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A Survey of the Division of Purchase and Printing, Commonwealth of Virginia.

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A SURVEY OF THE DIVISION OF PURCHASE AND PRINTING

COMMONWEALTH OF VIRGINIA

by

John S. Harris

SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS
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TABLE OF CONTENTS

Chapter	Page
I. The Functions of a Central Purchase and Printing System in Modern State Government	1
A. Purchasing	1
B. Printing	13
II. The Development of Centralized Purchasing in Virginia	16
III. The Evolution of Public Printing	21
A. The Work of the "Public Printers"	21
B. Public Printing under the Superintendent of Public Printing	22
IV. The Formation of the Division of Purchase and Printing	25
A. The Recommendations of the New York Bureau of Municipal Research and Citizens' Committee on Consolidation and Simplification in State and Local Governments	25
B. The Reorganization Act of 1928	28
C. Early Years of the Division of Purchase and Printing	30
V. Purchasing and Printing Laws in Effect, December, 1940	33
VI. The Internal Organization of the Division of Purchase and Printing	47
A. Purchase Section	47
B. Printing Section (Personnel Chart)	48
VII. Purchasing and Printing Procedures	50
A. Purchase Section	50
1. Buying of Food Supplies and Household Articles	50
2. Other Purchases	52
3. The Keeping of Purchase Records	54
B. Printing Section	57
1. Execution of State Printing	57
2. Purchase of Office Supplies (Personnel Table)	63

Chapter		Page
VIII.	An Evaluation of the Effectiveness of the Division of Purchase and Printing with Suggestions for Improvements	66
	A. Internal Organization	66
	B. Purchasing Practices	69
	C. Printing, Binding, Engraving, and Lithographing	75

CHAPTER I

THE FUNCTIONS OF A CENTRAL PURCHASE AND PRINTING SYSTEM IN MODERN STATE GOVERNMENT

A. Purchasing

Private industry found it necessary more than three decades ago to centralize its purchases under an efficient director in order to secure raw materials at the most favorable prices and to insure high standards of quality. While the average department head or chief clerk in an office feels that he knows what is wanted, he is unable, because of the lack of time and training, to watch the market carefully and plan ahead in order to avoid delays and high prices. Modern business men, guided by the profit motive, are not likely to create and maintain a useless office merely for the sake of carrying out a pet theory or placing on the payroll relatives and friends. They realize that there is a basic need for centralized purchasing and have set up the necessary organization for its efficient functioning.

Centralized purchasing in government has had a more difficult road to travel and while considerable progress has been made, there remains much to be done. Formidable opposition has been developed. First among these opponents are the administrative officials themselves who are likely to be cold toward centralized purchasing until they have worked under such a system, efficiently managed, and have actually

seen its advantages. The business interests of the state, both large and small, usually wield their influence against centralized purchasing. A majority of the vendors realize that their chances of getting some of the government business are greatly enhanced if the buying is decentralized.¹ These people have much political influence in their communities and seek to block legislation setting up centralized purchasing.

Advantages of Centralized Purchasing

The advantages of centralized purchasing may be summarized as follows:

1. Lower Unit Costs and Better Delivery Service

If centralized purchasing leads to bulk orders through the consolidation of the requirements of many using agencies lower unit prices ought to follow.² Under a decentralized system a larger number of small orders are placed and retail prices are paid. In addition to substantial savings from lower unit costs, a government can generally secure a higher quality of delivery service from the vendors when it buys in bulk.

2. Reduction In Overhead Cost Through Reduction In Personnel

Under a decentralized system each operating department has a person or persons who purchase its own supplies, materials and equipment.³ In the smaller units one employee is usually

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1. Porter, K. H., State Administration, 173.
 2. Forbes, Russel, Centralized Purchasing, A Sentry At The Tax Exit Gate, 7.
 3. Forbes, Russel, Governmental Purchasing, 10.

detailed to handle the buying as a part-time assignment. Such a person naturally looks upon purchasing as a distraction from his real work. Since many of these officials are buying certain identical items, the overlapping and duplication of work is obvious.

3. Reduction In The Volume of "Paper Work"

A great deal of "paper work" is involved in purchasing--the preparation of the requisition, the receiving of bids, the issuing of purchase orders, the payment of invoices, etc. The cost of this "paper work" sometimes exceeds the face value of a small order.⁴ An efficient central purchasing system should lead to a marked reduction in "paper work" and bring about the attendant savings.

4. Standardization And The Adoption of Standard Specifications

By standardization we mean the reduction of the kinds of commodities used by a government to the smallest number consistent with the needs of the using agencies. Among the commodities capable of standardization are found coal, automobile tires and tubes, lubricating oil, gasoline, stationary and other office supplies, textiles, office equipment, and cleaning supplies.⁵ The needs of the various using agencies can be consolidated into large orders. The purchasing office can then go into the market as a large buyer and reduce unit costs both by quantity orders

4. Ibid.

5. Forbes, Russel, Centralized Purchasing, A Sentry At The Tax Exit Gate, 21.

and increased competition.

5. Centralized Supervision Over Material Following Delivery

(a) Inspection of Deliveries

Under a decentralized system each individual department and institution usually inspects the deliveries. ⁶ As a result, deliveries are usually checked in a rather unscientific manner and the way left open for substitution of quality and short-weighting. An adequate inspection of deliveries can be more economically administered under a system of centralized purchasing operated by officials thoroughly interested in getting a hundred cents of value for each dollar of public funds expended.

(b) Storage and Distribution of Stock

The advisability of the establishment of a central storage system is dependent upon a number of economic factors chief of which are: (1) the contiguous location of the using agencies; (2) the location of the storehouse within easy access of good transportation facilities; (3) if the government is not near a good market where deliveries can be made directly from the vendor at a moment's notice. ⁷ If these conditions exist, then a system of central storage would in all probability be a measure of economy.

(c) Interdepartmental Transfers And Sale of Surplus Stock

The purchasing official should have authority to transfer material from a department or institution no longer needing it to another which does need it, or to dispose of it by public

6. Ibid., 27.

7. Ibid., 29.

or private sale when the material is no longer of use to any
8
branch of the government.

6. Closer Accounting Control Over Expenditures

A more adequate control over expenditures can be exercised by finance officers if they are assisted by centralized purchase control. It is common practice for governmental agencies to end the fiscal year with a deficit of unpaid bills. They also have been known to issue last minute orders for excess quantities of certain commodities in order to consume funds which would otherwise lapse to the general fund as an unexpended balance. Approval of the Comptroller should be secured before any order is issued to insure enough unexpended and unencumbered funds to
9
meet the obligation when the claim is presented.

7. Saving of Discounts Through Prompt Payment of Invoices

Under a decentralized system of purchasing the saving on the prompt payment of invoices may amount to very little. However, when close fiscal control is established immediate payment is made upon all claims subject to discount and total
10
savings effected are considerable.

8. Employment of A Full-time Purchasing Staff

(a) Improved Buying Technique

When purchasing is on a decentralized basis buying is usually a part-time function of some official who generally lacks both the time and the inclination to study market trends

8. Ibid., 30.
9. Ibid., 32.
10. Ibid., 34.

or improved purchasing technique. Under a centralized system full time buyers are employed usually on the basis of merit and qualification for the position. Such personnel are better able to acquire a thorough knowledge of supply sources, the needs of the using agencies, the market trends, the performance records of the commodities, and all the other types of information so necessary for expert buying.¹¹

(b) Tends To Eliminate Favoritism

When purchases are centralized the orders become larger, competition is broadened, and all things being equal unit costs are lowered. Increasing the size of the orders and contracts increases the attention which they receive from the vendors and the general public. As a result the purchasing office works under constant scrutiny. Favoritism and illegal practices are made much more difficult if not impossible.

9. Simplification of The Vendor's Problem

(a) Solicitation of Business From One Purchasing Office

The sales cost to the vendor is reduced by cutting down the number of calls to be made by the sales representatives.¹²

(b) Reduction In The Number of Orders and Deliveries

Centralized purchasing decreases the vendor's sales expense through a reduction in the number of orders and deliveries necessary.

(c) Reduction In Account-keeping With The Government

A separate invoice is usually issued against the

11. Ibid., 35.

12. Forbes, Russel, Governmental Purchasing, 10.

government for each delivery made. If the number of deliveries is reduced through centralized purchasing, the vendor is benefited and should be able to offer lower unit costs for the government's material requirements.

Disadvantages of Centralized Purchasing

The disadvantages of centralized purchasing may be summarized as follows:

(1) The purchase of quality unsuited to the requirements of the using agencies.

If centralized purchasing is improperly administered commodities unsuited to the needs of the using agency may be purchased. Where funds for the support of the purchasing agency are limited there is a tendency to buy goods without having the proper tests made to determine the quality. Standardization of commodities for general use can in large measure insure the purchase of the proper quality. ¹³

(2) Delay In Securing Deliveries

The operating departments often raise the complaint that there are undue delays in securing goods through the central office. In some cases this is caused by the inability of the small staff to carry a very heavy burden and at the same time maintain adequate clearance. Here again no fault can be found with centralized purchasing itself for blame must fall upon the inadequacy of the personnel. Under proper conditions a central

agency should be able to clear orders more quickly than a host of small individual buyers.

(3) Securing Larger Stocks Than Necessary Through
"Bargain" Purchases

In some cases purchasing officials have yielded to the temptation to buy "bargains" which have failed to meet the needs of the using departments. On other occasions larger stocks have been secured than necessary. This criticism, however, is one of administration and should not constitute an indictment of the system itself.

14

Personnel of the Purchasing Office

The success or failure of centralized purchasing will depend in large measure upon the type of personnel to which it is intrusted. If the purchasing agent and his associates are men of integrity anxious to do the best possible job little trouble will be encountered. On the other hand if the personnel is not of the proper type, good organization and enthusiastic co-operation from the chief executive will not be sufficient to insure the success of such a system.

15

The Purchasing Agent

The most important man in a purchasing organization is the purchasing agent himself. He should be a man of exceptional ability fully able to cope with the manifold problems of his position. He should possess judgement, tact, initiative, foresight, and common sense. It is highly desirable to have as a purchasing agent a man who has had experience in business as a buyer. Thus he will be better able to follow market trends and

will possess the experience necessary to deal with manufacturers
and business men.

16

The Purchasing Staff

The selection of the proper type of subordinate staff is also of paramount importance to the efficient functioning of centralized purchasing. The assistant purchasing agent should be well qualified by training and experience for his important tasks. He should generally possess the same qualifications which we have discussed in connection with the purchasing agent. The buyer like his superiors should possess tact in dealing successfully with sales representatives and the staffs of the departments which the purchasing office serves. He should have a thorough knowledge of the sources of supply and the qualities of the goods he buys. Other employees such as clerks, stenographers, typists, telephone operators and messengers perform rather routine duties which require little prior training or experience. They can best be selected under a merit system by written examinations and personal interviews. Every effort should be made to obtain security of tenure thereby encouraging efficiency and discouraging political activity.

17

Summary of Purchasing Procedure

Space limitations permit only a brief discussion of the fundamental procedures of centralized purchasing.

A Governmental Purchasing Office, 10.

