



# PURCHASING DIVISION

State of West Virginia /  
Department of Administration



# 2009 Fiscal Year Annual Report

[www.state.wv.us/admin/purchase](http://www.state.wv.us/admin/purchase)  
an E.E.O employer

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# Director's Comments

June 30, 2009

## To the Citizens of West Virginia:

The Purchasing Division's Mission notes that we are a customer-driven organization. This statement was strengthened during this fiscal year with an enhanced effort to reach out to our customers.

Our staff has worked diligently to progressively educate and inform our agency partners and the vendor community to ensure that not only the statutory and regulatory requirements were met, but the end result of spending our state tax dollars was done in an efficient and wise manner. Our goal is to continue to seek ways to enhance competition to obtain the necessary products and services at the lowest possible prices.

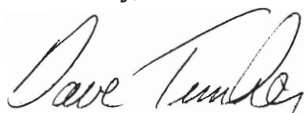
The Purchasing Division's training initiatives continue to expand, which enables us to accomplish the goals of better educating procurement officers at the agency level. In addition to our annual agency purchasing conference, we implemented an in-house training program, which offers training in the Charleston area throughout the year. We also continue to add to our online training modules as well as participate in agency meetings and seminars, when possible, to share purchasing-related information.

Our purchasing inspectors also serve as our ambassadors of information at the agency level. These employees are valuable resources to agency procurement personnel who need guidance on the procedures in place.

Our dedicated staff of professionals strive to meet the needs of all of our customers - agency personnel, business representatives and the general public - by being responsive and focused on our Mission to exercise prudent and fair spending practices in acquiring quality goods and services in a timely fashion at the lowest possible cost.

The Purchasing Division is pleased to report the status and accomplishments of our programs and services in this **Annual Report**. Thank you for your cooperation and support in our organization.

Sincerely,



Dave Tincher, Director  
West Virginia Purchasing Division



# General Information

## Contact Information

### **West Virginia Purchasing Division**

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**In-state toll-free:** 800-BIDS2WV (800-243-7298)

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*www.state.wv.us/admin/purchase*

## Statutory Authority

The Purchasing Division was created and its duties outlined 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, travel and leasing services to various state agencies.”

The Purchasing Division operates in adherence to its *Code of State Rules* (148 CSR 1), which serves as a clarification of operative procedures for the purchase of products and services by the Division. It applies to all spending units of state government, except those statutorily exempt.

## Mission Statement

The mission of the 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 cost; 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 – in building lasting business relationships.

## Marketing Strategy

The Purchasing Division communicates with its state agency partners and vendor community regarding its programs and services through a variety of mediums, including the *West Virginia Purchasing Bulletin*, a weekly listing of bid opportunities for state government expected to exceed \$25,000; a monthly online newsletter, titled *The Buyers Network* for state procurement officers; as well as frequent e-mail correspondence to our designated purchasing liaisons at the state agency level.

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In a dedicated effort to serve our customers, the Purchasing Division makes every attempt to open its doors to its customers. This year, the Purchasing Division continued our tradition of our **OPEN HOUSE**. During this event, the division opens its doors to our agency partners and encourage them to bring documentation or questions they wish to discuss. (See **Page 8** for more details on the 2nd annual OPEN HOUSE event.)

### ***Customer Service Representative***

The Purchasing Division has a designated customer service representative to serve as the primary contact for all inquiries, suggestions and concerns. Diane Holley-Brown, Assistant Purchasing Director for the Communication and Technical Services Section, serves in this role and may be contacted at (304) 558-0661 or via e-mail at ***Diane.M.Holley@wv.gov***.

## **Our Values**

**Integrity...**The Purchasing Division values the trust which its customers place upon our organization and works diligently to maintain that level of comfort realized by our customers.

**Service...**The Purchasing Division strives to serve its customers in the most effective and efficient manner to realize our shared goals.

**Knowledge...**The Purchasing Division is a knowledgeable source to state agencies and the vendor community regarding our laws and procedures. We seek to understand the needs of our customers and provide necessary information and guidance.

**Communication...**The Purchasing Division communicates effectively with our customers on policies, procedures and regulations and serves as a reliable resource on public procurement.

**Mutual Respect...**The Purchasing Division believes in the philosophy of reciprocal respect in the business world.

**Fairness...**The Purchasing Division conducts our business practices in a fair manner by providing equal opportunities to the vendor community, and guidance and information to state agency purchasers.

**Teamwork...**The Purchasing Division recognizes the importance of the concept of teamwork in its daily operation. Our organization encourages our customers to provide feedback to realize continuous improvements.

**Professionalism...**The Purchasing Division believes in the professionalism of our staff and in the manner in which we interact with our customers.

**Innovation...**The Purchasing Division seeks innovative methods to improve the programs and services provided, while abiding by legislative and regulatory statutes.

**Leadership...**The Purchasing Division aims to serve as a leader in state government procurement by providing its customers with effective guidance and valuable information.

# Customers Expectations

## What Our Customers Want...

<b>Public</b>	<b>Vendors</b>	<b>Legislators</b>	<b>State Agencies</b>
Integrity	Fairness	Guidance	Information
Accessibility	Communication	Information	On-Time Delivery
Ethics	Accessibility	Responsiveness	Guidance
Efficiency	Information	Openness	Partnership
Responsiveness	Ethics	Accessibility	Competence
Dependability	Added Value	Partnership	Accessibility
Quality	Simplicity	Competence	Open-Mindedness
	Communication	Simplicity	Innovativeness

# Organizational Structure

The Purchasing Division is organizationally structured under the Department of Administration. In addition to the Purchasing Director’s office, the division has three sections: Acquisition and Contract Administration, Communication and Technical Services, and Program Services.

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

This section is responsible for the procurement of products and services for state agencies in excess of \$25,000. It is committed to providing good customer service to agencies and vendors by buying the best quality commodities at the lowest cost to taxpayers. The procurement process is monitored through the Requisition Tracking System from the requisition receipt to the award of the purchase order.

The Contract Management Unit within this section oversees the managing of all contracts and the inspection of purchasing documents to ensure compliance with state laws, regulations and procedures. This section strives to provide quality services in the most efficient manner.

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

This section is responsible for a variety of services offered to agency purchasers, the business community and to the general public. It focuses on technology, communication, training, new business development and administrative functions, such as vendor registration, records imaging, purchase order encumbrance, bid receipt and bid package distribution.

The Communication Unit provides information related to the division as well as the individual programs which are administered by the division. The Technical Services Unit maintains the automated purchasing systems, our networking services and the division’s Web site.

In addition, this unit oversees the administrative functions outlined above. Professional development

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is also a vital aspect of the division. Conferences and seminars are offered throughout the year to offer guidance to our customers.

### ***Program Services Section***

This section is responsible for several of the programs administered by the division.

The Fleet Management Unit oversees the leasing of vehicles to state agencies. The Travel Management Unit offers guidance to state business travelers and oversees various statewide contracts for travel-related services.

