

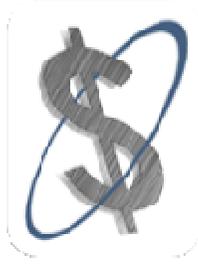


West Virginia Purchasing Division

# **VENDOR PROCUREMENT GUIDE**

**An Informational Guide to Vendors Interested in Marketing  
Commodities and Services to the State of West Virginia**

*Published September 2014*



## TABLE OF CONTENTS

<b><u>Introduction</u></b>	
<b><u>Section 1</u></b>	General Introduction
<b><u>Section 2</u></b>	Definitions, Abbreviations and Acronyms
<b><u>Section 3</u></b>	Purchasing Levels of Authority
<b><u>Section 4</u></b>	Acquisition Planning
<b><u>Section 5</u></b>	Vendor Responsibilities
<b><u>Section 6</u></b>	Agency Delegated Acquisition Procedures
<b><u>Section 7</u></b>	Formal Acquisition Procedures
<b><u>Section 8</u></b>	Special Acquisitions
<b><u>Section 9</u></b>	Quality Assurance
<b>APPENDICES</b>	
<b><u>Appendix A</u></b>	Purchasing Division Directory
<b><u>Appendix B</u></b>	Purchasing Forms
<b><u>Appendix C</u></b>	Buyer Assignments and Statewide Contracts
<b><u>Appendix D</u></b>	Legislative Rules and Regulations
<b><u>Appendix E</u></b>	Statewide Contract Listing
<b><u>Appendix F</u></b>	NIGP Code of Ethics

<b><u>Appendix G</u></b>	Pre-Bid Conference Sign-in Sheet
<b><u>Appendix H</u></b>	Request for Proposal Standard Format
<b><u>Appendix I</u></b>	Sole Source Determination
<b><u>Appendix J</u></b>	Expression of Interest Standard Format
<b><u>Appendix K</u></b>	Vendor Code of Conduct



## WEST VIRGINIA PURCHASING DIVISION

# **VENDOR PROCUREMENT GUIDE**

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### **INTRODUCTION**

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Welcome! ...The **West Virginia Vendor Procurement Guide** is a helpful tool for businesses to use in learning more about programs, procedures and services administered through the Purchasing Division.

Prepared by the West Virginia Purchasing Division, this resource offers guidance for those who wish to do business with our state government. Each section offers specific information and instructions which should prove helpful to our vendor community.

As the Director of the West Virginia Purchasing Division, I strongly recommend the use of this reference guide by businesses. Our goal is to simplify and clarify the state's procurement process while ensuring fair and open competition with proper documentation of all purchasing transactions.

This **Vendor Procurement Guide** has been modeled from our **Purchasing Division Procedures Handbook**, which is used as a technical resource by agency procurement officers throughout West Virginia state government. This guide has been customized to focus on procedures and issues related to our vendor community so that it may serve as an effective informational tool when doing business with our state.

On behalf of the Purchasing Division, I encourage you to participate in the competitive bidding process within our state government and welcome you as a potential supplier of products and services within the state of West Virginia!

Sincerely,

Dave Tincher, Director  
West Virginia Purchasing Division



## WEST VIRGINIA PURCHASING DIVISION

# VENDOR PROCUREMENT GUIDE

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## SECTION 1: GENERAL INFORMATION

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### 1.0 GENERAL INTRODUCTION

**1.1 Mission Statement:** The mission of the West Virginia Purchasing Division is to provide valued services to our customers by making sound and effective decisions in accordance with state law. As a customer-driven organization, we strive to exercise prudent and fair spending practices in acquiring quality goods and services in a timely fashion at the lowest possible price; to continually improve the services we offer to maximize the efficiency of state government; and to provide leadership and guidance to our customers – state agencies, vendors, legislators and the general public – while building lasting business relationships.

**1.2 Statutory Authorization:** The Purchasing Division was created and its duties are defined in the *West Virginia Code*, §5A-3-1 *et seq.* According to the Code, “the Purchasing Division was created for the purpose of establishing centralized offices to provide purchasing, and travel services to the various state agencies.” The Purchasing Division offers many other services to state agencies, political subdivisions, and the vendor community. These programs include, but are not limited to, Acquisition and Contract Administration, Surplus Property Program, Travel Management, Purchase Order Encumbrance and Inventory Management.

**1.3 Regulatory Authorization:** The Purchasing Division functions in adherence to its *Legislative Rules and Regulations (148 CSR 1)*. This Legislative Rule is included in this manual in [Appendix D](#) and serves as an explanation and clarification of operative procedures for the purchase of commodities and services by the Purchasing Division. It applies to all spending units of state government, except those statutorily exempted.

**1.4 Organization:** The Purchasing Division is organizationally structured under the West Virginia Department of Administration. The sections within the division are detailed below:

#### **Acquisition and Contract Administration Section:**

- Process all purchases expected to exceed \$25,000
- Statewide Contracts
- Inspection Services
- Contract Management

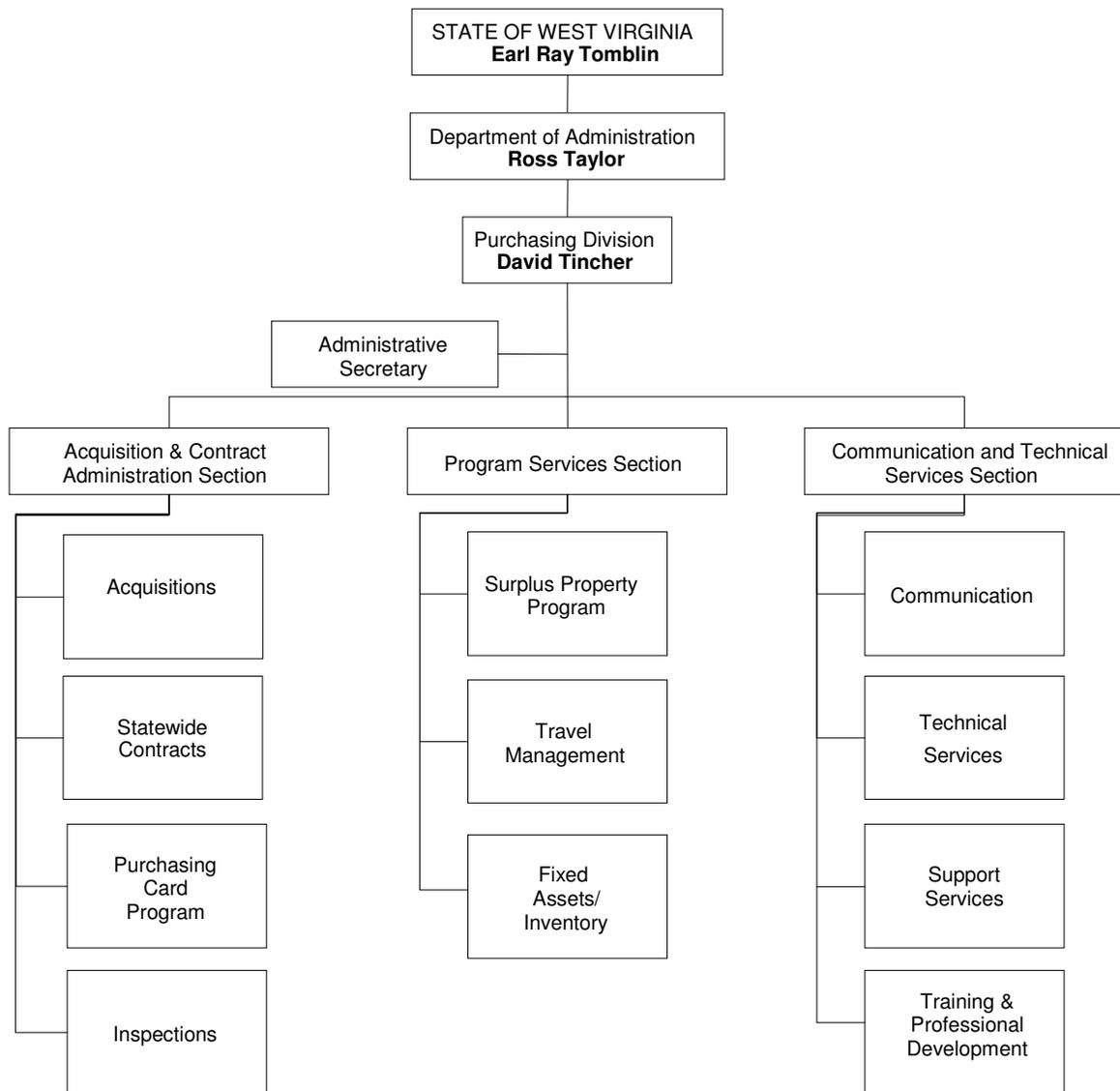
#### **Communication and Technical Services Section:**

- Communication
- Professional Development

- Information Technology
- Imaging and Records Retention
- Purchase Order Encumbrance
- Vendor Registration
- Bid Distribution/Receipt

**Program Services Section:**

- State and Federal Surplus Property Programs
- Travel Management
- Inventory Management (Fixed Assets)



**1.5 Disclaimer:** The Vendor Procurement Guide is provided for reference purposes only. This resource may be amended or changed at any time at the discretion of the Purchasing Director to ensure compliance with the laws, rules and procedures of the Purchasing

Division and the State of West Virginia. Exceptions to these guidelines require written requests to and approval by the Purchasing Director.

**1.6 Public Records:** All records in the Purchasing Division related to purchase orders and contracts are considered public records. The only exemptions to disclosure of information are listed in the **West Virginia Code** §29B-1-4. All bids, proposals or offers submitted by vendors shall become public information and are available for inspection during normal business hours. All public information may be released with or without a Freedom of Information request.

The submission of any information to the Purchasing Division by a vendor puts the risk of disclosure on the vendor. The Purchasing Division does not guarantee non-disclosure of any information to the public.

Copies of records are available upon written request from the vendor. A cost of 50 cents per page (minimum of \$10) is charged to furnish copies. An electronic copy of imaged documentation may be obtained for our normal processing fee of \$65. Copy charges must be paid in advance. Copies of most bids can be obtained from the Purchasing Division website ([www.state.wv.us/admin/purchase/bids](http://www.state.wv.us/admin/purchase/bids)).

**1.7 Ethics:** State procurement officers have the responsibility of purchasing commodities used in the operation of public programs and services in the most effective and efficient method available. In performing this task, certain guidelines based on the **West Virginia Code** must be followed. Our ethical standards must be of the highest degree since public funds are being used.

The Purchasing Division abides by the *Code of Ethics* created by the National Institute of Governmental Purchasing (NIGP), which is found in Appendix F.

**1.8 Privacy Notice:** Vendors should be aware of the Purchasing Division's Privacy Notice regarding information collected indicated below when submitting a bid or documentation. This notice is below:

**Privacy Notice:** The Purchasing Division is required to collect certain information as stated in **West Virginia Code** §5A-3-12, other applicable sections of the **West Virginia Code**, the Vendor Registration and Disclosure Statement forms, and other documents to facilitate the State bidding and contract administration processes.

That information is generally obtained by the Purchasing Division through the Vendor Registration and Disclosure Statement form or vendors' submitted responses to solicitations, but may be obtained in other forms and formats. All information collected is stored in a secure environment, but unless specifically protected under State law, any information provided to the Purchasing Division may be inspected by or disclosed to the public.

**1.9 wvOASIS Enterprise Resource Planning (ERP) System:** The state's enterprise resource planning (ERP) system, which is referred to as wvOASIS, is a comprehensive suite of software modules that provide for statewide administrative functions, including financial management, procurement, asset management, personnel administration, payroll, time reporting and benefits administration. Procurement transactions are processed through wvOASIS.

**1.10 Vendor Resource Center:** The Purchasing Division’s website offers a centralized location for information relative to our vendor community. The *Vendor Resource Center* provides information, including a link to *wvOASIS*, the state procurement officers listing, the terms and conditions for contracts and purchase orders as well as instructions to vendors, bids received for solicitations, forms and other links to helpful web resources.

**1.11 Violations:** The laws that govern the public purchasing process are strict and demand the highest degree of discretion and ethical behavior. The ***West Virginia Code*** addresses penalties for violating purchasing procedures:

**§5A-3-17: Purchases or contracts violating article void; personal liability**

If a spending unit purchases or contracts for commodities or services contrary to the provisions stated in the *Code* or the rules and regulations, such purchase or contract shall be void and of no effect. The spending officer of such spending unit, or any other individual charged with responsibility for the purchase or contract, shall be personally liable for the costs of such purchase or contract and, if already paid out of state funds, the amount may be recovered in the name of the state in an appropriate action instituted therefore. *Provided*, that the state establishes by a preponderance of the evidence that the individual acted knowingly and willfully.

**§5A-3-29: Penalty for violation of article**

Any person who violates a provision of the *Code*, except where another penalty is prescribed, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be confined in jail not less than ten days nor more than one year, or fined not less than \$10 nor more than \$500, or both, in the discretion of the court.

**§5A-3-30: Obtaining money and property under false pretenses or by fraud from state; penalties**

It shall be unlawful for any person to obtain from the state under any contract made under the *Code*, by false pretense, token or representation, or by delivery of inferior commodities, with intent to defraud, any money, goods or other property, and upon violation thereof, such person shall be guilty of a felony, and, upon conviction thereof, shall be confined in the penitentiary not less than one year nor more than five years, and be fined not exceeding \$10,000.

**§5A-3-31: Corrupt combinations, collusions or conspiracies prohibited; penalties**

It shall be unlawful for any person to corruptly act alone or combine, collude or conspire with one or more persons with respect to the purchasing or supplying of services, commodities or printing to the state under the *Code* if the purpose or effect of such action, combination, collusion or conspiracy is either to lessen competition among prospective vendors, or cause the state to pay a higher price than would be or would have been paid in the absence of such action, combination, collusion or conspiracy, or cause one prospective vendor or vendors to be preferred over one or more other prospective vendor or vendors. Any person who violates any provision of this section is guilty of a felony and, upon conviction thereof, shall be imprisoned in a state correctional facility not less than one nor more than five years, and be fined not exceeding \$10,000.

### **§5A-3-32: Power of Director to suspend right to bid; notice of suspension**

The Director shall have the power and authority to suspend, for a period not to exceed one year, the right and privilege of a vendor to bid on state purchases when the Director has reason to believe that such vendor has violated any of the provisions of the purchasing law or rules and regulations.

### **§5A-3-33: Review of suspension by Cabinet Secretary**

Any vendor whose right to bid on state purchases has been suspended by the Director under the authority of **West Virginia Code** §5A-3-32, shall have the right to have the Director's action reviewed by the Cabinet Secretary (of the Department of Administration), who shall have the power and authority to set aside such suspension.

#### **1.11.1 Additional Authority**

In accordance with **West Virginia Code** §5A-3-3, the Purchasing Director has authority to issue a notice to cease and desist to a spending unit when the director has credible evidence that a spending unit has violated competitive bidding or other requirements established by this article and the rules promulgated hereunder. Failure to abide by such notice may result in penalties set forth in section seventeen of this article.

The **West Virginia Code** §5A-1-10(b) additionally outlines that the secretary of the Department of Administration shall issue a notice to cease and desist to any spending unit when the secretary has credible evidence that a spending unit has failed, whenever possible, to purchase commodities and services on a competitive basis or to use available statewide contracts. Failure to abide by such notice may result in penalties set forth in 5A-3-17 as noted above. These provisions fall outside of the Purchasing Division's authority; therefore, this provision applies to those agencies exempt from the Purchasing Division.



## WEST VIRGINIA PURCHASING DIVISION

# VENDOR PROCUREMENT GUIDE

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## SECTION 2: DEFINITIONS, ABBREVIATIONS AND ACRONYMS

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### 2.0 DEFINITIONS, ABBREVIATIONS AND ACRONYMS

**2.1 Scope:** When using this guide, it is important to begin by defining various terms that are used in the state procurement process and in other programs administered by the Purchasing Division. Below are several of these terms and their definitions:

**Agency** - For the purpose of this guide, "agency" has the same meaning as "spending unit." This definition includes any department, bureau, division, office, board, commission, authority, agency, or institution of state government for which an appropriation is requested by the Governor, or to which an appropriation is made by the Legislature, unless a specific exemption from ***West Virginia Code*** §5A-1 is provided.

**Agency Open-End Contract** - A legal and binding instrument between the state agency and a vendor to exclusively provide a commodity which was competitively bid, evaluated, and awarded by the Purchasing Division and maintained by the state agency. This contract may be for unlimited dollars and for commodities or services that are frequently purchased that are not on a statewide contract.

**Agency Delegated Open-End Contract** - A legal and binding instrument between the state agency and a vendor to exclusively provide a commodity which was competitively bid, evaluated, awarded and maintained by the state agency. This contract is for purchases under \$25,000 annually and for commodities and services that are frequently purchased that are not on a statewide contract.

**Agency Delegated Purchase Order** - A transaction which may be used by an agency to procure items within its delegated small purchase authority.

**Award Date** - For purchases over \$25,000, the award date is the date of encumbrance by the Purchasing Division.

**Best Value Procurement** - Purchasing methods used in awarding a contract based on evaluating and comparing all established quality criteria where cost is not the sole determining factor in the award. This includes Request for Proposals (RFP), Life Cost Cycle (LCC), and Expression of Interest (EOI).

**Bid** - A competitive offer made by a seller.

**Bid Bond** - A bond in which a third party agrees to be liable to pay a certain amount of money in the event a selected bidder fails to accept the contract as bid. This bond is usually five percent (5%) of the total bid amount.

**Bid Opening** - A firmly established date and time for the public opening of responses to a solicitation.

**Buyer** - An employee of the Purchasing Division whose primary assignment is purchasing commodities or services on behalf of the state.

**Change Order** - A document which is used when it becomes necessary to amend, clarify, change or cancel purchasing documents issued by the Purchasing Division.

