

**From:** Bob House <bobh@beyondtheorylogistics.com>  
**To:** Soura, ChristianChristianSoura@gov.sc.gov  
**Date:** 4/15/2013 1:18:09 PM  
**Subject:** FW: Update on SC contracts  
**Attachments:** South Carolina Contract and Vendor Overlap.pptx

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Christian.

I hope you've been able to accomplish your goal (one of them at least) of getting purchasing under the umbrella of the Governor's office. You mentioned it's been a struggle and you were hoping for an answer in April.

I've forwarded to you some relevant background info on just the MRO, and in particular, the cleaning supplies (janitorial/sanitation) commodities.

As you can see, there isn't much to be bragging about. This isn't indicative of best practices and given the fragmented contracts, audits, compliance or even basic tracking of contract value is made much more difficult.

While I have no intention of picking a fight with purchasing, since all of this is public information and paints a pretty obvious picture, imagine what else can be "discovered" with a little bit of effort.

I was recently interviewed by a major business publication writing an article about the "overwhelming failure of compliance and value-tracking in government purchasing" and it's information like this that's peppered throughout the article.

Again, it's not about picking on anyone, but highlighting the typical response of "well everyone else is doing it, so it must be okay" attitude that emboldens those with responsibility to support the status quo. It's all public info and most doesn't need a FOIA to obtain.

Just sharing. Hopefully this provides some additional insight and support for your efforts. As I mentioned in my previous article, the very simple way to address most of these issues is to just ask for the results to be different, exposing the gap between what is offered (and asked for in the RFP) and what is possible (through best practices already in place).

Someone owns these results. I get that purchasing doesn't fall under the purview of the Governor's office, but someone still owns the results. If that person/group won't take responsibility, then find someone who will.

Hope to speak with you soon.

Bob House.

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Good Afternoon Bob,

I wanted to add some extra thought to the below research.

I have identified 3 contracts the State of South Carolina purchases consumable products (food service disposables and janitorial supplies) from including a Paper Towels and TP contract, a Liner contract and the multi-state WSCA MRO contract. The WSCA MRO contract covers all consumable products and many more. Basically the WSCA contract overlaps significantly with the Liner and Paper contract.

Furthermore Grainger, a primary vendor on the WSCA contract, is also listed as a primary vendor on the Paper contract. Southeastern and JanPak are listed as vendors on both the Paper and Liners contract. Lastly Grainger, Fastenal, MSC, Calico, Southeastern, JanPak, Dade Paper and Central Poly could supply full lines of consumable products.

Having overlapping contracts AND overlapping vendors causes significant issues that often go over looked.

1. Costs to manage all these contract AND vendors
2. Time to place orders with multiple vendors AND increase in orders placed and processed
3. Time to receive orders from multiple vendors AND increase shipments received and put away
4. Pricing volume lost because total volume is spread out among multiple vendors
5. Time spent by local purchasing to find best pricing across each of these vendors

I know you like diagrams so I provided a "Venn diagram" representing the overlap among contracts and vendors in the attached PP.

Thank you,

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Incase South Carolina calls back today here is a refresher on the contracts in SC.

Summary. There are 3 main contracts that I have identified. A liner contract, a paper contract and the MRO WSCA contract (presumably where they are buying chemicals). Grainger, Southeastern and JanPak are on 2 of the 3 contracts and all could probably source the entire category of jan san. All three contract expire in the next year. Also notice all three contracts have different "managers" or "contract administrators".

#### SC Contracts

- WSCA MRO Contract
  - o Carol Norfleet, Contract Administrator
  - o Expires 2/28/14
  - o 3 Vendors (Fastenal, Grainger, MSC)
- Liner Contract
  - o Expires 1/31/14
  - o Chris Manos, Procurement Manager
  - o 5 Vendors (Southeastern Paper Group, JanPak, Central Poly, Calico and All American Poly)
- Paper Contract
  - o Expires 11/15/13
  - o Theresa Watts, Procurement Manager
  - o 4 Vendors (Southeastern, Grainger, Dade Paper and JanPak)