



January 2011  
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## PERFORMANCE UPDATE

# DEPARTMENT OF ADMINISTRATION GENERAL SERVICES DIVISION

## AUDIT OVERVIEW

The Division Has Established an Inventory Control System for Tools as Recommended in the January 2006 Special Report

The Division Has Established Maintenance and Inspection Procedures for the Capitol Complex Parking Garage as Recommended in the May 2006 Special Report



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## EXECUTIVE SUMMARY

This review is an update of the January and May 2006 Special Reports on the General Services Division (Division) of the Department of Administration. The purpose of this update is to determine whether the Division has complied with recommendations made in those reports pertaining to tool inventory and maintenance and repair of the State Capitol Complex parking garage. The Division demonstrated compliance with all five recommendations of the two reports.

In response to recommendations made in the January 2006 report, the Division has:

- installed an inventory control system that includes computerized inventory software to track all Division tools,
- assigned inventory control numbers to all tools and placed them in a secure central location that allows for common use among all Division sections, and
- formulated a policy that ensures each employee is held accountable for tools used by that individual.

In response to recommendations made in the May 2006 report, the Division has:

- reviewed guidelines found in the Precast Concrete Institute's Maintenance Manual for Precast Parking Structures in order to implement routine maintenance and repair procedures for the Capitol Complex Garage, and
- retained an engineer to periodically perform condition audits of the parking structure.

This update uses the following designations for compliance with previous recommendations made by the Legislative Auditor:

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*The purpose of this update is to determine whether the Division has complied with recommendations made in the January and May 2006 Special Reports on the General Services Division pertaining to tool inventory and maintenance and repair of the State Capitol Complex parking garage. The Division demonstrated compliance with all five recommendations of the two reports.*

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<b>Table 1 Levels of Compliance</b>	
In Compliance	The Division has corrected the problem(s) identified in the previous reports.
Partial Compliance	The Division has partially corrected the problem(s) identified in the previous reports.
Planned Compliance	The Division has not corrected the problem(s) identified in the previous reports, but has provided sufficient documentation that the agency will do so in the future.
In Dispute	The Division does not agree with either the problem identified or the proposed solution.
Non-Compliance	The Division has not corrected the problem(s) identified in the previous reports.
Requires Legislative Action	The recommendation was intended to call the attention of the Legislature to one or more issues that may or may not require statutory changes.
Legislation Enacted	The Legislature took legislative action to issues raised by the Legislative Auditor in the previous reports.

## OBJECTIVE, SCOPE & METHODOLOGY

### **Objective**

A compliance review of the General Services Division of the Department of Administration was conducted pursuant to West Virginia Code §4-10-11. The objective of this review was to determine the Division's compliance with recommendations made in special reports issued by the Legislative Auditor in January and May 2006.

### **Scope**

The scope of this report is focused on actions taken by the Division since the release of the Legislative Auditor's 2006 reports regarding the parking garage and tool inventory recommendations.

### **Methodology**

In order to determine the Division's compliance with previous recommendations, the Legislative Auditor corresponded with and reviewed supporting documentation provided by Division staff. After our review of the Division's information and an inspection of the areas in question, a determination was made concerning the level of compliance the Division has with each recommendation.





## ISSUE 1

### **The Division Has Established an Inventory Control System for Tools as Recommended in the January 2006 Special Report.**

#### **Recommendation 3**

*The Legislative Auditor recommends that the General Services Division immediately take measure to install an inventory control system, which would include computerized inventory software that would track all Division tools.*

#### **Level of Compliance: In Compliance**

At the time of the January 2006 report, the Legislative Auditor found that the General Services Division (Division) had no “...*formal internal control over the acquisition, issuance, storage, usage, and loss prevention of tools that are required to complete its mission.*” Because no centralized inventory control system was in existence, there was no way to accurately identify or count tools, ensure that tools were shared among different shops and therefore prevent duplication in the purchase of tools, or make employees accountable for the security and care of tools that they personally used. Therefore, the Legislative Auditor recommended that the Division take action to install an inventory control system that included computerized inventory software to track all Division tools.

