



KNOW YOUR VENDORS

Are you are in a position to order supplies, contract for services, retain a consultant, or even recommend a vendor to someone else?

If so, then you need to consider a lot of factors – to do your job right, and protect your reputation. Sometimes it is the little things that can bite you when (and where) you least expect it.

You don’t have to be a high-ranking executive, or an elected official to suffer the “slings and arrows” of outrageous journalism. To help you avoid the **appearance of impropriety**, consider the following:

- Even if the goods or services are small enough that they can be purchased off state contract, you need to be careful in choosing the vendor;
- A series of purchases over time might trigger interest from an internal auditor (or external auditor) if it crosses the threshold for contract purchasing (dollar limits on competitive bidding change periodically – check with your finance office);
- If you are under pressure from someone in your organization to choose a particular vendor (e.g., family, friend or political contributor), beware;
- If you are encouraged to tailor your RFP or purchase request to benefit a particular source or brand, beware;
- Has your agency done business with the vendor in the past (perhaps another bureau)? What experience has your agency had with the vendor?
- Is it a real company, or one of those ephemeral DBA’s (Doing Business As) with a mailing address that is either a P.O. Box or Suite, or worse yet, the home address of one of your agency’s employees?
- Be wary of an address that is c/o (in care of) another entity – or worse yet, in care of one of your own agency’s employees!
- The Employer Identification Number (EIN) is 9 digits, just like a Social Security Number. Maybe it is a Social Security Number! Ask Audit or Finance to double check to make sure you are not inadvertently doing business with a co-worker.

- It would help if Finance kept an unduplicated database of vendors (including their EINs and mailing addresses).
- Keep in mind that it is the policy of the state to encourage (where possible) business with WMBs (women-owned or minority-owned businesses). Your Equal Opportunity office may be of assistance in identifying candidates for such business.
- When receiving goods or services, check on the quality and quantity received, and make sure invoices are processed promptly. This is especially important where small businesses are concerned.
- Ask your finance office about the impact on Prompt Payment legislation – even if you are buying on state contract, delays in payment could carry an interest penalty.
- Don’t be afraid to shop around for more than one price quote (even if it is not absolutely necessary). You don’t want to develop a reputation for being lazy or wasteful.
- Ask yourself “Would I buy this item at this price, if it were my own money?” You have a lot of experience being a savvy consumer – put it to work for the State.
- Share your purchasing expertise with other bureaus (verbally). Be careful what you put in writing – even in an e-mail (it could be FOIL-able). But it is appropriate to compare notes with other bureaus/supervisors when making a spending decision.
- Oh yes, be wary of scam artists (they used to call them boiler room operations, but now they use the Internet). Don’t authorize payment for something you never ordered, never received, and never signed for (like brand x copier toner).
- And if you do sign for something, verify the quality and quantity (count those laptops). Don’t wait until inventory time to find out you are missing the goods!

All this information is brought to your attention, not to frighten you away from purchasing activities, but to help you meet your agency or program needs at a fair price, without charges of favoritism or influence peddling.