16. Ibid., 11.

17. Ibid., 18.

Requisitioning Material

The purchasing process is set in motion by the receipt of a requisition from the using agency stating to the purchasing department what is wanted. This information is usually supplied on a requisition form prepared and signed by the responsible head of the requisitioning agency. Such a request may cover items for immediate or current use or it may be an estimate of commodities needed for a given future period.

18

Standardization

Standardization of purchases is essential to efficient purchasing. Each operating department cannot be allowed to receive its own choice of commodity regardless of what is used by other departments. State governments buy in large quantities a number of items which are common to the needs of most of their branches. For these articles purchases should be reduced to a minimum number of brands, sizes and varieties consistent with efficient operation. Specifications which are drawn up should be elastic enough to stimulate broad competition and to avoid the excessive cost of special manufacture.

Purchase Negotiation

An efficient purchasing agent must exert every effort to secure the maximum competition on large orders and contracts. This may be accomplished by a variety of methods. Purchasing statutes quite often provide that expenditures for supplies, materials and equipment over a stated amount, usually \$500 or

18. Ibid., 32.

19.

\$1,000, must be advertised for given periods in a newspaper or newspapers prior to the receipt and opening of bids and the award of the order or contract. In some states a public bulletin board is kept in the purchasing office for publicising prospective purchases. Bids on small unimportant orders are quite often secured by telephone so that the order can be placed without delay and with a minimum of expense. The most common and perhaps the most satisfactory method is the use of a "request for bids" form. A mailing list is maintained of all interested parties qualified to bid on various commodities. The bidders send in their bids which are usually opened at a certain time and the contract is awarded to the successful bidder. The lowest bidder or the lowest responsible bidder may get the contract depending upon the wording of the law.

The Order or Contract

The smaller purchases in most states are made by the use of a purchase order signed by the purchasing official authorizing the vendor to deliver the commodities at the price stated therein and obligating the government to pay upon satisfactory delivery. For large purchases a formal contract is quite often drawn up, signed by the chief executive, the attorney general, and the chief finance officer.

Emergency Purchases

Emergency purchases should be kept to a minimum if the

purchasing department is to function effectively. Situations quite often arise when it is necessary to purchase direct in order to avoid delay. However, strict care should be exercised to prevent operating departments from taking advantage of the provisions of the law.²⁰

Inspecting and Testing Deliveries

Adequate inspection and testing of commodities purchased is of the utmost importance if the state is to enforce the specifications which it has set up. Adequate inspection quite often involves the use of physical and chemical tests. Some states utilize the services of state-owned laboratories while others are accustomed to employ commercial laboratories for such services.²¹

Central Storage and Stock Control

At the state level it is often quite desirable to maintain a central storeroom at the seat of government. Stationery, office supplies, a limited supply of repair parts and maintenance materials, and automobile supplies may be kept in such a storeroom. Most other articles can be bought in large quantities although delivery is made by the vendor in small lots as needed. In this way the vendor serves as storekeeper furnishing goods as needed.

Approval of Invoices

In the majority of states, invoices are submitted to the purchasing office following delivery. There they are checked

20. Ibid., 39.

21. Ibid., 40.

against the office copy of the purchase order to determine the accuracy of the unit price and with the delivery and inspection reports. The invoice is then sent to the finance department where the extensions are checked and the warrants issued. Under a pre-audit and encumbrance system the government can pay its bills promptly and secure cash discounts.

Disposal of Scraps and Surplus Equipment.

The purchasing office is the logical agency to execute the disposal of scrap materials and surplus equipment. Its buyers are in intimate contact with market conditions and are also familiar with the needs of the using agencies. Thousands of dollars can be saved through the disposal of surplus equipment and the sale of scrap materials such as iron, rags, and paper.

B. Printing

The procurement of the printing needs of a state is primarily a governmental purchasing function. Although the techniques employed differ somewhat from those of general purchasing much of the preceding discussion is applicable to the efficient execution of public printing.

The printing expert is not able to formalize the procedures he employs to the same degree as the general purchasing agent. He must be prepared to draw up specifications for each individual job and secure the submission of copy. As a result he is not able to secure a year or a three months

22. The Institute For Training In Municipal Administration, Municipal Finance, 431.

23. Ibid., 436.

supply in advance as is done in other types of purchasing.

The printing needs of a state may be grouped as follows:

1. Legislative printing.
2. Departmental reports.
3. Informational and educational reports.
4. Forms, stationery, etc.

"The method of procuring printing on the basis of the individual job is to be preferred to a system of printing classes with longtime contracts." ²⁴ In some states printing is broken down into a large number of classes so that the work is performed on a virtual job basis. This enables the printing executive to prepare specifications in such a way as to permit as many firms as possible to bid on the contracts. ²⁵

"There are five steps generally followed in the printing ²⁶ process after contracts have been secured.

1. The preparation of printing requisitions by the using agencies giving a description of the type of printing desired, style of binding, quality of paper, etc. It is usually accompanied by a sample or by manuscript if a public document.

2. Standardization. Thousands of dollars can be saved by standardization of stationery, printed forms and similar material. Three elements necessary in standardization of stationery and printed forms are: (a) the make up, (b) the size, and (c) the kind of paper used.

24. Sparlin, E. E., "The Administration of Public Printing In The United States," University of Missouri Studies, October 1937, 105.

25. Ibid.

26. Governor's Office, Commonwealth of Virginia, Report of A Survey of The Division of Purchase and Printing, 5.

3. Preparation of printing orders. This necessitates instructions as to type and size of paper, type and size of print, number of copies needed and other pertinent data. Where annual contracts are secured it is often customary to prepare an analysis sheet for each order estimating the quantity and grade of paper needed, the amount of composition, presswork, ruling, binding, etc., and the cost of these various items...²⁷

4. Proof-reading. Most proof-reading is performed by the printer although it is a general practice for proof to be sent to the printing agency for checking and in the case of particularly complicated reports and new forms proof is returned to the requesting agency for approval.

5. The completed job upon delivery must be inspected to see that the paper is of the proper grade, the type meets the specifications, and the binding is satisfactory."²⁸

27. Ibid.

28. Ibid., 6.

CHAPTER II
THE DEVELOPMENT OF CENTRALIZED PURCHASING
IN VIRGINIA

Little had been done in Virginia prior to 1920 to centralize the purchases of the various state agencies and institutions. The Commission On Economy and Efficiency, in its report to the General Assembly in January 1918, stated that "Without having had the means or the facilities to make a thorough study of the system under which state supplies are now purchased, the Commission has, nevertheless, gone into the matter sufficiently to have no hesitancy in recommending to the General Assembly that legislation be enacted at this session introducing a collective purchasing system, which will, at least, place the purchasing power of similar institutions under a more centralized control."²⁹ However, no action was taken by the Assembly until 1920, when an attempt was made to establish a State purchasing system.

A State Purchasing Commission was created in 1920, consisting of three ex-officio members, the Governor, the Auditor of Public Accounts and the State Treasurer, each of whom had many duties and responsibilities in connection with their own offices.³⁰ The law provided that the Commissioner of State

29. Report of The Commission On Economy and Efficiency to The General Assembly, 41.

30. Organization and Management of The State Government of Virginia, 18.

Hospitals, a Constitutional officer, should act ex-officio
as purchasing agent and secretary of the Commission.³¹ In
addition to failing to place in the hands of the Commission
the power to appoint its own executive officer, the law laid
down a purchase procedure which compromised to a large extent
with the existing methods, bad as they were.³² The powers of
the Commission were declared to be advisory and cooperative
only, and not compulsory. State officers, boards, commissions
and institutions could decide for themselves whether they
wanted to purchase through the State Purchasing Agent or not.
However, it was declared to be the duty of the State Purchas-
ing Agent to render any assistance which might be required of
him in purchasing for the various officers, boards, commissions,
and institutions.³³

In 1924 the Commission on Simplification and Economy of
State and Local Government in its report to the General Assembly
stated that "Today there are approximately eight hundred in-
dependent purchasing agents within the Commonwealth, who are
buying for State agencies and county units without any standards,
cooperation or ascertainment of what other agencies in the State
are paying for similar articles. No industry purchasing anything
like the volume bought by the State and local units of government

31. Bradford, J. H., State Financial Procedure In Virginia, 5.

32. Ibid.

33. Ibid., 7.

could long survive the enormous waste brought about by the plan now in vogue in Virginia."³⁴

The Commission made the following recommendations:

1. "That the State Purchasing Commission, heretofore created, composed of the Governor, Treasurer, and Auditor of Public Accounts, be continued; that the State Purchasing Commission appoint its executive officer, who shall act and be known as State Purchasing Agent, but shall not be a member of the Commission..."³⁵

2. "That the State Purchasing Agent, with the approval of the State Purchasing Commission, shall be empowered to employ such assistants as may be necessary..."³⁶

3. "That it be made compulsory for all State officers, boards, commissions, and institutions to purchase through the State Purchasing Agent, all articles, the whole or a part of the cost of which is to be paid out of the State Treasury..."³⁷

4. "That the State Purchasing Commission shall prescribe and enforce rules and regulations under which estimates of the needs of the using agencies shall be submitted, and requisitions made, and under which contracts for purchases may be made..."³⁸

34. Report of The Commission On Simplification And Economy of State and Local Government To The General Assembly of Virginia, 27.

35. Ibid., 28.

36. Ibid.

37. Ibid.

38. Ibid.

5. "That, so far as practicable, all articles, the purchase of which through the State Purchasing Agent is made mandatory, shall be standardized by the State Purchasing Commission..... that an advisory standardization board be established, consisting of the State Purchasing Agent at its head and such representatives (not exceeding nine) of the several institutions, offices and commissions affected by the act as shall be designated by the Governor."³⁹

- 6. "That the State Purchasing Commission shall have power to permit the using agencies to purchase any article directly and not through the State Purchasing Agent."⁴⁰

Although the General Assembly failed to adopt the recommendations of the Commission on Simplification and Economy of State and Local Government, it did make minor changes in the law and established an Advisory Standardization Board consisting of the Governor, Purchasing Agent, and nine members appointed by the Governor. It was the duty of this body to consider and advise as to the needs of the various State Agencies.

The State Purchasing Agent in his report for the biennium ending December 31, 1925, declared that "In the main, most of the institutions are cooperating with the department fully. Some of them, however, do not yet seem to realize thoroughly

39. Ibid.

40. Ibid.

the advantage to be gained. This is a process of education, and we do not feel at all discouraged at their response."⁴¹ Standardization was accomplished for such commodities as food supplies, clothing, shoes, household supplies, including linen, beds, and bedding."⁴² Virginia dealers were given such preference as was consistent with the best interests of the State. The report went further to state that the estimated saving on the entire volume of purchases amounted to approximately ten per cent.

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41. Report of The State Purchasing Agent For The Biennium Ending December 31, 1925, 3.
 42. Address of E. Lee Trinkle, Governor, Delivered Before The General Assembly of Virginia Convened In Regular Session Wednesday, January 13, 1926, 15.

