

LAC

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Department of Corrections' Procurement of Janitorial Cleaning Products

Members of the General Assembly requested that we conduct a review of the Department of Corrections' purchase of janitorial cleaning products. We focused on the department's decision to purchase premeasured cleaning products from a particular vendor.

The Department of Corrections manufactured janitorial cleaning products at its prison industries beginning in

1982. In FY 91-92, the department began purchasing most of these products in premeasured packets of liquid concentrate from a company called PortionPac. Prison industries' production of janitorial products was phased-out ending in 1994.

Our audit objectives and the results of our review are summarized below.



Why did the Department of Corrections stop making janitorial cleaning chemicals in its prison industries program?

Evidence indicates that the department discontinued the manufacture of cleaning products primarily because management decided to purchase its products from PortionPac. Because only about 20% of prison industries' cleaning products had been sold to other government agencies, remaining demand was not great enough for the operation to make a profit.

However, discontinuing the manufacture of janitorial cleaning chemicals did not have an overall negative effect on the department's prison industries. The manufacturing operation previously had employed only 18-19 inmates and experienced only marginal profits.



What impact did the department's specifications for janitorial cleaning chemicals have on its ability to obtain competitive bids?

Department officials stated that the specifications were developed to minimize waste and abuse, simplify inventory, and help meet safety standards. However, the specifications for janitorial cleaning chemicals were written with the direct involvement of PortionPac.

Also, the specifications did not provide adequate information for potential bidders. They did not state the specific products or quantity of products the department sought to purchase. In addition, the specifications were written narrowly, requiring, for example, translucent polyethylene envelopes of liquid product. Other vendors with adequate products may have been excluded.



How did the cost of the premeasured products purchased by corrections compare with the cost of similar products purchased by other agencies?

We compared the department's FY 93-94 prices for premeasured janitorial cleaning chemicals purchased from PortionPac with those paid by a state university and a state health agency for nine products with different specifications but similar function.

The department paid higher prices for six of the nine PortionPac products than other agencies did for similar products. If corrections had procured these products at lower prices paid by other agencies, it would have spent approximately \$130,000 less. However, for the other PortionPac products, the department paid lower prices.



How do departments of corrections in other states purchase janitorial cleaning chemicals?

Prison industries in Georgia, Kentucky, and North Carolina produce janitorial products. Prison industries in Kentucky and Tennessee purchase PortionPac products and "sell" them to corrections and other state agencies.

All of the above states, to varying degrees, have statewide contracts under which any state agency may purchase janitorial cleaning products. South Carolina does not. A primary benefit from statewide contracts is reduced prices resulting from bulk purchasing. The Division of General Services should reassess the feasibility of statewide contracts for janitorial cleaning chemicals.



Agency comments to the audit begin on page 25.

Copies of all LAC audits are available to the public at no charge. If you have additional questions, please contact George L. Schroeder, Director.