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September 1, 2016

Mr. Patrick J. Maley
Office of the Inspector General
Synergy Business Park - Enoree Building
111 Executive Centerview Drive, Suite 204
Columbia, South Carolina 29210-8432

Dear Pat:

Thank you for the opportunity to respond to the draft report titled, "*Allegation of a Violation of the State Procurement Code and Other Issues Related to a Statewide Term Contract Involving the Department of Revenue and the Department of Health and Environmental Control*", which your office recently provided to us. The draft report details findings and recommendations concerning your office's review of the Department of Revenue's purchase of the Experian Identity Proofing Solution and DHEC's acquisition of the Master Data Management Solution in 2014. You have asked the Division of Procurement Services to respond to the following two recommendations.

On page 9 of the report the following recommendation was made:

Recommendation #2: The Procurement Services Division, State Fiscal Accountability Authority should consider removing the SAS Fraud Framework, Disaster Recovery and Redundant Systems, and Prescription Drug Monitoring Solution from the statewide term contract.

Response: As acknowledged in the report, there has been little use of the contract other than those to which the report is directed. Regarding the services referenced in the recommendation, we are exploring an early termination for convenience. The contract is set for renewal January 1, 2017. At that time, it will not be renewed.

The report also makes the following recommendation:

Recommendation #3: The Procurement Services Division, State Fiscal Accountability Authority should consider establishing a policy for converting an existing RFP into a statewide term contract if planned to be a recurring practice.

Letter to Mr. Maley

September 1, 2016

Page 2

Response: We agree that after initial advertisement, a single agency solicitation should not be expanded to a solicitation for a statewide contract unless the solicitation is re-advertised or re-solicited as a statewide solicitation. Prospective vendors must be given adequate public notice of a solicitation's full scope of work. Because such conversions will not be a recurring practice, we do not plan to establish a policy to address the practice.

Sincerely,

A handwritten signature in black ink, appearing to read "Delbert H. Singleton, Jr.", written in a cursive style.

Delbert H. Singleton, Jr.
Division Director

cc: Grant Gillespie
John St. C. White
Jane Francis