**Commodity** - Supplies, materials, equipment, services and any other articles or things used by or furnished to a department, agency or institution of state government.

**Competitive Bidding** - The process by which individuals or firms compete for an opportunity to supply specified commodities and services by submitting an offer in response to a solicitation.

**Contract** - An agreement enforceable by law between two (2) or more competent parties for a lawful purpose for consideration.

**Cooperative Agreement** - A legal relationship whereby state government is transferring a thing of value to a local government (or other recipient) to carry out a public purpose of support or stimulation authorized by law, as opposed to acquiring commodities or services for the direct benefit or use of state government. With a cooperative agreement, substantial involvement is expected between the state agency and the local government or (other recipient).

**Design Build** - In accordance with the *West Virginia Code* §5-22A-1, this Best Value Procurement tool is a concept within a single contract whereby the contractor is responsible to design and construct buildings or alterations to buildings.

**Direct Purchase** - A transaction in which a purchase is made from a sole source vendor.

**Electronic** - Electrical, digital, magnetic, optical, electromagnetic or any other similar technology.

**Electronic Transmission** - Any process of communication not directly involving the physical transfer of paper that is suitable for the retention, retrieval and reproduction of information by the recipient.

**Emergency** - A purchase made when unforeseen circumstances arise, including delays by contractors, delays in transportation and unanticipated volume of work. A report of any such purchase, together with a record of competitive bids upon which it was based, is to be submitted to the Purchasing Director. Emergency purchases are not used for hardship resulting from neglect, poor planning or lack of organization by the spending unit. Failure to plan does not make it an emergency situation.

**Encumbrance** - A process which ensures that funding is available for the payments relating to a specific purchase order or contract.

**Evaluation of Bids** - After the bid opening, the process of examining all offers in order to determine the bidder's responsibility, responsiveness to requirements, conformance to specifications and other characteristics important to the recommendation or selection for award.

**Expendable Commodities** - Commodities which, when used in the ordinary course of business, will become consumed or of no market value.

**Expression of Interest** - A Best Value Procurement tool used primarily in the selection of architects and engineers which permits the state to award a contract to the most qualified vendor on the basis of demonstrated competence and qualification for the type of professional services required at a fee determined to be fair and reasonable.

**Fixed Assets** - Reportable property with an acquisition cost of \$1,000 or more **and** has a life of one (1) year or more.

**Freight Terminology** - Terms used to specify the point of origin and destination, stating the responsible party for bearing freight charges and when title passes to another.

**General Terms and Conditions** - Standard clauses and requirements incorporated into all solicitations and resulting contracts which are derived from laws, or administrative procedures of the agency.

**Grant** - The furnishing of assistance, financial or otherwise, to any person or entity to support a program authorized by law.

**Justification** - A written explanation of an award which must be retained as a public record available for inspection when not awarding to the lowest bidder.

**Labor and Materials Payment Bond** - A bond submitted by the apparent successful vendor upon request of the state to ensure payment of labor and materials purchased or contracted for on behalf of the state in a construction project.

**Lease** - A written agreement between the owner of equipment (lessor) and a state agency (lessee) by which the owner agrees to give the agency permission to use the equipment for a predetermined fee (rental) for a period exceeding thirty (30) days. Title does not pass from the lessor to the lessee.

**Lease Purchase** - A written agreement in which the lease payments are applied, in whole or in part, as installment payments for equity or ownership upon completion of the agreement. Title transfers with the last installment payment to the lessee.

**Life Cycle Cost** - A Best Value Procurement tool that allows for the evaluation of the total or projected cost of a commodity over its life cycle, in addition to the initial purchase price, including operational expenses and other factors.

**Liquidated Damages** - A specified contract provision which entitles the state to demand a set monetary amount determined to be a fair and equitable repayment to the state for loss of service due to vendor's failure to meet specific completion or due dates.

**Maintenance Bond** - A bond provided as a warranty of normally two (2) years, which is required on roofing projects.

**Mandatory Terms** - All terms and conditions in the written specification which are absolute and the compliance with cannot be waived. Failure to comply with mandatory terms shall require the vendor to be disqualified. Mandatory terms are indicated by the use of the terms *shall, will or must*.

**Negotiation** - A bargaining process between two (2) or more parties, each with its own viewpoints and objectives, seeking to reach a mutually satisfactory agreement on, or settlement of, a matter of common concern.

**Non-Mandatory Terms** - All terms and conditions in the written specification which are not absolute. Non-mandatory terms are indicated by the use of the terms *may, should, preferred or could*, and are understood to be permissive and shall not be used to disqualify any vendor.

**Nonprofit Workshops** - An establishment where manufacture or handiwork is carried on, which is operated either by a public agency, a cooperative, a nonprofit private corporation, or nonprofit association, in which no part of the net earning inures, or may lawfully inure, to the benefit of any private shareholder or individual. It is operated for the primary purpose of providing remunerative employment to blind or severely disabled persons who cannot be absorbed into the competitive labor market and which shall be approved, as evidenced by a certificate of approval, by the State Board of Vocational Education, Division of Vocational Rehabilitation.

**Notice to Proceed** - A formal written communication most often used in construction contracts to establish the date for work to commence and determines the date for completion.

**Open-End Contract** - A generic term used for a contract that covers a period of time in which all terms, conditions and prices are specified with the exception of quantity.

**Performance Bond** - A bond in which a surety agrees to be liable to pay a certain amount of money in the event a vendor fails to perform a contract as bid. This bond is usually for the full amount of the contract.

**Piggybacking** - Utilizing any existing open-end contract of the federal government, agencies of other states, other public bodies or other state agencies to which the requesting agency was not an original party. Piggybacking requires prior approval by the Purchasing Director.

**Pre-bid Conference** - A meeting between vendors and agency personnel which offers an opportunity to emphasize and clarify critical aspects of a solicitation, eliminates misunderstanding and permits vendor input. Vendor attendance may be mandatory or voluntary as specified in the bid document.

**Prevailing Wages** - Fair minimum rate of wages, including fair minimum overtime and holiday pay, determined by the West Virginia Division of Labor that must be paid to

laborers, workmen, or mechanics on all contracts for the construction of a public improvement.

**Printing** - Services including printing, binding, ruling, lithographing, engraving and other similar services.

**Procurement** - The buying, purchasing, renting, leasing or otherwise obtaining of commodities or services.

**Protest** - A formal, written complaint filed by a vendor regarding specifications or an award

**Public funds** - Funds of any character, including federal moneys, belonging to or in the custody of any state spending unit.

**Purchase Order** - A document issued by the Purchasing Division used to execute a purchase transaction with a vendor. It serves as notice to a vendor that an award has been made.

**Purchasing Affidavit** - A form required to be completed by all vendors prior to the award of a contract. In accordance with ***West Virginia Code***, 5A-3-10A, no contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor is a debtor and the debt owed is an amount greater than \$1,000 in the aggregate.

**Purchasing Bulletin** - An electronic publication made available on the Vendor Self-Service portal (VSS) as part of the **wvOASIS** system is used to advertise purchases expected to exceed \$25,000 for all agencies in West Virginia's state government.

**Release** - A written agency order to the contractor authorizing quantities of commodities and/or services to be delivered all in accordance with the terms, conditions, and prices stipulated in the original contract.

**Removable Property** - Any personal property not permanently affixed to or forming a part of real estate.

**Renewal** -When an existing contract is renewed for an additional time period in accordance with the terms and conditions of the original contract.

**Rental** - Temporary compensation or fee paid for the use of any equipment usually for a period of less than thirty (30) days.

**Request for Information (RFI)** - A document used to solicit information to assist in preparing specifications for a Request for Quotation (RFQ) or Request for Proposal (RFP). No award can be made from an RFI.

**Request for Quotation (RFQ)** - A document, containing the specifications or scope of work and all contractual terms and conditions, which is used to solicit written bids. Conformity to specifications and price are the only factors used in the evaluation process.

**Request for Proposals (RFP)** - A Best Value Procurement tool used to acquire professional and other services where the scope of work may not be well defined and cost is not the sole factor in determining the award. All criteria by which the bidders will be evaluated must be contained within the bid document.

**Requisition** - An electronic request in **wvOASIS** by an agency for the purchase of commodities and services.

**Services** - The furnishing of labor, time, expertise or effort, not involving the delivery of a specific end commodity or product other than one that may be incidental to the required performance.

**Ship To** - The destination to which the commodity is to be delivered.

**Spending Unit** - A department, bureau, division, office, board, commission, authority, agency or institution of state government for which an appropriation is requested by the Governor, or to which an appropriation is made by the Legislature, unless a specific exemption from **West Virginia Code** §5A-1 is provided.

**Sole Source** - The only vendor that can supply a needed commodity or service.

**Solicitation** - A written or oral attempt made by the state to obtain bids or proposals for the purpose of entering into a contract. Requests for Quotation (RFQ), Requests for Proposal (RFP), telephone calls or other documents may be used.

**Specifications** - A detailed description of a commodity or service to be included in a solicitation or bid or an awarded contract.

**Standard Exhibit** - Standardized language developed and approved by the Purchasing Division and Attorney General's office which establishes contract clauses such as life of contract, price adjustment and ordering procedures.

**Statewide Contract** - A legal and binding instrument between the state and a vendor(s) which is used by all state agencies to purchase frequently used commodities and services. State agencies are required to use these contracts, which are competitively bid, awarded and maintained by the Purchasing Division.

**Stringing** - Issuing a series of requisitions or purchase orders to circumvent competitive bidding or to defeat the State Purchasing Card transaction or delegated purchasing limit.

**Terms of Sale** - Stipulations made within the contract regarding the transaction.

**Tie Bid** - When two (2) or more bids of equal terms and amount or score are received in response to a solicitation.

**Unit Price** - The cost per unit of the commodity or service.

**Vendor** - Any person or entity that may, through contract or other means, supply the state or its subdivisions with commodities and services, and lessors of real property.

**Vendor Self-Service (VSS) Portal** – This feature incorporates the vendor registration function as well as the ***West Virginia Purchasing Bulletin***, which includes commodities and services currently out for bid. The VSS portal also allows vendors to receive solicitation notifications by e-mail based on commodities and services noted at the time of registration; review awarded contracts; perform inquiries pertaining to awards; view payment status and update company contact information, including mail and e-mail addresses.

**Vendor Preference** - A numerical preference used during the evaluation of bids when comparing in-state and out-of-state bidders, pursuant to ***West Virginia Code*** §5A-3-37.

**wvOASIS** – An enterprise resource planning (ERP) system used by the state of West Virginia to process all financial, including procurement), transactions.



# VENDOR PROCUREMENT GUIDE

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## SECTION 3: PURCHASING LEVELS OF AUTHORITY

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### 3.0 PURCHASING LEVELS OF AUTHORITY

**3.1 General:** Competitive bidding is the foundation of public purchasing in the State of West Virginia.

There are two (2) levels of purchasing authority, depending upon the dollar value of the purchase:

**(1) Agency Delegated Acquisitions** (performed by the state agency for procurements \$25,000 or less)

**(2) Formal Acquisitions** (processed by the Purchasing Division for procurements over \$25,000).

State agencies have a procurement officer who is responsible and knowledgeable in state purchasing guidelines as well as their own agency procedures. All purchases must be approved by the secretary or head of the spending unit, or a designee, whose name shall be filed with the Director of Purchasing.

**3.2 Agency Delegated Acquisitions (\$25,000 or Less):** The Purchasing Division has delegated purchasing authority to state agencies for procurements estimated to cost \$25,000 or less. No agency shall issue a series of requisitions to circumvent this \$25,000 threshold.

Amounts spent with vendors are viewed comprehensively. State agencies continuously monitor their expenditures with vendors to ensure that the total amount spent with a given vendor, within any 12-month period, does not exceed a bid threshold without the proper level of documentation and bidding.

Purchases made under Agency Delegated authority are processed at the agency level.

Commodities and services that are expected to cost \$2,500 or less require **no bids**; however, competition is always encouraged.

For purchases \$2,500.01 to \$5,000, three (3) **verbal** bids are required, where possible, and the lowest bid meeting specifications must be awarded the purchase order/contract.

Purchases \$5,000.01 to \$25,000 require three (3) **written** bids, where possible, the lowest bid meeting specifications must be awarded the purchase order/contract. Signed

fax or electronic bids are acceptable. A vendor choosing to submit a bid or a written change to a bid by electronic transmission accepts full responsibility for transmission and receipt of the bid or written change to a bid. The state accepts no responsibility for the unsuccessful and/or incomplete transmission of bids by electronic transmission.

A "no bid" is not considered a bid. All efforts to obtain bids must be documented and maintained in the file.

For more information on agency delegated purchasing authority, see **Section 6**.

**3.3 Formal Acquisitions (Over \$25,000):** The Purchasing Division of the Department of Administration is responsible for acquiring all commodities and services on behalf of the state. Agencies under the executive branch of state government are required to process purchases estimated to exceed \$25,000 through the Purchasing Division, unless statutorily exempt.

The Purchasing Division has the authority to make, amend or repeal guidelines set forth to comply with the established Code. The Purchasing Director may make specific exemptions to these guidelines if particular purchases are determined to be in the best interest of the State of West Virginia.

In addition, the Purchasing Division has the responsibility for the standardization of commodities and services purchased, and may adopt standard specifications to apply in all purchases of a particular commodity or service.

Additional information on formal procedures for purchases over \$25,000 may be found in Section 7.

**3.4 Marketing Efforts to State Government:** Vendors may discuss and market their commodities and services with agency procurement officers or the Purchasing Division buying staff. Descriptive literature and full product specifications are helpful to share. To ensure that the Purchasing Division or agency representative is available to meet, vendors should call in advance to schedule an appointment. As noted in previous sections of this Guide, the Purchasing Division processes all transactions expected to exceed \$25,000.

For bidding opportunities \$25,000 or less, vendors should directly contact the State agency procurement officer and present their commodities and services to make them aware of their interest; however, the vendor must exercise restraint in assisting the agency in preparing specifications.

For a listing of agency procurement officers, visit the Purchasing Division website at:

[www.state.wv.us/admin/purchase/vrc/agencyli.html](http://www.state.wv.us/admin/purchase/vrc/agencyli.html)



# VENDOR PROCUREMENT GUIDE

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## SECTION 4: ACQUISITION PLANNING

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### 4.0 ACQUISITION PLANNING

**4.1 General:** The effective purchase of needed commodities and services begins with proper planning. The first step is to determine the commodity or service that is needed, the quantity, the quality level, delivery location and time frame.

When agency procurement officers prepare for a purchase **prior to the actual bidding process**, they follow these steps:

- Define need
- Consider acquisition and delivery lead time
- Create specifications for the commodity
- Research the market
- Explore internal sources, considerations and approvals
- Check mandatory resources
- Prepare the requisition and maximum budgeted amount
- Identify possible vendors

### 4.2 Acquisition and Delivery Lead Time

**4.2.1 Administrative Lead Time:** Administrative lead time is required for all purchases. The average time required to prepare, solicit, evaluate and make an award varies depending upon the dollar value, responsiveness of vendors offering the commodity and the complexity of the requisition.

**4.2.1.1 Backdating Documents:** All agreements, many change orders and other documents require an effective date, at which time the vendor may begin to supply the commodities or services as specified. The **West Virginia Code** §5A-3-1 *et seq*, requires the Purchasing Division to authorize purchases on behalf of state agencies, and the Attorney General's office to approve those purchases "as to form" before the contract is legal and binding. Verbal approval by agency personnel is prohibited for a vendor to proceed without a properly executed purchase order and is considered an illegal act. The **West Virginia Code** §5A-3-17, §5A-3-29, and §5A-3-31, establishes personal responsibility and penalties for noncompliance. Backdating transactions resulting from sole source determination or any other documents may not be honored.

The Purchasing Division may not accept any agreements, change orders or other documents which set an effective date that precedes the date of arrival

in the Purchasing Division by more than 20 calendar days. All documents beyond 20 days may be returned unapproved. Any exceptions must be approved by the Purchasing Director.

**4.2.2 Delivery Lead Time:** Order or ship time is the time after award that is required by suppliers to fill an order and deliver by designated means (truck, rail or air) to the delivery point. These times vary widely by industry or commodity. Consideration must be given to market conditions which will affect delivery. Custom-made and complex items of equipment normally take longer to obtain than in-stock items.

**4.3 Specifications:** Specifications can either enhance or inhibit competition. In accordance with **West Virginia Code** §5A-3-11, competition must be sought, whenever possible. This can be accomplished by describing products and services in a manner which meets the agency's needs and encourages competition. Specifications used in the procurement process shall be retained with the purchasing file for each purchase order. Written specifications are required for purchases between \$5,000 and \$25,000 at the agency level to ensure vendors are being provided a fair opportunity to quote comparable products.

A specification is a concise statement explaining the type of product or service, the quality level, special requirements in design, performance, delivery and usage. Specifications must not be restrictive (locking in a specific vendor and limiting competition) or be vague (allowing a vendor to provide a lower than acceptable quality level product or service).

**4.3.1 Types of Specifications:** There are three (3) types of specifications used separately and/or in combination to communicate requirements for goods and services to the vendor:

**4.3.1.1 A "Brand Name(s) or Equal" Specification** is based upon **one (1) or more** manufacturer's commodity description(s), model number(s) and quality level. The manufacturer's commodity numbers must be easily identified in a current publication that is available to most vendors. Commodity descriptions must be sufficiently detailed, and specify only the required features needed for the application. Unless a feature or requirement is specifically listed on the requisition, it shall not be used to disqualify a vendor.

**4.3.1.2 A Performance Specification** is based upon the specific performance needs of the purchaser. The performance specification is less structured as to how the product is made, and more structured as to how well it performs. Total ownership cost for operating and maintaining the product may be an element of the specification.

**4.3.1.3 A Design Specification** concentrates on the dimensional and other physical requirements of an item being purchased. The design specification is used when the commodity has to be specially made to meet the purchaser's **unique** needs.

