file for all transactions exceeding \$2,500.00.
2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

Issue 8: Asset Tag Not Affixed

Authority: W. Va. Code § 5A-3-34; Surplus Property Operations Manual, Part II, Section 1.4

Explanation: The Surplus Property Operations Manual requires that all reportable assets must have a numbered identification tag affixed to the asset. Agencies are responsible for obtaining and placing the proper tags on the assets. This method of tagging assets helps to easily identify state assets during physical inspection and to guard against asset theft.

Transactions in Violation: (0 Instances)

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit obtain a properly affix asset tags to all reportable assets. In conjunction with this, the spending unit must maintain accurate inventory records in wvOASIS.
2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

Issue 9: Cert. of Non-Conflict Not Included

Authority: W. Va. Code §§ 5A-3-31 and 6B-2-5; Procedures Handbook Section 3.7.7.

Total Transactions in Violation: (10 Instances)

Explanation: The Purchasing Division requires all evaluators, advisors, and the agency procurement officer, despite the type of transaction, to sign a Certification of Non-Conflict of Interest form prior to contract award to ensure compliance with W. Va. Code § 5A-3-31 and § 6B-2-5 by affirming that they do not have a conflict of interest and did not communicate with the vendor during the solicitation, evaluation, and award period.

Transactions in Violation: (9 Instances)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
9/15/2019	Evacuation Chairs	4MD Medical.com	\$7,450.00	PRCC,PC20029761
9/25/2019	Door Locks	Architectural Interior PR	\$4,548.69	PRCC,PC20053814
6/23/2020	Rubber Mulch	DIRECTRUBBE	\$13,206.00	PRCC,PC21011260
2/11/2020	Washers & Dryers	Best Buy	\$3,729.92	PRCC,PC20109948
5/5/2020	Portable A/C Units	Home Depot	\$4,159.92	PRCC,PC20020059
12/9/2019	Bus Repairs	Kingmor Supply Inc Roanoke	\$5,225.60	PRCC,PC20087722
12/12/2019	Pool Heaters	Pool Supply Unlimited	\$6,000.00	PRCC,PC20087516
4/16/2020	Sign Language	Sign Language Interpret	\$5,158.31	PRCC,PC20129042
10/28/2019	Refrigerated Trailer Rental	SQ RCS Transport	\$10,557.50	PRCC,PC20057648

Additional Detail: The Certification of Non-Conflict must be completed for all contract awards exceeding \$2,500.00.

Transactions in Violation: (1 Instance)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
6/5/2020	Elevator Service	Eastern Elevator Service	\$1,422.68	PRCC,PC20150486

Additional Detail: Although the transaction falls below the limit requiring a Certification of Non-Conflict to be present, the agreement is for \$16,560.00 and should have contained documentation for that dollar amount.

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit include a properly completed Certification of Non-Conflict of Interest form prior to contract award for all transactions exceeding \$2,500.00 and maintain a copy in the contract file.
2. The Purchasing Division recommends that the spending unit's procurement officer participate in training on this topic offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

Issue 10: Miscellaneous (No Documents Provided During Inspection)

Authority: Procedures Handbook Section 1.8

Explanation: Agency delegated contracts and supporting documentation should be maintained until the agency obtains permission to destroy the documents from the Legislative Auditor's office pursuant to W. Va. Code §5A-3-11(h).

Transactions in Violation: (1 Instance)

<u>Date</u>	<u>Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Invoice</u>
9/25/2019	Unknown	OTC Brands, Inc.	\$278.89	PRCC,PC20053814

Additional Detail: Documents not provided for review at time of inspection and were not subsequently provided.

Purchasing Division Recommendation:

1. The Purchasing Division recommends that the spending unit's procurement officer participate in training on the topics listed herein that are offered by the Purchasing Division and ensure that all procurement staff understand how to comply with this requirement moving forward.

EXHIBIT B: COMPARISON WITH PRIOR INSPECTIONS

A previous inspection of the West Virginia School for the Deaf and Blind was conducted in June of 2018. The review consisted of 100 selected transactions from an approximate 1,890 total transactions from July 1, 2016, through June 30, 2017. This review resulted in 43 findings associated with 15 of the selected transactions. This indicated that 15% 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 FY 2017 to the current FY 2020 inspection, below is a summary of the issues identified during the FY 2017 inspection, as compared to the findings from the current inspection.

Summary of Problem Transactions		
<i>Findings</i>	<i>FY</i> <i>2017</i>	<i>FY</i> <i>2020</i>
Failure to Bid at Central Level (Stringing)	0	2
Failure to Bid at Delegated Level	2	9
Statewide Contract not utilized	0	1
Vendor Registration unverified/wrong Fee Code	4	0
Failure to verify Compliance Checks	9	10
Purchasing Affidavit not included	4	3
wvOasis Award Document not issued	12	9
Asset Tag/Number not affixed	0	0
Cert. of Non-Conflict of Interest not included	12	10
Miscellaneous Issue	0	1
<i>Total</i>	<i>43</i>	<i>45</i>

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>.

