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2013

West Virginia Purchasing Division
Annual Report



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Message from the Director



June 30, 2013

To the Citizens of West Virginia:

This year, the West Virginia Purchasing Division is commemorating its 80th year of dedicated service to our customers: state agencies, vendors and the general public.

In 1933, Gov. Herman G. Kump appointed the first director, James A. Tierney, of the West Virginia Department of Purchases, now known as the Purchasing Division. Legislation passed in 1935 to create this agency in statute. At that time, it was noted that the creation of this office was “one of the most far-reaching reforms the state has experienced. It enables the state to buy efficiently, economically and honestly.”

Today, our mission remains consistent with the original intent of our agency. We continue to value our responsibility in establishing and adhering to clear and concise purchasing procedures, in accordance with the *West Virginia Code* and *West Virginia Code of State Rules*.

As to the mechanism for which we communicate with our agency purchasers and those vendors doing business with the state of West Virginia, the Purchasing Division’s training program and our continued outreach has expanded to meet the expectations of all of our customers. This fiscal year, we placed our emphasis on making learning more accessible, enjoyable and convenient to our customers. The expansion of webinars, the incorporation of learning activities during our in-house training sessions and the enhancement of our online training modules enabled more individuals to learn more about the state procurement process in West Virginia.

The Purchasing Division offers to you its Fiscal Year 2013 **Annual Report**, which is comprised of many of the highlights of our division and its respective programs and services. We are proud of the great strides which we have taken and look forward to the opportunities in the future for advancement in public procurement. Thank you for your continued support of our organization.

Sincerely,

Dave Tincher, CPPO, Director
West Virginia Purchasing Division



General Information

Contact Information

West Virginia Purchasing Division
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Charleston, WV 25305

Telephone: (304) 558-2306
In-state toll-free: 800-BIDS2WV (800-243-7298)
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WVPurchasing.gov

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 and travel 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

Below is the mission of the Purchasing Division, which stresses the valued services provided to our customers by making sound and effective decisions in accordance with state law:

To provide prudent and fair spending practices in procuring quality goods and services at the lowest cost to state taxpayers by maximizing efficiencies and offering guidance to our customers.

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 state government bid opportunities expected to exceed \$25,000; a monthly online newsletter for state procurement officers, **The Buyers Network**; and e-mail correspondence to our designated purchasing liaisons at the state agency level.

In an effort to provide our customers with the best possible service, the Purchasing Division looks for ways to network with our agency partners.

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, serves in this role and may be contacted at (304) 558-0661 or via e-mail at *Diane.M.Holley@wv.gov*.

Organizational Structure

The Purchasing Division is organizationally structured under the West Virginia Department of Administration within the executive branch of state government. 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

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 by buying the best quality commodities at the lowest cost to taxpayers.

The Contract Management Unit within this section assists with the oversight of 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

The Communication and Technical Services Section is responsible for a variety of services offered to agency purchasers, the vendor community and to the general public. It focuses on technology, communication, training, vendor registration and relations, as well as administrative functions, including records imaging and retention, purchase order encumbrance, bid receipt and bid package distribution.

The Communication Unit provides information related to the division and 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 website.

In addition, this unit oversees the administrative functions outlined above. Professional development is also a vital aspect of the division. Conferences, online training modules, in-house workshop sessions and the West Virginia Procurement Certification Program are offered throughout the year to provide guidance and opportunities to our agency procurement officers.

Program Services Section

The Program Services Section is responsible for several programs administered by the Purchasing Division.

The Travel Management Unit offers guidance to state business travelers and oversees various statewide contracts for travel-related services. This unit communicates with agency travel coordinators on various issues relating to services.

The Fixed Assets Unit maintains the state's inventory of property and ensures the agencies certify their state-owned property on an annual basis.

The Surplus Property Unit manages the state and federal programs for property no longer needed within the respective governments. As part of this program, state property that is not sold to eligible organizations is made available to the public through various mechanisms, including absolute auctions, daily retail sales, online sales and statewide sealed bids.

The Faces of the West Virginia Purchasing Division



Back row (l-r), Krista Ferrell; Guy Nisbet; Casey Hill; Mark Totten; Diane Holley-Brown; Samantha Knapp; Shane Hall; Don Arrick; Jordan Kirk; *4th row (l-r),* Mitzie Howard; Tara Lyle; Frank Whittaker; Shelly Murray; Catherine DeMarco; Paul Reynolds; Elizabeth Perdue; *3rd row (l-r),* Chad Williamson; Jimmy Meadows; Mike Sheets; Dave Tincher; Debbie Watkins; *2nd row,* Michael Lee; Melissa Pettrey; Connie Oswald; Alan Cummings; Crystal Rink; Willadean Fisher; Roberta Wagner; Laura Hooper; *Front row (l-r),* Tony O'Leary; Carol Jarrett; Lu Anne Cottrill; Gail Montantez; Evelyn Melton; Krystle Harrison; Jeanne Barnhart; and Beverly Toler.



Contact Reference Guide

	TELEPHONE NO.	LOCATION
Director's Office		
David Tincher, Purchasing Director	(304) 558-2538	Main Office
James Meadows, Attorney	(304) 558-8806	Main Office
Debbie Watkins, Administrative Secretary	(304) 558-3568	Main Office
Acquisition and Contract Administration Section		
Mike Sheets, Assistant Director	(304) 558-0492	Main Office
Acquisitions Unit		
Krista Ferrell, Buyer Supervisor	(304) 558-2596	Main Office
Shelly Murray, Buyer Supervisor	(304) 558-8801	Main Office
Roberta Wagner, Buyer Supervisor	(304) 558-0067	Main Office
Alan Cummings, Senior Buyer	(304) 558-2402	Main Office
Connie Hill-Oswald, Senior Buyer	(304) 558-2157	Main Office
Tara Lyle, Senior Buyer	(304) 558-2544	Main Office
Guy Nisbet, Senior Buyer	(304) 558-8802	Main Office
Frank Whittaker, Senior Buyer	(304) 558-2316	Main Office
Contract Management Unit		
Don Arrick, Contract Manager	(304) 558-5780	Main Office
Shane Hall, Inspector II	(304) 558-8803	Main Office
Junior Blount, Inspector II	(304) 558-3488	Main Office
Communication and Technical Services Section		
Diane Holley-Brown, Assistant Director	(304) 558-0661	Main Office
Communication Unit		
Tony O'Leary, Public Information Specialist	(304) 558-4213	Main Office
Chad Williamson, Public Information Specialist	(304) 558-2315	Main Office
Professional Development Unit		
Samantha Knapp, Staff Development Specialist	(304) 558-7022	Main Office
Technical Services Unit		
Mark Totten, Manager	(304) 558-7839	Main Office
Support Services		
Beverly Toler, Supervisor	(304) 558-2336	Main Office
Program Services Section		
Elizabeth Perdue, Assistant Director	(304) 766-2626	Dunbar
Fixed Assets Management Unit		
Pam Jarrell, Fixed Assets Coordinator	(304) 766-2626	Dunbar
Surplus Property Unit		
Elizabeth Perdue, Manager	(304) 766-2626	Dunbar
Jordan Kirk, Assistant Manager	(304) 766-2626	Dunbar
Travel Management		
Catherine DeMarco, State Travel Manager	(304) 558-2613	Main Office



Major Highlights

National and State Procurement Certification Expands the Professionalism and Knowledge of Purchasing Division Staff

Since 2009, the Purchasing Division has offered its state procurement certification program to agency purchasers within West Virginia state government who are statutorily required to abide by the law, rule and procedures pertaining to our division. During this short time period, the Purchasing Division has welcomed many agency purchasers into the Basic Certification Program and many have escalated into our Advanced Program. (See Page 27 for more information on the state procurement certification program.)