Combinations of the above may be used to communicate clear specifications to vendors. A performance specification may refer to a nationally accepted testing procedure for a commodity; a design specification may indicate the physical size and dimension of the commodity; and a brand name or equal specification may be used to indicate a desired quality level.

**4.3.2 West Virginia Standard Specifications:** According to *West Virginia Code* §5A-3-5, the Purchasing Director shall promulgate and adopt standard specifications based on scientific and technical data for appropriate commodities, which shall establish the quality to which such commodities to be purchased and services to be contracted for by the state must conform. These standard specifications, which are prepared and adopted by the Purchasing Division for various products and services, are written with the input of state agencies and vendors for products and services that are used by many state agencies. By using standard specifications, the state is assured of an acceptable quality that meets the state's needs. These standard specifications shall include information relating to the cost of maintenance and expected life of the commodities, services or printing when the Director determines there are nationally accepted standards for commodities, services or printing.

**4.3.3 Design Services/Consultant:** Any individual, corporation, or firm (except as provided by a statewide contract) paid to custom design or write specifications for a modular office system, computer system, construction or any other project or contract shall not be permitted to competitively bid to provide the product or service that was designed. This removes the possibility of the designer developing specifications that only the designer can meet or restrict another vendor from meeting. This also prevents the appearance of any impropriety, thereby protecting the integrity of the competitive bid process.

**4.3.4 Product Testing:** Any testing of specific brands of products requested by a state agency, which may lead to future purchases restricting competition, must have pre-approval, in writing, by the Purchasing Division.

Agencies should submit a description of the proposed testing with complete details including, but not limited to: the specific brand and names of vendors involved in the test; the brands and vendors that may be excluded in the future; the length and cost of the test; the cost of potential future purchases after the test, etc.

Agencies may call vendors for information or copies of specifications for consideration of a particular brand or manufacturer without jeopardizing the vendor's ability to compete in the bid process as long as the vendor does not receive compensation or any form of favoritism.

**4.4 Research the Market:** When preparing specifications, it may be necessary for the Purchasing Division buyer or the agency procurement officer to research the market to gain a better understanding of equipment, its technology, compatibility and availability.

**4.4.1 Request for Information (RFI):** The Purchasing Division recognizes only one (1) formal method for requesting written information from vendors for the

purpose of developing a Request for Quotation (RFQ) or a Request for Proposal (RFP). That method is a Request for Information (RFI).

An RFI shall be used at the discretion of the agency or the Purchasing Division; it is not a mandatory prerequisite to the issuance of an RFQ or an RFP. An RFI should be used when appropriate expertise or information is lacking to develop adequate specifications for an RFQ or RFP. This process allows for the assistance of multiple vendors who have expertise and can provide information in the area of concern.

RFI's can be processed at the agency delegated level (\$25,000 or less) or by the Purchasing Division for high dollar procurements. RFI's for commodities and services over \$25,000 must be advertised by the Purchasing Division. An RFI shall not be used to make an award of a purchase order or contract.

**4.5 Define Sources:** In the planning process, it is mandatory that agencies review all internal sources and mandatory resources as detailed below.

#### **4.5.1 Internal Sources, Considerations and Approvals**

**4.5.1.1 Surplus Property:** The West Virginia State Agency for Surplus Property operates a state and federal surplus property program.

The State Property Program consists of property no longer needed within state government agencies which is made available to eligible public and nonprofit organizations. The property may also be made available to the general public through competitive public auctions and sealed bids.

The public may acquire state surplus property through this program.

In addition to the State Property Program, a Federal Property Program is administered. The program serves all eligible organizations and acts as a clearinghouse by offering new and used equipment at reduced costs for acquisition. Any questions concerning the sale of state surplus property should be directed to the West Virginia State Agency for Surplus Property at the address below:

**West Virginia State Agency for Surplus Property  
2700 Charles Avenue  
Dunbar, West Virginia 25064**

**(304) 766-2626  
1-800-576-7587**

**4.5.1.2 Commodities and Services Provided by Correctional Industries:** In accordance with **West Virginia Code** §25-7-5, all offices, departments, institutions and agencies of the state which are supported in whole or in part by this state shall purchase, and all political subdivisions of this state may purchase, all articles or products which they require from the commissioner, if those articles or products are produced or manufactured by correctional industries, as provided by article 7 of Chapter 25 of the **West**

**Virginia Code.** No state office, department, institution or agency may purchase an article or product which correctional industries produces from any other source, unless specifically exempted from the provisions of §25-7-5 pursuant to §25-7-6.

These commodities and services must meet certain quality and price standards which are comparable to open-market sources. Use of Correctional Industries does not require bidding.

In accordance with **West Virginia Code** §25-7-6, exceptions from the mandatory purchase provisions of §25-7-5 may be granted when a correctional industries article or product does not meet the reasonable requirements of the requesting state office, department, institution or agency, or when the requisition cannot be fulfilled because of insufficient supply or other reason. No state office, department, institution or agency may evade the requirements of §25-7-5, or of §25-7-6, by making insubstantial variations from the characteristics of correctional industries products or articles.

Correctional Industries offers a wide variety of products and services to state agencies. In addition to being the preferred contractor for wooden furniture, it also provides other types of furniture, Braille, welding, engraved signs, mattresses, custom signs, tags, janitorial supplies, linens, seating, detergents, inmate clothing, upholstery and decals. Correctional Industries is the sole source supplier for all printing and quick copy services.

For specific information on available commodities and services, contact Correctional Industries at (304) 558-6054 or visit:

***[www.wvcorrectionalindustries.com](http://www.wvcorrectionalindustries.com)***.

**4.5.1.3 Commodities and Services Provided by Sheltered Workshops:** All state agencies are required by **West Virginia Code** §5A-3-10, to purchase commodities and services from sheltered workshops whenever such commodities and services are available and meet certain quality and price standards which are comparable to open-market sources. Use of sheltered workshops does not require bidding for commodities and services included in the WVARF statewide contract. Commodities and services not included in the WVARF statewide contract require competitive bidding.

If the West Virginia Association of Rehabilitation Facilities (WVARF) is unable to provide the requested commodities and services, a written notice will be provided by WVARF advising the agency that their request is unable to be met at that time and competition may be sought in accordance with the state purchasing procedures. For specific information on the sheltered workshops or the available commodities and services, contact WVARF at (304) 766-4894, or visit:

***[www.state.wv.us/admin/purchase/swc](http://www.state.wv.us/admin/purchase/swc)***.

**4.5.1.4 Technology:** The **West Virginia Code** §5A-6 requires that the Chief Technology Officer (CTO), in conjunction with the Information Services & Communications Division (IS&C) of the Department of Administration, review and approve all data processing procurements for state agencies.

All infrastructure purchases, regardless of dollar value, require CTO approval prior to submission of a request to use any type of solicitation. Since the CTO may require changes by the agency, the Purchasing Division's review of documentation without CTO approval may not be practical. All state entities, with the exception of Constitutional Officers, Higher Education and K-12, shall request approval for, at a minimum, but not limited to, the purchase of servers, storage device, routers, hubs, switches, firewalls, video conferencing and telephone equipment, including PBX system. The applicable infrastructure purchases also include infrastructure software of all types, whether it is e-mail applications, anti-virus software or any other interoperability application.

Different than infrastructure purchases in the previous paragraph, state agencies may procure computer application software and other non-infrastructure software, as well as IT consulting services with an estimated value of less than \$10,000 without CTO approval, but must provide copies of agency purchase orders to the CTO. **All purchases of computer hardware, software and consulting services in excess of \$10,000 must have prior approval of the CTO before it can be processed.** Such proposed purchases must be submitted to the Office of Technology for review and evaluation, and the results will be forwarded to the CTO for final approval.

**The agency must obtain approval from the CTO prior to submitting purchasing transactions to the Purchasing Division.**

**4.5.1.5 Other Considerations:** Depending upon the commodity, there are certain requirements to consider when preparing specifications.

On any contract for the construction of a public improvement, the vendor and any subcontractors utilized by the vendor shall pay a rate or rates of wages which shall not be less than the fair minimum rate or rates of wages (prevailing wage), as established by the West Virginia Division of Labor under the **West Virginia Code** §21-5A-1 et seq. and available at **[www.sos.wv.gov/administrative-law/wagerates/Pages/default.aspx](http://www.sos.wv.gov/administrative-law/wagerates/Pages/default.aspx)**. The vendor shall be responsible for ensuring compliance with prevailing wage requirements and determining when prevailing wage requirements are applicable. The required contract provisions contained in the **West Virginia Code of State Rules** §42-7-3 are specifically incorporated by reference.

A **Construction Bid Submission Review** form (WV-75) is provided to bidders *for informational purposes only* as part of construction solicitations to assist them in submitting competitive bids for these types of projects.

Other considerations should include the contractor's license, certificate of insurance, and Workers' Compensation, unemployment compensation and bonds.

**Recycled Products:** In accordance with **West Virginia Code** §22-15A-21, all agencies and instrumentalities are encouraged, to the maximum extent possible, to purchase recycled products.

Recycled paper products shall be given a price preference of ten percent, provided, however, that priority shall be given to paper products with the highest postconsumer content. Agencies should remove any language in the specifications that discriminate against recycled products. The use of disposable and single-use products should be eliminated, to the maximum extent possible. Compost in all land maintenance and landscaping activities are to be used by state agencies and the use of composted or deep stacked poultry litter products, certified by the Commissioner of Agriculture as being free from organisms that are not found in poultry litter produced in this state, have priority unless determined to be economically unfeasible by the agency.

#### **4.5.2 Mandatory Contracts**

**4.5.2.1 Statewide Contracts:** **West Virginia Code** §5A-3-5, authorizes the Purchasing Director to promulgate and adopt standard specifications based on scientific and technical data for appropriate commodities and services, which establishes the quality to which such commodities and services to be purchased and services to be contracted for by the state must conform. These standard specifications are used to establish statewide contracts for commodities that are needed on a repetitive basis and are established for the benefit of state spending units. (See [Appendix E](#)).

No agency may be exempt from using statewide contracts without prior written approval from the Purchasing Director. When such prior written approval is obtained, it must be retained with the purchase order file for each transaction to which the approval applies.

The commodities and services available on statewide contracts are to be used for official purposes only and are not available for employees of a spending unit for their personal use.

**4.5.2.2 Agency Open-End Contracts (Over \$25,000):** Upon request by the state agency, the Purchasing Division establishes agency open-end contracts through competitive bid for commodities and services needed on a repetitive basis. Once established, the agency is required to use this contract.

**4.5.2.3 Agency Delegated Contracts (\$25,000 or Less):** The agency is required to use its established contracts through the life of the contract. Piggybacking on agency delegated open-end contracts is discouraged as it may exceed \$25,000.

#### 4.5.3 Piggybacking Contracts: **West Virginia Code** §5A-3-19 states:

*"the Purchasing Director may, upon the recommendation of a state spending unit, participate in, sponsor, conduct, or administer a cooperative purchasing agreement or consortium for the purchase of commodities or services with agencies of the federal government, agencies of other states, other public bodies or other state agencies, if available and financially advantageous. At the discretion of the director, bids may be solicited to determine whether participation in such a cooperative purchasing agreement or consortium is financially advantageous. The Department of Administration may approve administrative fees, not to exceed the amount of fifty thousand dollars (\$50,000), necessary to participate in a cooperative purchasing agreement. Fees which exceed fifty thousand dollars are subject to the competitive bid requirements of this article."*

The **Code of State Rules** 148 CSR 1 7.9 address these types of contracts as follows:

##### *7.9. Purchases from contracts issued by other public agencies and entities*

*7.9.1. The Director may approve a request by a spending unit to make a purchase from contracts issued by agencies of the federal government, agencies of other states, other public bodies or other state agencies. The Director may require the use of a contract issued by another public organization or a spending unit to make a purchase from contracts issued by other public agencies and entities.*

*The Director may participate in cooperative purchases with other public agencies and entities. In all cases, these contracts or cooperative arrangements shall be from valid properly awarded contracts and considered by the Director to be available and financially advantageous and comparable to what can be obtained by competitive bid. The Director shall require spending units to prove that their requests to use such contracts:*

*(a) Do not conflict with existing State of West Virginia contracts unless the prices on the contracts issued by other public agencies and entities is substantially lower than the state contract based on an equal comparison. No price comparison may be based on differing specifications as determined by the Director;*

*(b) Will not cause a West Virginia vendor that offers like products and services to lose substantial business, unless the Director determines based on submitted documentation from the spending unit that the difference in price is so great that the State's best interest is served by using the contracts issued by other public agencies and entities; and*

*(c) Does not cause extensive hardship to any spending unit offered preference under the West Virginia Code.*

*7.9.2. All requests to use such contracts shall be submitted in advance to the Director with necessary evidence and documentation. The Director shall approve only those requests submitted with evidence that justifies use of such contracts. Any request that is not supportable shall be returned to the spending unit.*

For more information on how to utilize these types of contracts, please visit **Section 8.8.** under Special Acquisitions.

## **4.6 Types of Transactions**

Identified below are six (6) types of purchases: one-time or single purchases; open-end contracts; professional service contracts; emergency purchases; lease and lease-purchases; and direct purchases.

**4.6.1. One-Time/Single Purchase:** This method is used to purchase commodities or services that are not considered repetitive. State agencies must submit a **Requisition** to the Purchasing Division.

**4.6.2 Open-End Contracts:** The Purchasing Division issues both statewide contracts and agency open-end contracts. The Purchasing Division, at its discretion or upon request of any state agency, may establish a contract for specific commodities and services required. These open-end contracts are convenient for recurrent purchases. For agency open-end contracts, the state agency determines its specific needs and submits a **Requisition** to the Purchasing Division for competitive bid.

After the contract is established, a “release” or a central delivery order may be required to acquire commodities or services.

**4.6.3 Professional Service Contracts:** These contracts are used to obtain specific professional expertise which is not available within state government. Examples of professional services may be legal, architectural, medical, dental, engineering and other consultant services.

All needs for professional services estimated to cost in excess of \$25,000 must be bid through the Purchasing Division, unless specifically exempt.

**4.6.4 Emergency Purchases:** In accordance with **West Virginia Code** §5A-3-15, purchases may be necessary when unforeseen causes arise; however, emergency purchases are not used for hardship resulting from neglect, poor planning, or lack of organization by the spending unit.

An emergency purchase is a purchase which can be made only if and after the Purchasing Director, exercising sound judgment and discretion, concludes in good faith and upon reasonable and sufficient grounds that some unforeseen or unexpected circumstance has suddenly created a situation

requiring that commodities or services be immediately purchased by a state spending unit and the Purchasing Director in writing authorizes such a purchase.

Agencies must first examine mandatory contracts and other internal sources for availability of the product or service and utilize such. For information on mandatory contracts and internal sources, see **Section 4: Acquisition Planning**.

- **Declared State of Emergencies by Governor:** In accordance with §15-5-6(g) of the **West Virginia Code**, the governor has the authority to suspend certain laws, rules and/or regulations regarding the acquisition of commodities and services by public organizations in the event the governor declares an emergency. When emergency needs relate directly to the declared state of emergency, these procedures are available and outlined on the Purchasing Division's website at:

***[www.state.wv.us/admin/purchase/EmergencyProcs2.html](http://www.state.wv.us/admin/purchase/EmergencyProcs2.html)***

**4.6.5 Equipment Leases and Lease Purchases:** Lease and lease purchase of equipment are methods by which a state agency may obtain equipment and make payments for the use of the equipment over a period of time.

Leases and lease purchases are subject to annual funding authority of the Legislature. The state agency must provide the required funding over the life of the agreement. A reduction in funds or an administrative freeze shall not be sufficient justification to cancel a lease or lease purchase agreement. No lease or lease purchase can be canceled without approval of the Purchasing Division.

Total lease payments should not exceed the original purchase price of the equipment.

State agencies may be authorized by the Purchasing Division to purchase equipment currently under lease if the Purchasing Division competitively bids the lease originally. Each request will be evaluated on its own merits by the Purchasing Division. Approval is required by the Purchasing Division.

**4.6.5.1 Lease-Purchase Agreements:** The Finance Division of the Department of Administration administers the Master Lease Purchase Financing Agreement for the state of West Virginia. If the agency is approved to utilize a Lease Purchase against the Master Lease Purchase Financing Agreement, the agency will solicit bids for the equipment to be financed through normal procurement methods. The agency must provide a copy of the approved letter of justification with its **Requisition** and note that the resulting purchase will be financed under the Master Lease Purchase Financing Agreement. This requisition must also be routed through the Finance Division of the Department of Administration. Please note that no financial document will be generated for the purchase order.

After the contract is prepared and approved as to form, by the Attorney General's Office, the contract is held in the Purchasing Division while the release order is generated and approved. A copy of the unencumbered contract will be submitted to the Finance Division in order to execute the Appendix to the Master Lease.

**4.6.6 Sole Source Procurement:** In a sole source situation, competition is not available. The commodity or service is only available from one (1) source.

Regardless of the dollar amount, written justification is required with the following criteria to be used by the Purchasing Division to determine validity of the request:

- (a) The item cannot be obtained through ordinary purchasing procedures;
- (b) The item is unique and not available from any other source; or
- (c) The item is available from a state spending unit or other institution with preference under the **West Virginia Code**, provided the price, availability, and quality are comparable to those in the open market.

Agencies are encouraged to solicit competition rather than process a sole source request. The Purchasing Director has authority to reject sole source requests whenever competition is believed to be available.

For sole source purchases expected to exceed \$25,000, the Purchasing Division will advertise the potential sole source purchase with the respective terms and conditions in the **West Virginia Purchasing Bulletin** to ensure no other vendor may provide this commodity or service.

Should no vendor respond to the sole source advertisement, the agency's **Requisition** will be processed as a sole source purchase. A signed bid quotation from the sole source vendor must also be submitted with the completed **Requisition**. A specific description, terms, FOB shipping point, and price must be included in the signed quotation. (*The quotation may be on the vendor's letterhead*).