The Surplus Property Unit manages the state and federal programs for property no longer needed within the respective governments. The Fixed Assets Unit maintains the state's inventory of property.

# Quick Reference Guide

	<u>TELEPHONE NO.</u>	<u>LOCATION</u>
<b><u>Director's Office</u></b>		
David Tincher, Director	(304) 558-2538	Main Office
Debbie Watkins, Administrative Secretary	(304) 558-3568	Main Office
Elizabeth Perdue, Chief Financial Officer	(304) 558-0468	Main Office
Afton Hutson, Attorney	(304) 558-8806	Main Office
<b><u>Acquisition and Contract Administration Section</u></b>		
Ron Price, Assistant Director	(304) 558-0492	Main Office
<b><u>Acquisitions Unit</u></b>		
Vacant, Buyer Supervisor	---	Main Office
John Abbott, Senior Buyer	(304) 558-2544	Main Office
Jo Ann Adkins, Senior Buyer	(304) 558-8802	Main Office
Michael Austin, Senior Buyer	(304) 558-2402	Main Office
Chuck Bowman, Buyer Supervisor	(304) 558-2157	Main Office
Shelly Murray, Senior Buyer	(304) 558-8801	Main Office
Krista Ferrell, Buyer Supervisor	(304) 558-2596	Main Office
Frank Whittaker, Senior Buyer	(304) 558-2316	Main Office
Roberta Wagner, Buyer Supervisor	(304) 558-0067	Main Office
Pam Hodges, Buyer	(304) 558-0468	Main Office
<b><u>Contract Management Unit</u></b>		
Michael Sheets, Contract Manager	(304) 558-5780	Main Office
Susan King, Inspector III	(304) 558-2652	Main Office
Shane Hall, Inspector II	(304) 558-8803	Main Office
Junior Blount, Inspector II	(304) 558-3488	Main Office
<b><u>Communication and Technical Services Section</u></b>		
Diane Holley-Brown, Assistant Director	(304) 558-0661	Main Office
<b><u>Communication Unit</u></b>		
Tony O'Leary, Public Information Specialist	(304) 558-4213	Main Office
Chad Williamson, Public Information Specialist	(304) 558-2315	Main Office
<b><u>Professional Development Unit</u></b>		
Brian Holmes, Staff Development Specialist	(304) 558-7022	Main Office
<b><u>Technical Services Unit</u></b>		
Dan Miller, Manager	(304) 558-2314	Main Office
<b><u>Administration Unit</u></b>		
Beverly Toler, Supervisor	(304) 558-2336	Main Office
<b><u>Program Services Section</u></b>		
Ken Frye, Assistant Director	(304) 766-2626	Dunbar
<b><u>Fleet Management Office</u></b>		
Janice Hartman, Manager	(304) 558-0086	Main Office
<b><u>Surplus Property Unit</u></b>		
Ken Frye, Manager	(304) 766-2626	Dunbar
<b><u>Travel Management</u></b>		
Catherine DeMarco, Manager	(304) 558-2613	Main Office



# A Year in Review... Highlights

## Customer Service Initiatives

The success of the purchasing process in West Virginia state government may be attributed to the cooperative partnership between the Purchasing Division and the various state agencies. Because authority is delegated to agencies for purchases of \$25,000 or less, the Purchasing Division must work closely with our agency purchasers to answer any questions or concerns expressed to ensure that the established procedures are understood and followed.


The Purchasing Division is able to accomplish this goal by several outreach programs currently in place, including our agency buyer assignments, state agency procurement designations, the purchasing inspection program and our recently enhanced training initiatives.

Each agency is assigned a buyer within the Purchasing Division to process its transactions, answer questions and to be its sole contact with our division. For a listing of buyer assignments, please visit: <http://www.state.wv.us/admin/purchase/byrassign.pdf>.


On the agency side, as a result of **Legislative Rule and Regulations 148 CSR 1**, the Purchasing Division is required to ensure that each agency has designated a person who has the procurement responsibility for that agency. This individual serves as our communication liaison for that agency for all information and training.

Additionally, the Purchasing Division inspectors are an integral part of our outreach program by traveling to various agency locations. It is their responsibility to ensure that all purchasing transactions at the agency level are being completed in accordance with our procedures, but also to connect agency purchasers to the ap-

### **Purchasing Division's 2<sup>nd</sup> Annual OPEN HOUSE**



**Senior Buyer Michael Austin talks to Nancy Baire with the Office of Technology during the Purchasing Division's 2nd Annual OPEN HOUSE. More than 70 agency purchasers attended this event. For more details, turn to page 9 of this Annual Report.**



**Purchasing Division Senior Buyer John Abbott discusses purchasing-related issues with Alberta Kincaid, procurement officer for the State Treasurer's Office.**

propriate person for questions or concerns that arise. Our purchasing inspectors serve as our *ambassadors* to the Purchasing Division.

Education is vital in the purchasing outreach efforts. Effective Jan. 1, 2009, the Purchasing Division began offering training workshops each month at the Gaston Caperton Training Center (Building 7) targeting to agency purchasing personnel to ensure understanding of the statutory and regulatory requirements and procedures. (See **Page 13** for more information). In addition, our online training program continues to expand, with our recently added “Basic Purchasing” module now available at <http://www.state.wv.us/admin/purchase/training>. Also at this Web site are all of the presentations offered at the annual purchasing conference. We continue to develop more online training programs which may be beneficial to our agency partners.

To keep the communication flowing smoothly between our staff and agency purchasers, we continued our tradition last month by offering our 2<sup>nd</sup> annual **OPEN HOUSE** event, at which we open our doors to welcome our customers and display the services we offer to them. This event provides an opportunity to discuss issues relative to their agencies, bring documentation to review, and to network with our staff as well as other agency purchasers.

Lastly, our customer friendly initiatives do not stop at these outreach programs. We are continually being asked to participate in events which your agency offers. If our staff schedules allow, the Purchasing Division is always willing to attend these meetings to explain our procedures and answer questions relative to the state purchasing process.

## **Reorganization of the Acquisition and Contract Administration Section**

### ■ Reorganization Strengthens Purchasing Division’s Service and Efficiency

The Purchasing Division has recently reorganized its Acquisition and Contract Administration Section (ACA) to strengthen its ability to provide prompt and efficient customer service to the agencies its serves.

Chuck Bowman, Krista Ferrell and Roberta Wagner have all been re-allocated from senior buyers to buyer supervisors in the division’s ACA section. Ron Price, who previously served as the sole buyer supervisor, was recently named Assistant Director of the ACA Section.

“We have increased the number of buyer supervisors to provide more depth and assistance to all our agencies,” said Purchasing Director David Tincher. “The new buyer supervisors will still work



**Assistant Purchasing Director Ron Price of the Acquisition and Contract Administration Section, left, is pictured with our buyer supervisors for this section: (l-r) Roberta Wagner, Krista Ferrell and Chuck Bowman. Currently, there is one vacancy for buyer supervisor.**

with their respective agencies they had as senior buyers, but in their new roles, they will also take on additional responsibilities such as providing guidance and assistance to the senior buying staff, having signature authority, and reviewing and approving transactions when needed or required.