Additionally, several of the Purchasing Division's employees have elected to pursue national certification through the Universal Public Procurement Certification Council (UPPCC). This national program offers the Certified Public Procurement Officer (CPPO) and the Certified Professional Public Buyer (CPPB) certifications. The CPPO designation focuses on public procurement management and the CPPB certification recognizes public procurement practices for buyers.

This extra effort demonstrated by the Purchasing Division staff truly demonstrates the importance and value of leading through example. During this fiscal year, Purchasing Director Dave Tincher, Buyer Supervisor Krista Ferrell and Buyer Supervisor Roberta Wagner were certified as CPPO; Assistant Purchasing Director Mike Sheets, Buyer Supervisor Shelly Murray, Senior Buyer Tara

Lyle and Senior Buyer Frank Whittaker were certified as CPPB.



Several Purchasing Division staff members have achieved national procurement certification through the Universal Public Procurement Certification Council this fiscal year. Pictured: (seated) Senior Buyer Tara Lyle; Purchasing Director Dave Tincher; Buyer Supervisor Roberta Wagner; (standing) Buyer Supervisor Shelly Murray; Assistant Purchasing Director Mike Sheets; Senior Buyer Frank Whittaker; and Buyer Supervisor Krista Ferrell.

There is a small number of purchasing professionals who are certified each year on a national level. "Procurement certification is not simply a plaque or certificate that you post on your wall. The symbolism of procurement certification goes much deeper than a visual display," said Purchasing Director Dave Tincher. "Certification enhances your professionalism and knowledge in public procurement, which results in others viewing you in a higher regard. It tells others that you have gained expertise in the purchasing field and that you are able to serve as a leader in public procurement within state government."

Quality Control and Transparency Plays Vital Role in Maintaining the State Procurement Process

An important part of the state procurement process is making information accessible to the general public. For this reason, the Purchasing Division continues to strictly adhere to the Freedom of Information Act (FOIA) procedures set in place as well as make as much information possible available on our website, *WVPurchasing.gov*, such as our procedures, bids received, solicitations, state-wide contracts and forms.



Technical Services Manager Mark Totten and Quality Control and Transparency Specialist Lu Anne Cottrill ensure that all documents that are publicly posted are thoroughly reviewed for clarity, completeness and accuracy.

Additionally, the maintenance of quality documentation throughout the procurement process is crucial

to offering a clear and concise record of procurement transactions and to provide transparency of the process and procedures.

During this fiscal year, the Purchasing Division sought ways to enhance our transparency efforts, while maintaining high levels of quality throughout the process. Technical Services Manager Mark Totten said he always emphasizes the importance of posting high-quality documents on the Purchasing Division's website. "We publish documents for both solicitation and archival purposes, and we want to offer the best quality possible when vendors are reviewing before submitting a bid proposal, during the evaluation process, and then afterwards when the documentation becomes part of the public record."

Maintaining quality documents is vital for transparency, Totten said. "To us, transparency is not just a buzzword," he said. "There are multiple regularly maintained information sources and reports we provide online that are related to the Purchasing Division's workload."

Totten works with Quality Control and Transparency Specialist Lu Anne Cottrill on making sure all parts of the procurement process are transparent. "The part of the procurement process first seen outside of state government begins with the solicitation, which we post online in the *West Virginia Purchasing Bulletin*," Cottrill said. "We also make other information accessible to state government agencies as well, such as the Daily Requisition Tracking Report. This report is updated every business day on the division's intranet site and shows the life cycle of a requisition." Additionally, the Purchasing Division posts a Notice of Award Report weekly as part of the West Virginia Purchasing Bulletin page, which lists all contracts awarded for that time period and listed by the solicitation number.

Events, such as public bid openings, that were once the only way vendors knew immediately how much competing vendors bid on a project, have changed in these electronic times, Totten said, with the posting of bids online. “Opened bids are online and available usually within a day, and searchable by the day of the opening and the solicitation number,” he said.

As required by state law, there are specific reports that the Purchasing Division is required to prepare and submit to the State Legislature. In accordance with ***West Virginia Code*** §5A-3-10(b), the Purchasing Director is required to submit in January and July of each year to the Joint Committee on Government and Finance a report summarizing our division’s findings of any spending unit which awarded multiple contracts for the same or similar commodity or service to an individual vendor over any 12-month period with a value exceeding \$25,000. For a specific time frame, the Stringing Report includes all incidents of stringing discovered by the Purchasing Division’s Inspection Unit or as reported by a state agency to the Purchasing Division.

The Purchasing Division is also required to report to the State Legislature an annual report noting the spending units which have determined sole source vendors for their commodities or services, the type of commodity or service and the determination made by the director, in accordance with ***West Virginia Code*** §5A-3-10(c). The Purchasing Division also prepares an annual report relating to the procurement of recycled products, in accordance with the ***West Virginia Code*** §22-15A-21, which is submitted at the end of each January. All of these reports are made available on the State Legislature’s website at *www.legis.state.wv.us*.

To view all of the information available, please visit the Purchasing Division’s website at *WV-Purchasing.gov*.

2012 Agency Purchasing Conference Meets Expectations of Agency Purchasers with Variety of Information Offered

The 2012 Agency Purchasing Conference conducted at Stonewall Resort on Nov. 13-16 continued to build upon the successes of previous years’ conferences with attendance remaining high.

The conference provided state procurement officers the opportunity to explore a variety of topics, networking opportunities with their peers and discussion of a variety of issues with Purchasing Division staff and other agency purchasers.



Purchasing Division Attorney James Meadows taught a class on Vendor Remedies, during which he engaged the audience on how to resolve a variety of issues.



Purchasing Director Dave Tincher presented information for his workshop on Guiding Values and Principles of Public Procurement as part of the Advanced Track. The Advanced Track was offered to designated procurement officers.

Approximately 300 attendees and presenters participated in this annual event, with more than 260 agency procurement officers joining the Purchasing Division staff members and guest presenters for the three-day event. Approximately 75 individuals were first-time attendees at the conference.

“Our Agency Purchasing Conference continues to be a well-attended event, and I think that reflects on both the hard work that the staff of the Purchasing Division puts into planning and organizing the conference, and the dedication and desire for continued learning by agency procurement officers,” said Purchasing Director Dave Tincher.

The annual Agency Purchasing Conference brings together Purchasing Division staff with procurement officers and offers opportunities to learn more about purchasing rules and requirements. The conference offered 55 training sessions on 30 different topics, including four topics that were new to the conference. New classes offered included Guiding Values and Principles of Public Procurement; Cost Sheet Overview; Vendor Performance

and Relations; and a question-and-answer session as part of the Advanced Track.

The Agency Purchasing Conference included for the fifth consecutive year, a Beginner’s Track, which is a series of six workshops designed for procurement officers who are new to state procurement and have two years or less of experience. Offered for the second year was the Advanced Track, intended for primary and back-up agency designated procurement contacts.