EXHIBIT C: AGENCY TRAINING REPORT

Importance of Training: The Purchasing Division has found that training in procurement significantly improves the ability of the spending unit to comply with applicable provisions of the West Virginia Code, the Code of State Rules and the Purchasing Division Procedures Handbook.

Statutory Requirements:

- W. Va. Code § 5A-3-60 requires that All executive department secretaries, commissioners, deputy commissioners, assistant commissioners, directors, deputy directors, assistant directors, department heads, deputy department heads and assistant department heads are hereby required to take two hours of training on purchasing procedures and purchasing cards annually.
- W. Va. CSR § 148-1-3.2 mandates that all designated procurement officers receive 10 hours of procurement training annually.

Available Training: The Purchasing Division has implemented a very robust training program that is available to all procurement officers subject to Purchasing Division oversight. That training includes:

- Online Modules
- Webinars
- Live Training Sessions
- Annual conferences
- Basic and Advanced Procurement Certification Programs
- Agency Specific Targeted Training

Training: The Purchasing Division records indicate that during the inspection period the following individuals within the spending unit have obtained training at our annual Purchasing Conference as shown below:

Individual Name: Jo Ann Adkins

Training Attended: 10 of 20 courses

Purchasing Division Recommendations:

The Purchasing Division recommends that all procurement officers, regardless of their status as designated or undesignated, participate in at least 10 hours of training annually and that all officials subject to the training requirements in W. Va. Code § 5A-3-60 take the required 2 hours of Purchasing and P-Card Training.

EXHIBIT D: AGENCY RESPONSE TO INSPECTION FINDINGS



The West Virginia Schools for the Deaf and the Blind

Established 1870
301 EAST MAIN STREET
ROMNEY, WEST VIRGINIA 26757
Melanie Hesse, Dean of Students
Telephone - 304-822-4800
FAX - 304-822-3370

W. Michael Sheets
Purchasing Director
Department of Administration
Purchasing Division
2019 Washington Street East
Charleston WV, 25305-0130

Mr. Sheets,

The West Virginia Department of Education, Office of Support & Accountability conducted a Special Circumstance Review of the West Virginia Schools for the Deaf and the Blind (WVSDB), pursuant to W. Va. Code §18- 2E-5, and Policy 2322: West Virginia System of Support and Accountability, at the specific direction of the State Superintendent, beginning April 27-29, 2021. The review revealed similar findings and concerns in the areas of finance and procurement, among others. Therefore, as part of the ongoing review and support process, many of the issues detailed in the Purchasing Review dated December 15, 2021 have already been noted, and the West Virginia Department of Education and WVSDB have been collectively working to correct inadequacies, establish proper policies, and improve procedures. As we continue to implement improvements, each person who has a part in the procurement process will be required to have appropriate training and will follow correct procedures. Please see our responses below to the issues observed during the Purchasing Review.

Issue 1: Failure to bid at central level (Stringing)

E3 Diagnostics Inc.

E3 Diagnostics is one of the vendors the West Virginia School of the Deaf and Blind (WVSDB) has utilized to provide services for our deaf and hard of hearing students. This includes specialized equipment and hearing aid repair. In the instances under review during the July 1, 2019 – June 30, 2020 timeframe, audiology equipment was ordered to better serve our students. Three ARFQs were issued, ARFQ DBS20*02, ARFQ DBS20*03 and ARFQ DBS20*04, and only one company responded. WVSDB should have cancelled the ARFQs and went through central purchasing to avoid stringing. Training has been provided to the current staff and correct procedures will be followed moving forward.

US Foods 2L

At the beginning of the 2019-2020 school year, US Foods was a vendor on the State contract list to order food for students. That contract expired September 30, 2019. When US Foods was no longer a vendor, it was discovered that the vendors who were on the State list did not have all the food items that are required for some of our medically fragile students and students with special dietary needs, and WVSDDB continued to order from US Foods while searching for other vendors who could provide them with the items required to meet the needs of our students. Currently, WVSDDB is making every effort to utilize the State contracts for the items available under those contracts and will bid at the central level for items that will exceed the threshold.

Issue 2: Failure to bid at delegated level

These issues are in the process of being corrected.

Issue 3: Statewide Contract Not Utilized

WVSDDB is attempting to utilize Statewide contracts as needed or will obtain a waiver when necessary to go outside of Statewide contracts.

Issue 4: Vendor Registration Unverified/Wrong Vendor Fees Exemption Code Utilized

No findings

Issue 5: Failure to Verify Compliance Checks

Training has been provided to those currently purchasing for WVSDDB to include these items.