CHAPTER III
THE EVOLUTION OF PUBLIC PRINTING

A. The Work of the "Public Printers"

In 1628 William Nuthead, accompanied by his wife, Dinah, settled at Jamestown and set up the first printing press in Virginia. Nuthead and John Buckner, a merchant and landowner, proceeded to print two sheets of the Acts of the Virginia Assembly and several other papers without a license. As a result of this violation they were placed under bond and forbidden by the King to operate the press. Since there was no appeal from the King's order Nuthead moved to the more liberal colony of Maryland, to become its first printer. As time went on the regulations were relaxed but it was not until 1730 that another printer braved the inhospitality of the Virginia authorities.⁴³

In that year William Parks established at Williamsburg the first permanent Virginia press.⁴⁴ Parks, an Englishman, had been operating in Maryland since 1726, and was executing the Maryland public printing and publishing the Maryland Gazette. His first public work was a printing of the Acts of the Virginia Assembly passed at the session of May, 1730. A monumental product of the Parks press was A Collection of all the Acts of Assembly Now in Force in the Colony of Virginia,

43. McMurtrie, D. C., The First Printing In Virginia, 3.

44. Report of The Superintendent of Public Printing, 1925-1928, 3.

a volume of 628 pages published in 1733. William Parks acted as Public Printer for the colony for about twenty years until his death in 1750.

William Hunter, an assistant to Parks, bought the equipment of the Williamsburg office and took over the execution of the public printing. For a number of years the printing for the colony was handled by a somewhat complex system.⁴⁵ After the establishment of the Commonwealth, the Public Printers were usually styled "Printers for the Senate" and "Printers for the House of Delegates." A list of the firms or individuals who acted as public printers may be found at the end of this paper.⁴⁶ The reader will notice that prior to 1871 the work for the Senate was usually given to one firm and that of the House to another, the general work for the departments being handled by these and other firms.

B. Public Printing Under the Superintendent of Public Printing

In 1871 the general supervision of the State printing was placed in the hands of the Superintendent of Public Printing, elected by the General Assembly. The work of the House and Senate and a few of the departments was let out on contract. It was not until the session of 1912 that the printing law was amended and the work of all departments placed under the supervision of the Superintendent of Public Printing.⁴⁷ The

45. Ibid.

46. Ibid., 5.

47. Ibid., 6.

work of this office has shown a steady increase from year to year as the State's business has broadened in scope and assumed a greater social significance.⁴⁸ In addition to the execution of the State's printing the Superintendent of Public Printing purchased a considerable quantity of office supplies such as stationery, pens, and pencils, ink, rubber bands, carbon paper, and the like.⁴⁹

During the World War there was a steady rise in printing costs chiefly due to the inflationary condition brought about by the war. While an advance was to be expected the Superintendent was of the opinion that certain printers were profiteering on the State contracts.⁵⁰ In addition there were numerous delays in the execution of contracts due to labor troubles and other difficulties. As a result a movement developed to establish a state-owned printing and binding plant and a legislative committee was appointed to consider the matter. The Committee held several hearings at which advocates and opponents stated their positions. Mr. Davis Bottoms, the Superintendent, expressed his opinion that the establishment of such a plant would not "effect any considerable saving in

48. Address of E. Lee Trinkle, Governor, Delivered Before The General Assembly of Virginia Convened in Regular Session, Wednesday, January 13, 1926, 143.

49. Report of The Superintendent of Public Printing, 1913, 4.

50. Annual Report of The Superintendent of Public Printing, 1919, 3.

the cost of the work, but I do believe that a plant could be operated at no greater cost... The greatest advantages would accrue to the State by having under its absolute control all, or at least a portion, of its printing and binding, which would insure more efficient, expeditious and uniform work." 51

Mr. L. H. Jenkins, one of the more able opponents of the plan, appeared before the committee and presented what he considered to be the outstanding factors militating against the establishment of a State-owned plant. These may be summarized as follows: (1) No government plant of any kind is, or can be operated as economically as a privately owned and conducted enterprise; 52 (2) the State-owned plant has only one customer, the State, which has to pay all overhead charges; (3) a large portion of the work of the State must be done when the General Assembly is in session and presents the problem as to what to do with the plant and force when the rush is over; (4) the existence of an idle plant would tend to promote the printing of matter which is not absolutely essential to the performance of the State's business. The author is of the opinion that Mr. Jenkins failed to present sufficient proof to substantiate his first statement concerning the economical operation of a government printing plant. Other persons appeared before the committee presenting arguments both pro and con. The committee failed to report favorably on the plan and no action was taken by the Assembly.

51. Ibid., 4

52. Argument of L. H. Jenkins In Opposition To The Establishment Of A State Printing Plant For Virginia, 5.

CHAPTER IV

THE FORMATION OF THE DIVISION OF PURCHASE AND PRINTING

A. The Recommendations of the New York Bureau of Municipal Research And Citizens' Committee on Consolidation And Simplification In State And Local Governments

The New York Bureau of Municipal Research at the request of the Governor and his Committee on Consolidation and Simplification prepared and presented in January, 1927, a survey entitled "Organization and Management of the State Government of Virginia."⁵³ With regard to purchasing and printing in the Commonwealth, the Bureau recommended the following: "It is proposed to establish a Bureau of Purchase and Printing to have control of the buying of supplies, printing, materials, and equipment for the various State departments and institutions. When this bureau had been established long enough to be operating effectively, it is recommended that purchasing for the Department of Highways be transferred to it. For the present, however, it is suggested that the highway purchasing continue under that department. The Bureau of Purchase and Printing should have control of all stores in the departments and institutions, and should require a complete inventory record to be kept of these supplies from which a monthly report is made and filed with the Comptroller. It should have the power

53. Organization And Management Of The State Government of Virginia, 19.

to transfer surplus supplies which may accumulate at the institutions. All equipment for exchange or salvage should be turned in to the bureau for disposal. A central mailing room should be established under this bureau through which all mail from the departments and offices at the State Capitol must pass. Only this central mailing room should handle postage, and that should be done largely through a meter. The bureau should also establish, in connection with the mailing room, a central storeroom for the office supplies used by the various departments at the State Capitol. This is necessary in order to maintain proper control over those supplies, a thing that is almost totally lacking at the present time."⁵⁴

The report further recommended that the office of the Superintendent of Public Printing, the State Purchasing Commission, and the State Purchasing Agent be abolished."⁵⁵ The Advisory Standardization Board was to be continued in connection with the Bureau of Purchase and Printing. Attention was called to the large volume of useless information printed in the annual reports of the various State agencies. It was recommended that "no annual reports be printed until they are thoroughly edited and reduced to readable and concise form by an editor in the Bureau of the Budget."⁵⁶ The

54. Ibid., 20.

55. Ibid., 21.

56. Ibid., 25.

purchasing procedures in practice at that time were declared to be inadequate and recommendations were made for improvements. A complete inventory of office equipment should be made and a system set up to adequately control its use. Consideration was given to the establishment of a central garage, where cars belonging to departments located at the seat of government could be stored and the necessary repairs made.

A Citizens Committee on Consolidation and Simplification in State and Local Governments recommended to the Governor in 1927 the creation of a department of Finance.⁵⁷ The Department would consist of four divisions: The Division of Accounts and Control, the Division of the Treasury, the Division of Purchase and Printing, and the Division of Motor Vehicle Licensing. The Division of Purchase and Printing would be headed by a director appointed by the Governor and confirmed by the General Assembly. This director would exercise such powers and perform such duties as have heretofore been conferred by law on the State Purchasing Commission, the State Purchasing Agent and the Superintendent of Public Printing. It was recommended that the director be given the power to transfer surplus equipment from one department to another and to establish a central mailing room. Other recommendations closely paralleled those made by the New York Bureau of Municipal Research.

57. Report of Citizens Committee On Consolidation And Simplification In State And Local Governments, 7.

B. The Reorganization Act of 1928

The General Assembly at its meeting in January, 1927, adopted in an act entitled "An Act to Reorganize the Administration of the State Government," a number of the recommendations of the New York Bureau of Municipal Research.

"In the Department of Finance, hereby established, there shall be the following divisions: Division of Accounts and Control, Division of the Treasury, Division of Purchase and Printing and Division of Motor Vehicles. For each of such divisions, except the Division to the Treasury, a director shall be appointed by the Governor, subject to confirmation by the General Assembly...."⁵⁸

"The Director of the Division of Purchase and Printing shall exercise such powers and perform such duties as have been heretofore conferred or imposed by law upon the State Purchasing Commission, the State Purchasing Agent, and the Superintendent of Public Printing, which commission, agent, and superintendent are hereby severally abolished. Before entering upon the discharge of his duties, such director shall take an oath that he will faithfully and honestly execute the duties of his office....Such director shall receive such annual compensation for his services as may be appropriated by law for the purpose. The officer or individual in

58. An Act To Reorganize The Administration Of The State Government, 7.

charge of the public printing shall be a practical printer and acquainted with the details of the printing business. Said director shall be authorized to sell or distribute or to sell and distribute such documents as may be issued and paid for out of the general appropriation for printing, binding, et cetera, for the State...."⁵⁹

"Such Director shall also have power to transfer surplus supplies or equipment from one State institution or agency to another, and to sell surplus equipment which may accumulate in the possession of any State institution or agency and to pay the proceeds derived therefrom into the State treasury; provided, however, that no such surplus supplies or equipment shall be transferred or sold with out the consent of the head of the institution or agency having them in possession, or unless ordered by the Governor."⁶⁰

"There shall be established, maintained and operated in the Division of Purchase and Printing, by the Director thereof, a central mailing room, through which shall pass all State mail going out from the office of every State department, division, office board or commission located within the limits of the Capitol Square at the seat of government...It shall be unlawful for any State department, division, officer, board, or commission whose office is located within the limits of the Capitol Square to expend any State funds for postage for any.

59. Ibid., 11.

60. Ibid., 12.

mail which is required by law to pass through the central mailing room...."⁶¹

The reorganization act also provides that the Director of the Division of the Budget shall be required to edit thoroughly every report or publication proposed by any State agency to be printed out of public funds with the exception of certain judicial opinions, orders, etc., or assessments ordered printed by State taxing agencies.

C. Early Years of The Division of Purchase and Printing

The merging of the activities of the Superintendent of Public Printing, the Purchasing Commission, and the State Purchasing Agent resulted in increased efficiency of operation and greater economies to the using agencies. The volume of purchases for the biennium ending March 1, 1929, was \$4,600,000 as compared to a total volume of \$3,130,000 for the biennium ending March, 1927.⁶² Progress in standardization enabled the using agencies to present their wants more clearly and specifically and in turn tended to promote the handling of requisitions with greater speed and accuracy. Contracts were made with the larger producers thereby securing discounts and prices which had never before been submitted to the State. Blanket contracts were made on many items such as electric bulbs, lubrication

61. Ibid., 12.

62. Communication From The Governor Transmitting A Brief Summary of The Work Of The Several Departments Of The State Government, 24.

and floor oils, disinfectants, blackboards, cement, fire apparatus, etc. The Director of the Division estimated that in 1930 the savings to the State on the gross amount of purchases was from eight to ten per cent.⁶³

After the reorganization act went into effect the volume of printing increased considerably. In 1926 the expenditure for printing amounted to \$164,726.41. In 1929 the sum had increased to \$193,729.37,⁶⁴ due principally to an expansion in the services rendered by the various departments and agencies of the Commonwealth. It is estimated that the savings effected through the centralization of printing amounted to from ten to twenty per cent. Section two of the reorganization act provides that the Director of The Division of the Budget shall edit thoroughly every report or publication proposed by any State agency to be printed out of public funds with the exception of certain judicial opinions, orders, etc. As a result of suggestions made by the Director of the Division of the Budget to State departments, the volume of annual reports was reduced for the year ending June 30, 1929, approximately nine hundred fifty pages or more than forty per cent.⁶⁵ This reduction was effected by eliminating superfluous matter and by a more concise arrangement of the essential parts

63. Ibid., 28.

64. Ibid.

65. Communication From The Governor Transmitting A Brief Summary of The Work of The Several Departments of The State Government, 3.

of the reports. In one instance for example, a rearrangement of material reduced a report from about five hundred pages to three hundred without the omission of any information originally contained in the report.