Tincher indicated that the classes are constantly updated with not just new information but also new presentation methods. These methods include making the classes more interactive with hands-on activities, as well as offering one-on-one consultation sessions with Purchasing Division staff. “We work to offer a broad array of classes to cover a wide swath of information, and agency procurement officers con-



Senior Buyer Connie Oswald, right, talks to Cindy Fisher and Christopher Martin of the Department of Agriculture following a session during the 2012 Agency Purchasing Conference, conducted at Stonewall Resort.

sistently step up to the challenge offered,” Tinchler said. “The feedback every year helps us to look at the conference agenda and find the best ways to ensure our agency procurement officers are well-educated and prepared to handle the complex issues that are the day-to-day of their jobs.”

Based on evaluations from this year’s participants, high marks were received for the quality of the conference, as well as for the Advanced Track and Beginner’s Track workshop series. Other categories demonstrating the success of the conference was the feedback relating to the organization of the conference, the conference registration, and the length of the conference. Of the responses, 82 percent rated the conference registration as “excellent,” while 17 percent rated it as “good” with the remaining one percent as “fair.” For the overall opinion of the conference, 58 percent rated it as “excellent,” 38 percent indicated it was “good,” and four percent rated it as “fair.”

“We are always pleased to see overwhelming positive remarks for the annual training event, because of the hard work put into the conference’s organization and the feeling that the hard work has paid off,” said Tinchler. “The conference evaluation forms always offer us excellent starting points to see what we can build upon for the next conference, what is working and what needs improvement.”

Please see below for conference evaluation results:

CONFERENCE REGISTRATION	
EXCELLENT	82%
GOOD	17%
FAIR	1%
POOR	0%

CONFERENCE ORGANIZATION	
EXCELLENT	69%
GOOD	26%
FAIR	4%
POOR	1%

OVERALL OPINION OF CONFERENCE	
EXCELLENT	58%
GOOD	38%
FAIR	4%
POOR	0%

Vendor Performance Reporting Provides Documentation for Contract Resolution

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. The process from start to finish is a collaborative effort.



This fiscal year, the Purchasing Division created a more uniform system of tracking vendor performance documentation. Vendor performance and product quality are crucial in the state purchasing process. When these factors do not meet expectations, agencies are strongly encouraged to contact the vendor and express their concerns. It is important for agency procurement officers to keep a record of any contact they may have with the vendor when a problem arises. Complaints should be resolved expeditiously and courteously, preferably by the state agency. Our process was stressed even more so this year to ensure that vendors have a complete understanding of the expectations established within the contract.

After all attempts have failed by the agency to resolve a vendor performance issue, the complaint should be immediately escalated to the Purchasing Division. All documentation received by the Purchasing Division is tracked and maintained. Agencies are also encouraged to send documentation on vendor performance issues to the Purchasing Division even if the situation has been resolved at the agency level. A Vendor Performance Report (WV-82) is used to document all of the steps taken to try to resolve the problem. Subsequent written documentation, including vendor and agency responses, should be attached to this form.

The Purchasing Division continues to seek ways to enhance the quality and transparency of all of its processes.



Small, Women- and Minority-Owned Business Certification Process Began July 1, 2012

Beginning July 1, 2012, the Purchasing Division began incorporating the Small, Women-, and Minority-Owned Business (SWAM) Certification Application as part of the Vendor Registration and Disclosure Statement, in accordance with *West Virginia Code* §5A-3-9 and *West Virginia Code of State Rule* §148-2-1.

Vendors may apply to become certified providing they fall within the business categories defining a small, women-, and minority-owned business. Once the Purchasing Division receives and approves those vendors seeking SWAM status, all approved SWAM vendors are posted on our website at www.state.wv.us/admin/purchase/VendorReg.html.

State agencies utilize this site to identify certified SWAM vendors and their effective dates of certification. In accordance with **West Virginia Code §5A-3-59(b)**, state agencies are required to submit annual progress reports on small, women- and minority-owned business procurements to the Department of Administration in a form specified by the Department of Administration. The Purchasing Division created a reporting tool for the agency's use to submit to our office each fiscal year.

As of June 30, 2013, there were **880** vendors that were certified as SWAM businesses by the Purchasing Division during this fiscal year.

Purchasing Division's Orientation Program Expands Due to Success

Last year, the Purchasing Division was pleased to introduce its orientation program for new buyers within the division. This year, we expanded the program to include an orientation program for our buyer trainees and purchasing assistants. This program stresses the importance of providing a consistent training regimen that encompasses the different purchasing methods, the system applications and associated procedures.

The Purchasing Division was fortunate to advance two former purchasing assistants, Evelyn Melton and Crystal Rink, to buyer trainee positions during this fiscal year. The orientation program has guided these trainees to learn the tasks and responsibilities required of buyers. The program is a year-long orientation intended to give trainees a solid background and knowledge of the state purchasing process.

"We have not had buyer trainees in several years but felt like this was an excellent opportunity to develop talent in-house and grow the division from the ground up," said Mike Sheets, Assistant Purchasing Director for the Acquisition and Contract Administration Section.

Sheets called the program "a roadmap for progression" modeled after the buyer orientation program. The buyer trainees have been introduced to different aspects of procurement, attended training sessions, observed assigned senior buyers and buyer supervisors, learned about the



Buyer Trainees Evelyn Melton (left) and Crystal Rink (right) have been participating in the Buyer Trainee Orientation Program to assist them in gaining the necessary skill set in their positions.

TEAM automated purchasing system and Requisition Tracking (ReqTrak) System, and reviewed the *Purchasing Division Procedures Handbook*, *West Virginia Code of State Rules* and *West Virginia Code*. While the buyer trainees are not assigned their own agency file, they do assist with contracts as they are processed. “We wanted a series of steps that allowed for strong progression and growth,” Sheets said.

“With a solid foundation behind them, the buyer trainees can better give service and attention to the agencies.” After the required experience and training, it is the goal of the Purchasing Division to evolve these positions into buyers and senior buyers. “There’s going to be a lot of training going on in the coming months to shape us, which I believe is all in the right direction,” Melton said. Rink agreed. “The purchasing assistant position was a wonderful way to get our feet wet, but this lets us go further into the purchasing process,” she said.

Vendor Registration Page Provides a Starting Point for Doing Business with the State of West Virginia

As part of a vendor outreach initiative this fiscal year, a vendor registration section was added to the West Virginia Purchasing Division’s website to offer those interested in doing business with the state a starting point while also offering others additional information on the process.

Vendor registration is often the first contact in state government a vendor may make. This website is aimed at those new to doing business with the state. The page also offers a link to the *West Virginia Vendor Procurement Guide*, the *West Virginia Purchasing Bulletin* and to frequently-asked questions about vendor registration and the certification process for small, women- and minority-owned businesses. To see the website, please visit www.state.wv.us/admin/purchase/VendorReg.html.

West Virginia Purchasing Division
Vendor Registration

WV.gov | Administration | Purchasing | Vendor Registration

Vendor Webinar
click for details

Vendor Registration

The West Virginia Purchasing Division registers vendors to do business with state agencies, in accordance with *West Virginia Code* §5A-3-12. By the authority granted in this section of the code, registration is required of any vendor receiving a purchase order. *West Virginia Code* §5A-3-12 also requires the disclosure of information, such as ownership, all names under which a vendor is doing business, their physical address, and its corporate officers.

The vendor registration process is completed by meeting all requirements of a WV-1 or WV-1A **Vendor Registration & Disclosure Statement and Small, Women, & Minority-Owned Business Certification** form, available online at <http://www.state.wv.us/admin/purchase/forms.html>. Vendors must use the most current version of the WV-1 or WV-1A form from the aforementioned link.