Issue 6: Purchasing Affidavit Not Included

Training has been provided to those currently purchasing for WVSDDB to include this form.

Issue 7: WV Oasis Award Document Not Issued

Training has been provided to those currently purchasing for WVSDDB to include this form.

Issue 8: Asset Tag Not Affixed

No findings

Issue 9: Certificate of Non-Conflict Not Included

Training has been provided to those currently purchasing for WVSDB to include this form.

Issue 10: Miscellaneous (No Document Provided)

Better record keeping protocols are in the process of being established.

We appreciate your feedback on these issues.

Respectfully,

A handwritten signature in blue ink, appearing to read "Tabitha J. Crist", with a long horizontal flourish extending to the right.

Tabitha J Crist, CPA, MBA
Finance Officer, West Virginia Schools for the Deaf and the Blind



MARK D. SCOTT
CABINET SECRETARY

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION

W. MICHAEL SHEETS
DIRECTOR

January 27, 2022

Tabitha Crist, CFO,
Bldg. 6 Room 700
1900 Kanawha Blvd. E.
Charleston, WV 25305

Dear Tabitha Crist,

On November 2, 2021, our Purchasing Inspector Jason Thompson conducted an inspection of the West Virginia Department of Education School for the Deaf and Blind. A final report was mailed to your attention on January 27, 2022.

To improve upon the inspection process, the West Virginia School for the Deaf and Blind will have 60 days after the final report date to submit a Corrective Action Plan for all the compliance issues identified in that report.

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

Respectfully,

Greg Clay
State Purchasing Contracts Manager

Enclosure

cc: Jo Ann Adkins, Purchasing and Operations Manager, Office of Internal Operations
W. Clayton Burch, Superintendent, Department of Education

Corrective Action Plan

In response to the final report issued January 27, 2022

Agency Name: West Virginia School for the Deaf and Blind
Agency Address: 301 East Main St.; Romney, WV 26757
Agency Contact: Patricia Homberg, Superintendent

Inspection Date(s): November 2, 2021
Phone: (304) 822-4800
Email: phomberg@k12.wv.us

Issue # 1 - (2 Instances)

Finding: Stringing – The pattern of transactions and amount spent with this vendor during fiscal year could be construed as stringing.

E3 Diagnostics, Inc.

The agency spent a total of \$43,590.00 in 3 transactions with this vendor during the fiscal year under review.

US Foods 2L

The agency spent a total of \$72,495.20 in 16 transactions with this vendor during the fiscal year under review.

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.)

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.)

Name and Title of Responsible Person:

Signature:

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

March 28, 2022

Corrective Action Plan

In response to the final report issued January 27, 2022

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Issue # 2 - (9 Instances)

Finding: Failure to Bid at Delegated Level – Documentation showed no evidence of competitive bidding and no justification for a sole source purchase.

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.)

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.)

Name and Title of Responsible Person:

Signature:

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

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Issue 3 - (1 Instance)

Finding: Statewide Contract Availability – The listed items were not purchased from applicable Statewide Contract (PKGSVS) and no waiver from the Purchasing Division was present.

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.)

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.)

Name and Title of Responsible Person:

Signature:

Target Date for Completion: (Must be completed within 60 days of the final report date)
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Issue 5 - (10 Instances)

Finding: Failure to Verify Compliance Checks - The listed purchase did not include proof of proper registration and good standing with the Secretary of State's office and the State Tax Department, regardless of payment method.

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.)

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.)

Name and Title of Responsible Person:

Signature:

Target Date for Completion: (Must be completed within 60 days of the final report date)
March 28, 2022

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Issue 6 - (3 Instances)

Finding: Purchasing Affidavit Not Included - The listed file did not include the required purchasing "Affidavit."

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.)

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.)

Name and Title of Responsible Person:

Signature:

Target Date for Completion: (Must be completed within 60 days of the final report date)
March 28, 2022

Corrective Action Plan
In response to the final report issued **January 27, 2022**

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Agency Address: 301 East Main St.; Romney, WV 26757
Agency Contact: Patricia Homberg, Superintendent

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Issue 7 - (9 Instances)

Finding: wvOASIS Award Document Not Issued - There was no indication that an wvOASIS Procurement Award Document was issued

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.)

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.)

Name and Title of Responsible Person:

Signature:

Target Date for Completion: (Must be completed within 60 days of the final report date)
March 28, 2022

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Issue 9 - (10 Instances)

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

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.)

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.)

Name and Title of Responsible Person:

Signature:

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

March 28, 2022

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Issue 10 - (1 Instance)

Finding: Miscellaneous / No documents provided - Documents not provided for review at time of inspection and were not subsequently provided.

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.)

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.)

Name and Title of Responsible Person:

Signature:

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

March 28, 2022