“This will ensure that the work flow in the Purchasing Division remains at a consistent, professional level when staff members are out of the office. In the long run, it is only going to strengthen our already-strong buying staff.”

In the new alignment, Assistant Director Ron Price supervises four buyer supervisors. Chuck Bowman, works directly with Senior Buyer Shelly Murray. Krista Ferrell is now assigned with Senior Buyer Frank Whitaker. Roberta Wagner works with Buyer Pam Hodges; and there is currently a vacant buyer supervisor position. Ron Price is presently the direct supervisor to Senior Buyers John Abbott, Jo Ann Adkins and Michael Austin, until the vacant buyer supervisor position is filled.

## **2008 Agency Purchasing Conference**

### ■ Introduction of “The Beginner’s Track”

With attendance edging 270, in addition to about 30 staff and guest presenters, the 2008 Agency Purchasing Conference at Canaan Valley Resort and Conference Center was one of the best attended conferences in Purchasing Division history.

One of the most successful aspects of the conference was the introduction of the “Beginners Track,” a series of classes especially designed for individuals with two years or less of procurement experience. The six classes focused on the bare-bone basics of purchasing, allowing those in attendance to have stronger footing not just for future classes but also for their jobs upon return. More than 80 first-time attendees were at this year’s conference.



**2008 Agency Purchasing Conference attendees had a choice of more than 25 different workshops to attend, as well as an awards banquet and the conference’s annual game show.**

In total, this year’s conference offered 27 different workshop topics from which for attendees to choose. In addition, all presentation material has been made available on the Purchasing Division Web site at <http://www.state.wv.us/admin/purchase/training>.

Available workshop topics included: Agency Delegated Purchasing; Acquisition Planning; Basic Purchasing; Change Order Process; Construction Purchases; Fleet Management; Inspection Services; Piggybacking Contracts; Purchase Order Encumbrance; Process Checklist; Purchasing Web site; Request for Quotations; Sole Source Process; Statewide Contracts; Surplus Property; Travel Management; and Vendor Registration.

This year’s conference also found several new workshop topics, including Expressions of Interest; Evaluation and Award Process; Preventing Protests; and a Request for Proposal mock evaluation.

The conference gave Purchasing Division staff and procurement individuals an opportunity to connect outside of the realm of work and office, while also using time between sessions to discuss work-related issues.

“Accessibility of our staff is not limited to the workshop session but throughout the conference,” Purchasing Director Dave Tincher told those in attendance during the opening session. Tincher also took the time to spotlight various Purchasing Division training initiatives, including developing a comprehensive training program for procurement officers and agency staff; online training modules; and in-house/on-site overview of purchasing training sessions.



**Senior Buyer Roberta Wagner was among the presenters at the 2008 Agency Purchasing Conference at Canaan Valley Resort in Davis.**

According to evaluation forms submitted by conference participants, this annual training event met the educational training needs of our state agency purchasers.

Based on 90 responses, 91 percent of the participants rated the overall conference as “excellent” or “good.” The remaining nine percent rated the conference as “fair.” The organization of the conference received a 88 percent rating of “excellent” or “good,” with the remaining 11 percent as “fair” and one percent as “poor.”

“Feedback from conference participants is an invaluable resource,” said Purchasing Director Dave Tincher. “We weigh their opinions heavily and utilize many of their ideas in planning future training events.”

Listed below are some of the results attained from the evaluation analysis:

### **REGISTRATION**

EXCELLENT .....	73%
GOOD .....	26%
FAIR .....	1%
POOR .....	0%

### **ORGANIZATION**

EXCELLENT .....	44%
GOOD .....	44%
FAIR .....	11%
POOR .....	1%

## OVERALL OPINION

EXCELLENT .....	36%
GOOD .....	55%
FAIR .....	9%
POOR .....	0%

The Purchasing Division appreciates the feedback of this year's conference participants.

## Surplus Property Inventory System

### ■ Automated System Tracks State Assets

A new inventory system for the West Virginia State Agency for Surplus Property was implemented in February of 2009 to provide better data management on how the agency keeps track of state surplus property.

Ken Frye, Assistant Purchasing Director and Surplus Property Manager, said the agency worked with the Office of Technology to develop an inventory system. Following the work by the Office of Technology, the new inventory system created what Frye calls a "cradle-to-grave way to track assets." The system tracks items that

meet the Purchasing Division criteria for reportable property: any items more than \$1,000, any computers more than \$500 and any weapons. "If an agency buys something new and tracks it on its inventory, when it is declared surplus, we are able to retrieve the information," he said.

Frye indicated that the information was downloaded directly from existing inventory records. "One thing that will make it better for us is that we will not be doing data entry," he said. "We are downloading from the WVFIMS Fixed Assets System."

Because of the state regulations on reportable property, this means Surplus Property is not tracking every chair or desk that comes to the division site, but rather focus on the higher-ticket items. "As far as volume goes, we are tracking 20 percent of our items," he said. "As far as value goes, we are tracking 90 percent." He said that includes vehicles, farm equipment, medical equipment and kitchen equipment.



**The West Virginia State Agency for Surplus Property has begun using an inventory tracking system for items at its Dunbar location. Surplus Property Manager Ken Frye said the new system gives a "cradle-to-grave way to track assets."**

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Frye said the inventory tracking system will be a helpful tool for state agencies. “This system will allow us to answer questions more easily from our customers,” he said. “Rather than calling out to someone to see if we have an item, we can call it up on the computer.”

## **High Customer Rating from Legislative Survey**

### ■ Purchasing Division Excels in Customer Service

The Purchasing Division constantly strives to maintain its statutory and regulatory requirements while providing excellent service to those agencies for whom we serve. In the past year, the division has generated new ways to enhance the service we offer and open the line of communication with our customers (see **Page 8**).

As a result of this extra effort, the Purchasing Division was pleased to learn that during a customer survey conducted by the Performance Evaluation and Research Division of the West Virginia Legislature that our agency achieved a 94% satisfactory rating, one of the highest percentage ratings for all agencies within the Department of Administration.

This validates the proactive steps that the Purchasing Division has taken and plans to continue to take in order to better serve the agencies within West Virginia state government.

## **In-House Training Program for Agency Purchasers**

During 2009, the Purchasing Division has taken another important step forward in its outreach efforts to keep agency procurement officers and their staffs apprised of the most recent laws, rules and procedures pertaining to purchasing.

Beginning in January of 2009 and continuing throughout the calendar year, the Purchasing Division staff is offering in-house training sessions at the Gaston Caperton Training Center (Building 7) at the Capitol. The sessions are free and open to those involved with the state procurement process. The topics for the training sessions are similar to those offered at our Agency Purchasing Conference, but the presentations will be more interactive between the presenter and attendees.