The WV-1 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. Payment of a \$125 annual fee is required when submitting the WV-1. With a completed WV-1, vendors also gain online access to the weekly *West Virginia Purchasing Bulletin*, the publication used to advertise statewide competitive bid opportunities expected to exceed \$25,000.

The WV-1A 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 fiscal year. After the vendor completes Part I of the WV-1A, the form needs to be sent to the requesting state agency's procurement officer for completion of Part II.

West Virginia Purchasing Bulletin

Vendors registering more than one branch may do so without an additional annual fee, provided the branches share the same tax identification number.

THE WEST VIRGINIA PURCHASING DIVISION WANTS YOUR COMPANY

TO COMPETITIVELY BID

WWW.STATE.WV.US/ADMIN/PURCHASE/VENDORREG.HTML

West Virginia State Agency for Surplus Property’s Customer Appreciation Day with Extended Hours Proved Successful

The West Virginia State Agency for Surplus Property (WVSASP) conducted its first annual Customer Appreciation Day on July 26, 2012. The event extended the business hours to 7:30 p.m. at the WVSASP’s Dunbar location, allowing customers extra time to find items of interest. “We were extremely happy with the outcome of this event,” said Assistant Purchasing Director and WVSASP Manager Elizabeth Perdue. “We were fortunate to see a lot of new faces in addition to some familiar ones. We believe this gave everyone a chance to find out just how much WVSASP has to offer.”

Kanawha County resident Frank Kelley said he has been coming to WVSASP since the 1970s and loved the extended hours. “I think it is great to open up the warehouse with these extended hours since it makes it easy for people to come after work and see what is offered,” he said.

Event hours were 8:30 a.m. to 7:30 p.m. Refreshments were available, in addition to the full merchandise of the warehouses. The 2nd Customer Appreciation Day was scheduled for July 25, 2013.



Shoppers made their way to the first ever West Virginia State Agency for Surplus Property Customer Appreciation Day in July of 2012 to find great bargains during longer business hours. The agency was open until 7:30 p.m. for customers.

Purchasing Division’s Professional Development Series Covers Wide Range of Purchasing-Related Topics

The Purchasing Division expanded its Staff Professional Development Series during this fiscal year to include several guest speakers related to the procurement function. Tim Easterday, Director of Purchasing for the Kanawha County Board of Education, was one of the speakers who discussed with the Purchasing Division staff the similarities and differences between his office’s duties and that of a state agency purchasing officer.



Tim Easterday, Director of Purchasing for the Kanawha County Board of Education, visited the Purchasing Division to explain how his county handles procurement at a local government level.

The purpose of this monthly in-house professional development series is to enhance our staff’s understanding of purchasing on various levels of government throughout the state, as well as other areas of interest. Guest speakers offer an insider’s perspective on a particular government function throughout the year.

Some of the other speakers during this fiscal year included State Budget Director Mike McKown, who discussed the state’s budget-

ary issues; David Hay, executive consultant at CGI, the company which was awarded the contract to implement the state's Enterprise Resource Planning (ERP) project; Administrative Director Steve Canterbury of the State Supreme Court and Evan Patterson of the Federal Bureau of Investigation.

Gov. Earl Ray Tomblin Proclaims March as Purchasing Month in the State of West Virginia

Gov. Earl Ray Tomblin proclaimed in February that March 2013 would be declared as "Purchasing Month" throughout the state.

The West Virginia Purchasing Division led the initiative for the proclamation, in cooperation with the state chapter of the National Institute of Governmental Purchasing (NIGP). NIGP engages in special efforts every March to promote its mission to develop, support and promote public procurement practitioners through educational and research programs.

"Our state procurement officers are the stewards of the budgeted dollars, ensuring that the proper procedures and laws are followed to gain the biggest return to the state's dollars in an efficient and ethical manner,"

said Purchasing Director Dave Tincher. "It brings great pride to those of us who perform this role in our respective organizations that our profession is being recognized."



Gov. Earl Ray Tomblin recognized the Purchasing Division by declaring the month of March as "Purchasing Month" in West Virginia. Pictured with Governor Tomblin (center) is Cabinet Secretary Ross Taylor of the Department of Administration (left) and Purchasing Director Dave Tincher (right).



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.

Solicitation Templates Created to Offer Conformity

The Purchasing Division updated several sets of templates related to Request for Quotation (RFQ) purchases in Fiscal Year 2013, which were posted to the agency's website.

“These new templates related to Request for Quotation purchases were created to better streamline the paperwork process for all state agencies under our purchasing authority. These new forms are a result of collaboration between our agency and our partners,” said Purchasing Division Attorney James Meadows. “And these new forms are subject to additional modifications if and when they could be made more user-friendly.”

The updated Request for Quotation standard formats relate to Catalog Discounts; One-Time Purchases; and Open-End Contract.

New Standards and Ordering Procedure for Statewide Digital Copier Contract

The statewide contract (DIGCOP12) to lease or purchase multi-function monochrome digital copiers and small color copiers was awarded in April 2013. The method of purchasing or leasing copiers changed dramatically from previous statewide contracts for these commodities. Unlike past contracts with multiple vendors, DIGCOP12 now has a single vendor from which to place orders.

“The new standards with this statewide contract are noteworthy and the time procurement officers can save now when leasing or purchasing a new copier is significant,” noted Senior Buyer Tara Lyle. She said the



copiers listed in this contract are grouped by “bands” which is based on a copier’s capabilities and specifications. The contract, which can be viewed at www.state.wv.us/admin/purchase/swc/DIGCOP.htm, also provides information on prices and available accessories.

“It will be very important that procurement officers and office managers research their agency’s usage to determine which band of copier best fits the needs of the agency prior to placing an order so that what is obtained will best suit the agency’s needs,” she said. “The one thing we want to avoid is a copier to be ordered and then learn a month later that the copier already does not fit the needs of the agency.” To learn more about all statewide contracts, please visit www.state.wv.us/admin/purchase/swc.

Inspection Services Continues Ensurance of Proper Procurement Practices throughout the State

The Purchasing Division’s Inspection Services Unit continued to serve its objective of inspecting purchasing records of government agencies under the authority of the Purchasing Division. This Unit was reinstated through legislation passed during the 2006 Regular Session of the Legislature.

Throughout the year, the Purchasing Division inspection staff travels throughout the state to audit purchasing records primarily for agency delegated purchasing transactions, those purchases costing \$25,000 or less. With the various requirements and documentation necessary, the inspectors ensure that the records are complete and consistent with the Purchasing Division’s procedures.

For additional information on the Inspection Services Unit, please visit www.state.wv.us/admin/purchase/inspection.

Fiscal Year Inspection Statistics

During this fiscal year, the Inspection Services Unit opened and completed **33** individual inspections of various state agencies and related programs. This encompassed more than **44,666** transactions from which **2,144** (approximately **4.8** percent) were closely scrutinized. Of these transactions reviewed more closely, **415** were determined to have a negative finding (approximately **19.4** percent).

