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GOVERNOR

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
Purchasing Division
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ROSS TAYLOR
ACTING CABINET SECRETARY

DAVID TINCHER
DIRECTOR

January 3, 2013

The Honorable Jeffrey Kessler
President of the State Senate
Room 227M, Building 1
State Capitol Complex
Charleston, WV 25305

The Honorable Rick Thompson
Speaker of the House
Room 234M, Building 1
State Capitol Complex
Charleston, WV 25305

SUBJECT: Legislative Reporting Requirement §5A-3-10(b)

Dear Sirs:

In accordance with **West Virginia Code** §5A-3-10(b), as director of the West Virginia Purchasing Division, I am required to submit in January and July of each year to the Joint Committee on Government and Finance a report summarizing our division's findings of any spending unit which awarded multiple contracts for the same or similar commodity or service to an individual vendor over any 12 month period with a value exceeding \$25,000.

This section of the Code reads:

§5A-3-10. Competitive bids; publication of solicitations for sealed bids; purchase of products of nonprofit workshops; employee to assist in dealings with nonprofit workshops.

(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

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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.

For the period of July 1, 2012 through December 31, 2012, no spending units have reported to our division the award of any multiple contracts for "the same or similar commodity or service to an individual vendor over any 12-month period, the total value of which exceeds twenty-five thousand dollars." However, our division inspectors discovered findings relating to two different spending units during their reviews as stipulated in this section of the Code. The spending units were the Mount Olive Correctional Complex and the Pruntytown Correctional Center. A summary of these findings is attached.

Pursuant to this requirement, my next report will be submitted to you in July of 2013. Should you have any questions regarding this correspondence, please feel free to contact me at your convenience at (304) 558-2538 or via e-mail at **David.Tincher@wv.gov**.

Sincerely,



David Tincher, CPPO, Director
West Virginia Purchasing Division

DT:dhb

cc: Aaron Allred, Legislative Auditor
Ross Taylor, Acting Cabinet Secretary of Administration

West Virginia Purchasing Division
SUMMARY OF STRINGING ACTIVITIES

(July 1, 2012 – December 31, 2012)

Mount Olive Correctional Complex:

- 1) During the fiscal year under review, Mount Olive Correctional Complex spent a total of \$104,617.88 (Issue #3) for generator rentals with Aggreko and \$30,559.90 (Issue #14) for kitchen equipment repairs with Hobart Sales & Service. In their response to the inspection report, the agency stated that:

Please be assured that what appeared to be stringing on Issue #3 and Issue #14 were mistakes. Issue #3 concerned a lightning strike to our main generator controls. Mount Olive Correctional Complex had to immediately rent a generator until repairs were made to ensure continued facility security and public safety. The rental was covered by the Board of Risk and Insurance Management and the expenditure was recovered. Issue #14 concerned using Hobart Sales & Service to maintain the equipment in our main kitchen. Mount Olive Correctional Complex had several service calls to Hobart to repair coolers and other equipment. We are currently working on securing a contract to cover these services in the future.

Pruntytown Correctional Center:

- 1) During the fiscal year under review, Pruntytown Correctional Center spent a total of \$40,447.09 for produce with Corey Brothers, Crook Brothers, Jordan Banana and Multi-Fresh. In their response to the inspection report, the agency stated that:

In regards to the issue of stringing, we are monitoring all amounts spent on produce and are taking the necessary steps to be in compliance with the purchasing guidelines. Also, we have completed the necessary paperwork for an open-end contract for produce that has been sent to purchasing with an opening bid date of November 1, 2012.