“These in-house training classes allow us to more readily train procurement officers who are hired throughout the year and for those who are unable to attend our annual conference,” said Purchasing Director Dave Tincher. “The in-house training programs also allow our staff to have more face-to-face interaction with the people they deal with daily. These sessions have proved beneficial to our staff as well as our procurement colleagues.”

The classes offered throughout the year include the following subjects:

- Beginner’s Track (six workshops total or procurement officers with two years or less experience)
- Evaluation and Award Process
- Statewide Contracts

- Vendor Registration
- Basic Purchasing
- Manager Training
- Fixed Assets
- Process Checklists
- Sole Source Process
- Request for Quotations
- Emergency Purchases
- Evaluation and Award Process
- Inspection Services
- Acquisition Planning
- Request for Proposals/Mock Evaluation

For more information on the in-house training program, visit <http://www.state.wv.us/admin/purchase/training/inhouse.htm>.

## Legal Services within the Purchasing Division

The Purchasing Division was pleased to welcome this year Afton Hutson, who serves as the attorney for the Purchasing Division. Hutson is responsible for providing opinions on legal issues for the division, including protests, vendor status, procurement methods and personnel issues.

A resident of Charleston, Hutson graduated from Bridgeport High School and attended West Virginia University, where she received her B.S. in Journalism, as well as graduating from the West Virginia University College of Law.

Hutson is an employee of the General Counsel's office under the Department of Administration, specifically assigned to assist the Purchasing Division.

She was previously an attorney at Whiteman Burdette in Fairmont, focusing on criminal/juvenile defense, domestic relations and personal injury litigation.



**Afton Hutson serves as the Purchasing Division's attorney.**

## Continuity of Operations Plan Set for Purchasing Division

The West Virginia Department of Administration began developing a Continuity of Operations Plan (COOP). A COOP is a working document which provides procedures, guidance, resources, necessary to maintain the continuity of operations in the event of an emergency. The Department of Administration COOP Plan contains provisions for maintaining administrative services to the State and the general public in the event of an emergency, threat, or disaster.

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The Department of Administration's Continuity of Operations Plan (COOP) contains procedures for the re-establishment of functions provided all divisions within the Department and prioritizes the essential functions of each division as to restore service to all customers in an expeditious manner. The COOP defines the response procedures, the duties and responsibilities of the responders, and the individual responsibilities of each division during the period of COOP enactment. The COOP also contains procedures for the reconstitution and return to normal operating procedures.

The Department of Administration formulated a COOP Steering Committee to develop and implement the plan. The Department of Administration's COOP Steering Committee also provides direction and assistance to all Divisions within the Department of Administration in the development, maintenance, and implementation of individualized COOPs which are specific to each agency.

The Purchasing Division, in conjunction with the department's COOP Steering Committee, developed a COOP specific to the Division and to address the needs of the agency and its customers in the event of an emergency. The plan provides guidance for Purchasing Division employees on both localized agency -specific emergencies and those larger emergencies which affect multiple agencies. The plan covers a wide variety of types of emergencies both small and large to assure that purchasing employees, resources, and functions are protected .

In the event of an emergency, the Purchasing COOP is enacted based on the parameters defined in the plan. This plan serves as a blueprint for maintaining essential services provided by the Purchasing Division to our customers. The COOP includes: Definition of when and how the COOP is enacted, the levels of emergency and how each emergency is determined, evacuation and relocation procedures, the re-establishment of essential functions, defines vital resources and gives a plan of how these vital resources will be maintained and/or re-established, internal and external call lists, standard operating procedures for each position, and other mission critical information that the agency may need in order to restore it's essential functions to our customers.



# A Year in Review... Program Accomplishments

## Acquisition and Contract Administration Section

The Acquisition and Contract Administration Section is responsible for the procurement of products and services for state agencies in excess of \$25,000. It is committed to providing good customer service to agencies and vendors in an efficient and ethical manner that will reduce costs, maximize competition, promote good customer and vendor relations, protect public funds, ensure compliance with the West Virginia Code and preserve the integrity in buying the best quality commodities at the lowest cost to taxpayers.

### Statewide Contracts

The Purchasing Division issues nearly 100 statewide contracts which are *ready to use* by state agencies. These contracts have been competitively bid, with terms and conditions in compliance and approved. A wide range of products may be acquired using these contracts, including computers, vehicles, office supplies, furniture and light bulbs.



The reason for awarding these statewide contracts is to fulfill the needs of specific commodities and/or services on behalf of all state agencies. These contracts cover the needs of all state agencies for the entire year, *regardless of location and/or quantities*.

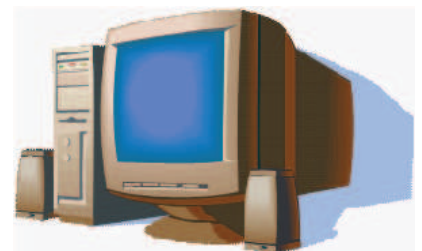


In return for this commitment, vendors offer the state the best possible price for the commodities and/or services required. These volume purchases result in overall savings to the state. Statewide contracts are addressed in law (**West Virginia Code** §5A-3-5) and in the **Code of State Rules** §148-1-7.4.

The Purchasing Division recognizes the appropriate economics of scale when utilizing statewide contracts. For example, the statewide contract for office supplies, currently serviced by OfficeMax, has no minimum order. Agencies may make an emergency purchase of less than \$100 at any location and the OfficeMax store may match the contract price. But, please note that these must be the *exception* and not the normal purchasing procedures.

There are several ways to become aware of current activity on these *ready to use* contracts, which have been competitively bid. All statewide contracts and subsequent change orders are posted on the Purchasing Division's Web site at <http://www.state.wv.us/admin/purchase/swc>.

Some of the new statewide contracts issued during this fiscal year include commodities such as information processing equipment (IP008) to Hewlett-Packard Company; 87 octane unleaded gasoline (FUEL09) and



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for diesel and heating fuels to Guttman Oil, R.T. Rogers, Tri-State Petroleum; moving services (MOVE08) to various vendors by region; used motor vehicles (MVU09) to Chrysler Financial Services; and digital copiers (DIGCOP09) to various vendors by region.

## Change Order Review

Specific laws and legislative rules govern the process used in awarding contracts. However, there are no state laws or rules which specifically address changes to those contracts, which the Purchasing Division refers to as ‘change orders.’ Change orders do not have the public visibility and scrutiny at the time of negotiation or approval as purchase orders and contracts in terms of a public bid opening or the posting of bids on the division’s Web site. Since there is no public notification or other bidders involved, there are no unsuccessful vendors who can challenge the transaction should something appear to be out of order, such as the pricing is too high, incorrect items being added, etc. When the Purchasing Division finalizes and approves a change order, often the Purchasing Division is the only non-participating body that has seen the changes, serving as the only protection the state has to ensure the proper action is being taken.