The breakdown of findings from these inspections are as follows:

<u>Finding</u>	<u>% of Inspected Transactions</u>
Stringing	.33%
Failure to use Statewide Contracts	1.73%
Failure to use Internal Resources	.33%
Bids not documented	4.9%
Failure to check/retain vendor registration	2.5%
Failure to verify Unemployment Compensation and Workers’ Compensation	3.5%
Failure to obtain Purchasing Affidavit	3.8%

<u>Finding</u>	<u>% of Inspected Transactions</u>
Failure to issue a purchase order	.05%
Failure to affix an asset tag	.23%
Failure to include the Non-Conflict of Interest form	1.9%
Travel findings	0%
Miscellaneous findings	.05%

Procedures Changed for Piggybacking Existing Contracts

The Purchasing Division revised its procedures for piggybacking existing contracts during this fiscal year. As indicated in the *West Virginia Code of State Rules* §148-1-7.9.1 and in various sections of the *Purchasing Division Procedures Handbook*, the Purchasing Division Director must review and approve/disapprove “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.”

This approval requirement applies to the use of cooperative purchasing contracts (WSCA, NASPO, NJPA, etc.), contracts issued by other state agencies or other public agencies, federal government contracts (GSA contracts), and similar contracts.

The Purchasing Division developed the Cooperative Purchasing Request, Justification, and Approval (WV-40) form to assist agency purchasers when pursuing approval by the Purchasing Division to utilize the contracts like those listed above. Agency purchasers are required to submit the WV-40 form with all of the information necessary for the Purchasing Division to review the request and make a determination for each purchase that is requested.

Piggyback contracts or cooperative arrangements must be from valid properly awarded contracts and considered by the Purchasing Director to be available and financially advantageous and comparable to what can be obtained by competitive bid. The Director requires spending units to prove that their requests to use such contracts:

- Do not conflict with existing state of West Virginia contracts unless the prices on the contracts issued by other public agencies and entities are substantially lower than the state contracts based on an equal comparison. No price comparison may be based on differing specifications as determined by the Director.
- 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,
- Does not cause extensive hardship to any spending unit offered preference under the *West Virginia Code*.

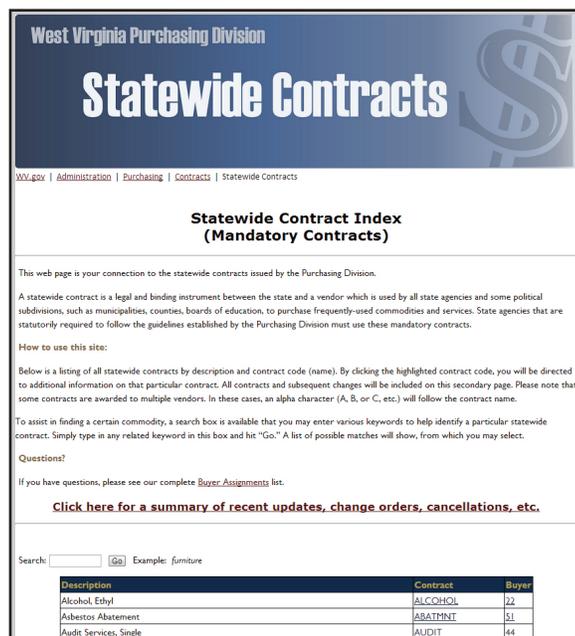
Statewide Contracts Page on Division’s Website Enhanced

The statewide contracts page of the West Virginia Purchasing Division’s website has added several new features this year to better serve its users in utilizing the available statewide contracts.

The secondary pages linked from individual statewide contracts have been enhanced to better present contract information. These pages were changed to a grid format which lists contracts, change orders and vendors in a more organized manner. This way it is easier to see the contracts and the associated change orders.

Additionally, more descriptive language has been added to each statewide contract, expanding from the short description that was previously available on each contract page. The additional language helps with keyword searches, enabling users to find the needed statewide contract much quicker. A few of our agency purchasers suggested more searchable words at last year’s conference.

To review all of the statewide contracts on our website, please visit www.state.wv.us/admin/purchase/swc.



Protest Procedures Outlined for Participating Vendors

The *West Virginia Code of State Rules* §148 CSR 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 business days before the scheduled bid opening. Protests of contract award must be filed within five days of the date of contract award.

In **Fiscal Year 2013, 23** protests were filed with the Purchasing Division. 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 *West Virginia Code* and the *West Virginia Code of State Rules* 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 **2.10%** rate of protests. This statistic reflects the percentage of purchase orders and contracts for which a protest is filed for the fiscal year. The action taken on protests filed may be to accept or deny the protest. If the protest is accepted, then the subsequent action may be to rebid the solicitation.

Communication and Technical Services Section

T*his 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 website. In addition, this unit oversees the administrative functions outlined above. Professional development is a vital aspect of the division. An annual conference and seminars are offered throughout the year to offer guidance to our customers.*

West Virginia Purchasing Bulletin

The *West Virginia Purchasing Bulletin*, which contains information on purchasing requirements in excess of \$25,000, is published weekly and posted on the Purchasing Division's website.

This publication is available on a secured website, which requires vendors to have their vendor number and password that is provided by the Purchasing Division. Hyperlinks to solicitations are available on the online version of the *West Virginia Purchasing Bulletin*. Paper copies of this publication are also available at the Purchasing Division's office. Additionally, the *West Virginia Purchasing Bulletin* includes sole source determination notices and periodic bid opportunities from exempt agencies.

As of June 30, 2013, a total of **5,754** vendors have access to this weekly online publication.

Vendor Registration

A total of **9,528** Vendor Registration and Disclosure Statement and Small, Women-, and Minority-owned Business Certification forms, renewal notices and vendor updates were received for processing during the Fiscal Year 2013. Revenue generated from vendor registration fees during Fiscal Year 2013 was **\$719,250**. The vendor registration annual fee is **\$125**.

Small-, Women-, and Minority-Owned Business Certification

Beginning July 1, 2012, the West Virginia Purchasing Division began incorporating the Small, Women-, and Minority-Owned Businesses (SWAM) Certification Application as part of the Vendor Registration and Disclosure Statement in accordance with *West Virginia Code* §5A-3-9 and the *West Virginia Code of State Rule* §148-2-1. During the 2013 fiscal year, a total of **880** vendors were certified by the Purchasing Division as SWAM businesses.

Purchase Order Encumbrance and Distribution

Since the successful implementation of the West Virginia Financial Information Management System (WVFIMS) Purchase Order Encumbrance Module in 1998, all purchase orders and subsequent change orders with a fixed amount are placed in the Purchase Order Encumbrance system.

A total of **2,361** purchase orders, including open-end contracts and change orders, were encumbered by the Purchasing Division for Fiscal Year 2013.

Records and Imaging

All documents beginning with Fiscal Year 2013 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 were **412,762** for Fiscal Year 2013.

Accessibility to Public Records

When the public wishes to review public documents, the Purchasing Division encourages individuals or entities to submit a written request detailing the documents they wish to obtain under the Freedom of Information Act (FOIA). If an individual arrives in person at the Purchasing Division's office, we require his or her signature on our request to review information. This form documents the requestor, date and the files reviewed.

The Purchasing Division maintains the official file for contracts processed under its authority. The official file contains all documentation and correspondence in the possession of the Purchasing Division as it relates to the specific contract requested.

All records of the Purchasing Division are available to be reviewed at no charge and/or copied during normal business hours, Monday through Friday, 8:15 a.m. to 4:30 p.m., holidays and weekends excluded. Our normal copy fee of 50 cents per page is applicable, with a \$10 minimum charge. Or, if an electronic copy of this documentation is available, it may be obtained for our normal processing fee of \$65.

The Communication and Technical Services Section oversees the requests for records through the FOIA process. During Fiscal Year 2013, the Purchasing Division responded to a total of **146** FOIA requests.

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 **2,132** incoming sealed bids for Fiscal Year 2013.