Sole Source purchases require an original signed vendor quotation, a signed letter of justification from the agency and, if the vendor offers alternative terms and conditions, an **Agreement Addendum (WV96)**.

If a vendor(s) does respond, indicating they can provide the commodity or services advertised, the sole source **Requisition** will be canceled and the agency must resubmit a new **Requisition**, with detailed specifications. The Purchasing Division will process this requisition competitively and advertise in the **West Virginia Purchasing Bulletin** accordingly. Backdating transactions resulting from sole source determination or any other documents may not be honored.

**4.7 Terms and Conditions:** Terms and conditions are included to express the intent of the State of West Virginia. Purchasing Master Terms and Conditions are a

part of every written solicitation issued through and contract awarded by the Purchasing Division. Agency Master Terms and Conditions are also available for use by state agencies utilizing their delegated purchasing procedures. Both the Agency Master and Purchasing Master Terms and Condition may be found in the Vendor Resource Center of the Purchasing Division's website at:

[www.state.wv.us/admin/purchase/vrc/default.html](http://www.state.wv.us/admin/purchase/vrc/default.html)

**4.8 Life of Contract:** Contracts should be issued for no more than a twelve (12) month period or cite a specific time for completion for the project or service. A solicitation for a contract that includes an option on the part of the state to extend or renew the contract for an additional period may be advantageous and may be considered. In instances where there may be larger upfront costs or for extremely complex programs or projects where an initial contract term in excess of 12 months is needed, the agency must request approval of the longer term and must provide justification. If price adjustments are permitted during the contract period, the conditions under which they are authorized must be specified in the original solicitation and resulting contract. All contracts should be reviewed during the contract period to determine if the need still exists for the commodities or services, if prices are fair and reasonable based on the current market conditions, and if performance is satisfactory.

**4.9 Renewals:** The standard terms and conditions used by the Purchasing Division indicate a specified date, on which the contract becomes effective, and extends for a period of one (1) year. This contract may be renewed upon the written consent of the agency, and the vendor, with approval of the Purchasing Division and the Attorney General's office, as to form.

Any request for renewal should be submitted to the Purchasing Division 30 days prior to the expiration date of the initial contract term or appropriate renewal term. A contract renewal shall be in accordance with the terms and conditions of the original contract. Renewal of a contract is usually limited to three successive one year periods or multiple renewal periods of less than one year, provided that the multiple renewal periods do not exceed 36 months in total. Automatic renewal of any contract is prohibited. Purchasing Division approval is not required on agency delegated or exempt purchases. Attorney General approval may be required for vendor terms and conditions. Agencies are not permitted to extend any contract beyond the time that is stated in the contract.

Unless specific provisions are stipulated in the contract document, the terms, conditions and pricing established are firm for the life of the contract.

A letter of justification must also be included, stating pertinent reasons for its recommendation to renew the existing contract. These factors include, but are not limited to, vendor performance, market conditions and other analytical measures which indicate that renewing the contract is in the best interest of the state.

**4.10 Change Orders:** All changes to existing contracts must be approved by the Purchasing Division and the Attorney General's Office (as to form) prior to the commencement of any work. Any change request of a purchase order in excess of

ten percent (10%) of the original contract amount (aggregate) is strongly discouraged.

**4.11 Contract Cancellation:** The Purchasing Director reserves the right to cancel any contract or purchase order upon written notice to the vendor under any one of the following conditions including, but not limited to:

- (a) The vendor agrees to the cancellation;
- (b) The vendor has obtained the contract by fraud, collusion, conspiracy, or in conflict with any statutory or constitutional provision of the State of West Virginia;
- (c) Failure to conform to contract requirements or standard commercial practices;
- (d) The existence of an organizational conflict of interest is identified; or
- (e) Funds are not appropriated or an appropriation is discontinued by the legislature for the acquisition.

Notwithstanding other provisions of this subsection, the Director may cancel a purchase order or contract for any reason or for no reason, upon 30 days' notice to the vendor.

**4.12 Pre-Bid Conferences:** When appropriate, the Purchasing Division recommends that agencies conduct "pre-bid conferences" on major acquisitions early in the solicitation cycle to provide an opportunity to emphasize and clarify critical aspects of the solicitation, eliminate misunderstandings and encourage vendor participation. These conferences are conducted by the state agency with potential bidders when solicitations for complex, large dollar requirements are specified.

For more information on pre-bid conferences, visit **Section 7.2.8**.

**4.13 Evaluation Period:** After bids are opened, a review and evaluation of the bids received is required. The Purchasing Division may immediately award certain open-end contracts without the necessity of the agency's review when the Purchasing Division believes this action is in the best interest of the state of West Virginia. However, when an award has not been immediately made by the Purchasing Division, state agencies may be involved in the evaluation process by reviewing bids, making recommendations and providing justification.

The Purchasing Division requires all evaluators and/or advisor(s) of solicitations, despite the type of transaction, to sign a **Certification of Non-Conflict of Interest**, in accordance with the **West Virginia Code** §5A-3-31 (see **Appendix B**). The Purchasing Division also requires that the agency procurement officer also sign this certification. By signing this certification, the evaluator(s), advisor(s) and agency procurement officer attest that: (1) his or her service on the evaluation committee is not in violation of West Virginia Code § 5A-3-31, § 6B-2-5, or any

other relevant code section; (2) his or her service on the evaluation committee does not create a conflict of interest with any of the participating vendors; and (3) he or she has not had or will not have contact relating to the solicitation identified herein with any participating vendors between the time of the bid opening and the award recommendation without prior approval of the Purchasing Division. Agency procurement officers should discuss the non-conflict of interest issue with potential committee members to ensure that individuals who may have a conflict are not chosen to participate as evaluation committee members.

This certification applies to all transactions processed through the Purchasing Division. In addition, it is required for agency delegated purchases exceeding \$5,000. Agencies may adopt this policy at their discretion for purchases \$5,000 or less.

Blackout Period: Information regarding the contract award, such as the name of the potential vendor and the amount, may only be released **after** an official award is complete. An award is considered complete only if the contract has been signed by the Purchasing Division, approved as to form by the Attorney General's Office, encumbered and placed in the U.S. mail. When contract award information is released *prior* to a contract award, that information may be incorrect, premature or erroneous and cause work to begin or vendors to protest.

Delays may occur due to a number of factors, such as agency evaluation of bids, bond and insurance requests, Office of Technology / IS&C review/approval, etc.

No person should contact any bidding vendor with regard to the solicitation at hand prior to the award of the contract, without approval of the Purchasing Division.

**4.14 Identify Possible Vendors:** In order to achieve the goal of competitive bidding, a minimum of three (3) bids is required, when possible.

Agencies should suggest to the Purchasing Division buyer at least three (3) potential vendors who may be qualified to bid on the solicitation.



## WEST VIRGINIA PURCHASING DIVISION

# VENDOR PROCUREMENT GUIDE

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## SECTION 5: VENDOR RESPONSIBILITIES

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### 5.0 VENDOR REGISTRATION:

This section will address the requirements established for vendors who wish to do business with the State of West Virginia.

**5.1 Requirements:** Vendors doing business with the State of West Virginia must be registered by having a **Vendor Registration and Disclosure Statement and Small, Women-, and Minority-owned Business Certification Application (WV-1 or WV-1A)** on file with the Purchasing Division or properly self-registered in the Vendor Self-Service portal in the wvOASIS system, in accordance with **West Virginia Code §5A-3-12**. To access the link to the Vendor Self-Service portal, visit [www.wvOASIS.gov](http://www.wvOASIS.gov). The **Legislative Rule and Regulation, CSR148**, states that, except for purchasing card vendors providing travel-related services or receiving an aggregate total yearly payment less than \$25,000 from a spending unit, all vendors are required to register with the Purchasing Division.

**Vendor Registration and Disclosure Statement and Small, Women-, and Minority-owned Business Certification Application (WV-1 and WV-1A)** can be downloaded from the Purchasing Division web site at: ([www.state.wv.us/admin/purchase/vrc/pforms.htm](http://www.state.wv.us/admin/purchase/vrc/pforms.htm)).

**5.1.1 WV-1:** Vendors are encouraged to register through the Vendor Self-Service portal through the wvOASIS system. However, if completing a paper form, this form is to be completed by vendors who wish to participate in the competitive bid process and receive purchase orders exceeding an aggregate amount of \$1,000. The **WV-1** form requires payment of the \$125 annual fee. The vendor's check and the **WV-1** form are to be mailed directly to the Purchasing Division.

**5.1.2 WV-1A:** Vendors are encouraged to register through the Vendor Self-Service portal through the wvOASIS system. However, if completing a paper form, this form is to be completed by vendors supplying sole source commodities and services to West Virginia state agencies or aggregate competitive purchases of \$1,000 or less in any one (1) fiscal year.

**The agency name and mailing address will appear on the front page of the WV-1A form.** The vendor is to complete Part I of the form and return to the requesting agency.

**5.2 Vendor Fee:** According to the **Legislative Rule, CSR148**, except for purchasing card vendors providing travel-related services or receiving an aggregate total yearly

payment less than \$25,000 from a spending unit, vendors receiving orders for goods or services exceeding \$1,000, regardless of payment method, shall pay an annual fee of \$125 to the Purchasing Division.

Companies, corporations or persons having multiple outlets for their commodities or services and are all operating under the same Taxpayer Identification Number (TIN) must pay one \$125 annual fee.

**5.3 Vendor Hold:** Vendors not exempt from paying the \$125 annual fee or vendors who have not responded to the renewal notification will be placed on 'hold status' until payment of the fee is received.

Vendors who are considered by the Purchasing Division as sole source suppliers and do not participate in the competitive bid process may be exempt from paying the annual fee.

Vendors will be removed from hold when the vendor has paid the fee; or temporarily when an agency must process an individual purchase order in the wvOASIS system under \$1,000.

**5.4 Small, Women-, and Minority-owned Business Certification:** As required by **West Virginia Code** §5A-3-59, the West Virginia Purchasing Division incorporated the Small, Women-, and Minority-Owned Businesses (SWAM) Certification Application as part of the **Vendor Registration & Disclosure Statement and Small, Women, & Minority-Owned Business Certification** (WV-1 and WV-1A forms). As a result, vendors may apply to become certified if they fall within the business categories defining a small, women-, and minority-owned business.

A list of currently approved SWAM vendors is available at the Purchasing Division's website at [www.state.wv.us/admin/purchase/VendorReg.html](http://www.state.wv.us/admin/purchase/VendorReg.html).

**West Virginia Code of State Rules** §148-2-1 et seq. requires vendors to re-certify every two years in order to continue compliance. The recognized designations for SWAM include:

**5.4.1. Minority-owned Business**, which means a business that is at least fifty-one percent owned by one or more minority individuals or in the case of a corporation, partnership, or limited liability company or other entity, at least fifty-one percent of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals and both the management and daily business operations are controlled by one or more minority individuals.

A "minority individual" means an individual who is a citizen of the United States or a noncitizen who is in full compliance with United States immigration law and who satisfies one or more of the following definitions:

African American means a person having origins in any of the original peoples of Africa and who is regarded as such by the community of which this person claims to be a part.

Asian American means a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent or the Pacific Islands, including, but not limited to, Japan, China, Vietnam, Samoa, Laos, Cambodia, Taiwan, Northern Mariana, the Philippines, a U.S. territory of the Pacific, India, Pakistan, Bangladesh, or Sri Lanka and who is regarded as such by the community of which this person claims to be a part.

Hispanic American means a person having origins in any of the Spanish-speaking peoples of Mexico, South or Central America, or the Caribbean Islands or other Spanish or Portuguese cultures and who is regarded as such by the community of which this person claims to be a part.

Native American means a person having origins in any of the original peoples of North America and who is regarded as such by the community of which this person claims to be a part or who is recognized by a tribal organization.

**5.4.2. Small Business** means a business, independently owned or operated by one or more persons who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, which, together with affiliates, has two hundred fifty or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years.

**5.4.3. Women-owned Business** means a business concern that is at least fifty-one percent owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, or in the case of a corporation, partnership or limited liability company or other entity, at least fifty-one percent of the equity ownership interest is owned by one or more women who are citizens of the United States or noncitizens who are in full compliance with United States immigration law, and both the management and daily business operations are controlled by one or more women who are citizens of the United States or non-citizens who are in full compliance with United States immigration law.

Frequently-asked questions about the SWAM Certification Program may be found at:

[www.state.wv.us/admin/purchase/VendorRegFAQ.html#SWAM\\_faq](http://www.state.wv.us/admin/purchase/VendorRegFAQ.html#SWAM_faq)

For more information on vendor registration or SWAM requirements, please visit:

[www.state.wv.us/admin/purchase/VendorReg.html](http://www.state.wv.us/admin/purchase/VendorReg.html)



# VENDOR PROCUREMENT GUIDE

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## SECTION 6: AGENCY DELEGATED ACQUISITION PROCEDURES

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### 6.0 AGENCY DELEGATED ACQUISITION PROCEDURES:

This section will address purchases of \$25,000 or less which are processed by state spending units.

**6.1 Definition of Authority:** In accordance with the *Legislative Rules and Regulations*, state agencies may make purchases in the amount of \$25,000 or less of certain commodities and services.

The \$25,000 limit shall be determined based on any of the following conditions:

1. A one-time payment of \$25,000 or less made within a twelve (12) month period.
2. Monthly payments of \$2,083.33 or less for twelve (12) consecutive months.
3. Periodic payments made in any dollar amount as long as the total amount is \$25,000 or less in a twelve (12) month period.

The twelve (12) month period begins with the effective date of the contract. Purchase orders and/or contracts which are renewed or extended for a period of one (1) year and meet one (1) of the above conditions shall also be considered as having met the \$25,000 limitation requirement.

It is expected that procurements made under delegated authority will mirror, to the greatest extent possible, formal procurement procedures. It is further expected that the forms used in the bidding process will be the most recent version approved by the Purchasing Division, which are available on the Purchasing Division's Internet and intranet sites.

Issuing a series of requisitions or purchase orders to circumvent competitive bidding or to defeat the State Purchasing Card transaction or delegated purchasing limit, commonly referred to as "stringing," is prohibited by law. The Purchasing Director has the authority to suspend or reduce purchasing authority for any spending unit that fails to report multiple contract awards that are deemed by the Director to circumvent the \$25,000 threshold within a twelve (12) month period. In the event of suspension or reduction of purchasing authority, the Director shall prescribe revised procedures and limits which may require all spending unit purchases, regardless of amount, be made by the Purchasing Division.

For more details on the spending limits, see Section 3.

**6.2 The Bid Process:** The agency delegated purchasing process requires certain steps to be taken to complete the purchasing cycle after the acquisition planning process. These steps are explained below:

**6.2.1 Solicitation of Bids:** In order to achieve the goal of competitive bidding, a minimum of three (3) bids is required, when possible. For agency delegated purchasing (procurements \$25,000 or less), care must be taken to solicit vendors capable of providing the necessary products or services.

**6.2.1.1 Requests for Quotations:** The Request for Quotation (RFQ) should be used to acquire all tangible property (i.e., equipment, supplies, etc.). The RFQ is required for all purchases between \$5,000.01 and \$25,000. Exceptions to this requirement may be granted by the Purchasing Director.

An RFQ consists of:

- (1) a detailed description of, or specification for, the item(s) being purchased;
- (2) delivery date, if required;
- (3) bid price per unit of the item(s);
- (4) any applicable maintenance; and
- (5) quantities of all items.

Each item should be identified by a model number or some other specific identification. Prices cannot be altered after bids are opened. The RFQ must have an established date and time for the bid opening, after which bids will no longer be accepted. All bids are to be stamped with the date and time of receipt.

**6.2.1.2 Advertisement of Solicitations:** The State of West Virginia provides a list of all bid opportunities expected to cost \$5,000 or more in Vendor Self-Service (VSS), as a part of the wvOASIS system, which may be accessed at wvOASIS.gov. This listing, referred to as the **West Virginia Purchasing Bulletin**, is updated continually and categorizes solicitations by commodities and services.

**6.2.2 Evaluation of Bids:** Bids are received, opened and examined by the agency to ensure compliance with all specifications and determination of the lowest responsible bidder. Bids shall be sealed until the date and time set for the bid opening, which shall be open to the public. While bidder information and amount bid are available for public inspection at this time, agency personnel should not discuss award scenarios with the public during the evaluation period.

**6.2.2.1 Additive / Alternative Options (Add-on or Deduct):** In construction contracts, there are projects for which alternative options may be requested of the participating bidders. Depending upon funding resources, these options may be included in the evaluation of the bids. When preparing the specifications, agency purchasers must put the alternatives in the order of importance to the agency, with the first alternative being the most essential to the project should additional funding be available. It is highly recommended that additives / alternatives are to be awarded in the order listed. Any exceptions require pre-approval by the Purchasing Director.

**6.2.3 Award Process:** After the evaluation of all bids by the agency personnel, an award is made to the lowest responsible bidder who meets the specifications. Generally defined, a responsible bidder is able to furnish the required needs of the organization as requested in the specifications.

If an award is made to other than the lowest bidder, a detailed justification as to why the lowest bidder was not considered "responsible" must be written and retained for public record and inspection. The justification must be signed by the evaluator(s) and retained as part of the bid file.

All contracts should be entered into for a firm, fixed price per unit of goods or service. In such cases where the nature of the procurement prohibits a firm, fixed price, a detailed written justification must be included in the file.

A public record of all purchasing transactions must be kept on file at the agency location, and subject to inspection at the discretion of the Purchasing Division. This file must also include a Certificate of Non-Conflict of Interest, Unemployment / Workers' Compensation verification search, specifications used for the bidding process, and any and all attempts to obtain competitive bids.