For this reason, the Acquisition and Contract Administration Section of the Purchasing Division carefully reviews all change orders to ensure that the transaction is complete and that state taxpayers’ dollars are being spent efficiently. As budgets become tightened as a result of our nation’s economy, the role of the agency procurement officer and the Purchasing Division is even more important to ensure that the state is paying the appropriate contracted costs for the commodities and services it is receiving. For each requisition for which bids are solicited, agencies are required to inform the Purchasing Division of the budgeted maximum amount. This amount is the expected cost which the agencies cannot exceed. If the low bid is higher than this amount, the state now has the authority to negotiate, beginning with the lowest bidder, for a price that is appropriate.

The Purchasing Division reviews change orders with more scrutiny and encourages state agencies to follow its lead. When renewing an existing contract, agencies must review the market conditions and pricing, especially when contract price increase provisions apply and are requested. When a purchase requisition reaches the Purchasing Division, the buying staff takes a close review to make sure that not only the lowest price has been solicited but, in some instances, negotiated.

Agencies have been encouraged to closely look at language which may be included in many agency contracts which relate to price increase provisions. There are instances where a commodity or service may have been affected by certain conditions which *may* warrant a price increase; however, as procurement professionals, it is important to make every effort to keep the price at the lowest possible, while understanding the vendor’s need to cover costs and make a sufficient profit.

## Drug-Free Workplace Act

Effective July 1, 2008, the Drug-Free Workplace Act went into law. This legislation states:

“**West Virginia Code** §21-1D-5, addresses public improvement contracts and the Drug-Free Workplace Act. Accordingly, the Code provides that: Any solicitation for a public improvement construc-

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tion contract shall require each vendor that submits a bid for the work to submit at the same time an affidavit that the vendor has a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the *West Virginia Code*. A public improvement construction contract may not be awarded to a vendor who does not have a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the *West Virginia Code* and who has not submitted that plan to the appropriate contracting authority in timely fashion. For a vendor who is a subcontractor, compliance with Section 5, Article 1D, Chapter 21 of the *West Virginia Code* may take place before their work on the public improvement is begun.”

The Purchasing Division began requiring that all vendors submitting bids for construction-related solicitations complete the *Drug-Free Workplace Conformance Affidavit* and submit with their bid. Communication was shared with agency procurement officers so they were aware of this requirement and that bids will be disqualified if the affidavit is not submitted.

Although all agency procurement officers should be aware of this requirement, it will be the sole responsibility of the Purchasing Division to ensure the new affidavit is issued as a part of every construction bid transaction.

## Piggybacking Contracts

*West Virginia Code* §5A-3-19 provides for the ability to piggyback contracts regarding purchases from federal government and other sources. State agencies wishing to piggyback contracts issued by the federal or other government sources may request authorization in writing from the Purchasing Division in accordance with the provisions of *West Virginia Code* and the *Code of State Rules*. The Purchasing Division’s Web site listing all approved piggyback contracts may be found at [www.state.wv.us/admin/purchase/piggyback/default.htm](http://www.state.wv.us/admin/purchase/piggyback/default.htm).

Presently, there are **70** different categories of commodities available for piggybacking. Some of the commodities have multiple contracts listed, which brings the total to more than **100**. Of these contracts, seven are contracts issued through the Western States Contracting Alliance (WSCA), for such commodities as computer hardware, servers and storage.

## Protests

*Code of State Rules* §148-1-8 provides vendors with a means by which to file protests with the Purchasing Division. Two types of protests are recognized. Protests of specifications must be filed with the Purchasing Division at least five (5) business days before the scheduled bid opening. Protests of contract award must be filed within five (5) days of the date of contract award. In fiscal year 2009, **29** protests were filed with the Purchasing Division, which is considered minimal based on the number of transactions processed. Every possible effort is made by the Purchasing Division to ensure that the bid and contract award processes are conducted in strict accordance with the Code and Legislative Rules and Regulations to ensure fair and consistent treatment of vendors. Based on the number of transactions processed by the Purchasing Division and the number of protests filed, the Purchasing Division has a **2.28%** rate of protests.

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## Service Level Agreement to Agencies

Each agency purchasing officer received a service level agreement from Purchasing Director David Tinchler expressing the Purchasing Division's commitment to providing quality services necessary to assist them in meeting the mandates of their agency. The Purchasing Division takes its "mission" seriously, which is to provide valued services to our customers by making sound and effective decisions in accordance with state law.

As a customer-driven organization, the Purchasing Division strives to exercise prudent and fair spending practices in acquiring quality goods and services in a timely fashion at the lowest possible cost; 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 – in building lasting business relationships.

To assure that the agency's needs are met in an effective and efficient manner, Director Tinchler shared his division's intent to take action on all typical transactions received by the Purchasing Division's buying staff within three business days of receipt. Transactions which are more complex in nature, such as requests for proposals, will require more assessment time.

The Purchasing Division realizes the importance of efficient and expedient processing of agency's purchasing transactions and strive to work closely with agency procurement officers to meet their needs and expectations.

The Purchasing Division's buying staff is organized with assignments to specific agencies in order to offer direct, consistent communication and timely processing of agency's purchasing needs.

## Communication and Technical Services Section

**This section is responsible for a variety of services offered to agency purchasers, the business community and to the general public. It focuses on technology, communication, training and administrative functions, such as vendor registration, records imaging, purchase order encumbrance, bid receipt and bid package distribution. The Communication Unit provides information related to the division as well as the individual programs which are administered by the division. The Technical Services Unit maintains the automated purchasing system, our networking services and the division's Web site. In addition, this unit oversees the administrative functions outlined above. Professional development is a vital aspect of the division. Conferences and seminars are offered throughout the year to offer guidance to our customers.**

## West Virginia Purchasing Bulletin

This publication, which contains information on purchasing requirements in excess of \$25,000, is published weekly and posted on the Purchasing Division's Web site.

The Bulletin is secured, requiring vendors who wish to access the Bulletin to have their vendor num-

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ber and password, which is provided to them by the Purchasing Division. Hyperlinks to solicitations are available on the online version of the *West Virginia Purchasing Bulletin*. The *West Virginia Purchasing Bulletin* also includes sole source determination notices.

## Vendor Registration

A total number of **9,386** vendor registration and disclosure statement forms, renewal notices and vendor updates were received for processing during the **Fiscal Year 2009**. Revenue generated from vendor registration fees during **Fiscal Year 2009** was **\$717,125.00**. The vendor registration annual fee is \$125.

## Purchase Order Encumbrance and Distribution

The West Virginia Financial Information Management System (WVFIMS) Purchase Order Encumbrance Module was successfully implemented May 1, 1998. As a result, all purchase orders and subsequent change orders with a fixed amount were placed on the Purchase Order Encumbrance system.

A total of **2,742** purchase orders, including open-end contracts and change orders, were encumbered by the Purchasing Division for **Fiscal Year 2009**.