Governor's Internship Program Participation

The Purchasing Division welcomed back our summer intern, Cameron Thompson, during the summer of 2013. He worked as a technical intern in the Communication and Technical Services Section through the Governor's Internship Program.

A graduate of Marshall University with a bachelor's degree in management information systems, Cameron will attend Marshall University in the fall to pursue his master's degree in business administration.

Created in 1989, the Governor's Internship Program offers high-achieving West Virginia college students the opportunity to step beyond the classroom into the real-world work environment of West Virginia government agencies, private businesses, and nonprofit organizations. Students are placed in internships where they can gain experience relevant to their academic interests while learning under and being supervised by a professional in that field.



Cameron Thompson, a participant of the Governor's Internship Program, worked in the Communication and Technical Services Section of the Purchasing Division.

Professional Development and Training

As children, we learned about the checks and balances system of state government. We learned the responsibilities of each branch and how the three work together to ensure a fair system for all. The West Virginia Purchasing Division seeks to honor this same concept. *West Virginia Code* §5A-3 outlines the requirements of the state purchasing process and *West Virginia Code of State Rules* §148 CSR 1 clarifies key aspects of the law; however, it is the responsibility of the agency and the Purchasing Division to ensure the requirements are followed strictly and in a fair, meaningful, and competitive manner.

Agencies are delegated the authority to process purchases expected to cost \$25,000.00 or less, but they also play a hand in preparing requisitions for formal acquisitions, answering questions from vendors, and making certain their staff stays apprised of the requirements of the state purchasing process. To assure understanding of the purchasing laws passed by the West Virginia State Legislature, the Purchasing Division administers the Purchasing Training Program. The Training Program allows agency purchasing personnel under the Purchasing Division's authority the opportunity to acquire the knowledge of state purchasing laws in a cost-effective and efficient manner.

On the same token, the Purchasing Division strives to maintain a quality level of standard

among its own staff as well as to provide equal opportunities to vendors who wish to learn their roles and responsibilities in this process.

Below are some of the ongoing improvements and happenings the Purchasing Division encountered during this fiscal year to meet the needs of agencies, vendors, and its staff:

In-House Training Curriculum Pilot-tested half-day sessions

The West Virginia Purchasing Division continues to offer face-to-face trainings through its In-House Training Program, which provides training to agency purchasers year-round. These monthly training sessions afford attendees the opportunity to increase their knowledge-base on the state purchasing process, discuss their experiences with their peers, and review specific issues with subject matter experts.

A review of evaluations from sessions conducted during the 2012 fiscal year resulted in changes to the program during this fiscal year. Attendees agreed that with limited resources, demanding work schedules, and the unavoidable costs of travel, the benefits of single, one-hour training sessions were not advantageous for many. Considering these factors, the Purchasing Division decided to pilot-test

three half-day sessions during Fiscal Year 2013 to better meet the needs of agency purchasers. This new format expanded the current offerings from a single, one-hour class to a three-hour training program, providing participants with a better understanding of a select procurement function from start to finish and allowed these same agency purchasers to better utilize their time spent away from the office. According to Staff Development Specialist Samantha Knapp, “the half-day sessions were a huge hit. Attendees vocalized their approval for the new format because they felt it made their travel time and time spent away from the office worthwhile.”

The Purchasing Division offered **28** training sessions during Fiscal Year 2013. These sessions continue to be offered free of charge to agency purchasers who procure under the Purchasing Division’s authority and are conducted in the Purchasing Division’s 1st Floor Conference Room at 2019 Washington Street, East, in Charleston or the Regents Room in Building 7 at the Capitol Complex.

For a list of all in-house training workshops offered by the Purchasing Division, please visit www.state.wv.us/admin/purchase/training/inhouse.html.



The Purchasing Division’s abundant training program is accessible and interactive for all agency purchasing officers throughout the state.

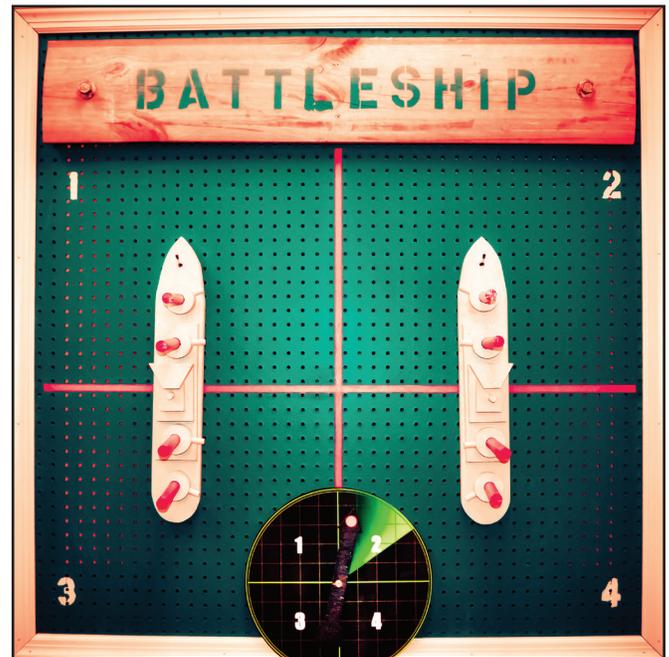
Innovative Training Techniques

Battleship game, Mock Request for Proposal

Researchers now have a better understanding of how individuals learn thanks to the emerging field of neuroeducation, which uses brain-imaging tools to study the brain. What they found is that active engagement is necessary for learning to occur.

A simple presentation or lecture is no longer an effective means of knowledge transfer. Instead, some training initiatives that stimulate active engagement, thus increasing knowledge retention, include facilitation, simulation, games, and role playing.

The Purchasing Division focused its attention this fiscal year on incorporating some meaningful interactions to increase engagement in its training sessions. Two well-received initiatives included the development of a Battleship game and a mock Request for Proposal evaluation.



The first initiative, a spinoff of the popular board game, allowed participants to work together in teams to answer multiple-choice questions on a specific purchasing topic. The teams each designated a team captain. When asked a question, team members participated by shouting out answers to their team captain, who in turn gave the final answer for that group. The appeal of the game, however, was not solely in the questions but rather the props that were custom-made for the training session.

Senior Buyer Alan Cummings built the board and its accompanying ships along with a wheel which replicated a ship's radar. Upon answering a question correctly, a team member was chosen to spin the wheel used to hit and ultimately sink the other team's ship. The first team to completely "sink" the opposing team's battleship won the game.

The second initiative allowed participants to gather into three small groups to discuss and review mock proposals for a best value solicitation. The request for proposal sought a husband for a single mom of one who had been unlucky in love. Two of the three groups scored one of the bidders as the high-scoring proposal while the third group chose a completely different proposal. This outcome demonstrated how the interpretation of the evaluation committee can have an impact on the end result and how the low bidder may not be the vendor awarded the contract.

Online Training Modules

Online training is becoming increasingly popular in the training and development field. Unquestioningly, online initiatives are usually quicker and cheaper to deploy. The Purchasing Division continues to take advantage of this method of training as one more opportunity for agency purchasers to learn the state purchasing process or to keep informed of any changes that may occur. Agency purchasers can view these modules from the convenience of their office without the expense of travel and time.

The Purchasing Division posted its first online training module during Fiscal Year 2010. By the end of Fiscal Year 2013, that number rose to 12.