CHAPTER V

PURCHASING AND PRINTING LAWS IN EFFECT DECEMBER, 1940

"The Division of Purchase and Printing, in the Department of Finance, is hereby continued under the supervision and control of a director appointed by the Governor, subject to confirmation by the General Assembly if in session when such appointment is made, and if not session, then at its next succeeding session. The director shall hold his office at the pleasure of the Governor for a term coincident with that of each Governor making the appointment or until his successor shall be appointed and qualified. Vacancies shall be filled in the same manner as original appointments are made. Before entering upon the discharge of his duties, such director shall take an oath that he will faithfully and honestly execute the duties of his office during his continuance therein, and he shall give bond in such penalty as may be fixed by the Governor, conditional upon the faithful discharge of his duties, the premium on which bond shall be paid out of the State treasury. Such director shall receive such annual compensation for his services as may be appropriated by law for the purpose."⁶⁶

"The Director of the Division of Purchase and Printing may employ such assistants and other persons as may be

66. Michie, A. H. and Sublett, C. W., 1938 Supplement To The Virginia Code of 1936, Section 379, 5.

necessary to enable him to discharge his duties, and may fix their compensation, but the compensation shall not exceed that authorized in the biennial appropriation act or other act of Assembly."⁶⁷

No employee of the division shall have an interest in the purchase of materials by the State. "Any violation of this section shall be punishable by confinement in the state penitentiary for a term not exceeding five years, or by confinement in jail not exceeding twelve months, or by a fine not exceeding one thousand dollars, or by both such confinement in jail and fine."⁶⁸

"The public printing and binding for the Commonwealth shall be under the supervision and control of the Director of the Division of Purchase and Printing, whose duties shall be as prescribed by law."⁶⁹

Section 383 contains the following provisions: (a) The Director of the Division of Purchasing and Printing shall have all the printing, binding, ruling, lithographing, and engraving required by any State agency, and authorized by law, executed upon competitive bids. The award shall be made to "the lowest responsible bidder, having due regard to the facilities and experience possessed by such a bidder."⁷⁰

67. Ibid., Section 380, 6.

68. Michie's 1938 Supplement to the Virginia Code of 1936, Section 381, 6.

69. Ibid., Section 382, 6.

70. Ibid., Section 383, 6.

(b) He shall give notice of the time of bidding, provide specifications, receive and let bids according to law. "He may let out the work either upon annual contracts or for separate items as the best interests of the Commonwealth may require, in all cases reserving the right to reject any and all bids."⁷¹ He may at his discretion require the party undertaking the work to enter into a written contract and shall require bond of such persons, always retaining the right to make deductions for non-performance.

(c) "Any bidder feeling himself aggrieved by any award made by the Director may appeal to a board composed of the Attorney General, the Comptroller, and the Director of the Budget, which shall hear and determine the matters in said appeal;"⁷²

The Director of the Division of Purchase and Printing shall purchase all paper required for the printing and binding let out by him. The procedure for the letting of bids and the making of contracts shall be similar to that outlined in the preceding section in relation to public printing and binding."⁷³

The Director shall furnish all state agencies and the General Assembly with all necessary printing, lithographing, engraving, ruling and binding. "It shall be the duty of the said departments, divisions, institutions, officers and

71. Ibid.

72. Ibid.

73. Michie's 1938 Supplement to the Virginia Code of 1936, Section 384, 6.

agencies to order all of their printing, binding, ruling, lithographing, engraving, and advertising upon requisition upon the Director of the Division of Purchasing and Printing, stating clearly and distinctly the description of the work, the quantity, and the time delivery is desired."⁷⁴

The provisions of the preceeding paragraph shall "not apply to any printing, lithographing, engraving or ruling embraced in any order of any State college, university or other institution of higher learning when such printing, lithographing, engraving or ruling is for such institution and in the opinion of the said Director of the Division of Purchase and Printing constitutes an emergency justifying an exception under the provisions of this section; but the total amount so embraced in such exceptions for any one institution shall not exceed one hundred dollars during any one year."⁷⁵

"The Director of the Division of Purchase and Printing shall cause to be printed in octavo form two hundred and fifty copies of every bill, joint resolution, or other matter ordered to be printed for the use of the Senate or House of Delegates, and intended for temporary use."⁷⁶

74. Ibid., Section 385, 7.

75. Acts of The General Assembly of The Commonwealth of Virginia, 1940, Chapter 164, 272.

76. Michie's 1938 Supplement to the Virginia Code of 1936, Section 386, 7.

The Director shall furnish to such persons, firms, or corporations as may apply and pay the prescribed fees and costs one copy of each bill printed for the Senate and the House of Delegates, the calendar of each house, and all joint resolutions, not exceeding one copy to any one person, firm or corporation.⁷⁷

The provisions of the preceding section do not apply to persons who, at irregular intervals, apply for one or more copies of any special bill, nor to officers of the State government, heads of state institutions, members of the General Assembly, and representatives of the press."⁷⁸

The Director shall cause to be printed in octavo form, as soon as approved by the Governor, five thousand five hundred copies of the Acts and joint resolutions of the General Assembly, and shall distribute them according to a schedule contained in this section.⁷⁹

The Director of the Division of Purchase and Printing shall superintend all printing done by the order of the Senate or House of Delegates, and within ninety days after the close of each session of the General Assembly shall cause to be printed and bound the journals for the Senate and the House of Delegates in quantities sufficient to make the distribution as prescribed by law.⁸⁰

77. Ibid., Section 387, 7.

78. Ibid., Section 389, 7.

79. Ibid., Section 390, 7.

80. Michie's 1938 Supplement to the Virginia Code of 1936, Section 392, 8.

The heads of all state agencies should submit their annual reports on or before the twentieth day of October of each year, but such reports, except those of the Comptroller and of such other officers and agencies as may be designated by the Governor, shall be printed and distributed biennially. Such annual reports shall be condensed to concise and readable form by order of the Director of the Division of Purchase and Printing and submitted for approval to the Director of the Division of the Budget. Upon approval these reports shall be printed and ready for distribution on the first Wednesday in January next succeeding the bi-ennium for which such annual reports shall be made. The annual report of the Comptroller and of other such agencies as may be designated by the Governor shall be printed annually and shall be ready for distribution on the first Wednesday in January of the year following that for which it shall be made.⁸¹

The Director of the Division of Purchase and Printing in making this contract for the printing of the annual reports shall provide that the contractor shall print such additional copies as may be desired by the institutions or officers making the reports, at such price as may be agreed between the Director and contractor; the cost shall be paid by the department or institution ordering said extra printing.⁸²

81. Acts of The General Assembly of The Commonwealth of Virginia, 1940, Chapter 157, 249.

82. Ibid.

"When notified by the reporter for the Supreme Court of Appeals that he has sufficient copy to issue a volume of the Virginia Reports, or a substantial part thereof, the Director of the Division of Purchase and Printing shall advertise for bids for doing the work of the entire volume in such installments as he may require...."⁸³

The Director shall be charged with the custody, disposal and sale of the published reports of the decisions of the Supreme Court of Appeals.⁸⁴

The Director of the Division of the Budget shall requisition the number of and designate the quality and manner of binding of every publication of any kind proposed by any state agency, to be printed out of public funds. However, he shall not edit or change in any respect any such publication.⁸⁵

Section 398 provides: (a) All accounts for public printing shall be approved by the Director of the Division of Purchase and Printing and certified to the Comptroller to be paid out of the general fund appropriated for the public printing.⁸⁶

(b) "Each.....agency shall upon statements rendered by the Director of the Division of Purchase and Printing, cause to be paid out of the funds appropriated for the maintenance

83. Ibid., Section 395, 8.

84. Ibid., Section 396, 9.

85. Ibid., Section 397, 9.

86. Michie's 1938 Supplement to the Virginia Code of 1936, Section 398, 9.

of such....agency into the treasury to the credit of the printing fund covering the cost of the printing, binding, ruling, lithographing, engraving, advertising, wrapping, mailing, freight, postage, expressage, stationery and other material furnished such....agency,"⁸⁷ The cost of all work required by the General Assembly and that of the Virginia Reports, annual reports and forms, for the payment of which no provision is otherwise made, shall be paid out of funds appropriated to the Division of Purchase and Printing.

(c) "But the foregoing subsection (b) is subject to the following qualification that prior to July 1st, nineteen hundred and forty, the printing, binding, ruling, lithographing, engraving, advertising and stationery required by the Attorney General, Auditor of Public Accounts,....., State Treasurer shall be furnished and paid for out of funds appropriated to the Division of Purchase and Printing for public printing...."⁸⁸

If the printing is not done satisfactorily the Director of the Division of Purchase and Printing shall employ some other person to do the work and shall bring action upon the bond of the defaulting contractor for any loss sustained by the State.⁸⁹

87. Ibid.

88. Ibid.

89. Ibid.

"The Director is authorized to sell, or distribute, or to sell and distribute, the books, documents and maps not required to be distributed or preserved, fixing such price per copy as may be reasonable and sufficient to cover the cost of printing, mailing and handling." The conditions of such sale are set forth in this section.⁹⁰

"The Joint Standing Committee on Printing, of the two houses of the General Assembly shall have authority to supervise and give directions in all that relates to the public printing and binding....and make a report to the General Assembly at each regular session...."⁹¹

"Except as here-in after provided, every....agency.... shall purchase through the Division of Purchase and Printing all materials, equipment and supplies of every description, the whole or a part of the costs whereof is to be paid out of the state treasury....