## Records and Imaging

All documents beginning with **Fiscal Year 2009** transactions were scanned and managed with the division's imaging system. Total pages scanned for the Purchasing Division, which contained purchase orders, change orders, vendor registration forms and all supporting documentation was **281,365** for **Fiscal Year 2009**.

## Receipt of Incoming Sealed Bids

The Technical Services Unit is responsible for receiving sealed bids from vendors who are participating in the competitive bid process. This Unit received **3,346** incoming sealed bids for **Fiscal Year 2009**.

## Innovative Training Methods

As noted on **Page 13** of this **Annual Report**, the Purchasing Division continues to seek innovative training opportunities to educate and inform our agency partners on the laws, rules and procedures in place relating to the competitive purchasing process. In-housing training sessions, on-site participation at seminars, meetings and conferences, online training modules and our annual purchasing conference are some of the ways in which the Purchasing Division is reaching out to state agencies.

Another method is through entertainment. At the 2008 Agency Purchasing Conference, the Purchasing

Division continued its tradition of utilizing a *game show* format to teach agency procurement officers more about the state purchasing requirements and procedures. Coining their own show, ***Wheel of MisFortune***, agency contestants had to spin the wheel to determine the secret phrase related to state purchasing. The dollar values were based on purchasing thresholds, such as the vendor registration fee, agency spending limits, and fixed assets reporting amount. Buyer Supervisor Chuck Bowman serves as our ‘game show host.’ As a result, agency employees learn more about the state purchasing process, while having fun.



**Buyer Supervisor Chuck Bowman serves as our game show host for an innovative method of educating agency purchasers.**

## Purchasing Division Procedures Handbook

Updates to the **Purchasing Division Procedures Handbook**, which went into effect on July 1, 2007, were made to ensure that current, accurate information is available to state agency procurement officials and management.

This reference handbook is available online at the Purchasing Division’s Web site at <http://www.state.wv.us/admin/purchase/Handbook/default.htm>.

## Technological Initiatives

### ***Purchasing Web Site Statistics***

The Purchasing Division maintains a Web site on the Internet and the state’s intranet. Information is regularly updated to accommodate changes in statewide contracts, bids and downloadable bid documents.

During **Fiscal Year 2009**, the following statistics were realized relating to the Purchasing Division’s Web site at [www.state.wv.us/admin/purchase](http://www.state.wv.us/admin/purchase):

<i>Total Hits:</i>	10,531,694
<i>Unique Visitors:</i>	129,963
<i>Visitor Sessions:</i>	510,407
<i>Average Visitors Per Hour:</i>	14.84

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## ***Purchasing Division Web Site Additions***

The Purchasing Division's Technical Services Unit staff is responsive to its customers' suggestions from both the public and private sectors and continues to add new features and enhancements based on their needs. One example is the new statewide contract search feature. The new feature allows users to search faster and more precisely for a desired contact. This includes the ability to search by key words such as the vendor's name, the item name, or the commodity/service description. The new feature is expected to save time and money by increasing statewide contract utilization.

The Purchasing Division continues to enhance its Web site to better meet the needs of our agency purchasers and the vendor community.

## **Program Services Section**

**This section is responsible for several of the programs administered by the division. The Fleet Management Unit oversees the leasing of vehicles to state agencies. The Travel Management Unit offers guidance to state business travelers and oversees various statewide contracts for travel-related services. The Surplus Property Unit manages the state and federal programs for property no longer needed within the respective governments. The Fixed Assets Program maintains the state's inventory of property.**

## **Fixed Assets - Inventory Management**

The Purchasing Division successfully completed the implementation of the WVFIMS Fixed Asset System in 1996. State agencies reporting to the Purchasing Division are required to submit a certification to the Purchasing Division on or before July 15<sup>th</sup> of each year indicating that assets have been properly documented and retired in accordance with policy and procedures.

Agencies are required to enter their fixed assets with an acquisition value of \$1,000 or more into the WVFIMS Fixed Asset System and retire obsolete equipment in accordance with policy and procedure. There were **1,538** retirement documents (assets taken out of the Fixed Assets System) for a total dollar amount of **\$31,207,498.14**.

Agencies occasionally need to correct errors in their inventory. Data Change Requests must be completed and processed by the Surplus Property Unit when these corrections are made. During **Fiscal Year 2009**, the Surplus Property Unit processed **522** Data Change Requests.

The total dollar amount of assets entered into the Fixed Asset System for **Fiscal Year 2009** was **\$35,603,449.90**. Total dollar amount of assets currently in the system is **\$1,613,121,848.44**.

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## **Fleet Management Program**

### ***State Vehicle Purchase***

The Fleet Management Office completed the purchase of **12** vehicles for model year 2009. The total amount spent on this year's vehicle order was approximately **\$156,000**. Due to the delay in the award of the financing contract, all of these 2009 model vehicles were purchased by cash.

### ***Contract for Fuel and Maintenance of Vehicles***

The contract for fuel and maintenance of vehicles was renewed with Automotive Resources International (ARI) for approximately **1,700** vehicles in the Fleet Management Program. A new contract was bid out and evaluated, with the apparent successful vendor being ARI.

### ***Lease Rate Billing Changes***

The Fleet Management Office changed the way lease rates for vehicles are calculated. Vehicles shall be billed at a rate that equals depreciation (48-month straight-line), plus interest and the fleet administrative fee. As a result of the change, the amount billed will decrease slightly each month for all vehicles that are financed.

### ***Accidents and Violations Review Committee***

As a result of a recent Legislative Post-Audit Report, the Fleet Management Office began implementing the Accidents and Violations Review Committee for all accidents occurring in a state-owned vehicle under the Fleet Management Program. This committee's responsibility is to review each accident for all vehicles owned by the Department of Administration and apply any action outlined in the ***Code of State Rules*** 148, Series 3.

### ***Code of State Rule Proposed Changes***

Proposed changes to the ***Code of State Rules*** 148, Series 3 was filed with the Secretary of State.

### ***Fuel Exception Reports***

Monthly reports are distributed to all agencies concerning state vehicles to allow each agency to monitor certain purchases made by drivers. The reports consist of purchases of three or more transactions per day, the purchase of premium fuel, non-fuel purchases and notification that a driver has input incorrect odometer information at the time of the fuel purchase.

### ***2008 Model Vehicle Downsizing***

The Fleet Management Program implemented a fleet downsizing initiative, which has resulted in



increased fuel efficiency and cost savings for many state vehicles. Agencies under this program realized the most fuel efficiency when downsizing passenger vehicles to the most fuel efficient vehicle on the statewide contract for vehicles (Ford Focus). Sport utility vehicles were also downsized but realized less of a fuel efficiency savings. The Fleet Management Program represents approximately 20% of the state fleet of vehicles. Those excluded include Higher Education, Division of Highways, State Police, Division of Forestry, Division of Natural Resources, and Department of Agriculture.