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*At the time of the January 2006 report, the Legislative Auditor found that the General Services Division had no “...formal internal control over the acquisition, issuance, storage, usage, and loss prevention of tools that are required to complete its mission.”*

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The Division indicates compliance with this recommendation in the following correspondence:

- 1. A Standard Operating Procedure was developed for the purpose of establishing guidelines that are to be used to manage inventory control for the parts, materials, power tools and the equipment of the General Services Division.*
- 2. A software system was procured, INFOR 7-1, to track all Division tools as they are tagged and entered into the database. Each tool has an Inventory Tag number affixed to it at the time it is received.*
- 3. When tools are “signed-out” or “permanently assigned”, the individual employee is required to submit a formal request which is approved by their respective Supervisor/Manager. Individual files are maintained on each employee that has parts, materials, power tools and equipment assigned to them. These files are maintained in Inventory by the Inventory Coordinator.*

Based on the development of an inventory control procedure, the procurement of a software system to track Division tools, and the establishment of a system for ensuring that employees are held accountable for equipment that they personally use, the Legislative Auditor determines that the Division complies with Recommendation 3 from the January 2006 report.

#### **Recommendation 4**

*The Legislative Auditor recommends that the General Services Division immediately take measures to assign inventory control numbers to all tools, regardless of size, age and value, and place these items in a secured and centralized location that would allow for common use among all Division sections on an as-needed basis.*

#### **Level of Compliance: In Compliance**

As discussed above, the Legislative Auditor found in the January 2006 report that the lack of a centralized inventory system made it difficult to keep track of tools and made the duplicate purchase of the same tools by different shops likely. Each tool procured by the Division now has an inventory tag attached to it when it is received and is entered into the INFOR 7-1 inventory software system database. Employees must sign out and are responsible for tools they use. The tools are kept in the General Services Division Inventory Area, which is

*...a secure space located in the basement of the Capitol Building ... Access is limited to the General Services Division Business Section staff by a "Card Access System". General Services Division Inventory maintains hours of operation from 7:00 am – 4:00 pm, Monday thru Friday. The Evening Maintenance Supervisor manages access of inventory should there be a need after hours.*

Appendix B provides photographs of the secure inventory room now utilized by the Division. Based on these implemented changes, the Legislative Auditor finds that the Division complies with Recommendation 4 from the January 2006 report.

#### **Recommendation 5**

*The Legislative Auditor recommends that the General Services Division formulate a policy that would provide for the employees' responsibility for lost tools while those tools are in the possession of the employees. This policy should also provide guidelines for the possession of certain tools on a long-term basis.*

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*Based on the development of an inventory control procedure, the procurement of a software system to track Division tools, and the establishment of a system for ensuring that employees are held accountable for equipment that they personally use, the Legislative Auditor determines that the Division complies with Recommendation 3 from the January 2006 report.*

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*Each tool procured by the Division now has an inventory tag attached to it when it is received and is entered into the INFOR 7-1 inventory software system database. Employees must sign out and are responsible for tools they use. The tools are kept in the General Services Division Inventory Area.*

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### **Level of Compliance: In Compliance**

As previously discussed, employees must sign out tools from the Inventory Area and the Division maintains individual files showing equipment signed out by each employee. Scheduled audits are conducted based on employees' birthdays and random audits of all assigned equipment are also performed throughout the year. When employees leave Division employment, an exit interview is conducted, all assigned tools and equipment are returned, and a Return to Inventory form is completed, signed and dated, and placed in the employee's file, which is maintained in Inventory. Each individual employee is held accountable for lost or damaged tools and, following investigation into the matter employees may, at the discretion of the Division director, be subject to action *which could include, but not be limited to, paying the State of West Virginia for the current replacement value.* Based on these actions, the Legislative Auditor finds that the Division has complied with Recommendation 5 from the January 2006 report.