"The Director of the Division of Purchase and Printing shall prescribe and enforce rules and regulations under which estimates of the needs of the using agencies shall be submitted and requisitions made, and under which contracts for purchases may be made."⁹²

"The said Director shall, when the amount of materials, equipment and supplies needed exceeds one thousand dollars,

90. Michie's 1938 Supplement to the Virginia Code of 1936, Section 401, 10.

91. Ibid., Section 401a, 10.

92. Ibid., Section 401b, 10.

and in all other cases may, advertise for bids on State purchases...."93

"....the contract shall be let out to the lowest responsible bidder, taking into consideration the qualities of the articles proposed to be supplied...."94

"All bids may be rejected."95

"....the Director may, in his discretion, require of the successful bidder a bond....."96

"So far as practicable, all materials, equipment and supplies, the purchase of which through the Director of the Division of Purchase and Printing is made mandatory, shall be standardized by the Director....."97

"....there shall be established an advisory standardization board, consisting of the Director of the Division of Purchase and Printing as its head and such representatives, not exceeding nine, of the several departments, divisions, institutions, officers and agencies affected by this chapter as shall be designated by the Governor."98 "The said board shall consider and advise as to the needs of the various State activities and how far they can be reasonably harmonized...."99

93. Ibid.

94. Ibid.

95. Ibid.

96. Ibid.

97. Ibid., Section 401c, 10.

98. Michie's 1938 Supplement to the Virginia Code of 1936, Section 401c, 10.

99. Ibid.

The Director of the Division of Purchase and Printing shall have the power to permit purchases to be made direct by the using agency whenever it is apparent that a lower price with equal quality can be obtained. Preference shall be given, so far as may be practicable, to materials, equipment and supplies produced in Virginia or sold by Virginia persons, firms and corporations.¹⁰⁰

Section 401e provides "(a) Unless otherwise ordered by the Governor, the purchasing of materials, equipment and supplies through the Director of the Division of Purchase and Printing is not mandatory in the following cases:

"(1) Telephone and telegraph service, and electric light and power service...."

"(2) Technical instruments and supplies, and technical books and printed matter on technical subjects...."

"(3) Perishable articles such as fresh vegetables, fresh fish, eggs, and milk;"

"(4) Emergency purchases, for immediate delivery to meet exigencies arising from unforeseen causes....provided the consent of the Director of the Division of Purchase and Printing is secured.

(5) Automobile license number plates.

(6) Materials, equipment and supplies needed by the State

100. Ibid., Section 401d, 10.

Highway Commission.

"(7) Materials, equipment and supplies needed by the Virginia Alcoholic Beverage Control Board.

"(8) Any purchase by a state institution of materials, equipment and supplies, not in excess of one hundred dollars..."

(b) The provisions of chapter 25 of the Code of Virginia relating to centralized purchasing shall not apply to the purchase of alcoholic beverages and real estate, or to the making of leases by the Virginia Alcoholic Beverage Control Board.¹⁰¹

The officials of counties, cities and towns are authorized, at their discretion, to seek the aid and cooperation of the Director of the Division of Purchase and Printing in the purchasing of needed material, equipment and supplies for local public use. The Director shall encourage the seeking of such aid and cooperation.¹⁰²

"The Comptroller shall not issue any warrant upon any voucher issued by any using agency covering the purchase of any material, equipment or supplies, where such purchase is made in violation of the provisions of this chapter."¹⁰³

"Intentional violations of the centralized purchasing provisions of this chapter by any using agency, continued after notice from the Governor to desist, shall constitute

101. Michie's 1938 Supplement to the Virginia Code of 1936, Section 401e, 11.
102. Ibid., Section 401f, 11.
103. Ibid., Section 401h, 11.

malfeasance in office....."104

The Director shall transfer surplus supplies or equipment from one State agency to another and sell surplus supplies or equipment which may accumulate in the possession of any State agency and pay the proceeds therefrom into the State treasury.¹⁰⁵

"Except as otherwise provided in section three hundred and ninety-eight, all money collected by the Director of the Division of Purchase and Printing shall be paid promptly into the State treasury to the credit of the general fund."¹⁰⁶

"The Director of the Division of Purchase and Printing shall maintain such system of accounting as shall be devised and installed by the Auditor of Public Accounts."¹⁰⁷

"Any department, division, institution, officer, agency or other person aggrieved by any action taken by the Director of the Division of Purchase and Printing...relating to centralized purchasing may appeal to the board provided for in subsection (c) of section three hundred and eight-three of the Code."¹⁰⁸

"The Director of the Division of Purchase and Printing shall make an annual report as of June thirtieth to the Governor as soon as practicable after the close of business each fiscal year."¹⁰⁹

104. Ibid.

105. Ibid., Section 401i, 11

106. Ibid., Section 401j, 11.

107. Ibid., Section 401k, 11.

108. Michie's 1938 Supplement to the Virginia Code of 1936, Section 401n, 12.

109. Ibid., Section 401o, 12.

".....all departments, institutions and agencies of this State which are supported in whole or in part by the State shall, and all counties and districts of such counties and cities and towns in this State may, purchase from the State Prison Board all articles required by such departments, institutions and agencies of the State, or by such counties, districts, cities or towns, produced or manufactured by the State Prison Board by convicts or misdemeanants....and no such article shall be purchased by any such department, institution or agency of the State from any other source....."110

All purchases shall be made through the Division of Purchase and Printing upon requisition by the proper authority...."111

110. Ibid.

111. Michie's Virginia Code of 1936, Section 2073a, 12.

CHAPTER VI

INTERNAL ORGANIZATION OF THE DIVISION OF PURCHASE AND PRINTING

The internal organization of the Division of Purchase and Printing may be clearly visualized by the organization chart included in this chapter. The Division is divided into two sections, one handling printing and the purchase of office supplies and the other handling all other purchases.

A. The Purchasing Section

The Purchasing Section is charged with the purchasing of coal, food, household supplies, plumbing and electric fixtures, dry goods, paints, automobiles and many other articles. The Director serves as administrative head of the Division, attends to the buying of coal, draws up annual contracts, and determines the amount of bonds demanded of vendors. He exercises general supervision over the work of the two sections. His stenographer in addition to her secretarial duties purchases such items as automobiles, auto tires, batteries, etc. A purchase executive is in charge of and handles the purchasing of all foods and household supplies. He is assisted by a senior clerk and a junior clerk who prepare requests-for-bids, mimeograph, addressograph and mail them to eligible bidders. When the bids are received they tabulate them and assist the associate executive in letting contracts. In addition they perform general secretarial duties.

A senior purchase executive handles the purchases of electrical and plumbing supplies, paints, building materials, etc...A stenographer prepares his purchase orders, handles his correspondence and purchases all dry goods.

The filing for the entire section is by a junior clerk who also enters all purchases on the purchase record cards by items for each using agency.

B. The Printing Section

The Printing Section is charged with the letting of all contracts for State printing, engraving, lithographing and with the purchase of stationery and office supplies.

The assistant in charge exercises general supervision over the work of this section. He audits the bills received from printing contractors and proofs all purchase orders before they are sent to the vendors.

All printing, binding, rulings, engraving and lithographing are under the supervision of a senior printing executive assisted by a junior printing executive, a secretary, a clerk and a book-keeper.

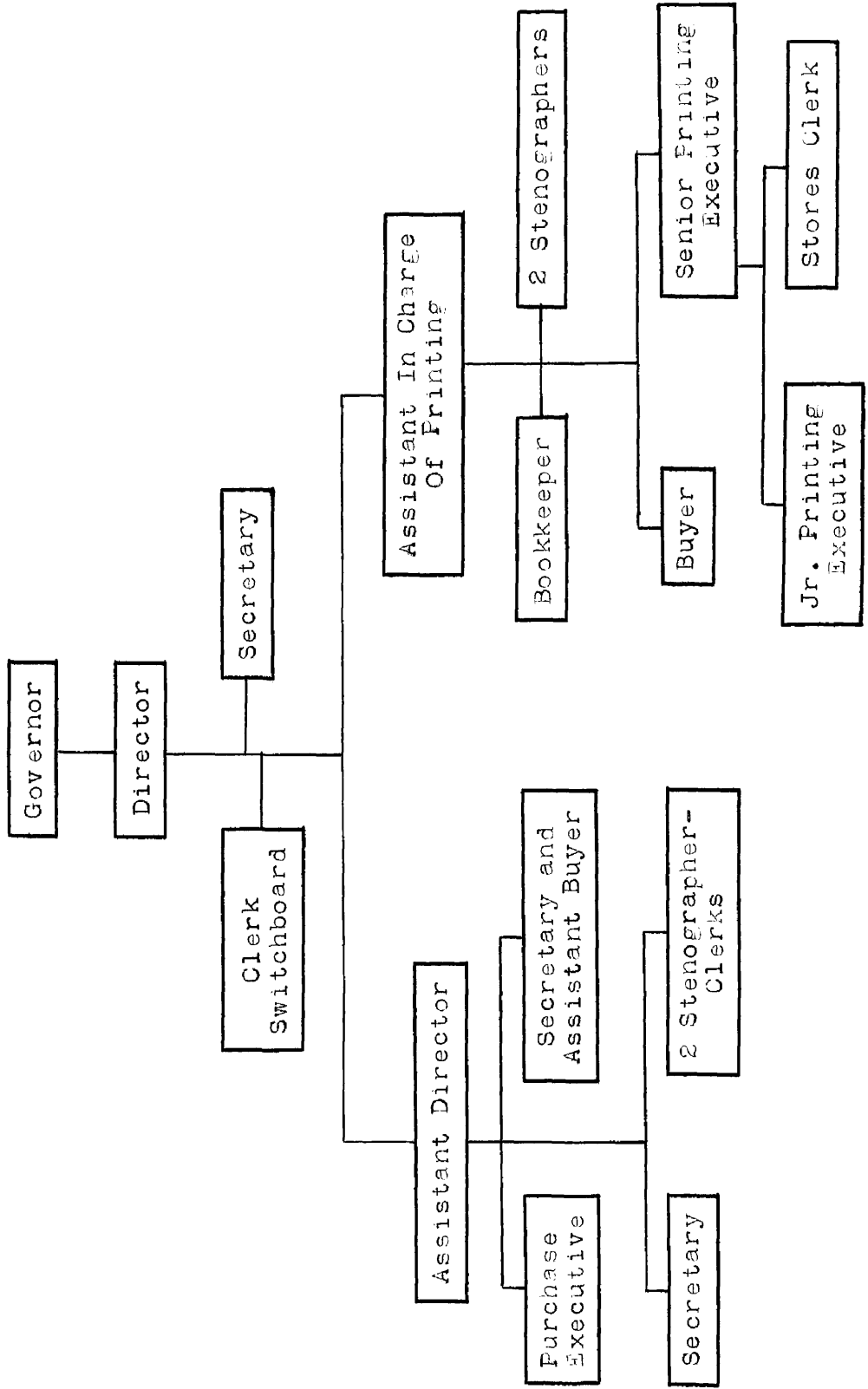
All printing of more than four pages is handled personally by the senior printing executive and most of this is performed on annual contract.

The junior printing executive handles all job printing and types work orders for printing.

DIVISION OF PURCHASE AND PRINTING

PERSONNEL CHART

DECEMBER 1, 1940



A stenographer takes care of the correspondence of the printing officers. She also keeps a record of all purchases of office supplies by using agencies, deposits all money received for State reports, prepares monthly, quarterly and annual reports of this section.

A clerk prepares a record folder of each printing job and enters all bills upon receipt. She also serves as stenographer to the assistant in charge.

Upon the completion of each job the bookkeeper bills each using agency for the entire cost of each job. She also keeps a record of all bills received from contractors and at the end of the month prepares a summary of the amount owed each contractor.

