MR. PRESIDENT AND GENTLEMEN OF THE SENATE:

MR. SPEAKER AND GENTLEMEN OF THE HOUSE OF REPRESENTATIVES:

I herewith transmit to you Reorganization Plan No. 1, submitted to the Governor by the State Reorganization Commission pursuant to the provisions of Act No. 621 of the Acts of 1948, together with a copy of the letter of transmittal. The Plan is subject to the approval of the General Assembly by the passage of a concurrent resolution in the form prescribed in Section 4 of the Act.

Studies have shown that the State may save hundreds of thousands of dollars annually through the establishment of a central purchasing agency for all State departments and institutions. It is estimated that in excess of 20 per cent of the expenditures of the State Government goes to the purchase of supplies and equipment.

Our purchasing system under which each department or institution makes its own purchases is antiquated and inefficient. It does not take advantage of the bulk purchasing methods familiar to every businessman.

In any attempt to further economy and efficiency in government, the importance of the purchasing function cannot be overemphasized. It is only common sense to take steps to give the smaller State institutions the same buying power as the larger ones.

To modernize the public purchasing machinery, central purchasing, i.e., the delegation to one office of the authority to purchase supplies, materials and equipment needed for use by all branches of the government, has been widely accepted by State Governments, while the federal government adopted central purchasing in 1933.

Through central purchasing, these jurisdictions expect to save from 15 to 30 per cent on their purchases, at the same time improving the quality of the products used.

The proposed set-up will result in the orderly development of a central purchasing agency in our state government, and in the interest of economy and
efficiency I strongly recommend the immediate passage of the concurrent resolution of approval.

The Reorganization Plan was unanimously adopted by the members of the State Reorganization Commission, and I am informed that the Commission has considered the purchasing methods in each of the other 47 states, together with the central purchasing legislation in effect or under consideration in 11 of them. I desire to commend the Commission for dealing with this important matter in their first reorganization plan, for this field is the one in which the quickest and perhaps the largest reduction in governmental expenditures can be accomplished.

I am informed that other proposals are under study by the Commission which will be submitted in due course, and I am confident that the approval by the General Assembly of Reorganization Plan No. 1 and other constructive plans to follow, will result in giving South Carolina a sound, streamlined and efficient State government.

Respectfully submitted,

J. STROM THURMOND
GOVERNOR

May 12, 1949
Governor J. Strom Thurmond
Columbia, South Carolina

May 11, 1949

As Chairman and on behalf of the State Reorganization Commission, with unanimous approval, I am submitting to you, under the provisions of the statute setting up the Commission, Reorganization Plan Number One.

This plan provides for setting up a Department of Central Purchase and Supply.

It is estimated that more than twenty per cent of the cost of State Government is used for the purchase of materials and supplies. It was early recognized in meetings of the State Reorganization Commission that one of the biggest opportunities for savings, as well as for the elimination of duplication, and improving efficiency in State Government lies in the field of purchasing supplies. It was also recognized by the Commission that the varied requirements of many institutions and departments made impracticable any plan to transfer at one time all of the purchasing functions of all of the agencies of State Government into the hands of a single purchasing agent.

The plan proposed meets the test of the practical as well as of sound administrative and effective operation. It places in the hands of a Department of Central Purchase and Supply, consisting of the State Budget Commission as the Advisory Board, and a State Director of Central Purchase and Supply to be employed by said Board, authority: to prescribe the manner in which purchases shall be made by all departments, institutions and agencies of the State; to provide for making basic contracts of purchase available to all departments, institutions and agencies of the State; to adopt standards and specifications; to require reports of stocks or supplies, materials and equipment on hand; to provide procedure for competitive bidding; to set up methods and forms for accounting and requisition; and to carry on other activities necessary or appropriate for proper, efficient and economical operation and for coordination between the Department and departments, institutions and agencies of the State Government.

The proposal also authorizes the Department to bring under its operations the purchasing functions of any department, institution or agency of the State Government.

The plan proposed has all of the advantages of consolidating purchases and a central control, while at the same time avoiding the disruption of existing machinery, except as from time to time the consolidation of purchases in the central office may prove to be more economical and efficient.

The Commission submits this plan to you with its full recommendation and hope that it will meet your approval and that it will commend itself to the General Assembly for prompt and favorable action so that it may become effective not later than the beginning of the fiscal year, July 1st., 1949.