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*Scheduled audits are conducted based on employees' birthdays and random audits of all assigned equipment are also performed throughout the year. When employees leave Division employment, an exit interview is conducted, all assigned tools and equipment are returned, and a Return to Inventory form is completed, signed and dated, and placed in the employee's file, which is maintained in inventory.*

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## Issue 2

### **The Division Has Established Maintenance and Inspection Procedures for the Capitol Complex Parking Garage as Recommended in the May 2006 Special Report.**

#### **Recommendation 9**

*The Legislative Auditor recommends that the General Services Division consult the Precast/Pre-Stressed Concrete Institute Publication and immediately take steps to implement routine maintenance procedures to address the current condition of the Capitol Complex parking garage.*

#### **Level of Compliance: In Compliance**

The Legislative Auditor found in the May 2006 Special Report that the Division had failed to conduct routine maintenance on the State Capitol Complex parking garage. This lack of maintenance had caused an accelerated rate of deterioration of the garage that included, among other things, cracked concrete, falling chunks of concrete, and water leakage that caused rusting. Issues with the condition of the garage had been identified in three prior reports released by the Harry S. Peterson Company; Stroud, Pence & Associates, Ltd.; and the H.C. Nutting Company, but the Division failed to enact basic maintenance and upkeep procedures in response to these report findings. Therefore, the Legislative Auditor recommended that the Division take steps to do so by reviewing the Precast/Pre-Stressed Concrete Institute Publication guidelines for maintenance. Since the release of the Legislative Auditor's report, the Division indicates that it has taken the following measures:

1. *The Precast Concrete Institute's 'Maintenance Manual for Precast Parking Structures, 2004 Edition' was reviewed for maintenance procedures. Ongoing maintenance work includes:*
  - *Annual floor washing*
    - *Will be scheduled in the Spring of each year once all warranty repairs are completed...*
  - *Improved custodial and housekeeping practices*
    - *Monthly: Entire garage cleaned of dust and debris*
    - *Daily: Remove trash, clean elevators and stairwells, and sweep garage*
  - *Use of non-corrosive de-icing chemicals*
2. *Buchart Horn, Inc., Charleston, WV, was hired in 2007 to evaluate the parking garage and prepare plans and specifications for repair of the structure...*

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*The Legislative Auditor found in the May 2006 Special Report that the Division had failed to conduct routine maintenance on the State Capitol Complex parking garage. This lack of maintenance had caused an accelerated rate of deterioration of the garage that included, among other things, cracked concrete, falling chunks of concrete, and water leakage that caused rusting.*

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3. *900 deficient welds from original construction were repaired under warranty by BBLCarlton, Charleston, WV, at no cost to the State*
4. *Renovation contract awarded to Carl Walker Construction Group, Inc. Pittsburgh, PA. \$1.7M. The project was completed in January 2009.*
  - *Installed waterproofing coating system for the top deck of the structure*
  - *Re-sealed all 25,000 lineal feet of horizontal floor joints*
  - *Repaired 2,500 square feet of cement overly to replace spalling concrete*
  - *Repaired 942 weld pockets at the roof level of the garage to address damaged concrete*
  - *Installed 2,600 square feet of carbon fiber wrap to reinforce damaged precast concrete*
  - *Installed 300 steel angles to diminish movement of ramp joints*
  - *Repaired 1,400 lineal feet of structural cracks and 50 square feet of overhead cracks*
  - *Installed six floor drains to prevent ponding of water*
  - *Installed elevator enclosures at the roof level to reduce water damage to elevators*
  - *Resealed 4,000 lineal feet of vertical and column joints*
  - *Modified sprinkler system to conform to current code*
  - *Replaced corroded electrical conduits, fittings, and supports*
  - *Replaced emergency and general lighting*
  - *Repaired electrical panels*
  - *Added new electrical circuits for additional lighting*

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*The Division has taken many steps to enact repair and maintenance procedures in order to address the condition of the parking garage as reported in May 2006.*

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Appendix C provides photographs included in the Legislative Auditor's May 2006 report demonstrating repairs that were needed at that time, along with photographs of some of the improvements that have since been made to the parking garage. The Division has taken many steps to enact repair and maintenance procedures in order to address the condition of the parking garage as reported in May 2006. Therefore, the Legislative Auditor finds that the Division complies with Recommendation 9 from that report.