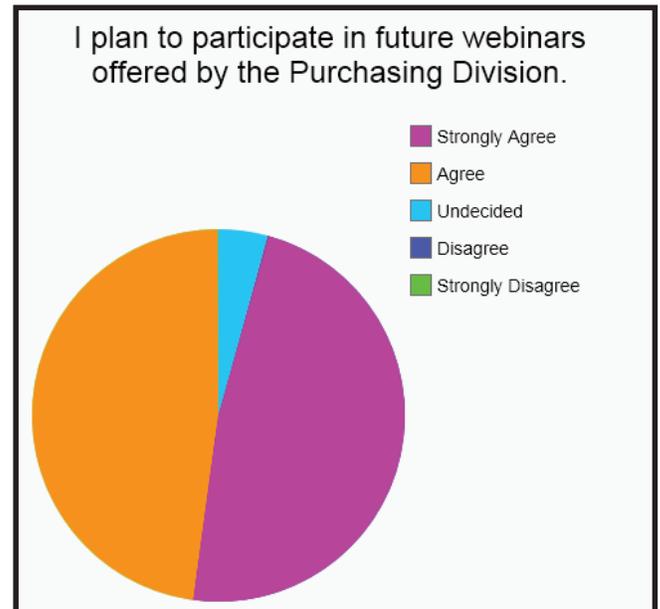
Topics for these modules include Agency Delegated Purchasing; Basic Purchasing; Best Value Procurement / Request for Proposal; Change Orders and Addenda; Emergency and Sole Source Purchases; Evaluation and Award Process; Fixed Assets; Purchase Order Encumbrance; Request for Quotations; Vendor Registration; Vendor Remedies: Protests, Circuit Court, and Court of Claims; and Writing Specifications.

These online training modules are available for download at www.state.wv.us/admin/purchase/training/modules.html.

Agency Delegated Purchasing File Size: 79 MB Click here for certificate	Basic Purchasing File Size: 91 MB Click here for certificate	Best Value Procurement/ RFP File Size: 115 MB Click here for certificate	Change Orders and Addenda File Size: 62 MB Click here for certificate
Emergency and Sole Source Purchases File Size: 84 MB Click here for certificate	Evaluation and Award Process File Size: 82 MB Click here for certificate	Fixed Assets File Size: 73 MB Click here for certificate	Purchase Order Encumbrance File Size: 101 MB Click here for certificate
Request for Quotation File Size: 85 MB Click here for certificate	Vendor Registration File Size: 726 MB Click here for certificate	Vendor Remedies File Size: 86 MB Click here for certificate	Writing Specifications File Size: 49 MB Click here for certificate

Webinars

Although the West Virginia Purchasing Division has successfully created a Purchasing Training Center with opportunities for independent online training, the functionality of this medium of training is limited. In particular, the online training modules do not allow for immediate answers to questions, group discussion, or the ability to instantly apply what has been learned.



To address these limitations, the Purchasing Division pilot tested its first webinar in 2011. By Fiscal Year 2013, the Purchasing Division had conducted nine webinars, with five taking place during this fiscal year.

Following positive feedback from participants regarding the webinar format of training, the Purchasing Division decided to further utilize the webinar software's capabilities, including a polling function to ask multiple choice questions during the webinar as well as discussion using a Chat Box feature. The webinar software also allows the Purchasing Division to provide participants with handouts and other resources prior to the scheduled webinar. This capability is particularly helpful when the training topic is complex in nature.

The Purchasing Division trained **184** individuals utilizing webinars this fiscal year. Approximately one-third of those participated in the final webinar on Travel Management, conducted in June, which was our most attended webinar yet.

On average, participants of the webinars indicated strongly that the webinar method of training is conducive for learning. Additionally, the majority of participants agreed that they would participate in future webinars offered by the Purchasing Division.

Vendor Training Initiatives

The Purchasing Division's performance continues to meet the standards set forth in its annual goals and objectives and strives to provide quality training and support to its counterparts, the agencies. Vendors, however, have required little of the Purchasing Division's focus, with the exception of multiple vendor resources which have been posted to the Purchasing Division's website in recent years.

During Fiscal Year 2013, however, the Purchasing Division appropriately shifted some of its attention and resources to vendor education. In March of 2013, Purchasing Division personnel attended the West Virginia Contractor's Association Exposition and conducted a presentation on How to do Business with the State of West Virginia. This same information was presented a week later as part of a vendor-focused webinar. More than **60** vendors participated in these two events.

An additional vendor webinar was scheduled for the fall of 2013.

Staff Professional Development Series

To further enhance the knowledge and understanding of the various levels of purchasing and other public processes in the state, the West Virginia Purchasing Division continues to administer its Staff Professional Development Series. During Fiscal Year 2013, an external speaker attended most full monthly staff meetings to discuss a particular topic of interest. Some of the topics included Purchasing for Kanawha County Schools, An Overview of the Supreme Court, and State of West Virginia – Budget Process and Fiscal Outlook. (*See Page 14 for more details.*)

The Division continues to seek subject matter experts willing to speak on topics pertinent to the Purchasing Division and its staff.

Purchasing Division Procurement Certification Program

The West Virginia Purchasing Division continues to certify agency purchasers through its Procurement Certification Program. This program provides recognition to procurement officers who exhibit excellence in the procurement function within state government.

As a certification recipient, the greatest benefit is improved knowledge of the state purchasing process and its current policies and procedures. The agency procurement officer becomes the expert that his or her agency's purchasing staff relies on to complete transactions according to law and rule.

Other benefits include but are not limited to:

- A greater degree of confidence in the procurement decisions that the certification holder makes for his or her agency,
- One-on-one interaction with Purchasing Division staff, and
- The agency's commitment to maximizing value.

During Fiscal Year 2013, seven agency purchasers successfully completed the Basic Certification Program, bringing the total number of recipients to **29**. In addition, five candidates successfully completed the Advanced Certification Program, bringing the number of recipients to **seven**.

For information on the Purchasing Certification Program, visit www.state.wv.us/admin/purchase/training/Certification.

Fiscal Year 2013 Training Statistics:

<u>Description</u>	<u>Statistics</u>
Total Number of State Employees Trained in the Purchasing Division's Training Program	456
Number of In-House Training Sessions	28
Number of Total Attendance at In-House Sessions	473
Number of Agency Conference Participants	262
Number of Online Training Modules	12
Number of Online Modules Viewed and Certified	96
Number of WV Procurement: Basic Certified	7
Number of WV Procurement: Advanced Certified	5

Purchasing Division Procedures Handbook

The *Purchasing Division Procedures Handbook* is a valuable resource for procurement officers, managers and employees in learning more about programs, procedures and services administered by the Purchasing Division. Because this reference document is available online, it allows for more readily made updates to ensure that current and accurate information is available to state agency procurement officers.

During this fiscal year, four revisions to the *Purchasing Division Procedures Handbook* were made, effective July 1, 2012; November 12, 2012; November 27, 2012; and February 1, 2013. The current *Purchasing Division Procedures Handbook*, along with archived editions, is available online at the Purchasing Division's website at www.state.wv.us/admin/purchase/Handbook.

Open House Event Brings Together Purchasing Staff and Agency Buyers

The sixth annual Purchasing Division Open House welcomed 60 procurement officers, representing nearly 30 agencies who took the time to meet with the Purchasing Division staff to informally discuss topics of interest. The May 14, 2013, event took place at the agency office on Washington Street in Charleston.