Prior to an award, a vendor must be in compliance with the following requirements and the agency shall retain documentation in the file:

- Vendor registration process (must be registered and the fee paid, if applicable);
- In accordance with the **West Virginia Code** §21A-2-6, verification of current unemployment fee status and Workers' Compensation coverage is required to ensure the vendor is not in default with Workers' Compensation and Employment Compensation. Agency personnel must check the following website to verify compliance: Workforce West Virginia's Unemployment Compensation/Workers' Compensation Defaulted Accounts (UC/WC) (<http://intranet.state.wv.us/BEP/ucwcdef/default.htm>) to ensure the vendor is listed and in compliance for unemployment compensation or proof that such coverage is not required. Agency personnel must also check the Insurance Commission's Employer Violator System (EVS) (<https://icomp.wvinsurance.gov/Login/EmpViolator.asp>) and the OIC Defaulted Employer Lookup (<http://apps.wvinsurance.gov/defaulted/>) for Workers' Compensation defaults owed to the Insurance Commission. If the vendor appears on either of the Insurance Commission's websites, agencies may not do business with them. To verify Workers'

Compensation coverage, agency purchasers may search the Insurance Commission's Coverage Validation System or obtain a copy of the Workers' Compensation insurance certificate which should be maintained in the file and is also acceptable.

- Verification that the vendor is not debarred by the state or federal governments. In accordance with **West Virginia Code** § 5A-3-33c, the Purchasing Director has the primary responsibility for administering the debarment process. The U.S. General Services Administration maintains the federal website, located at <https://www.sam.gov/portal/public/SAM>, which must also be checked prior to a contract award. Additionally, the Purchasing Division maintains a list of vendors declared as debarred by the state of West Virginia, which may be accessed at:

[www.state.wv.us/admin/purchase/Debar.html](http://www.state.wv.us/admin/purchase/Debar.html)

- In accordance with the **Code of State Rules** 148 CSR 6.1.7, the vendor must be licensed and in good standing with any and all state and local law and requirements, including proper registration with the Secretary of State's office, if applicable. To search for a business or corporation with the Secretary of State's office, visit:

<http://apps.sos.wv.gov/business/corporations>

- **Purchasing Affidavit** (required on all contracts exceeding \$5,000); and,
- **Agreement Addendum (WV-96)** (required when vendors submit alternate terms and condition with their bid) (See **Appendix B**)

**6.2.3.1 Tie Bids:** When purchasing commodities and services of \$25,000 or less, occasionally two (2) or more bids of equal terms and amount are received in response to a solicitation, thus, resulting in a *tie bid*. If multiple awards are not made, the tie bid(s) must be resolved. The preferred method for resolving tie bids is the flip of a coin, draw of a card, or any other impartial method. A witness must be present when resolving the tie and documentation of the method and results, with signatures of all witnesses, must also be included in the file.

**6.2.3.2 Errors in Bids:** The Purchasing Division's **Legislative Rule** guides the division in cases of errors in bids for purchases over \$25,000. It is recommended that agencies follow these procedures when processing delegated purchases (\$25,000 or less).

If an error is discovered by the agency or the Purchasing Division, the burden of proof and timely action for request of relief is the vendor's responsibility. The request for relief must be made in writing by the vendor to the agency within five (5) working days from the bid opening date.

Erroneous bids may be rejected after the bid opening if all the following reasons are met:

- (1) An error was made;
- (2) The error materially affected the bid;
- (3) Rejection of the bid would not cause a hardship on the state agency involved other than losing an opportunity to receive commodities and services at a reduced cost; and
- (4) Enforcement of the part of the bid in error would be unconscionable.

In order to reject a bid, the public file must contain documented evidence that all of the above conditions exist. The vendor must specifically identify the error(s), and provide documentation to substantiate the claim that the error(s) materially affected the bid and enforcement of the part of the bid in error would be unconscionable.

The unit price prevails if there is an error in the extension.

**6.3 Receiving Procedures:** In accordance with the West Virginia State Auditor's receiving report requirements (*Code of State Rules*, §155-1-4), materials must be opened and inspected within 24 hours of receipt, otherwise the state agency may be subject to difficulty in obtaining an adjustment. Agencies must verify the shipment against the specifications in the purchase order and must verify quantities received. [If quantities do not match the purchase order, agency personnel will insist on a correction of the packing slip. After all corrections have been made, the agency will request that the driver sign all shipping documents before leaving and will not accept any alternate or substitution without Purchasing Division's approval of commodities and services awarded by the Purchasing Division.]

**6.3.1 Inspection:** In accordance with *West Virginia Code* §5A-3-9, the Purchasing Director reserves the right to inspect the commodities delivered or services rendered to assure conformance with contractual requirements. The agency shall perform this inspection on all delivered commodities and services. Non-conformity is to be reported to the Purchasing Director and the chief officer of the spending unit purchasing such commodities for remedial action.

**6.3.2 Freight Terminology:** Freight or shipping terms should always be included in a contract which you have initiated with a particular vendor. Purchase orders should have a specified point of origin and destination plus carrier to be used. Misunderstanding of the freight terms may cause problems in the receiving end of the purchase. In accordance with the National Institute of Governmental Purchasing's (NIGP) Public Procurement Dictionary of Terms (2008), the definitions for Free on Board (F.O.B.) Destination and Free on Board (F.O.B.) Origin are noted as follows:

**Free on Board (F.O.B.) Destination:** Where the seller or consignee delivers the materials to a specified delivery point. The cost of shipping and the risk of loss are

borne by the seller or consignee. Title passes when delivery is received by the buyer at destination. Seller has total responsibility until shipment is delivered.

**Free on Board (F.O.B.) Origin:** Title is transferred from seller to buyer at the origin of the shipment. Buyer owns the goods in transit and files any claims. Buyer has total responsibility. The payment of the freight charges is determined by contract terms.

**6.4 Payment Process:** To promote good public relations and to avoid interest on late payments, state agencies establish internal procedures to process payment of vendor's invoices. Please refer to the State Auditor's Office (304-558-2261) for all questions regarding invoice processing.

**6.5 Public Records:** All records maintained at the agency level related to purchase orders and/or contracts are considered public records. (Refer to **Section 1.6**)

**6.6 Changes:** Occasionally, it becomes necessary to amend, clarify, change or cancel purchasing documents. A contract change order is required whenever the change affects the payment provision, time for completion of the work and/or the scope of the work.

Renewals of existing contracts and price changes may only be executed if language exists in the original contract specifically allowing such. All agreements, many change orders and other documents require an effective date, at which time the vendor may begin to supply the commodities and services as specified. Changes to the original purchase order must be sequentially numbered in the appropriate space. To effect the change, written concurrence from the vendor is required. The explanation of change to an existing contract must be described with sufficient detail and clarity that any individual could review and generally understand the contract and change.

Any change of a purchase order in excess of ten percent (10%) of the original contract amount (aggregate) is strongly discouraged, and changes that will cause the original contract amount to exceed \$25,000 during the course of a year are forbidden.



## WEST VIRGINIA PURCHASING DIVISION

# VENDOR PROCUREMENT GUIDE

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## SECTION 7: FORMAL ACQUISITION PROCEDURES

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### 7.0 FORMAL ACQUISITION PROCEDURES

**7.1 Definition of Authority:** All requisitions for commodities and services over \$25,000 must be submitted to the Purchasing Division using **wvOASIS** for formal competitive bidding.

The Purchasing Division will perform the following tasks:

- Review the bid specifications;
- Select prospective bidders (*in addition to those recommended by the agency*);
- Advertise in the **West Virginia Purchasing Bulletin**;
- Request and receive bids;
- Evaluate bids; and
- Award the purchase to the lowest responsible bidder.

State agencies may also be requested to review and evaluate the bids and recommend an award; however, this additional review adds time to the process.

The vendor is responsible for submitting a correct and accurate bid to the Purchasing Division by the specified bid opening time and date. Signed fax bids are acceptable but receipt of bid must be completed prior to the bid opening time and date. Any bonds submitted via fax should be followed by an original bond received by the Purchasing Division within two (2) business days. A vendor choosing to submit a bid or a written change to a bid by electronic transmission accepts full responsibility for transmission and receipt of the bid or written change to a bid. The state accepts no responsibility for the unsuccessful or incomplete transmission of bids by electronic transmission. Bids submitted via facsimile may not be sealed until receipt by the Purchasing Division. The Purchasing Division makes no guarantee of confidentiality and accepts no responsibility for completeness of bids or transmission.

**7.2 The Bid Process:** Formal bid procedures have been developed for procurements exceeding \$25,000 which are processed through the Purchasing Division. For procedures relating to technology purchases, visit **Section 4: Acquisition Planning, 4.5.1.4 Technology**. The steps in this process are detailed below:

**7.2.1 Solicitation of Bids:** The Purchasing Division utilizes various mechanisms to solicit competition from responsible vendors. Two most often used solicitation techniques are Requests for Quotations and Best Value Procurement.

**7.2.2 Requests for Quotations:** The Request for Quotation (RFQ) is used to acquire all tangible property (i.e., equipment, supplies, etc.).

An RFQ consists of the following:

- (1) a detailed description of, or specification for, the item(s) being purchased;
- (2) delivery date, if required;
- (3) bid price per unit of the item(s);
- (4) any applicable maintenance; and
- (5) quantities of all items.

Each item should be identified by a model number or some other specific identification. Prices cannot be altered after bids are opened.

**7.2.3 Best Value Procurement:** Best Value Procurement is a purchasing method used to acquire services where the specifications or scope of work may not be well-defined or cost is not the sole factor in determining the award. Best Value Procurement techniques, including Requests for Proposals (RFP's), Expressions of Interest (EOI), Life Cycle Cost (LCC) and Design-Build, are used to solicit proposals from potential bidders, taking into consideration the vendors' ability, resources, experience and proposed methods to provide the required services.

**7.2.4 Requests for Proposals:** Requests for Proposals (RFP's) shall have a minimum estimated value of \$250,000. All procurements under this dollar amount must use another purchasing method unless approved by the Purchasing Director.

The Purchasing Director or his/her designee must approve the use of all RFP's prior to release. To acquire this approval, prior to development of the RFP, please submit in writing the justification for utilizing this process and if this purchase order/contract will replace a current purchase order/contract. If it does replace an existing purchase order/contract, the agency should identify the current vendor and purchase order number. *Please note that the time required to process an RFP is longer than other purchasing methods and requires significant agency personnel time. Agencies are cautioned in writing specifications containing an excessive number of mandatory requirements. Mandatory requirements cannot be scored and cannot be waived. If an agency establishes mandatory requirements in the RFP, vendors must demonstrate they meet the mandatory requirements. Failure to meet the mandatory requirements must result in disqualification. Waiving mandatory response requirement is strictly prohibited.*

**Standard Format (See Appendix H):** All Requests for Proposals shall follow the standard format defined by the Purchasing Division. This format addresses required areas and enables the agency to modify the background and scope of work to meet its needs.

Evaluation Criteria: All evaluation criteria must be clearly defined in the specifications section and based on a 100 point total score. Based on a one hundred (100) point total, cost shall represent a minimum of thirty (30) of the one hundred (100) total points in the criteria.

Proposal Format and Content: Proposals shall be requested and received in two (2) distinct parts: technical and cost. The cost portion shall be sealed in a separate envelope and will not be opened initially.

Proposal Submission: **West Virginia Code** §5A-3-11 states that "the bid must be received by the Purchasing Division prior to the specified date and time of the bid opening. The failure to deliver or the non-receipt of the bid by the Purchasing Division, prior to the appointed date and hour, shall result in the rejection of the bid." The Purchasing Division will not accept bids, modification of bids, or addendum acknowledgment forms by e-mail transmission. Acceptable delivery methods include hand-delivery, delivery by courier or facsimile.

Technical Bid Opening: The Purchasing Division will open only the technical proposals on the date and time specified in the Request for Proposal. The Purchasing Division representative will read aloud the names of those who responded to the solicitation and confirm that the original package contained a separately sealed cost proposal.

Technical Evaluation: An evaluation committee shall review the technical proposals, assign appropriate points and make a final written consensus recommendation to the Purchasing Division buyer within 10 days.

All proposals submitted first are evaluated to determine if they meet all mandatory requirements. Once it is established which proposals have met all mandatory requirements, the proposals are evaluated for the non-mandatory qualifications, experience, goals and objectives as outlined in the RFP. During this evaluation, all proposals begin with the maximum score. Deficiencies are noted through point deductions. No partial points are applied except for cost. All deductions issued for each proposal must include justification, with fairness and consistency.

Vendors must score a minimum of 70% (49 points) of the total technical points possible (*minimum acceptable score*) in order to be considered. Vendors not attaining the *minimum acceptable score* shall be disqualified and removed from further consideration. If the buyer approves the committee's recommendation, the information will be forwarded to an internal review committee within the Purchasing Division.

Cost Bid Opening: Upon approval of the technical evaluation from the internal review committee, the Purchasing Division shall schedule a time and date to publicly open and read aloud all cost proposals, including those proposals from vendors not meeting the *minimum acceptable score*. The agency and the vendors shall be notified of this date.

Cost Evaluation: The evaluation committee will review the cost proposals, assign appropriate points and make a final consensus recommendation to the Purchasing

Division. **West Virginia Code** §5A-3-37 provides an opportunity for qualifying vendors to request preference for their residency status when the vendors submit their bids. Such preference is an evaluation method only and will be applied only to the cost portion of the bid in accordance with the **West Virginia Code**. A certificate of application is used to request this preference. A West Virginia vendor may be eligible for up to two 2.5% preferences in the evaluation process. The Purchasing Division will make the determination of the Vendor Preference, if applicable.

Contract Approval and Award: After the cost proposals have been opened, the evaluation committee performs its review and makes its recommendation based on the highest scoring vendor to the Purchasing Division buyer.

Once approved by the buyer, the contract is signed in the Purchasing Division, forwarded to the Attorney General's Office for approval as to form, encumbered and mailed to the appropriate parties.

**Evaluation Committee**: The Purchasing Division requires a committee of at least three (3) and recommends no more than five (5) persons knowledgeable of the service to be acquired. The agency must receive approval from the Purchasing Division to request more than five (5) members to this committee. The agency may invite individuals to serve as advisors who are subject matter experts, knowledgeable in the area of discussion. The advisors may assist the evaluation committee members (referred to as evaluators) in the evaluation process. The agency will identify and justify the evaluation committee members and advisors to the Purchasing Division prior to the release of the RFP.

To ensure that there is no conflict of interest, the evaluators and/or advisor(s) are required by the Purchasing Division to sign a **Certification of Non-Conflict of Interest**, in accordance with the **West Virginia Code** §5A-3-31 (see **Appendix B**). The Purchasing Division also requires that the agency procurement officer also sign this certification. By signing this certification, the evaluator(s), advisor(s) and agency procurement officer attest that: (1) his or her service on the evaluation committee is not in violation of **West Virginia Code** § 5A-3-31, § 6B-2-5, or any other relevant code section; (2) his or her service on the evaluation committee does not create a conflict of interest with any of the participating vendors; and (3) he or she has not had or will not have contact relating to the solicitation identified herein with any participating vendors between the time of the bid opening and the award recommendation without prior approval of the Purchasing Division. Agency procurement officers should discuss the non-conflict of interest issue with potential committee members to ensure that individuals who may have a conflict are not chosen to participate as evaluation committee members.

State agencies must submit the signed certification to the Purchasing Division prior to beginning the evaluation of an RFP or EOI.

The agency procurement officer or a member of the agency procurement staff, who is skilled in purchasing techniques and procedures, shall be present at evaluation committee meetings and serve on the evaluation committee as a full voting member unless the agency can provide written justification detailing the reason(s) why this requirement cannot be met. Such request must be approved by the

Purchasing Division prior to performing any evaluation. *(The Purchasing Division reserves the right to accept or reject agency appointed committee members and to appoint committee members directly to provide proper representation. A non-state employee shall not serve as voting member of the evaluation committee.)* To ensure there is no conflict or influence on the committee members' decision process, the evaluation should take place with only the designated evaluators and advisors present.

If the participating vendors are required to conduct an oral presentation, the agency is permitted to invite other individuals, in addition to the evaluators and advisors, to attend these demonstrations. The Purchasing Division buyer may observe the committee evaluation and answer procedural issues and provide general process oversight.

The Purchasing Division has created an internal Request for Proposal Evaluation Committee to review all agency evaluation committee recommendations prior to making the award.

**Evaluation Training:** All evaluation committee voting members must receive RFP evaluation training prior to commencing the evaluation. This training should be completed within one year prior to the evaluation. The purpose of this training is to ensure that the committee is knowledgeable of the proper evaluation procedure and the purchasing process. After the training, members will review all proposals independently and later meet to evaluate and assign points to each proposal. (See **Appendix H** for Standard RFP Evaluation Format). A Purchasing Division representative or agency procurement officer, at the discretion of the Purchasing Director, may be present to observe and ensure that proper procedures are followed in the final evaluation and assignment of scores.

**Committee Recommendation:** The committee will meet and deduct points based on the criteria and prepare a consensus recommendation signed by all members which is submitted to the Purchasing Division for approval. The members shall not average points and must reach a consensus decision. The Purchasing Director reserves the right to appoint a new member(s) or excuse existing members, if it is determined to be in the best interest of the state.

**7.2.5 Expression of Interest:** The Purchasing Division uses Expressions of Interest (EOI) primarily in the selection of Architectural and Engineering Services. For guidance on processing Expressions of Interest, refer to **Section 8.1** and **Appendix K** for the EOI standard format.

**7.2.6 Life Cycle Cost:** This Best Value Procurement tool incorporates not only the purchase price of a piece of equipment, but all operating and related costs over the life of the equipment, including but not limited to maintenance, downtime, energy costs, and salvage value. It focuses on the total cost of ownership rather than the initial purchase price. When Life Cycle Cost is used, it must be clearly stated in the specifications. In accordance with **West Virginia Code** 5A-3-11(b) Life Cycle Cost may be considered "provided, that the cost of maintenances and expected life of the commodities must be taken into consideration if the director determines there are nationally accepted industry standards for the commodities being purchased."