## **Recommendation 10**

*The Legislative Auditor recommends that General Services Division retain an engineer experienced in parking structure design and restoration to periodically perform a condition audit of the parking structure.*

### **Level of Compliance: In Compliance**

At the time of the May 2006 report, repairs to the State Capitol Complex parking garage were clearly needed. In addition to the repairs that were already needed, the Legislative Auditor pointed out that the Precast/Pre-Stressed Concrete Institute Publication indicates that repairs are often needed in aggressive environments and strongly recommends the retention of an engineer experienced in parking structure design and restoration to periodically (e.g., once every three years) perform a condition audit of the parking garage. The Division indicates that Buchart Horn, Inc was retained in 2007 and continues to provide inspection services through the original contractor's warranty period. An Expression of Interest to hire another firm to perform annual inspections of the garage after the close of the warranty period will be issued in Spring 2011. Additionally, the General Services director, staff architect/engineer, and operations and maintenance manager all attended a course on "Upgrading, Maintaining, and Repairing Parking Facilities." Based on the retention of Buchart Horn, Inc. to provide inspections of the garage, the Legislative Auditor finds that the Division is in compliance with Recommendation 10 of the May 2006 Report.

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*The Precast/Pre-Stressed Concrete Institute Publication strongly recommends the retention of an engineer experienced in parking structure design and restoration to periodically (e.g., once every three years) perform a condition audit of the parking garage. The Division indicates that Buchart Horn, Inc was retained in 2007 and continues to provide inspection services through the original contractor's warranty period.*

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## Appendix A: Transmittal Letter

### WEST VIRGINIA LEGISLATURE *Performance Evaluation and Research Division*

Building 1, Room W-314  
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John Sylvia  
Director

December 21, 2010

Mr. Robert W. Ferguson, Jr., Cabinet Secretary  
Department of Administration  
Building 1, Room E-119  
1900 Kanawha Blvd., East  
Charleston, WV 25305

Dear Secretary Ferguson:

This is to transmit a draft copy of the Compliance Review of the tool inventory and State Capitol Complex parking garage recommendations made in the January and May 2006 Special Reports on the General Services Division. This review is scheduled to be presented during the January 9-11, 2011 interim meetings of the Joint Committee on Government Operations and the Joint Committee on Government Organizations. We will inform you of the exact time and location once the information becomes available. It is expected that a representative from your agency be present at the meeting to orally respond to the report and answer any questions the committees may have.

If you would like to schedule a conference to discuss any concerns you may have with the report, please notify us by December 23, 2010. We need your written response by noon on December 29, 2010 in order for it to be included in the final report. If your agency intends to distribute additional material to committee members at the meeting, please contact the House Government Organization staff at 340-3192 by January 6, 2011 to make arrangements.

We request that your personnel not disclose the report to anyone not affiliated with your agency. Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "Brian Armentrout".

Brian Armentrout

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*Joint Committee on Government and Finance*