A buyer handles the purchase of all stationery and office supplies and lets contracts for engraving and lithographing under the supervision of the senior printing executive. Many items are purchased on annual contracts. Bids are secured for all other items each time they are purchased.

A stenographer assists her by typing requests-for-bids, purchase orders and any correspondence necessary in handling these purchases. She also assists in the posting of bills for printing to the work order folders.

CHAPTER VII

PURCHASE AND PRINTING PROCEDURES

A. Purchase Section

1. The Buying of Food Supplies and Household Articles

Household articles and food supplies other than perishables are purchased for State institutions by the Division. Most of the canned vegetables and fruits are bought during the summer months for fall and winter delivery while other foods and household articles are generally secured every quarter. The requesting institution fills out a requisition containing such essential information as quality of goods, quantity, and date desired. It is received at the office of the purchase section, date stamped by the stenographer-clerk, and turned over to the buyer who examines it to determine the nature of the products desired. The buyer then discusses with an assistant the specifications to be set up and other matters pertaining to the drafting of requests for bids. The assistant with the aid of a stenographer draws up the requests for bids, cuts the stencils, and mimeographs the necessary copies. An addressograph file is maintained by items of all firms desiring to receive requests for bids. Envelopes are addressed on the addressograph, and the requests mailed.

Bids are received, opened in the presence of the director or an assistant, and tabulated upon a recapitulation sheet by companies. Frequently an official of the institution, usually the steward, comes to Richmond to assist the buyer in purchasing

the desired commodities. The buyer and representatives of the institutions examine carefully samples submitted and award the contracts to the lowest responsible bidders taking into account the quality of the goods and the needs of the respective institutions. The vendors have the privilege of being present at the opening of bids and are free to examine the bids submitted by competitors.

Prices are quoted for delivery at the institution with all delivery charges prepaid. All bids must be submitted according to specifications, the State reserving the right to increase or decrease the quantity as the needs of the institutions demand. Samples are submitted for all canned goods and other items at no expense to the Division. Such samples, except those of the successful bidders, must be removed by the bidders at their own expense within ten days after the contracts have been let. Concerns may bid upon all or a part of the business, their bid becoming a contract when accepted. Firms which are unable to bid must return the proposals with an explanation so as not to be dropped from the mailing list. No bond is required of the successful bidder, the interest of the State being fully protected under the laws governing contracts. However, the threat of being dropped from the list of those eligible to bid is usually sufficient to insure adequate performance.

After a contract has been awarded a stenographer-clerk prepares five copies of the purchase order. Copies two and

THE PURCHASING PROCESS IN VIRGINIA

AGENCY	USING AGENCY	DIVISION OF PURCHASE AND PRINTING	COMPTROLLER'S OFFICE	VENDOR
	<p>1. On requisition form, orders requirements from the Div. of Purchase and Printing. Three copies of requisition are typed, one being retained for file and two sent to the Div. of Purchase & Printing.</p>	<p>2. Upon receipt of two copies of requisition solicits bids from vendor by use of requests-for-bids form or by telephone. One copy of requisition is forwarded to the Division of the Budget.</p>		<p>3. Upon receipt of request-for-bid form, supplies best price and returns the form. Supplies price on some small items by telephone.</p>
		<p>4. Tabulates bids received and makes out purchase order to vendor offering best bid. Five copies are made, one of which is retained for filing.</p>	<p>5. Receives copies one & four of purchase order. Encumbers account of requisitioning dept. Signs copy four of purchase order & returns it to the Div. of Purchase & Printing, as notification of availability of funds. Copy two is retained for filing.</p>	
Action Taken		<p>6. After return of signed purchase order, releases original to vendor. Fifth copy sent to the Division of the Budget where it is checked and approved.</p>		
	<p>7. Receives copy three of purchase order from the Div. of Purchase and Printing.</p>			<p>8. On receipt of order delivers commodity to using agency together with four copies of invoice.</p>
	<p>9. Receives goods & four copies of invoice. Checks with purchase order as to quantity, price, etc. Submits complaints to the Div. of Purchase & Printing. Sends two copies of invoice to Comptroller for payment.</p>		<p>10. Compares invoice with purchase order checking coding, extensions & footings. Liquidates encumbrance and prepares warrant for payment.</p>	

four are sent to the Comptroller's Office where the account of the requisitioning department is encumbered. Copy four is signed and returned to the Division of Purchase and Printing as notification of availability of funds while copy two is filed and later used as a check against the invoice. The original is mailed to the vendor authorizing him to make shipment on or before the specified date. Copy three is forwarded to the requesting agency where it is used as a check against the invoice. Copy four is filed by the filing clerk and copy five sent to the Division of the Budget where it is reviewed and approved by a senior executive. The goods are received by the using agency together with four copies of the invoice. The invoice is checked against the purchase order as to quantity, price, etc. and then sent to the Comptroller's Office where the warrant is prepared.

2. Other Purchases

Purchases other than food supplies and household articles are made either individually or upon annual contract. Certain standard articles of general use throughout the State such as coal, disinfectants, insecticides, motor oil, lubricants, and automobile tires are bought upon annual contract. The director or an assistant director confers with representatives of the various State agencies before drawing up specifications. Requests for bids are typed by the stenographer-clerk, stencils cut, copies mimeographed and mailed. A stenographer-clerk or

assistant buyer receives the bids, opens them under the supervision of the director, and prepares a tabulation sheet. The actual awarding of the contract is handled by the director.

Dry goods, plumbing supplies, building materials, heating equipment, gasoline, automobiles, and miscellaneous items are purchased individually by the Division. Requisitions are received from the using agencies, date stamped, and specifications drawn up by a buyer assisted by a secretary. A stenographer prepares and mails letters requesting bids. Bids are received, opened, and tabulated by a secretary and contracts awarded by the buyer to the lowest responsible bidder. Purchase orders are prepared and mailed by a stenographer-clerk, the goods being delivered direct to the requesting agency. Performance bonds may legally be required of vendors, but in actual practice are received from coal dealers only. The amounts of the bonds are determined by the director with the advice of his assistants. No standard bond form is used by the purchase section, the matter being left entirely to the vendors.

The Advisory Standardization Board was organized in 1924 "consisting of the Director of the Division of Purchase and Printing as its head and such representatives, not exceeding nine, of the several departments, divisions, institutions, offices and agencies...as shall be designated by the Governor."¹¹²

112. Michie's 1938 Supplement to the Virginia Code of 1936, Section 401c, 10.

The Board failed to function effectively because of the lack of interest of its members and disappeared from the scene of activity until 1940 when the Governor revived it and made new appointments. A Senior Executive of the Division of the Budget, well-qualified by years of experience as a municipal purchasing agent, was named executive secretary. At present he is engaged in acquiring information as to the type and quantity of purchases made by the various State departments and agencies. When this data is assembled the Board will be able to standardize certain articles of general use and draw up acceptable specifications.

The purchase laws of the Commonwealth provide that cities, towns, and counties may buy material, equipment, and supplies for local public use through the Division of Purchase and Printing. It is further stated that the Director shall encourage such action in an effort to effect a saving of public funds. The volume of goods purchased has increased from year to year amounting in 1938-39 to approximately \$27,000. These purchases include such items as adding machines, automobiles, clothing, furniture, disinfectants, fire extinguishers, first aid kits, insecticides, oxygen, typewriters, and automobile tires. Although considerable savings have been effected by purchasing centrally through the Division, a great deal yet remains to be done.

3. The Keeping of Purchase Records

The maintenance of an adequate system of records is of great importance in the operation of a modern centralized purchasing

agency. Requisitions are received from the requesting agencies, date stamped by a stenographer-clerk, and turned over to a buyer who draws up specifications and prepares requests-for-bids. A stenographer-clerk files the requisitions in a requisition file by departments. The bids are received and opened by a buyer assisted by a secretary and assistant buyer, tabulated on a recapitulation sheet by companies, and contracts awarded to the lowest responsible bidders. The quarterly bids for foodstuffs, both those of the successful and unsuccessful bidders, are filed alphabetically by companies. There are four classes of commodities purchased on a quarterly basis: (1) flour and meal; (2) other foodstuffs; (3) food and household supplies for the State Convict Road Force; (4) drygoods. The recapitulation sheets for each class are clipped together and filed in a cabinet. Other commodities are purchased individually or upon annual contracts. The recapitulation sheets, the bid of the successful bidder, those of the unsuccessful bidders, and surplus copies of the request-for-bids sheets are pinned together and filed by departments.

Purchase orders are written by a stenographer-clerk and distributed as outlined above, one copy being retained in the purchase order file. A purchase record card index is maintained showing the purchases by individual items for each State agency. On each card is typed the date, the concern furnishing the goods, the quantity and description of the goods, the purchase order

numbers and the price. On these cards are listed purchases made as far back as 1925.

General correspondence, price lists, and annual contracts are filed in alphabetical order by a stenographer-clerk. No standard form is used for annual contracts, the Division simply accepting the form submitted by the vendor. A county record file containing correspondence, requests-for-bids, tabulation sheets, and other data is kept. The buyer maintains a cabinet file of all catalogues submitted by the various concerns. No attempt is made to record permanently the specifications used in the purchase of supplies, equipment and materials. At present the buyer secures information from various dealers, records it on a memorandum pad and draws up specifications. After the contract has been filed, the memorandum is destroyed leaving only the information recorded in the request-for-bids. No effort is made to utilize specifications drawn up by the Procurement Division of The Treasury or to adopt for state use standards employed by the Army and Navy in their purchasing. A secretary maintains an addressograph file by items of concerns who wish to receive requests-for-bids. A concern upon request may have its name placed upon the mailing list and receive requests-for-bids. If a firm is unable to bid, it is required to return the request with a word of explanation. If this is not done the name of the concern will be dropped from the mailing list.

The volume of purchases cleared through the Division of Purchase and Printing has shown a steady increase during recent

Year	Total Purchases Exclusive Of Yearly Contracts*	Approximate Number Of Purchase Orders Issued
1936-1937	\$2,485,376.20	7,000
1937-1938	2,504,072.83	8,000
1938-1939	2,806,159.18	12,000

B. Printing Section

1. Execution of State Printing

The laws of the Commonwealth provide that the Division of Purchase and Printing shall have charge of all State printing, ruling, binding, lithographing, and engraving. The work is supervised by an assistant in charge of printing and executed by the senior printing executive and the printing clerk. Annual reports, catalogues, and other work of a recurring nature amounting to four or more pages in length are let on annual contracts. Smaller jobs are performed by the Industrial Department of the State Penitentiary. An exception is made in the case of small rush orders which are given to the contractor who has received the annual contract for job printing. Once a year the assistant in charge of printing and the senior printing executive make a survey of all State printing, divide the printing into classes

* These figures do not include articles bought upon annual contract such as motor oils, lubricants, insecticides, oxygen, and acetylene.

according to estimated needs, and prepare requests-for-bids. The requests are printed by the Industrial Department of the State Penitentiary and mailed by a stenographer to all printing concerns desiring an opportunity to bid upon State business. A stenographer or the printing clerk receives and tabulates the bids and the contracts are awarded to the lowest bidders by the senior printing executive. The printing is broken down into twenty-four classes, thus giving the Division wide latitude in awarding contracts. When the type of paper, the size of the type and other technical details are not specified by the requesting agency, they are determined by the senior printing executive and the printing clerk, both of whom are trained in practical printing. These annual contracts do not specify the quantity involved, but provide that all State printing shall be performed under them. Any concern bidding upon a State job must furnish a certified check for two hundred dollars and if awarded the contract post a satisfactory bond upon a standard form.