Of the approximately **1,700** vehicles in the Fleet Management Program, the study consists of **78** vehicles which were downsized in class during the 2008 model year; **36** of these vehicles were downsized to the Ford Focus. Based on a comparison of the existing and new passenger vehicles, the fuel efficiency from this downsizing initiative resulted in an average miles per gallon rate improvement from **22.0** to **31.8**. According to the Energy Information Administration, the average cost per gallon of gasoline in 2008 was **\$3.56**; the average cost per gallon in 2009 is **\$2.23**.

## Surplus Property

### *Fiscal Year 2009 Statistics*

The following are totals for various programs administered by the West Virginia State Agency for Surplus Property:

Federal Property Service Charge	\$45,697.01
State Property Service Charge	220,306.16
Public Auctions	363,904.57
Public Daily Sales	856,277.00
Statewide Sealed Bids	53,948.18
eBay	304,194.32
Scrap	<u>8,374.07</u>
<b>Total Revenue</b>	<b>\$1,852,701.31</b>

### *State Vehicles*

Approximately **621** vehicles were sold during **Fiscal Year 2009**. Below is a breakdown of the method by which they were sold:

Public Auction	179	\$277,050.00
Public Daily Sales	273	636,803.00
Statewide Sealed Bids*	38	35,042.50
eBay Sales	92	263,348.57
Negotiated Sales	<u>39</u>	<u>184,590.00</u>
<b>Totals</b>	<b>62</b>	<b>\$1,401,834.07</b>

\* Increase in vehicles sold on Statewide Sealed Bid was due to Division of Public Safety selling vehicles on site.

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## Daily Public Sales

The summer of 2009 marked the first year anniversary for the West Virginia State Agency for Surplus Property daily public sales initiative. Legislation went into effect June 8, 2008, which changed the way this program could sell its merchandise to the public.

Gone are the days of the submitting bids on items and waiting five days to see if it was successful. Surplus Property now offers daily direct sales where the public may visit and purchase items on the same day.

All direct sale items are priced and sold on an “as is, where is” basis. Surplus Property accepts cash and credit cards, but not personal checks. New items are available each week.

The property is available at the Surplus Property facility at 2700 Charles Avenue in Dunbar.

## Travel Management Office

### Travel Expenditures

The total amount of travel expenditures statewide for **Fiscal Year 2009** was **\$44,770,027.13**.

### Statewide Contract for Car Rentals [Enterprise]

The total number of rental days for the **Fiscal Year 2009** was **13,117**. Based on an expenditure of **\$541,536.74**, the average cost of a rental car per day was **\$41.29**. Without a preferred car rental contract, the normal (average) daily rate is **\$71.06**, for a savings of **\$390,557.28**.

### Statewide Contract for Travel Management Services [National Travel]

Year-end transactions include:

Exchanges	473
Refunds	67
Airline tickets	6,097
Service fees paid	\$142,863.54
Total Transactions	11,395
Cost	\$2,626,992.46
Full Fare	\$10,114,926.12
Savings	\$7,438,845.33

### Statewide Contract for Travel Charge Card Services [United Bank MasterCard]

The statewide contract for travel card services with MasterCard includes CDW insurance when renting a vehicle. The average rate for collision insurance is **\$32.00** per day.

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Based on a total of **11,055** rental days reported from United Bank, the state saved **\$353,760.00**. The rebate of the qualifying annual volume was **\$28,179.20**.

### **Mileage Reimbursement Rate**

Effective January 20, 2009, the state of West Virginia decreased the standard mileage rate for business use of an automobile from **50.5** cents per mile to **44.5** cents per mile.

The standard rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The primary reason for the mileage decrease is lower prices for fuel.

### **Delta SkyMiles Bonus Tickets**

Fourteen (**14**) free tickets were used for a total value of **\$15,073.23**.

# Recognizing Excellence... Award Winners

The Purchasing Division is pleased to continue its tradition of recognizing agency employees working in state procurement, who demonstrate qualities of excellence to the government procurement industry. Serving as role models, these individuals share their expertise from which we may learn and grow.

There are two recognition programs offered by the Purchasing Division each year: the **Agency Procurement Officer of the Year** and the **Partner in Purchasing**. The awards were announced during a special ceremony at the 2008 Agency Purchasing Conference in October. The criteria for these awards include such qualities as tenure, performance, internal training efforts, communication, cooperation and exerting a positive image.

In addition, during this fiscal year, the Purchasing Division introduced a new award, **Friend of Purchasing**, to an individual who has demonstrated camaraderie to the goals and staff of the division.

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## 2008 Agency Procurement Officer of the Year: Pam Hodges of the West Virginia Regional Jail Authority

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*The Agency Procurement Officer of the Year award began in 1996. Its purpose is to recognize each year, one individual working in the procurement field who has demonstrated high levels of performance and professionalism.*

Pam Hodges, a procurement officer for the West Virginia Regional Jail Authority, was one of two recipients of the **2008 Agency Procurement Officer of the Year**.

The Agency Procurement Officer of the Year award marked its 13<sup>th</sup> year of celebrating excellence in state public procurement in West Virginia. The purpose of this award is to recognize one individual working in the state purchasing field who has demonstrated high levels of performance and professionalism.

The criteria that is used in making the selection for this award include tenure, performance, communication skills, internal training efforts, cooperation with agency and purchasing staff, positive image, and good purchasing practices.



**Purchasing Director Dave Tincher, Agency Procurement Officer of the Year Pam Hodges of the West Virginia Regional Jail Authority, Regional Jail Authority Executive Director Terry Miller and Deputy Executive Director Cedric Greene.**

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Focusing on the value of expertise and cooperation of those individuals at the state level who handle their daily purchasing operations, this award has had many prestigious winners in the past, including:

- 1996: Edi Barker (Bureau of Employment Programs)
- 1997: Susie Teel (Department of Environmental Protection)
- 1998: Lt. Col. Jim Powers (West Virginia State Police)
- 1999: Jo Miller Bess (Department of Health and Human Resources)
- 2000: Lendin Conway (Department of Environmental Protection)
- 2001: Bev Carte (Division of Natural Resources)
- 2002: Ratha Boggess (Treasurer's Office)
- 2003: Syble Adkins (Department of Revenue)
- 2004: Carole Woodyard (West Virginia State Police)
- 2005: Diana Joseph (Division of Natural Resources)
- 2006: Gloria Anderson (Division of Culture and History)
- 2007: Karen Lane (Division of Motor Vehicles)

Hodges has worked in the public purchasing field for nearly 10 years. In her nomination, she was described as the "epitome of professionalism" with a remarkable core knowledge of the purchasing arena. Hodges leads in the training of purchasing related issues for all Regional Jail Authority staff, and ensures that all purchasing rules and regulations are followed by the agency's staff and takes the time to explain the proper procedures to her superiors and subordinates.

Hodges now serves as a buyer in the Purchasing Division's Acquisition and Contract Administration Section.