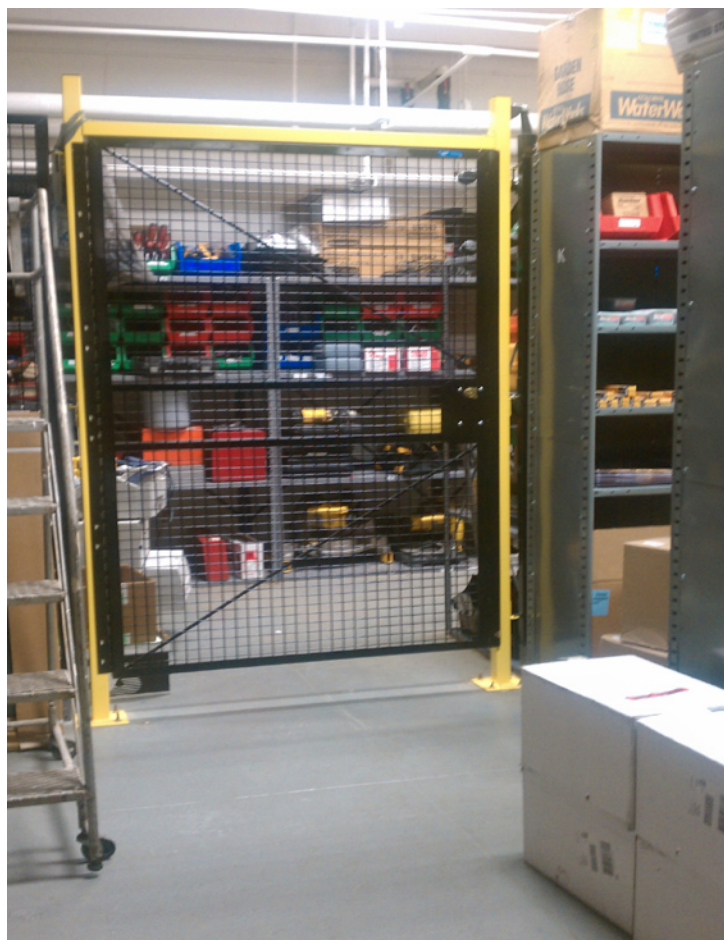
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## Appendix B: Inventory Photos



**Figure 1 - Supplies in Inventory, Room MB12-B**



**Figure 2 - Tools locked up inside inventory cage, Room MB12-B**



## Appendix C: Parking Garage Photos



**Figure 1 – At left, rusted fire extinguisher cabinet as presented in the May 2006 report. At right, new fire extinguisher enclosure to replace deteriorated metal cabinet.**



**Figure 2 - Water leakage from the roof of the garage as photographed for the May 2006 report.**



**Figure 3 - Water pooling on garage floors as shown in the May 2006 report.**



**Figure 4 - A new roof deck coating has been applied to prevent water penetration.**



**Figure 5 - A new roof drain has been installed to prevent water ponding.**



**Figure 6 – Rusty electrical conduit as photographed for the May 2006 report.**



**Figure 7 - Replaced electrical conduit and supports.**





**Figure 8 - New ramp deflection supports to minimize deflection between precast panels.**



**Figure 9 - New roof deck elevator enclosure to reduce water damage to elevators.**



**Figure 10 - Carbon fiber wrapped double tee precast beams to reinforce damaged precast concrete.**

## Appendix D: Agency Response

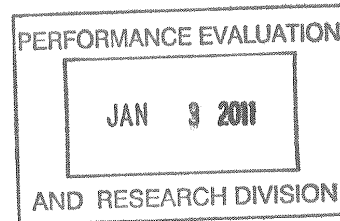


STATE OF WEST VIRGINIA  
DEPARTMENT OF ADMINISTRATION  
OFFICE OF THE CABINET SECRETARY

ROBERT W. FERGUSON, JR.  
CABINET SECRETARY

January 3, 2010

Brian Armentrout  
West Virginia Legislature  
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1900 Kanawha Boulevard, E  
Charleston, WV 25305



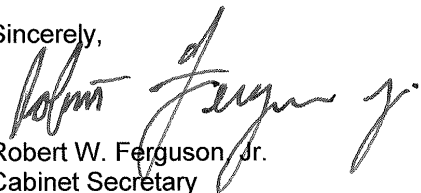
**Re: Compliance Review**

Dear Mr. Armentrout,

I have reviewed the compliance review of the tool inventory and parking garage recommendations for the General Services Division. I am pleased that you found the General Services Division in compliance and have no further comments. Representatives of the General Services Division will be in attendance at the interim meeting on January 9, 2010, in case the members have any questions.

If you have any questions, or need any additional information, please do not hesitate to contact me.

Sincerely,



Robert W. Ferguson, Jr.  
Cabinet Secretary





WEST VIRGINIA LEGISLATIVE AUDITOR

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