Requisitions for printing are received, and date stamped by a stenographer and placed in the hands of the senior printing executive or the printing clerk. These officials decide upon the type of paper, the size of type, the make up and other matters provided they have not been specified by the agency. A work order is prepared showing the type and amount of stock to be used, the concern furnishing the stock and directions

for printing. The original, the third copy, and the lower portion of the fifth copy are sent to the contracting printer serving as an authorization to perform the work specified. The upper portion of copies four and five is detached and sent to the concern furnishing the paper stock. They are then forwarded with the paper to the printer, signed, and returned. Number four is then sent to the Division and number five retained in the files of the paper company. After the job is completed copies one and three are sent to the requesting agency, signed, and returned. The printer files copy three and returns copy one to the Division where it is filed by a stenographer. The second copy is filed with copy one in a work order folder together with the invoice, requisition, and sample.

Proof is received from the printer and checked by the senior printing executive or the printing clerk and then sent to the requesting agency for checking and approval. The proof is then returned to the printer, the work completed, and the finished product delivered to the agency. The contractor sends an invoice to the Division where it is examined to determine the correctness of the charges and if errors are found it is returned to the printer for correction. The checking of printing charges requires a technical knowledge of printing terms upon which costs are based. If only one concern is involved in the transaction, the using agency is billed direct, but in other cases the Division receives the invoices and in turn bills the agency. This

system is followed to prevent confusion in the bookkeeping of the various agencies.

Engraving and lithographing for State agencies are handled on the individual job basis, competitive bids being secured in each instance. Requisitions are received and date stamped by the buyer and requests-for-bids drawn up on a standard form under the direction of the senior printing executive. Bids are received and opened in the presence of the assistant in charge of printing, and tabulated on a recapitulation sheet. The contract is awarded to the lowest responsible bidder.

A greater portion of the paper required for State printing and binding is purchased upon annual contract by the senior printing executive with the assistance of the assistant in charge of printing, the printing clerk, and the buyer. Requests-for-bids are drawn up, printed by the Industrial Department of the State Penitentiary, and mailed to those concerns desiring to bid on State business. Bids are received, samples tested by the senior printing executive, and the contract awarded. At present, the Division has annual contracts for twenty-three different types of paper. If during the life of the contract the general level of paper prices advances or declines, the contractor shall charge the contract price plus or minus an amount equal to the change. From time to time special types of paper are bought in small quantities on competitive bid by the buyer or printing clerk. Upon receipt of a work order,

the paper is shipped direct from the paper house to the contracting printer.

A stenographer places the printing requisition and the work order in a work order folder and deposits them in a pending file. On the outside of the work order folder is written the name of the supplier of paper, the printer, the binder, order number, date, cost and other essential information. A memorandum of each job is kept by a stenographer in the "blue book." This record is used in obtaining costs, date of completion, description, and other information pertaining to completed jobs. The work order folders are then placed either in a regular work file or a rush job file depending upon the urgency of the request. When the invoices come in from the vendors, entries are made by the stenographer on the outside of the work order folders and a total secured. The invoices for paper, printing, engraving, etc. are filed in the work order folders together with the requisitions, two copies of the work order, and samples. The work order folders are then turned over to the bookkeeper for posting.

A bookkeeper operating a bookkeeping machine enters all invoices simultaneously in an accounts payable ledger and an accounts payable journal. The completed work orders are entered in an accounts receivable ledger and an accounts receivable journal. If no errors have been made, the total of the accounts receivable journal should agree with that of

the accounts payable journal. A cash receipts journal and a general ledger are also maintained by the bookkeeper. At the end of each month a trial balance is struck off, a balance sheet prepared, and accounts receivable and accounts payable schedules made up. A monthly credit memorandum is prepared from the individual invoices submitted by the vendors, checked with the accounts payable ledger, and mailed to the vendor. It is checked by the vendor and returned with a monthly invoice. These two statements are examined by the assistant in charge of printing and then sent to the Comptroller for payment. Once or twice a month the using agencies are billed by the Division for printing work completed. The senior printing executive maintains a Kardex file listing cost, size, make up, and other essential information concerning pamphlet work.

During recent years there has been a gradual increase in the volume of printing handled by the Division of Purchase and Printing.

Year	Total Cost of Printing	Number of Printing Orders Issued
1936-1937	\$298,432.19	-----
1937-1938	365,834.07	6,183
1938-1939	303,593.75	6,474

The Printing Section is charged with the custody of Comptroller forms, county forms, Acts of Assembly, House and Senate Journals, Virginia Reports, and other publications. The stores clerk receives requisitions for publications and forms from State agencies and letters of request from the general public and date stamps them. He then secures the desired publications or forms from the storeroom located in the attic of the Capitol Building, wraps them properly, and places them in the mail. Invoices are sent to the various departments and individuals and funds are received in payment of publications purchased. All funds are turned over to the auditor who sends them periodically to the State Treasurer. A perpetual inventory is maintained of all forms and publications together with a file of all cuts and dies used in the execution of State printing. The stores clerk serves as messenger for the Printing Section and performs other related duties. A stenographer assists him in the writing of letters, the typing of invoices, and the filing of requisitions.

2. Purchase of Office Supplies

Such office supplies as rubber bands, carbon paper, paper cement, paper clips, erasers, ink, mucilage, pencils, pens, and typewriter ribbons are purchased upon annual contract by the buyer. Specifications are drawn up by the buyer and the auditor, requests for bids are typed, and stencils cut by a stenographer, and mimeographed forms run off by a clerk in the purchase Section.

These are mailed to stationery firms desiring to bid upon State business and bids are received and tabulated. Contracts are awarded by the buyer with the assistance of the assistant in charge of printing. She receives requisitions from the using agencies, date stamps them, and notes on the margin the annual contract prices. A stenographer prepares the purchase orders and submits them to the assistant in charge of printing for approval. The merchandise is shipped direct to the using agency along with the invoice. The Printing Section maintains a record of total purchases by agencies but does not attempt a breakdown by items. Bids for items not on annual contract are secured by the buyer either by telephone or by mail. Salesmen from the local stationery houses are interviewed daily by the buyer in an effort to keep informed on current market conditions. These salesmen pick up any purchase orders issued to their firms thus eliminating the trouble and expense of mailing. The requisitions for office supplies are filed in a folder along with the purchase order, bids, tabulation sheets, samples, and related correspondence.

The volume of office supplies purchased by the Division of Purchase and Printing has more than doubled within the three year period, 1936-1939.

Year	Total Cost of Office Supplies	Number of Purchase Orders Issued
1936-1937	\$48,014.22	-----
1937-1938	76,701.48	4,483
1938-1939	100,786.58	5,188

DIVISION OF PURCHASE AND PRINTING

Personnel Table

December 1, 1940

Name of Division and Title of Position	Number of Employees	Annual Salary	Monthly Salary	Full-time Monthly Payroll
MANAGEMENT SECTION				
Director	1	\$6,000.00	\$500.00	\$500.00
Secretary	1	1,730.00	144.17	144.17
Clerk-Switchboard	<u>1</u>	960.00	80.00	<u>80.00</u>
				\$724.17
PURCHASE SECTION				
Assistant Director and Purchase Executive	1	4,050.00	337.50	337.50
Purchase Executive	1	2,700.00	225.00	225.00
Secretary and Assistant Buyer	1	1,730.00	144.17	144.17
Secretary	1	1,620.00	135.00	135.00
Stenographer-Clerk	<u>2</u>	1,020.00	85.00	<u>170.00</u>
	6			\$1,011.67
PRINTING SECTION				
Assistant in charge of Printing and Auditor	1	3,000.00	250.00	250.00
Senior Printing Executive	1	3,000.00	250.00	250.00
Junior Printing Executive	1	2,100.00	175.00	175.00
Buyer	1	1,720.00	143.33	143.33
Bookkeeper	1	1,320.00	110.00	110.00
Stenographer	1	1,260.00	105.00	105.00
	1	1,140.00	95.00	95.00
Stores Clerk	<u>1</u>	1,080.00	90.00	<u>90.00</u>
Total	8			\$1,218.33
GRAND TOTAL	17			\$2,954.17

CHAPTER VIII

AN EVALUATION OF THE EFFECTIVENESS OF THE DIVISION OF PURCHASE AND PRINTING WITH SUGGESTIONS FOR IMPROVEMENTS

A. Internal Organization

Prior to the year 1939 the Printing Section was located in the State Capitol Building and the Purchase Section had its offices in the State Office Building. The physical separation of these two sections tended to produce a lack of coordination of their activities. Although the two are now housed in the same building there still remains a number of managerial problems which grew out of this separation. The director of the Division continues to spend more of his time with the buyers of the Purchase Section, leaving the management of the Print-Section largely in the hands of the assistant in charge of that section. The result has been a lack of coordination of the activities and a failure to fully utilize the facilities available. Improvements in procedures instituted in one of the sections are not installed in the other. Important decisions of policy are often made by the assistant in charge of printing which should in reality be submitted to the Director. This criticism is not leveled at the managerial ability of the Director but reflects defects due to the recent separation of the offices of the two sections.

The efficiency of the Division of Purchase and Printing is impaired because of the lack of an administrative assistant

to coordinate the activities of the staff. At present the assistant director is occupied with the all important job of purchasing food and household supplies and is unable to devote much time to the work of an assistant director. The assistant in charge of printing now serves as administrative assistant for the Printing Section and could well assume responsibility for the whole Division. The assistant director could then devote all of his time to purchasing and be freed from any managerial duties. Such a change would allow the Director to divest himself of a large amount of detail and devote his energies to the effective coordination of the activities of the Division. Under the present set up the Director personally attends to the buying of coal and the drawing up of annual contracts. He should be devoting his time to general administrative supervision, contact work with the using agencies and institutions, standardization, and other matters of a policy nature.

The assistant director purchases food supplies and household articles with the assistance of a stenographer-clerk. If this official should die, the Commonwealth would suffer a considerable loss before another person could be secured and trained in the technical work of purchasing. The writer believes that a stenographer-clerk should be trained as an understudy to the assistant director and after mastering satisfactorily the work be given appropriate increases in pay. Such a step would insure continuity of operation and would enable the assistant director to delegate a great deal of the routine work.

The purchasing of all products other than coal, food, household and stationery supplies is distributed among a purchase executive and two employees whose major duties are essentially clerical. Public purchasing is a highly technical business and should be performed by persons well qualified by training and experience. It is doubtful if the work performed by these two clerical employees is of as high a standard as it might be. It is recommended that these two employees be given secretarial and stenographic work more in keeping with their training and that the purchasing performed by them be turned over to the purchase executive or some other person well qualified for the job.