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## **2008 Agency Procurement Officer of the Year: Angie Moorman of the Department of Transportation**

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**DOH Finance Director Fred Thomas, DOH Business Manager Danny Ellis, Agency Procurement Officer of the Year Angie Moorman of the Division of Highways and Purchasing Director Dave Tincher.**

Another recipients of the *2008 Agency Procurement Officer of the Year* honor was given to Angie Moorman, procurement officer for the Department of Transportation.

Moorman has been an employee of state public procurement in West Virginia for more than 32 years and has been recognized for going beyond the call of duty for the betterment of the agency and the state of West Virginia. She was described in her nomination as very knowledgeable of all aspects of purchasing and has trained others in the agency on proper procedures, as well as being confident and having the respect of agency co-workers, vendors, fellow agency procurement

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officers and the staff of the Purchasing Division.

Both honorees received an engraved clock; a certificate of recognition signed by Gov. Joe Manchin III, Cabinet Secretary of Administration Robert W. Ferguson Jr. and Purchasing Director Dave Tincher; and free lodging and registration to the 2009 Agency Purchasing Conference

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## **2008 Partner in Purchasing: John Lopez of the West Virginia Regional Jail Authority**

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The **Partner in Purchasing** award recognizes an individual annually who has exceeded expectations in working with the various programs administered by the Purchasing Division, including Fleet Management, Fixed Assets, Surplus Property, TEAM and Travel Management. The criteria is similar to the Agency Procurement Officer of the Year.

Since 2000, this award has also had many honorable recipients in the past, including:

- 2000: Brent Kessinger, Department of Environmental Protection
- 2001: Barbara Haddad, Department of Administration - IS&C
- 2002: (Co-Winner) June Casto, Department of Environmental Protection
- 2002: (Co-Winner) Susie Teel, Department of Health and Human Resources
- 2003: Patricia Holtsclaw, Alcohol Beverage Control Administration
- 2004: Tammy Canterbury, Department of Environmental Protection
- 2005: Patty Mills, Lottery Commission
- 2006: Bryan Arthur, Division of Corrections
- 2007: No Award Offered

John Lopez of the West Virginia Regional Jail Authority was named the **2008 Partner in Purchasing**. Lopez works closely with the Purchasing Division on two different programs which it administers, Surplus Property and Fleet Management.

He is described as a leader with a “can do” attitude who is eager to learn, lead or follow. Lopez manages nearly 70 vehicles in the agency’s fleet, and has more collateral duties than any staff member of the agency, according to the nomination form which was submitted.

Lopez received an engraved clock; a certificate of recognition signed by Gov. Joe Manchin III, Cabinet Secretary of Administration Robert W. Ferguson Jr. and Purchasing Director Dave Tincher; and free lodging and registration to the 2009 Agency Purchasing Conference.



**Purchasing Director Dave Tincher, Partner in Purchasing John Lopez of the West Virginia Regional Jail Authority, Regional Jail Authority Executive Director Terry Miller and Deputy Executive Director Cedric Greene.**

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## 2008 Friend of Purchasing: Helen Wilson of the Office of Technology

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The *Friend of Purchasing* honor was given to Helen Wilson of the Office of Technology. This is the first year for which this award has been offered.

Although this recognition has no defined criteria, Purchasing Director David Tincher described this honor a “recognition of someone who we feel is part of us.”

Wilson, who worked closely throughout the years with the Purchasing Division staff on technology-related acquisitions and served as a frequent presenter at the Agency Purchasing Conferences, retired on October 31st, following more than 30 years with her agency. She received a special certificate of recognition and a floral arrangement.



**Purchasing Director Dave Tincher gives Helen Wilson of the Office of Technology the “Friend of Purchasing” honor during the conference.**

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# Financial Statistics...

## Fiscal Year 2009

### NEW PURCHASE ORDER SUMMARY

#### Resident Vendor Analysis:

Vendor	Count (#)	Percent (#)	Value (\$)	Percent (\$)
West Virginia	848	66.56%	\$344,917,352.18	61.63%
Non West Virginia	426	33.44%	\$214,715,148.74	38.37%
<b>TOTAL</b>	<b>1,274</b>	<b>100%</b>	<b>\$559,632,500.92</b>	<b>100%</b>

The average purchase order amount for FY 2009 was **\$439,271.98**.

\*This summary does not include change orders processed during FY 2009.

#### Agency Analysis:

Top 10 Agencies	Count (#)	Percent (#)	Value (\$)	Percent (\$)
Highways	366	28.73%	\$155,394,645.81	27.77%
Administration	83	6.51%	\$79,973,325.28	14.29%
DEP	187	14.68%	\$63,029,167.08	11.26%
DHHR	104	8.16%	\$43,182,081.84	7.72%
DNR	76	5.97%	\$22,167,462.79	3.96%
Eng. Fac./MAPS	32	2.51%	\$20,132,893.99	3.59%
Public Transit	35	2.75%	\$19,506,420.31	3.49%
State Police	42	3.31%	\$8,063,853.21	1.44%
Regional Jail	10	0.78%	\$8,031,779.79	1.44%
Education	17	1.33%	\$4,531,814.08	0.81%
Other	322	25.27%	\$135,619,056.74	24.23%
<b>TOTAL</b>	<b>1,274</b>	<b>100.00%</b>	<b>\$559,632,500.92</b>	<b>100.00%</b>



# Legislative Changes

## **Senate Bill 172**

### **Department of Administration - Promulgate Legislative Rules**

The Purchasing Division's *Code of State Rules (148 CSR 1)* was modified to reflect a change relating to negotiation. In 7.11.2, language was extracted no longer requiring the Purchasing Director to determine in writing that there are no additional funds available from any other source to permit an award if all bids meeting the requirements exceed the funds available. The extracted section included:

7.11.2. If all bids meeting requirements exceed the funds available for the purchase, ~~and the Director determines in writing that there are no additional funds available from any other source to permit an award and the best interest of the State will not permit the delay attendant to a resolicitation under revised specifications or for revised quantities;~~ the Purchasing Division may negotiate a lower price within budget with the lowest bidder meeting specifications.

## **Senate Bill 382**

### **Purchasing Authority - State Rail Authority**

This legislation adjusted the State Rail Authority's contract spending authority from \$100,000 to \$500,000.

# Division Objectives

## **Objective #1**

Ensure the purchasing process functions in an expeditious and conscientious manner.

- Maintain an average procurement cycle of 30 days or less.

## **Objective #2**

Continue forward progression on e-procurement initiatives, including evaluation of current system and possible replacement and acceptance of credit card payment for vendor registration fees.

## **Objective #3**

Provide educational and informative tools to agency procurement officers to ensure the State is achieving best value.

- Provide training on purchasing rules, regulations, and procedures to at least 75% representation of all state agencies under the Purchasing Division's authority (excluding boards and commissions) on an annual basis.
- Continue to create online and in-house training programs for state agencies on various topics relating to the state purchasing process.

## **Objective #4**

Ensure accountability to the state through proactive auditing and documentation review.

- Maintain a rate for formal protests of less than 4% through dispute resolution and process education.