Respectfully submitted,

A. L. M. Wiggins
Chairman
Submitted by the State Reorganization Commission pursuant to the provisions of Act No. 621 of the Acts and Joint Resolutions of the General Assembly, Regular Session of 1948, approved the 20th day of February, 1949

1. (a) It is hereby found and declared by the State Reorganization Commission that the development of an agency of central purchasing and supply will increase the efficiency of the operations of the executive and administrative agencies of the state government, will promote economy, and will reduce the cost of government. It is further found and declared by the said Commission that, in the procurement of supplies, materials, equipment and other personal property by the several institutions, departments and agencies of the state government, there is an overlapping and duplication of the function of purchasing and supply which can and should be removed by a system of central purchasing and supply, and that this reorganization plan is necessary to bring about compliance with the provisions of Subsection (b) of Section 1 of Act No. 621 of the Acts and Joint Resolutions of the General Assembly in the Regular Session of 1948, entitled "AN ACT To Provide For The Reorganization Of The Executive And Administrative Agencies Of The State Government By Transfer, Consolidation, Coordination, Combination and Abolition Of Such Agencies and Functions; To Create The State Reorganization Commission and Prescribe Its Duties, Powers And Functions; And To Make An Appropriation For The Administration Of This Act," and to accomplish one or more of the purposes set forth in Section 1 of the said Act.

(b) There is hereby established, pursuant to Subsection (c) of Section 3 of the said Act, a Department of Central Purchase and Supply, consisting of the State Budget Commission, ex officio, as the Advisory Board, and a State Director of Central Purchase and Supply, to be employed by the said Advisory Board for such time and compensation, not exceeding Six Thousand Dollars per annum, as shall be determined by the Advisory Board, and such clerical, stenographic and technical employees as may be necessary, to be employed by the said Director, with the approval of the said Advisory Board.

(c) The State Director of Central Purchase and Supply, with the approval of the Advisory Board, shall, prior to July 1, 1949, adopt and promulgate, and shall have the power and duty thereafter, with like approval, to modify or abrogate, and shall enforce, rules and regulations covering the following matters, and such rules and regulations shall be binding upon all departments, institutions and agencies, to wit:
1. Requiring monthly reports by all State departments, institutions or agencies of stocks or supplies and materials and equipment on hand and prescribing the form of such reports.

2. Prescribing the manner in which supplies, materials and equipment shall be delivered, stored and distributed.

3. Making provision for the adoption of standards and specifications covering all personal property purchased by State departments, institutions and agencies.

4. Prescribing the manner of inspecting deliveries of supplies, materials and equipment and making chemical and/or physical tests of samples submitted with bids and samples of deliveries to determine whether deliveries have been made to the departments, institutions or agencies in compliance with specifications.

5. Prescribing the manner in which purchases shall be made by departments, institutions and agencies in all emergencies.

6. Providing for one or more central storehouses for the keeping and distributing of property in common use by departments, institutions and agencies.

7. Providing for the making of basic contracts of purchase available to all departments, institutions and agencies.

8. Prescribing methods and forms for accounting and requisitioning by departments, institutions and agencies.


10. Dealing with all other matters necessary or appropriate to the proper, efficient and economical operation of the Department of Central Purchase and Supply, and the maximum coordination between it and departments, institutions and agencies of the State government.

(d) The several departments, institutions and agencies of the State government shall be separately considered by the Advisory Board in relation to their coordination with the operations of the Department of Central Purchase and Supply, and each such department, institution and agency shall be brought within the operation of the Department of Central Purchase and Supply as promptly as possible by the adoption by the Advisory Board of a resolution to that effect, passed after provision has been made for procedures in reference to reporting, accounting and requisition on which will assure adequate and efficient handling of the needs and requirements of the same through the operation of the said Department of Central Purchase and Supply.
(e) As and when a department, institution or agency shall have been brought within the operation of the Department of Central Purchase and Supply by resolution of the Advisory Board passed under the preceding paragraph, all of the functions of such department, institution or agency relating to the purchase or supply of personal property for its use and purposes, including supplies, equipment, machinery, fuels, motor vehicles and all other personal property, shall be and become transferred hereunder to the Department of Central Purchase and Supply, together with all unexpended amounts of appropriations made for such purposes.