An effort should be made to give the buyers additional training and broaden their concept of the task of purchasing. The writer found that the buyers and other employees were so burdened down with detail that they had often failed to view their work from a long term standpoint in its relationship to the other functions of government. The Division should subscribe to the various buyers' catalogs, should secure a membership in the National Association of Purchasing Officials and send a representative to all meetings. It should secure helpful data from the Bureau of Standards, the Department of Agriculture, and similar agencies relative to purchasing. Staff meetings attended by the buyers and administrative personnel would provide an opportunity for the exchange of

ideas and the discussion of problems arising out of the day
by day activities of the Division.

B. Purchasing Practices

As the work of the Advisory Standardization Board develops, a number of economies can be effected through the purchase of commodities by specification rather than by brand name. The Board through its secretary is gathering information as to the volume and nature of commodities purchased by the various using agencies. When this data becomes available, the Board will be able to develop standards which will meet the needs of the individual agencies. It will then be possible for the purchasing division to estimate yearly needs and obtain annual contracts for these items. Once contracts are made and prices determined it will not be necessary for the various using agencies to requisition these articles through the Division. They can be purchased on direct purchase orders from the vendors thereby reducing the volume of work flowing through the purchase division. Frequent use should be made of specifications drawn up by the Procurement Division of The Treasury and other federal agencies.

As an aid to effective standardization the secretary should visit the various using agencies from time to time and assist them in their purchasing problems. It is only through information gained in this fashion that standards can be set up which will meet the needs of the using agencies.

The Advisory Standardization Board should develop standards for penitentiary products. Under the present laws".... all

departments, institutions and agencies of this State which are supported in whole or in part by the State shallpurchase from the State Prison Board all articles required by such departments, institutions and agencies of the State....produced or manufactured by the State Prison Board..."¹¹³ Under the present system standards are determined by the Prison Board and the prices charged for the articles produced are set by the same body. The using agencies have no say in the matter. If such articles do not meet reasonable standards required of non-prison made commodities they should be rejected in similar fashion to sub-standard goods supplied by a private manufacturer. Prices now charged for prison-made articles are excessive in many cases and should be reduced to prevent the exploitation of the operating departments by the Penitentiary.

The testing of samples goes hand in hand with buying by standards. The Division tests food supplies and other articles which do not require a great deal of technical testing equipment. Very little is done to inspect deliveries to see that the articles supplied comply with standards established. A greater use of the laboratories of the various State institutions for testing should be made. Frequent resort should be had to the testing facilities of the Bureau of Standards in Washington.

Considerable savings could be effected by the establishment of a central storeroom for the distribution of office supplies

113. Michie's Code of Virginia, 1936, Section 4010, 12.

and stationery among the agencies located at the seat of government. After the Advisory Standardization Board has set up standards for these items it will be possible to purchase them in large quantities at reduced prices and to distribute them to the using agencies as needed. There will be no appreciable increase in overhead expenses as a result of this change. The stores clerk now employed to issue forms and State documents could well assume the duties of managing the storeroom. Goods could be moved from the storeroom to the using agencies by messengers already employed in the various departments. Savings would be effected through lower prices made possible by mass buying and as a result of improved care of supplies. Under the present system the various agencies store large quantities of supplies in poorly equipped storerooms and suffer considerable loss through spoilage. Responsibility for the custody of supplies would also be centered in one individual who could devote sufficient time to the task.

The annual purchases of canned goods during the summer for fall and winter delivery and the quarterly purchases of foods and household supplies are handled separately and for each institution instead of being consolidated by items so that the bidders can bid on the entire needs of the State for each item. A consolidation of all institutional requirements purchased quarterly or annually would effect quite a saving on many purchases.

Sample:

Sugar

Total needs estimated as 100,000 lbs.

To be delivered as follows:

Catawaba Sanatorium	15,000
V. F. I.	10,000
College of William and Mary	5,000
etc., etc.	

If a company located near an institution desires to bid and could bid lower than some distant firms it could be awarded the contract for that particular institution although it failed to bid on the supply for the State as a whole. This would merely be a continuation of the present practice of permitting firms to bid on any or all items. Where the local vendor's bid was lower he would be given the contract.

At present only a few standard articles of general use throughout the State such as coal, disinfectants, insecticides, motor oil, lubricants, and automobiles are bought upon annual contract. While an annual contract is in force on these items the using agencies are not always required to purchase under it. If such a contract is to be made then it should be enforced rigidly. The number of these annual contracts should be increased as a method of lightening the work load of the Division. After an annual contract is made the using agencies can be allowed to purchase these commodities direct. All using agencies should

be sent a list of the annual contracts so that they will be able to secure needed commodities at reduced prices. At present there is no standard contract form used by the Purchase Section. Such standard forms should be adopted containing general rules and regulations governing contracts. This list should be sent to all counties, cities and towns in the State so they can take advantage of the low contract prices obtained by the Division.

The furnishing of performance bonds is made discretionary with the Director of the Division of Purchase and Printing. At the present time the Printing Section uses a standard bond form but the Purchase Section accepts the bond supplied by the successful bidders. If a bond is to be required a standard form should be used. However, since the cost of the bond is usually passed on to the State there is a question as to the wisdom of requiring one.

A standard request-for-bids form is used by the Printing Section. Its use should be extended wherever possible to the Purchase Section. This would eliminate the possibility of errors by the vendors as they would merely insert the prices quoted and sign the bid. The use of a standard form would also facilitate filing. Terms and conditions of purchase should be printed on the form to avoid misunderstanding. These forms should be used whenever possible in preference to telephone bids. Bids secured by telephone often lead to difficulties between the vendors and the Division which would

not exist if the transaction had been reduced to writing.

The record system of the Purchase Section should be revamped so as to furnish information essential to the efficient functioning of a purchasing department. A commodity price record file is maintained by the Purchase Section in a very incomplete form with the item files broken down by institutions and agencies. Such a record should be maintained by commodities rather than by departments. It should include such data as the department purchasing the goods, purchase order number, date, quantity, unit price, total amount, vendor, and a description of the article. With such a record the buyer would be able to secure the trend of prices over a period of time and have at hand basic information necessary to standardization.

The relationship between the Division of Purchase and Printing and the various institutions is not as cordial as it should be. Some of the officials of the institutions have not become reconciled to the centralization of financial control which was instituted by the Reorganization Act in 1928. They seem to be anxious to operate their agencies independent of any control from Richmond and resent such control when exercised. However, they are justified in complaining when shipments are unduely delayed and the quality of the commodities is not according to specifications. Better results could be obtained if the Director of the Division and the buyers made more frequent visits to the institutions to secure first hand

information as to performance of commodities which they have purchased. The work of the Advisor Standardization Board composed of several institutional representatives will also tend to improve the situation and assist the stewards in securing the desired commodities.

The Division should encourage the establishment of central storerooms at all institutions. Copies of all opinions of the Attorney General concerning purchasing and printing laws should be sent to each State agency. Many misunderstandings and violations of the statutes would not have occurred if the operating officials had been sent copies of these opinions in the past.

The counties, towns, and cities of Virginia are allowed by law to purchase through the Division and should be encouraged to do so whenever possible.

C. Printing, Binding, Engraving and Lithographing

Many of the above suggestions apply with equal force to the work of the Printing Section. The internal organization of this section is functioning quite satisfactorily since the Auditor of Public Accounts instituted the reorganization in 1936. The system of records established is quite adequate for accounting purposes but fails to supply data essential to the securing of the lowest possible prices on the State's printing work. A summary record should be maintained which gives data on the type of printing executed, cost, paper stock used, contractor, and other related information. A file should be set

up giving a complete running history of every form used by the Commonwealth. It should contain samples of each form, the agency using the form, annual consumption, revisions, dates printed, cost, etc. The availability of such information would make possible the standardization of forms with accompanying reductions in printing costs.

The officials of the Printing Section have assumed that they have no discretion in the selection of paper for printing and must provide what the agencies request. However, a diligent search of the printing laws fails to find support for this assumption. Apparently the Division has such authority but does not care to exercise it because of the bitter criticism which would be leveled against it. If the senior printing executive was judicious in the selection of paper stock he would be able to save thousands of dollars on this one item alone.

The State is purchasing an exceedingly large quantity of engraved stationery. The use of such stationery should be restricted to the Governor, the Attorney General, and the Judiciary. The Governor, as Chief Executive of the Commonwealth, quite often finds it necessary to use stationery of a quality in keeping with the dignity of his office. The Attorney General and the Judiciary function independent of the Governor and could be prohibited from using engraved stationery only by statute. All stationery used by the State agencies should

be standardized and the use of individual's names eliminated.

At present reproduction work is being performed in a number of departments in Richmond upon mimeograph, multigraph, planeograph and similar types of equipment. Each agency has considerable capital invested in reproductive equipment which is used only a fraction of the time. Operatives of these machines usually possess only a fair degree of skill because of the lack of continuous practice. If a central reproductive unit were set up in connection with the storeroom a higher type of work could be turned out and economies effected through the complete utilization of equipment. If it were not found practicable to locate such a unit in the central storeroom then the State Penitentiary might afford a better location. It is recommended that the Director of the Division of Purchase and Printing consider seriously the possibility of enlarging the printing facilities of the State Penitentiary.

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William Rind.....	1771-1773
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Alexander Purdie and John Dixon.....	1774
Alexander Purdie.....	1775-1778
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John Dunlop and James Hayes.....	1781-1785
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Samuel Pleasants, Jr.,.....	1804-1814
Thomas Ritchie.....	1815-1834
Samuel Sherherd.....	1835
Thomas Ritchie.....	1836-1839
Joseph Shepherd.....	1840-1864
Joseph H. Pendleton was chosen for the two-year term, 1865-1866, but due to the removal of the Fierpont government to Richmond the firm of Allegre and Goode printed the House Journals in 1865-1866.	
Allegre and Goode.....	1865-1866
John J. Palmer.....	1866-1869
State Journal Office.....	1869
Clemmitt and Jones and C. A. Schaffter.....	1870

SENATE PRINTERS

The firms listed below were designated as Senate Printers for the periods indicated:

John Dixon and William Hunter.....	1777-1778
John Dixon and Thomas Nicolson, John Clarkson and Augustine Davis.....	1779
Thomas Nicolson and William Frentis.....	1784
Thomas Nicolson.....	1785-1802
Samuel Pleasants, Jr.,.....	1803
Thomas Ritchie.....	1804-1814
Thomas Burling.....	1815-1817

John Warrock.....1818-1857
 James E. Goode.....1818-1857
 State Journal Office.....1859-1866
 James E. Goode..... 1869

SUPERINTENDENTS OF PUBLIC PRINTING, 1871-1928

C. A. Schaffter.....1871-1872
 R. F. Walker.....1872-1877
 R. E. Frayser.....1878-1879
 R. F. Walker.....1880-1883
 Rush V. Derr.....1884-1885
 A. R. Micou.....1886-1887
 J. H. O'Bannon.....1888-1905
 Davis Bottom.....1905-1928

PURCHASING AGENTS, 1920-1928

Charles A. Osborne.....1920-1928

DIRECTORS OF THE DIVISION OF PURCHASE AND PRINTING

Charles A. Osborne.....1928-1938
 Pearne E. Ketron.....1938-