**7.2.7 Selection of Vendors:** The ***West Virginia Purchasing Bulletin*** consists of general descriptions of all requisitions expected to exceed \$5,000. Vendors may request bid packages by telephone, electronic mail, fax or via the Internet. Competition is always encouraged on all requisitions.

**7.2.8 Pre-Bid Conferences:** The Purchasing Division recommends agencies to consider conducting pre-bid conferences on major acquisitions early in the bid process to provide an opportunity to explain and clarify critical aspects of the solicitation, eliminate misunderstandings and encourage vendor participation. These conferences are conducted by the state agency with potential bidders when solicitations for complex, large dollar requirements are specified. Additionally, these conferences may provide vendors an opportunity to conduct site visits to gain a better understanding of the project.

The Purchasing Division may participate in these pre-bid conferences. In all cases, it is very important for the agency procurement officer or designee who is trained and knowledgeable of the state procurement process to attend these conferences. Vendor attendance at conferences may be optional or mandatory, as described in the bid document. If mandatory attendance is required, only bids or proposals from those vendors represented at the conference will be accepted. If participating vendors sign the official "sign-in sheet" while the meeting is in progress, then the vendors will be treated as if they were present for the entire conference and will be deemed to have the knowledge that they would have had if attending the entire conference. Teleconference attendance is prohibited unless specified in the bid document.

"Sign-in sheets" for mandatory pre-bid conferences should contain the following: name of company, person attending (signature and printed name), address, telephone number and facsimile number. The header information on the sheets should include the requisition number and the date and time of the pre-bid conference. The original sheet must be submitted to the Purchasing Division. No one (1) individual may represent more than one (1) vendor. (See **Appendix G**).

**7.2.9 Addenda:** During the bid process, it may be necessary to alter bidding documents. To facilitate a change to a solicitation after issuance for bid in the ***West Virginia Purchasing Bulletin***, a formal written addendum is required. The addendum is generated by the agency to address the change and is issued to prospective bidders by the Purchasing Division.

A formal addendum is necessary to: add, delete or change specifications or attachments; provide a copy of the pre-bid attendee list; answer technical questions, requests for clarification, or requests for product substitutions (*on construction projects*); extend or alter bid schedule dates/times; or any other such change to the issued bidding documents.

**7.2.10 Bid Submission:** The vendor is responsible for submitting a correct and accurate bid to the Purchasing Division by the specified bid opening time and date. Fax bids are acceptable, but receipt of bid must be completed prior to the bid opening time and date. The Purchasing Division will not accept bids, modification of

bids, or addendum acknowledgment forms by e-mail transmission. Acceptable delivery methods include hand-delivery, delivery by courier or facsimile.

Any bonds submitted via fax should be followed by an original bond received by the Purchasing Division within two (2) business days.

Refer to the checklist below when submitting bids/proposals for purchases expected to exceed **\$25,000**:

**CHECKLIST**  
**Submitting Bids/Proposals Exceeding \$25,000**

- Have you signed your bid/proposal, if submitting a paper bid?
- Have you included the required bid bonds, if applicable?
- Are you responding by the date and time as established for the opening?
- If offering an alternate as an *or equal* option, did you clearly follow the specification instructions?
- Have you supplied the original bid to the Purchasing Division, if submitting a paper bid?
- Have you met the mandatory requirements stated in the bid?
- Have you attended the mandatory pre-bid conference, if applicable?
- Have you responded appropriately to the mandatory addenda (*changes to the original RFQ*), if applicable?

**7.2.11 Establish Bid Opening:** Formal bid opening dates are established by the Purchasing Division, based on the complexity of the purchase, and are open to the public. Vendors are not required to attend. Bid openings may be delayed due to the need for pre-bid conferences, issuance of addenda or other unforeseen factors.

At the bid opening, all bids are opened and read aloud. Bids shall not be considered if the vendor fails to submit the respective bid to the Purchasing Division by the specified date and time of the bid opening.

Bids that are not received by the date and time of the bid opening will be noted as "Bid Received Late," maintained with the official file and posted on this website upon receipt with the other bids.

After the bid opening, vendors may request copies of any proposal in accordance with the Purchasing Division's established fee for Freedom of Information (FOIA) requests. Convenience copies received by the Purchasing Division will be forwarded to the agency for evaluation.

**7.2.12 Public Notice:** The State of West Virginia provides a list of all bid opportunities expected to cost \$5,000 or more in Vendor Self-Service (VSS), as a part of the wvOASIS system, which may be accessed at wvOASIS.gov. This listing, referred to as the **West Virginia Purchasing Bulletin**, is updated continually and categorizes solicitations by commodities and services.

Paid, registered vendors will receive e-mail notifications when solicitations containing commodities and/or services of interest are posted. These paid, registered vendors may also receive purchase orders and contracts exceeding \$1,000 for competitive commodities and services.

Each solicitation, which may be viewed in Vendor Self-Service, includes a variety of information, starting with the solicitation number. This number uses the agency prefix assigned by the Purchasing Division. For example, in the solicitation below, **PEI** is the prefix for the WV Public Employees Insurance Agency. The number after the prefix is the specific number for that solicitation.

**7.2.13 Securities/Bonds:** Instruments are occasionally demanded from the successful vendor by the Purchasing Division prior to bid or award to ensure performance or to minimize financial risks to the State of West Virginia in the event of default.

**7.2.14 Bonds:** The Purchasing Director may require a bond or deposit as part of the bidding process. This requirement is most often used for construction contracts, however, it may be used for any commodity or service if determined to be in the best interest of the state.

The Director shall determine the applicability and amount of bonds or deposit required of a vendor at any time, if, in his or her opinion, the security is necessary to safeguard the state from undue risk. The bonds or deposit serve as a guarantee that if the contract is awarded to such bidder, that bidder will enter into a contract for the work specified in the bid.

Below are types of bonds used in the state purchasing process:

**Bid Bond** – A bond in which a third party agrees to be liable to pay a certain amount of money in the event a selected bidder fails to accept the contract as bid. This bond is usually required for five percent (5%) of the total bid amount. Faxed bids that contain bid bonds, or any other bond should be submitted with the bid and the vendor should provide the original bonds within two (2) working days of the bid opening dates.

**Labor and Materials Payment Bond** - A bond submitted by the apparent successful vendor upon request of the state to ensure payment of labor and

materials purchased or contracted for on behalf of the state in a construction project.

**Maintenance Bond** - A bond provided as a warranty of normally two (2) years, which is required on roofing projects.

**Performance Bond** - A bond in which a surety agrees to be liable to pay a certain amount of money in the event a vendor fails to perform a contract as bid. This bond is usually for the full amount of the contract.

**7.2.15 Liquidated Damages:** A specified contract provision which entitles the state to demand a set monetary amount determined to be a fair and equitable repayment to the state for loss of service due to vendor's failure to meet specific completion or due dates.

**7.2.16 Bonuses:** Provisions in any requisition or contract that specifies a monetary reward for early completion of a project shall be strictly prohibited and illegal.

**7.2.17 Evaluation and Award:** Once bids are received, they are examined by the Purchasing Division to ensure compliance with all specifications.

When the Request for Quotation process is used, competitive bids are received, properly evaluated and an award is made to the **lowest responsible bidder** meeting specifications, in accordance with the **West Virginia Code** §5A-3-11.

After a proper evaluation, if an award is made to other than the lowest responsible bidder, a thorough written justification signed by the evaluator(s) must be inserted into the file and retained for public record and inspection.

If using the Request for Proposal process, certain stipulations must be met and an evaluation committee is formed to review all proposals. (See **Section 7.2.4**).

Prior to an award, a vendor must be in compliance with the following requirements:

- Properly registered with the Purchasing Division by completing the appropriate form and paying the annual fee, if applicable;
- Good standing in accordance with the **West Virginia Code** §21A-2-6, concerning verification of current unemployment fee status and Workers' Compensation coverage. This verification is required to ensure the vendor is not in default with Workers' Compensation and Employment Compensation. Agency personnel must check the following website to verify compliance: Workforce West Virginia's Unemployment Compensation/Workers' Compensation Defaulted Accounts (UC/WC) (<http://intranet.state.wv.us/BEP/ucwcdef/default.htm>) to ensure the vendor is listed and in compliance for unemployment compensation or proof that such coverage is not required. Agency personnel must also check the Insurance Commission's Employer Violator System (EVS) (<https://icomp.wvinsurance.gov/Login/EmpViolator.asp>) and the OIC Defaulted Employer Lookup (<http://apps.wvinsurance.gov/defaulted/>) for Workers' Compensation defaults owed to the Insurance Commission. If

- the vendor appears on either of the Insurance Commission's websites, agencies may not do business with them. To verify Workers' Compensation coverage, agency purchasers may search the Insurance Commission's Coverage Validation System or obtain a copy of the Workers' Compensation insurance certificate which should be maintained in the file and is also acceptable.;
- Verification that the vendor is not debarred by the state or federal governments. In accordance with **West Virginia Code** § 5A-3-33c, the Purchasing Director has the primary responsibility for administering the debarment process. The U.S. General Services Administration maintains the federal website, located at **<https://www.sam.gov/portal/public/SAM>**, which must also be checked prior to a contract award. Additionally, the Purchasing Division maintains a list of vendors declared as debarred by the state of West Virginia, which may be accessed at:

**[www.state.wv.us/admin/purchase/Debar.html](http://www.state.wv.us/admin/purchase/Debar.html)**;

- In accordance with the **Code of State Rules** 148 CSR 6.1.7, the vendor must be licensed and in good standing with any and all state and local law and requirements, including proper registration with the Secretary of State's office, if applicable. To search for a business or corporation with the Secretary of State's office, visit **<http://apps.sos.wv.gov/business/corporations>**;
- Sign and submit the **Purchasing Affidavit** which is required on all contracts. (See **Appendix B**);
- Sign and submit the **Agreement Addendum (WV-96)** which is required when vendor submits alternate terms and condition with their bid. (See **Appendix B**).

The Purchasing Division may immediately award certain open-end contracts without the necessity of the agency's review when the Purchasing Division believes this action is in the best interest of the state of West Virginia. However, when an award has not been immediately made by the Purchasing Division, state agencies may be involved in the evaluation process by reviewing bids, making recommendations and providing justification.

**7.2.17.1 Additive / Alternative Options (Add-on or Deduct):** In construction contracts, there are projects for which alternative options may be requested of the participating bidders. Depending upon funding resources, these options may be included in the evaluation of the bids. When preparing the specifications, agency purchasers must put the alternatives in the order of importance to the agency, with the first alternative being the most essential to the project should additional funding be available. It is highly recommended that additives / alternatives are to be awarded in the order listed. Any exceptions require pre-approval by the Purchasing Director.

**7.2.18 Tie Bids:** Occasionally two (2) or more bids of equal terms and dollar amount are received in response to a solicitation, thus, resulting in a *tie bid*. If multiple awards are not made, then the tie bid(s) must be resolved. The preferred

method for resolving tie bids is the flip of a coin, draw of a card or any other impartial method.

The Purchasing Division must make the final decision in tie bid situations exceeding \$25,000.

**7.2.19 Erroneous Bids:** If an error is discovered by the vendor or the Purchasing Division, the burden of proof and timely action for request of relief is the vendor's responsibility. The request for relief must be made in writing by the vendor to the Director of Purchasing or his/her designee within five (5) working days from the bid opening date.

**Purchasing Division Rules and Regulations**, 148 CSR 1-5.2.G, offers the Purchasing Director or his/her designee the authority to reject an erroneous bid after the bid opening according to the following criteria:

- (1) An error was made;
- (2) The error materially affected the bid;
- (3) Rejection of the bid would not cause a hardship on the state agency involved other than losing an opportunity to receive commodities and services at a reduced cost; and
- (4) Enforcement of the part of the bid in error would be unconscionable.

In order to reject a bid, the public file must contain documented evidence that all of the above conditions exist.

The vendor must specifically identify the error(s) and provide documentation to substantiate the claim that the error(s) materially affected the bid and enforcement of the part of the bid in error would be unconscionable.

**7.2.20 Multiple Awards:** The Director may elect to award a contract to more than one vendor when the Director determines such action would be in the best interest of the State of West Virginia.

In arriving at a determination, the Purchasing Director will consider the following factors, insofar as they are applicable:

- (1) The quality, availability and reliability of the supplies, materials, equipment or services and their adaptability to the particular use required;
- (2) The ability, capacity and skill of the bidder;
- (3) The sufficiency of the bidder's financial resources;
- (4) The bidder's ability to provide maintenance, repair parts and service;
- (5) The compatibility with existing equipment;

(6) The need for flexibility in evaluating new products on a large scale before becoming contractually committed for all use; and

(7) Any other relevant factors.

A written explanation will be included in the public file in situations where a multiple award is deemed necessary.

**7.2.21 Negotiation When All Bids Exceed Available Funds:** Spending units shall submit a valid maximum budgeted amount for each requisition or Request for Proposal to the Purchasing Division, which cannot be changed after the bid opening. The Purchasing Division will not disclose this information to the bidders at any time.

If all bids meeting requirements exceed this budgeted amount, the Purchasing Division may negotiate a lower price within budget with the lowest bidder. If the negotiation does not lead to the budget amount being met, the Director may negotiate a lower price with the next lowest bidder and continue negotiations with participating bidders after negotiation closes with the preceding bidder. If the agency does not provide its budgeted amount for the requisition prior to the bid opening, the Purchasing Division is unable to negotiate, in accordance with **West Virginia State Code**, §5A-3-11a.

**7.2.22 Discussion and Final Offers:** The Director may conduct discussions to obtain best and final offers from bidders to assure full understanding of solicitation requirements. If the Director determines that a best and final offer is necessary from one vendor, all vendors shall be afforded the opportunity to provide best and final offers. All best and final offers shall be treated like a formal bid, except that advertising is not required. All bidders shall provide their best and final offers to the Purchasing Division prior to the date and time specified.

Government construction contracts and supplies and materials are exempt from this negotiation method.

**7.3 Vendor Preference:** **West Virginia State Code** §5A-3-37 provides an opportunity for a qualifying vendor to request at the time it submits its bid, preference for its residency status. This preference does not apply to construction. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the **West Virginia Code** and as specified herein. A certificate of application is used to request this preference. Generally, a West Virginia vendor may be eligible for two 2.5% preferences in the evaluation process. The Purchasing Division will make the determinations as to whether the Vendor Preference is applicable. Please note that when applying vendor preference with the Request for Proposal process, the preference is applied only to the bid price prior to calculating total cost points.

There are different scenarios of eligibility using the Vendor Preference. It is therefore strongly recommended that the Purchasing Division buyer assist the agency in evaluating specific situations relating to this preference.

The Vendor Preference should be applied using the following five step process shown below.

- Step 1:** Calculate the effect of each Vendor Preference (2.5% and 5%) on out-of-state bids by multiplying the out-of-state bids by 1.025 or 1.05 as appropriate.
- Step 2:** Compare resident vendors' bids to out-of-state vendors' preference adjusted bids. (A vendor that receives a 2.5% preference will have its bid compared to the out-of-state vendors' bids adjusted for the 2.5% preference by multiplying the out-of-state vendors' bids by 1.025. Similarly, the vendor that receives a 5% preference will have its bid compared to out-of-state vendors' bids adjusted for the 5% preference.)
- Step 3:** If an out-of-state vendor's bid is lower than all in-state vendors' bids after preference adjustments and comparisons to the in-state vendors' bids, then the out-of-state vendor should be declared the winning vendor. If the out-of-state bid adjusted for preference is higher than an in-state bid then move to Step 4. (If multiple out-of-state vendors are lower than all in-state vendors after preference adjustments and comparisons then award to the lowest out-of-state vendor).
- Step 4:** Compare In-State Vendor bids without regard to preference (Only necessary if not awarded to out-of state vendor in step 3 above).
- Step 5:** Award to lowest In-State Vendor identified in Step 4 above. (Only if not awarded to out-of state vendor in step 3 above).

**7.3.1 Preference for West Virginia Veterans: *West Virginia State Code* §5A-3-37(a)(5) & (6)** provides an opportunity for qualifying resident vendors who are a veteran of the United States armed forces, the reserves or the National Guard to request, at the time of bid, preference for their residency status. Resident veterans who qualify may receive a preference of 3.5%.

**7.3.2 Preference for Non-Resident Small, Woman, and Minority-Owned Businesses: *West Virginia State Code* §5A-3-37(a)(7)** provides that a non-resident vendor certified as a small, women-owned, or minority-owned ("SWAM") business, pursuant to ***West Virginia State Code* §5A-3-59**, shall be provided the same preference made available to any resident vendor. This certification may assist resident small, women and minority-owned businesses when soliciting business in other states.

The SWAM rules found in ***West Virginia Code of State Rules* §148-22-9** further explain that a non-resident SWAM business will receive the highest preference made available to a resident vendor in the solicitation for which the SWAM business has submitted a bid.

In order to obtain this preference, however, a non-resident SWAM business must identify itself as such in writing on the Vendor Preference Certificate available from the Purchasing Division and submit with its bid. Additionally, the vendor must have indicated on the ***Vendor Registration and Disclosure Statement and Small, Women, and Minority-owned Business Certification Application*** (WV-1 or WV-1A) that they qualify for this certification under question 4(A). The vendor must

be properly certified under the rules governing certification pursuant in **West Virginia Code of State Rules** §148-22-1 et seq.

In the event that no preference is made available to a resident vendor in a particular solicitation, the non-resident SWAM business will not receive a preference. Additionally, any preference granted to a non-resident SWAM business shall not be applied between or among West Virginia resident vendors and non-resident SWAM businesses.

**7.4. Contract Commencement:** With the exception of certain approved emergency contracts, the encumbrance date is the earliest date that a vendor may commence work on any contract. No authority may be given to the vendor by the agency or any other entity to commence work unless an encumbered contract has been processed by the Purchasing Division and received by the vendor.

In regard to construction projects, when an architectural or engineering (A/E) firm is employed, construction does not commence until such time as the A/E firm gives the contractor a Notice to Proceed. Copies of all Notices to Proceed shall be provided to the Purchasing Division at the same time as the contractors receive their notification.

A change order must be issued to cover all additional time extensions. The change order along with justification from the agency and confirmation from the vendor must be submitted to the Purchasing Division specifying the exact date of the extension or completion.

**7.5. Contract Management:** Contract management provides for assurance that the state receives service or commodities meeting requirements before payment is made. Construction contracts are excluded by law.

**7.5.1** Except for government construction contracts, the Purchasing Director shall prescribe contract management procedures for contracts for commodities and services in the amount of \$1 million or less. These procedures may include, but are not limited to:

- (a) establishing payment benchmarks to assure the state receives value prior to remitting payment;
- (b) conducting regular meetings between spending unit and vendor to assess contract performance;
- (c) training spending unit personnel to manage contracts; or
- (d) using the Office of Technology Project Manager for its projects.

**7.5.2** For contracts for commodities and services in an amount exceeding \$1 million, the following contract management procedures apply:

**7.5.2.1.** Post Award Conferences

The agency administrator responsible for administering the contract shall hold a post award conference with the contractor to ensure a clear and mutual understanding of all contract terms and conditions and the respective responsibilities of all parties. The agenda for the conference shall include, at a minimum, the introduction of all participants and identification of agency and contractor key personnel and discussion of the following items:

- (1) The scope of the contract, including specifications of what the agency is buying;
- (2) The contract terms and conditions, particularly any special contract provisions;
- (3) The technical and reporting requirements of the contract;
- (4) The contract administration procedures, including contract monitoring and progress measurement;
- (5) The rights and obligations of both parties and the contractor performance evaluation procedures;
- (6) An explanation that the contractor will be evaluated on its performance both during and at the conclusion of the contract and that such information may be considered in the selection of future contracts;
- (7) Potential contract problem areas and possible solutions;
- (8) Invoicing requirements and payment procedures, with particular attention to whether payment will be made according to milestones achieved by the contractor; and
- (9) An explanation of the limits of authority of the personnel of both the agency and the contractor.

#### **7.5.2.2 Monitoring**

The agency shall develop a comprehensive and objective monitoring checklist which:

- (1) Measures outcomes;
- (2) Monitors compliance with contract requirements; and
- (3) Assesses contractor performance.

#### **7.5.2.3 Reports**

The agency shall make the following reports to the Director, on a schedule established by the Director, but not less frequently than once a year:

### Status Reports

Status reports describe the progress of the work; track the organizational structure of the statement of work in terms of phases, segments, deliverables and products; and describe what work is complete and what work is pending and contrast that status against the contract schedule. If there are any unresolved issues that the agency is contractually obligated to resolve, those issues should be included in the status report and a resolution should be requested.

### Activity Reports

Activity reports describe all activity on the project, regardless of whether substantial progress has been made toward completion of the project. If payment is based on the number of completed transactions, these activities must be specifically set out in the report.

**7.5.3 Inspection:** In accordance with the **West Virginia Code** §5A-3-9, the Purchasing Director reserves the right to inspect whether commodities delivered or services provided conform to contractual requirements. Nonconformity is to be reported to the Purchasing Director and the chief officer of the spending unit purchasing such commodities for remedial action.

**7.6 Encumbrances:** The Purchasing Division's Communication and Technical Services Section encumbers all purchase orders executed by the Purchasing Division over \$25,000. Encumbrance is the process which ensures that funding is available for the payments relating to the specific purchase order or contract.

### **7.7 Changes and Reinstatements:**

**7.7.1 Changes:** Occasionally, it becomes necessary to amend, clarify, change or cancel purchasing documents.

A contract change order is required whenever the change affects the payment provision, time for completion of the work and/or the scope of the work.

All changes must be approved by the Purchasing Division and the Attorney General's Office, as to form, prior to commencement of any work. Violations may result in penalties. The **Purchasing Affidavit** is required only for renewals of existing contracts.

All agreements, many change orders and other documents require an effective date, at which time the vendor may begin to supply the commodities and services as specified. The **West Virginia Code** §5A-3-1 *et seq.* requires the Purchasing Division to authorize purchases on behalf of state agencies and the Attorney General's office to approve those purchases *as to form* before the contract is legal and binding. The Purchasing Division will not accept any agreements, change orders or other documents which set an effective date that precedes the date of arrival in the Purchasing Division by more than twenty (20) calendar days. All documents beyond twenty (20) days will be returned unapproved. Any exceptions must be approved by the Purchasing Director.

Changes to the original purchase order must be sequentially numbered in the appropriate space. To effect the change, written concurrence from the vendor is required. The explanation of change to an existing contract must be described with sufficient detail and clarity that any individual could review and generally understand the contract and change.

Any change request of a purchase order in excess of ten percent (10%) of the original contract amount (aggregate) is strongly discouraged. The Purchasing Director, at his/her discretion, may grant a change in any amount if unforeseen circumstances have occurred and such change is in the best interest of the State of West Virginia. This percent guideline applies to most contracts, but cannot be applied in all types of contracts. For example, this guideline can and should be applied to lump sum type of contracts. For contracts awarded on an "open ended" basis, such as hourly rates, this guideline may not be practical. In those cases or in other situations when an agency may not apply the ten percent (10%) guideline, the agency should contact the appropriate Purchasing Division buyer.

Purchasing Division buyers are required to use this approved verbiage when renewing, extending, canceling and making other changes to original contracts. By establishing standard language, the vendor, agency and other entities in state government which review these contract changes will mutually understand the intended action to be initiated.

**7.8 Protest Procedures:** The Purchasing Division's Legislative Rules and Regulations *148 CSR 1* provide participating vendors with the right to protest specifications and purchase order awards.

**7.8.1 Submission of Protest:** Protests based on bid specifications must be submitted no later than five (5) working days prior to bid opening. Protest of purchase order or contract awards must be submitted no later than five (5) working days after the award. The vendor is responsible for knowing the bid opening and award dates. Protests received after these dates may be rejected at the option of the Purchasing Director.

All protests shall be submitted in writing to the Purchasing Division and contain the following information:

- (a) the name and address of the protestor;
- (b) the requisition, purchase order or contract numbers;
- (c) a statement of the grounds of protest;
- (d) supporting documentation (if necessary); and
- (e) the resolution or relief sought.

Failure to submit this information shall be grounds for rejection of the protest by the Director of the Purchasing Division.

**7.8.2 Protest Review:** The Purchasing Director or his/her designee shall review the matter of protest and issue a written decision. A hearing may be conducted at the option of the Purchasing Director or assigned designee.

Continuation or delay of the purchase order or contract award while the protest is considered is at the discretion of the Purchasing Director.

The Purchasing Division may refuse to review any protests when the matter involved is the subject of litigation before a court of competent jurisdiction; if the merits have previously been decided by a court of competent jurisdiction; or if it has been decided in a previous protest by the Purchasing Division. The provisions of this subsection do not apply where the court requests, expects, or otherwise expresses interest in the decision of the state.



# VENDOR PROCUREMENT GUIDE

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## SECTION 8: SPECIAL ACQUISITIONS

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### 8.0 SPECIAL ACQUISITIONS:

The procurement of certain commodities and services have limitations or require special procedures.

#### 8.1 Architectural and Engineering

**8.1.1 Projects Exceeding \$250,000:** In the procurement of architectural and engineering services, including those professional services of an architectural or engineering nature, for projects estimated to exceed \$250,000 (construction cost and architectural fees), an Expression of Interest shall be requested of interested firms by the Purchasing Division. Special procedures in the selection of architectural and engineering services are required in accordance with Chapter 5G of the **West Virginia Code**. Agencies must use the standard EOI format for projects expected to exceed \$250,000.

The expression of interest shall include a statement of qualifications and performance data and may include anticipated concepts and proposed methods of approach to the project. The project must be announced by public notice.

An evaluation committee shall consist of three (3) to five (5) representatives of the agency. The agency procurement officer must be a voting member of the EOI evaluation committee. The committee shall:

- (a) Evaluate the statements of qualifications and performance data and other material submitted;
- (b) Develop a "short list" (minimum of three [3] firms) which, in their opinion, are best qualified to perform the desired service; and
- (c) Interview each firm on the "short list" and discuss anticipated concepts and proposed methods of approach to the assignment, including clarification of qualifications and performance data, the scope of services offered and needed time to complete project.

The committee will rank no less than three (3) firms deemed to be the most highly qualified on the basis of the matters discussed during the interview, in order of preference, and present such list to the state agency and the Purchasing Division. The committee will forward its recommendation to the Purchasing Division along

with a written justification as to the selection of the firm. The justification must provide a score sheet with complete explanation of all points deducted to clearly indicate how the firms were ranked. The committee will then commence negotiations as to scope of service and price with the highest qualified firm.

If the agency fails to negotiate a satisfactory contract with the highest qualified firm at a fee determined to be fair and reasonable, negotiations as to scope of services and price with the firm of second choice will commence. Failing that, negotiations as to scope of service and price will be undertaken with the third most qualified firm. In no situation, after negotiations have been terminated with a firm, will negotiations be reopened.

If the agency fails to negotiate a satisfactory contract with any of the selected firms, in order of their competence and qualifications, they will rebid.

**8.1.2 Projects \$250,000 or Less:** In the procurement of architectural and engineering services for projects estimated to cost less than \$250,000 (which includes construction cost and architectural fee), competition shall be sought by the agency.

The agency shall conduct discussions with three (3) or more firms solicited on the basis of known or submitted qualifications for the assignment and the scope of services prior to the awarding of any contract. The Purchasing Master Terms and Conditions must be included with the negotiated contract that is submitted to the Purchasing Division, so that all vendors are aware of the requirements of the potential contract.

Price may not be discussed prior to selecting the highest rated firm.

The agency and the initially selected firm shall further develop the scope of services and, at this time, discuss price. If negotiations fail to result in a satisfactory contract, the agency may commence negotiations with the next ranked firm in the same manner, continuing until a satisfactory contract is negotiated.

Once negotiations conclude with the selected vendor, the agency must send the negotiated contract to the Purchasing Division to be properly executed.

If a judgment is made that special circumstances exist and that seeking competition is not practical, the agency may, with the prior approval of the Purchasing Director, select a firm on the basis of previous satisfactory performance and knowledge of the facilities and agency's needs.

Change order for projects estimated to cost less than \$250,000 (which includes construction and architectural fee) that far exceeds \$250,000 may not be approved and may necessitate a rebid.

## **8.2 Capitol Improvements**

**8.2.1 State Capitol Complex:** Pursuant to the *West Virginia Code* §4-8-5, "No contract or contracts which will result in physical changes to the state Capitol or

any approaches, structures or facilities incidental thereto shall be let, nor shall any physical changes be made not requiring a contract, until approval of the commission has been obtained.”

The Code requires the Capitol Building Commission to review and either approve or reject all plans recommending substantial physical changes inside or outside the state Capitol or surrounding complex, including the public meeting rooms, hallways and grounds which affect the appearance thereof. The surrounding complex shall include the governor’s mansion and other buildings used by the governor as part of his residence; the state science and cultural center; all state office buildings located in the immediate vicinity of the state Capitol and the roadways, structures and facilities which are incidental to such buildings. Substantial physical change means any permanent physical changes that alter the appearance of the public areas of the Capitol and surrounding complex.

The approval of the Capitol Building Commission is mandatory before any contract may be bid for work requiring a substantial physical change, or before changes are initiated if the work is not done under a contract.

**8.2.2 State-Owned Office Buildings:** Pursuant to the **West Virginia Code** §4-8-4, “The Capitol Building Commission shall review and approve or reject all plans recommending substantial physical changes inside or outside the state capitol building or surrounding complex, including the public meeting rooms, hallways and grounds, which affect the appearance thereof. The approval of the commission is mandatory before a contract may be let for work which constitutes a substantial physical change, or before changes are started if the work is not done under a contract. As used in this article, the surrounding complex shall include the governor's mansion and other buildings used by the governor as part of his residence, the state science and cultural center, all state office buildings located in the immediate vicinity of the state capitol, and the roadways, structures and facilities which are incidental to such buildings. As used in this article, substantial physical change shall include, but not be limited to, permanent physical changes that alter the appearance of the public areas of the capitol building and surrounding complex. The secretary of the department of administration shall promulgate rules and regulations, pursuant to the provisions of chapter twenty-nine-a of this code, which rules and regulations shall be subject to the approval of the capitol building commission, to implement the provisions of this article.” In addition, **West Virginia Code** §4-8-4 states that no contract or contracts which will result in physical changes to the capitol building or any approaches, structures or facilities incidental thereto shall be let, nor shall any physical changes be made not requiring a contract, until approval of the commission has been obtained.

### **8.3 Data Processing Equipment or Software**

The **West Virginia Code** §5A-6 requires that the Chief Technology Officer (CTO), in conjunction with the Information Services & Communications Division (IS&C) of the Department of Administration, review and approve all data processing procurements for state agencies.

All infrastructure purposes, regardless of dollar value, require CTO approval prior to submission of a request to use any type of solicitation. Since the CTO may require changes by the agency, the Purchasing Division's review of documentation without CTO approval may not be practical. All state entities, with the exception of Constitutional Officers, Higher Education and K-12, shall request approval for, at a minimum, but not limited to, the purchase of servers, storage device, routers, hubs, switches, firewalls, video conferencing and telephone equipment, including PBX system. The applicable infrastructure purchases also include infrastructure software of all types, whether it is e-mail applications, anti-virus software or any other interoperability application.

Different than infrastructure purchases in the previous paragraph, state agencies may procure computer application software and other non-infrastructure software, as well as IT consulting services with an estimated value of less than \$10,000 without CTO approval, but must provide copies of agency purchase orders to the CTO. **All purchases of computer hardware, software and consulting services in excess of \$10,000 must have prior approval of the CTO before it can be processed.** Such proposed purchases must be submitted to the Office of Technology for review and evaluation, and the results will be forwarded to the CTO for final approval.

**The agency must obtain approval from the CTO prior to submitting purchasing transactions to the Purchasing Division.**

**8.4 Design Services or Consultant:** Any individual, corporation, or firm (except as provided by a statewide contract) paid to custom design or write specifications for a modular office system, computer system, construction or any other project or contract shall not be permitted to competitively bid to provide the product or service that was designed. This removes the possibility of the designer developing specifications that only the designer can meet or restrict another vendor from meeting. This also prevents the appearance of any impropriety, thereby protecting the integrity of the competitive bid process.

Agencies may call vendors for information or copies of specifications for consideration of a particular brand or manufacturer without jeopardizing the vendor's ability to compete in the bid process as long as the vendor does not receive compensation or any form of favoritism.

**8.5 Sole Source Purchases:** A sole source purchase is a transaction in which a purchase is made for a commodity or service that is unique and possesses specific characteristics that are available from only one known source.

For additional information on sole source procurements, please visit Section 4.6.6.

**8.6 Emergency Purchases:** In accordance with the **West Virginia Code** §5A-3-15, purchases may be necessary to be made when unforeseen causes arise; however, emergency purchases are not used for hardship resulting from neglect, poor planning or lack of organization by the spending unit.

For additional information on emergency purchases, please visit Section 4.6.4.

**8.7 Lease or Lease Purchase of Equipment:** Lease or lease purchase of equipment are methods by which a state agency may obtain equipment and make payments for the use of the equipment over a period of time.

Leases and lease purchases are subject to annual funding authority of the Legislature. The state agency must provide the required funding over the life of the agreement. A reduction in funds or an administrative freeze shall not be sufficient justification to cancel a lease or lease purchase agreement. No lease or lease purchase can be canceled without approval of the Purchasing Division.

State agencies may be authorized by the Purchasing Division to purchase equipment currently under lease if the Purchasing Division competitively bid the lease originally. Each request will be evaluated on its own merits by the Purchasing Division. Approval is required by the Purchasing Division.

**8.8 Piggybacking Contracts:** In accordance with the **West Virginia Code** §5A-3-19, the Purchasing Director *"may, upon the recommendation of a state spending unit, participate in, sponsor, conduct, or administer a cooperative purchasing agreement or consortium for the purchase of commodities or services with agencies of the federal government, agencies of other states, other public bodies or other state agencies, if available and financially advantageous."*

State agencies must complete a **Cooperative Purchasing Request, Justification and Approval** (WV-40) to request that the Purchasing Director consider granting the state agency permission to purchase from one of the above contract categories. The completion of this form is required for each subsequent purchase from the respective contract unless the Purchasing Director designates the identified contract as mandatory. Contracts identified as mandatory do not require submissions of the WV-40 for each purchase.

The **Code of State Rules** 148 CSR 1 7.9 address these types of contracts by stating:

*7.9. Purchases from contracts issued by other public agencies and entities*

*7.9.1. The Director may approve a request by a spending unit to make a purchase from contracts issued by agencies of the federal government, agencies of other states, other public bodies or other state agencies. The Director may require the use of a contract issued by another public organization or a spending unit to make a purchase from contracts issued by other public agencies and entities.*

*The Director may participate in cooperative purchases with other public agencies and entities. In all cases, these contracts or cooperative arrangements shall be from valid properly awarded contracts and considered by the Director to be available and financially advantageous and comparable to what can be obtained by competitive bid. The Director shall require spending units to prove that their requests to use such contracts:*

*(a) Do not conflict with existing State of West Virginia contracts unless the prices on the contracts issued by other public agencies and entities is substantially lower*

*than the state contract based on an equal comparison. No price comparison may be based on differing specifications as determined by the Director;*

*(b) Will not cause a West Virginia vendor that offers like products and services to lose substantial business, unless the Director determines based on submitted documentation from the spending unit that the difference in price is so great that the State's best interest is served by using the contracts issued by other public agencies and entities; and*

*(c) Does not cause extensive hardship to any spending unit offered preference under the West Virginia Code.*

*7.9.2. All requests to use such contracts shall be submitted in advance to the Director with necessary evidence and documentation. The Director shall approve only those requests submitted with evidence that justifies use of such contracts. Any request that is not supportable shall be returned to the spending unit.*

**8.9 Prevailing Wage Rates:** Fair minimum rate of wages, including fair minimum overtime and holiday pay, determined by the West Virginia Division of Labor that must be paid to laborers, workmen, or mechanics on all contracts for the construction of a public improvement.

**8.10 Printing and Printing Equipment:** All printing and binding services must be performed by Correctional Industries or a letter of refusal must be attached to the **Requisition** (over \$25,000), or maintained with agency invoice or purchase order file (\$25,000 or less).

**8.11 Professional Services:** Professional service contracts provide a mechanism to acquire specific professional expertise. Unless specifically exempt, professional services shall be competitively bid.

**8.12 Rentals:** Rentals require an **Agreement Addendum [WV-96]** and shall not exceed thirty (30) days.

**8.13 Telecommunications Systems:** All telephone systems with a total cost (purchase price or total of lease purchase payments, including maintenance if selected by the agency at the time of award) over \$25,000 must be bid through the Purchasing Division. Upgrading of existing systems may be considered a sole source purchase, if the displaced equipment represents less than 50% of the present day dollar value of the existing equipment, and the equipment remains under the terms and conditions of its original maintenance agreement. Expansion of existing systems not involving an upgrade and/or added features may be considered sole source purchases if the equipment remains under the terms and conditions of its original maintenance agreement.

All telecommunications systems, upgrades and expansions, regardless of cost, must be approved prior to bidding by the Information Services and Communications Division. **All telecommunications purchase orders greater than \$25,000 must be approved by the Chief Technology Officer of the Governor's Office of Technology.** Evaluation of bids will include installation, training and post-warranty maintenance. This policy is vitally

important to maintain the integrity and compatibility of the state's massive voice and data telecommunications system.

**8.14 Vehicles:** Approval by the Fleet Management Office is required to purchase vehicles, unless statutorily exempt. Any request under the authority of the Fleet Management Office to increase an agency's fleet size must be approved by the Executive Director of the Fleet Management Office. Vehicles ordered from the statewide contract, with options not included on the statewide contract, require a written quote (dealer cost) from the vendor, written agency justification, and approval of the Purchasing Director. All vehicle purchases, regardless of dollar amount, must be processed through the Purchasing Division. Purchases of vehicles from Surplus Property are exempt from Purchasing Division approval, but still must obtain Fleet Management Office approval.

**8.15 Used Property:** State agencies may purchase used property through the normal competitive bid process after first checking the item availability with the West Virginia State Agency for Surplus Property and documenting this contact in the official file. In accordance with the **Code of State Rules**, 148CSR7.5.6, the Purchasing Director shall issue prior approval or disapproval for used equipment to be purchased directly without competitive bids. If disapproved, the Purchasing Director shall return the request to the spending unit and direct another method of purchasing.

**8.16 Banking Goods and Services:** The Office of the State Treasurer must approve the acquisition of any kind of banking goods or services, which includes accepting payments and receiving funds via electronic commerce. Agencies must submit a request to the Office of the State Treasurer before issuing any Request for Proposal (RFP) or Request for Quotation (RFQ) or entering into any contract with another entity for banking goods or services, in accordance with **West Virginia Code** §12-1-7 and §12-3A-6.

**8.17 Radios and Microwave Equipment:** In accordance with Governor's Executive Order 2-11, any purchase by a state spending unit or state agency, including purchases on behalf of state agencies, of two-way radio, microwave or satellite equipment and related services, or purchases that utilize state or federal funds distributed to local entities by the state of West Virginia which are not listed on the Statewide Interoperability Executive Committee's State Interoperable Radio Network (SIRN) Approved Compatibility Equipment List, shall obtain the prior written approval of the Statewide Interoperability Coordinator (SWIC) for any proposed purchase of goods and services. SWIC approval or verification that the equipment is on the Approved Compatibility Equipment List must be submitted with the **Requisition** to the Purchasing Division.

For a list of approved radios for use on the Statewide Interoperable Radio Network, visit:

[www.sirn.wv.gov/information/downloads/Pages/default.aspx](http://www.sirn.wv.gov/information/downloads/Pages/default.aspx)

All contractual documents for two-way radio, microwave or satellite equipment and related services, including, but not limited to, land or tower leases, memorandums of understanding/agreement, training contracts, agreements or services, and purchasing or service contracts related to two-way radio, microwave or satellite equipment and related services for any agency of the state of West Virginia, and all local entities of the state of West Virginia which utilize state or federal funds distributed by the state of West Virginia, must be reviewed and approved by the SWIC to ensure compatibility with the SIRN, to

promote the best possible value in purchasing, and to ensure all agencies participating in the SIRN and needing equipment and related services are covered by contractual documents.

Questions may be directed to the Statewide Interoperability Coordinator at (304) 766-5899.

**8.18 Grants:** In accordance with **West Virginia Code** §5A-3-11(i), a grant awarded by the state is exempt from the competitive bidding requirements, unless the grant is used to procure commodities or services that directly benefit a spending unit. If a grant awarded to the state requires the procurement of commodities or services that will directly benefit a spending unit, the procurement is not exempt from the competitive bidding requirements. If a grant awarded to the state requires the state to transfer some or all of the grant to an individual, entity or vendor as a subgrant to accomplish a public purpose, and no contract for commodities or services directly benefitting a spending unit will result, the subgrant is not subject to the competitive bidding requirements.



# VENDOR PROCUREMENT GUIDE

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## SECTION 9: QUALITY ASSURANCE

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### 9.0 QUALITY ASSURANCE:

Quality assurance is a partnership involving the state agency, the vendor and the Purchasing Division. The agency establishes the quality level by the specifications, and the Purchasing Division seeks to reduce cost and maintain quality through the competitive bid process. The agency and the Purchasing Division perform an evaluation of the offers by bidders to obtain maximum benefit for the tax dollars spent. The vendor's responsibility is to provide the quality level established by the specifications and accepted by the agency.

#### 9.1 Agency Responsibilities

**9.1.1 Proper Acquisition Planning:** The agency's first step is to determine the commodity that is needed, the quantity, the quality level, delivery location and time frame. All offers in the evaluation process will be compared to the standards established in the specifications for award.

**9.1.2 Receiving:** State agency personnel must verify the shipment of commodities with the specifications in the purchase order while reporting of any discrepancies, obvious damages or shortages based upon the purchase order specifications. (See **Section 6.3**)

**9.1.3 Vendor Performance:** Vendor performance and product quality is crucial in the state purchasing process. When these factors do not meet expectations, the state agency designated procurement officers are strongly encouraged to contact the vendor and voice their concerns. Agency procurement officers will document all efforts made to resolve the problem and the complaints to be resolved.

Should all attempts fail to resolve the issues, the complaint will immediately be referred to the appropriate buyer of the Purchasing Division, using the **Vendor Performance Report (WV-82)**, along with all documentation noting all steps taken to try to resolve the problem. All written vendor responses will also be included in the packet sent to the Purchasing Division buyer.

**9.2 Purchasing Division Responsibilities:** The Purchasing Division is responsible for ensuring that the purchase of or contract for commodities and printing shall be based whenever possible on competitive bid.

**9.2.1 Specification Review:** The Purchasing Division will review all specifications submitted by an agency to ensure that the specifications are complete and open to competition.

**9.2.2 Evaluation:** The Purchasing Division staff reviews all evaluations and recommendations for award for validity and consistency. In Best Value Procurement techniques, the Purchasing Division requires and provides training to all agency evaluation committee members to ensure proper evaluation procedures are followed and quality evaluations are submitted in standard format.

**9.2.3 Contract Administration:** Although the agency is responsible for monitoring vendor performance and compliance with the specifications on a daily basis, the Purchasing Division assists with dispute resolutions when needed. It is preferred that agency personnel and the vendor exhaust all avenues in an effort to resolve the dispute prior to the Purchasing Division's intervention. Situations where the vendor has breached contract or established a pattern of poor performance, the Purchasing Division may cancel the contract and/or suspend the vendor from further participation in the competitive bid process. In the event that bonds have been posted by the vendor, the Purchasing Division may also institute action to recover any damages identified from the vendor's surety.

**9.2.4 Training:** The Purchasing Division provides a variety of training to vendors in an effort to increase the level of proficiency. In addition, on-going training is offered by the Purchasing Division in various methods, including webinars and online modules available on the Purchasing Division's website.

**9.3 Vendor Responsibilities:** Each vendor is solely responsible for delivering a bid to the Purchasing Division prior to the specified date and time of the bid opening. The official time clock of the Purchasing Division, for the purpose of receipt of bids, shall be displayed in the offices of the Purchasing Division. In the case of electronic submission of bids, *wvOASIS* is the system utilized for bid submission. For more information on *wvOASIS*, visit [www.wvOASIS.gov](http://www.wvOASIS.gov).

#### **9.3.1 Compliance with Specifications:**

Successful vendors are required to meet or exceed the quality level accepted and specified on the final purchase order in addition to meeting delivery requirements.

#### **9.3.2 Follow-Up with Suppliers:**

To ensure delivery deadlines are met, the vendor should communicate and coordinate with its suppliers to fulfill delivery obligations.

#### **9.3.3 Dispute Resolution:**

The vendor is required to negotiate in good faith with agency personnel should a dispute arise.

#### **9.3.4 Remedies**

In the event that a vendor fails to honor any contractual term or condition, the Director may:

(a) Cancel the contract and re-award the purchase order to the next lowest bidder. The vendor failing to honor contractual obligations is responsible for all differences in costs;

(b) Declare a vendor non-responsible or non-responsive and refuse to award a purchase order. All such instances shall be substantiated in writing. The documentation shall be considered a public document and shall be available for inspection at all reasonable times; or

(c) Suspend, for a period not to exceed one (1) year, the right of a vendor to bid on state purchases when there is reason to believe the vendor has violated any of the provisions, terms, or conditions of a contract, this rule or state law. A suspended vendor may appeal the decision of the Director to the Secretary of Administration.

The following are adequate grounds for suspension:

(i) A vendor has exhibited a pattern of poor performance in fulfilling his or her contractual obligations to the state. Poor performance includes, but is not limited to, a vendor providing or furnishing commodities, services or printing, materials, or services late, or at a quantity or quality level below that which is specified in the contract.

(ii) The vendor has breached any contract entered into pursuant to the provisions of **West Virginia Code, §5A-3-1, or Legislative Rule**; or

(iii) The vendor has been convicted of any federal, state or local crime punishable as a felony, directly related to the performance of a contract entered into pursuant to **West Virginia Code, §5A-3-1 et seq. or Legislative Rule**.

### **9.3.5 Damages**

A vendor who fails to perform as required under a contract shall be liable for actual damages and costs incurred by the state.

If any merchandise delivered under a contract has been used or consumed by an agency and on testing is found not to comply with specifications, no payment may be approved by the Director for the merchandise until the amount of actual damages incurred has been determined.

The Purchasing Director shall seek to collect damages by following the procedures established by the Office of the Attorney General for the collection of delinquent obligations.



<b>APPENDIX</b>	
<b><u>Appendix A</u></b>	Purchasing Division Directory
<b><u>Appendix B</u></b>	Purchasing Forms
<b><u>Appendix C</u></b>	Buyer – Agency Assignments
<b><u>Appendix D</u></b>	Legislative Rules and Regulations
<b><u>Appendix E</u></b>	Statewide Contract Listing
<b><u>Appendix F</u></b>	NIGP Code of Ethics
<b><u>Appendix G</u></b>	Pre-Bid Conference Sign-in Sheet
<b><u>Appendix H</u></b>	Request for Proposal Standard Format
<b><u>Appendix I</u></b>	Sole Source Determination
<b><u>Appendix J</u></b>	Expression of Interest Standard Format
<b><u>Appendix K</u></b>	Vendor Code of Conduct



WEST VIRGINIA PURCHASING DIVISION

# **VENDOR PROCUREMENT GUIDE**

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## **APPENDIX A: PURCHASING DIVISION DIRECTORY**

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[Click here](#) **for the Purchasing Division directory of services.**

For a direct link, access [www.state.wv.us/admin/purchase/directory.html](http://www.state.wv.us/admin/purchase/directory.html)



WEST VIRGINIA PURCHASING DIVISION

# **VENDOR PROCUREMENT GUIDE**

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## **APPENDIX B: PURCHASING FORMS**

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Download the following forms from the **Vendor Resource Center (VRC)** on the Purchasing Division's Internet site at [www.state.wv.us/admin/purchase/forms](http://www.state.wv.us/admin/purchase/forms):

- Vendor Registration and Disclosure Statement and Small, Women-, and Minority-owned Business Certification Application
- Agreement Addendum
- Purchasing Affidavit
- Vendor Preference Certificate
- Employment History Disclosure Statement
- Bond Forms



WEST VIRGINIA PURCHASING DIVISION

# **VENDOR PROCUREMENT GUIDE**

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## **APPENDIX C: BUYER – AGENCY ASSIGNMENTS**

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**Click here** for the Purchasing Division buyer assignments.

For a direct link, access [www.state.wv.us/admin/purchase/byrassign.htm](http://www.state.wv.us/admin/purchase/byrassign.htm).



WEST VIRGINIA PURCHASING DIVISION

# **VENDOR PROCUREMENT GUIDE**

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## **APPENDIX D: LEGISLATIVE RULES AND REGULATIONS**

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**Click Here** for the Purchasing Legislative Rules and Regulations.

For a direct link, access [www.state.wv.us/admin/purchase/rules.html](http://www.state.wv.us/admin/purchase/rules.html).



WEST VIRGINIA PURCHASING DIVISION

# **VENDOR PROCUREMENT GUIDE**

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## **APPENDIX E: STATEWIDE CONTRACT LISTING**

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**Click Here** for the current statewide contract listing.

For a direct link, access [www.state.wv.us/admin/purchase/swc](http://www.state.wv.us/admin/purchase/swc).



## WEST VIRGINIA PURCHASING DIVISION

# **VENDOR PROCUREMENT GUIDE**

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### **APPENDIX F: NIGP CODE OF ETHICS**

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The West Virginia Purchasing Division is an active member of the National Institute of Governmental Purchasing, Inc. and adopts as a policy the Code of Ethics which the Institute has initiated.

#### **CODE OF ETHICS**

The Institute believes, and it is a condition of membership, that the following ethical principles should govern the conduct of every person employed by any public sector procurement or materials management organization.

- 1.** Seeks or accepts a position as head or employee only when fully in accord with the professional principles applicable thereto, and when confident of possessing the qualifications to serve under those principles to the advantage of the employing organization.
- 2.** Believes in the dignity and worth of services rendered by the organization and the social responsibilities assumed as a trusted public servant.
- 3.** Is governed by the highest ideals of honor and integrity in all public and personal relationships, in order to merit the respect and inspire the confidence of the organization and the public being served.
- 4.** Believes that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and not tolerable.
- 5.** Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved.
- 6.** Believes that members of the Institute and its staff should at no time or under any circumstances, accept directly or indirectly, gifts, gratuities or other things of value from suppliers.
- 7.** Keeps the governmental organization informed, through appropriate channels, of problems and progress of applicable operations, but personally remains in the background by emphasizing the importance of the facts.
- 8.** Resists encroachment on control of personnel in order to preserve integrity as a professional manager. Handles all personnel matters on a merit basis. Political, religious,

racial, gender and age considerations carry no weight in personnel administration in the agency being directed or served.

**9.** Seeks or dispenses no personal favors. Handles each administrative problem objectively and empathetically on the basis of principles and justice without discrimination.

**10.** Subscribes to and supports the professional aims and objectives of the National Institute of Governmental Purchasing, Inc.



WEST VIRGINIA PURCHASING DIVISION

# **VENDOR PROCUREMENT GUIDE**

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## **APPENDIX G: PRE-BID CONFERENCE SIGN-IN SHEET**

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### **Pre-Bid Conference Sign-In Sheet**

*(It is important for vendors to write legibly on this sign-in sheet. The fax number is essential to contact the attendees in a timely manner.)*

For a direct link, access:

[www.state.wv.us/admin/purchase/handbook/2007R24/signin.pdf](http://www.state.wv.us/admin/purchase/handbook/2007R24/signin.pdf)



WEST VIRGINIA PURCHASING DIVISION

# VENDOR PROCUREMENT GUIDE

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## APPENDIX H: REQUEST FOR PROPOSAL STANDARD FORMAT *REVISED 06/08/2012*

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Standardized language for the Request for Proposal method of purchasing (Select the file type you prefer):

- [RFP Preparation Instructions](#)
- RFP Standard Format ([Microsoft Word File](#))
- RFP Standard Format ([PDF File](#))



WEST VIRGINIA PURCHASING DIVISION

# **VENDOR PROCUREMENT GUIDE**

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## **APPENDIX I: SOLE SOURCE DETERMINATION**

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**Click Here** for the Sole Source Determination template.

For a direct link, access:

[www.state.wv.us/admin/purchase/handbook/2007R21/ssdform.doc](http://www.state.wv.us/admin/purchase/handbook/2007R21/ssdform.doc)



WEST VIRGINIA PURCHASING DIVISION

# **VENDOR PROCUREMENT GUIDE**

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## **APPENDIX J: EXPRESSION OF INTEREST STANDARD FORMAT** ***REVISED 06/08/2012***

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Standardized language for the Expression of Interest method of purchasing.  
(Select the file type you prefer):

- [Microsoft Word File](#)
- [PDF File](#)



WEST VIRGINIA PURCHASING DIVISION

# VENDOR PROCUREMENT GUIDE

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## APPENDIX K: VENDOR CODE OF CONDUCT

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**Click here** to view the Purchasing Division's **Vendor Code of Conduct**.

For a direct link, access:

[www.state.wv.us/admin/purchase/vrc/VendorConduct.pdf](http://www.state.wv.us/admin/purchase/vrc/VendorConduct.pdf)