Highlights of the day included three 40-minute informational sessions; virtual tours of the Purchasing Division website and an opportunity to meet specifically with any Purchasing Division staff member, including Purchasing Director Dave Tincher, the buyers, inspectors, training representatives and technical services personnel.



Approximately 60 agency purchasers from various agencies participated in the Purchasing Division's Open House on May 14, 2013.



Purchasing Director Dave Tincher conducted an informational workshop during the event, encouraging agency purchasers to ask questions relating to the procurement process. Two other information sessions were offered during the day.

Tincher led one of the three informational sessions which was titled *Questions and Answers with the Director*. Senior Buyers Frank Whittaker and Guy Nisbet led a session called *Purchasing Forms and Process Checklists* and Purchasing Division Attorney James Meadows and Staff Development Specialist Samantha Knapp led the session *What's New In Purchasing?*

“All three sessions were well-attended and each had excellent dialogues occurring between the speakers and participants,” said Tincher. “I commend our agency procurement officers for continuing to take advantage of these events that we offer to bolster our state procurement efforts. Everyone is served well by this collaborative effort.”

Respondents to a post-event survey noted that they thought the event was very informative and the Purchasing Division staff was readily accessible throughout the day. “I enjoyed meeting and speaking with Purchasing Division employees as well as purchasing personnel from many other agencies. The information I gathered at the Open House was both valuable and intriguing, from evaluating and initiating purchasing transactions through the inspection process and various training opportunities,” said Steve Monroe with the West Virginia Division of Motor Vehicles. “As a newcomer to the state procurement field, I felt truly welcomed and I am looking forward to working more closely with the Purchasing Division and my peers in the future.”

Technological Initiatives

The Purchasing Division continues to make enhancements to its technological system applications, including the TEAM automated purchasing system, the Requisition Tracking System, the *West Virginia Purchasing Bulletin*, and the Purchasing Division’s Internet and intranet sites. In addition to the primary functions of the Technical Services Unit, there were two noteworthy projects which were completed during this fiscal year.

Surplus Property Wireless Project - Phase 1

A modernization project to construct a wireless network “bubble” around the West Virginia State Agency for Surplus Property’s (WVSASP) Dunbar facility, and spearheaded by the Purchasing Division’s Technical Services Unit, has completed its “Phase 1” project goals.

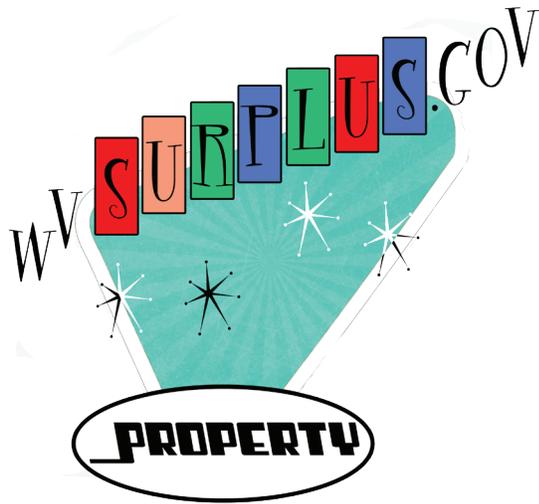
Phase 1 sought to provide secure wireless network connectivity internally in the WVSASP’s Main Office, State Warehouse, and externally throughout key outdoor workspaces in between these buildings.

WVSASP employees now have the functionality to utilize the combined “bubble” of wireless connectivity for video teleconferencing, on-location data entry, and additional technology-aided workflow improvements that will allow employees to more ergonomically and efficiently perform the business procedures and daily tasks that ensure successful operation of the Surplus Property Program.

Intra-agency cooperation was essential to the completion of all necessary project tasks. “Phase 2,” to begin early in Fiscal Year 2014, will complete the wireless “bubble” to remaining parts of the WVSASP facility, including the Federal Warehouse and Vehicle Lot.



The Surplus Property warehouse and office facility underwent Phase 1 of the wireless project to keep customers and staff connected.



You're closer than
ever before

WVSurplus.gov and WVPurchasing.gov Website Domains

As part of the Communication and Technical Services Section's marketing efforts on behalf of the Surplus Property Program and the Purchasing Division, a shorter and more commonly-recognizable web address has been obtained from the U.S. General Services Administration's ".Gov" Domain Name Registration Service to use as a redirect for web visitors wanting to view the WVSASP's and the Purchasing Division's websites.

The domain names, *WVSurplus.gov* and *WVPurchasing.gov*, can be entered as the address in a web browser and will redirect that visitor to the state-hosted websites, *www.state.wv.us/admin/purchase/surplus* and *www.state.wv.us/admin/purchase*, respectively.

Using the shorter web address in advertising and marketing materials will allow potential customers to more easily recall the address and access the websites after viewing. The division expects increased web traffic and exposure to the public as a result of this convenience and CTS's other marketing efforts.

Purchasing Website Statistics

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

The Fiscal Year 2013 statistics as noted below pertain to the Purchasing Division's website, *WVPurchasing.gov*:

Total Hits:	10,231,288
Unique Visitors:	176,720
Visitor Sessions:	707,431
Average Visitors Per Hour:	15.33

Program Services Section

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

The Purchasing Division 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 15th 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 **913** retirement documents (assets taken out of the Fixed Asset System) processed for a total dollar amount of **\$12,677,782.37**.

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 2013, the Surplus Property Unit processed **423** Data Change Requests.

The total dollar amount of assets entered into the Fixed Asset System for Fiscal Year 2013 was **\$24,693,923.70**. The total dollar amount of assets currently in the system is **\$2,099,048,801.92**.

Surplus Property Program

Fiscal Year 2013 Statistics

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

Federal Property Service Charge	\$ 24,837
State Property Service Charge	227,165
Public Auctions	277,567
Public Daily Sales	945,361
Statewide Sealed Bids	0
Online Auction	97,288
Scrap	<u>24,240</u>
Total Revenue	\$1,596,458

State Vehicles

Approximately **401** vehicles were sold during **Fiscal Year 2013**. Below is a breakdown of the method by which they were sold:

Public Auction	130	\$ 247,450
Public Daily Sales	221	821,660
Online Sales	19	29,330
Negotiated Sales	<u>31</u>	<u>195,805</u>
Totals	401	\$ 1,294,245

Online Sales

The West Virginia State Agency for Surplus Property began utilizing online sales in 2009 for property that is either unique in nature or more beneficial to sell online, and the success of this sales method continues to grow.

WVSASP has sold **183** items through the online sales site during Fiscal Year 2013 for a total amount of **\$97,288**. Items sold included a motor home, a boat motor, a transmission and microwave tower, a three-wheel truckster, and a tractor.

To learn more about Surplus Property's online sales, visit *WVSurplus.gov*.

Daily Public Retail Sales

Since June of 2008, the West Virginia State Agency for Surplus Property has had the authority to sell state property to the public through its daily retail sales. All direct sale items are priced and sold on an "as is, where is" basis. Property is available at the Surplus Property facility at 2700 Charles Avenue in Dunbar.

As a result of the daily public retail sales, **\$945,361** was generated in revenue during **Fiscal Year 2013**.

Public Auctions

The West Virginia State Agency for Surplus Property periodically offers absolute auctions, which are one-day sale events used to dispose of state surplus property at the agency's headquarters in Dunbar. During this fiscal year, WVSASP conducted three public auctions: September 29, 2012; December 6, 2012 (vehicles only); and April 13, 2013.

The auctions most often begin at 10 a.m., but potential bidders may inspect the sale property the week preceding during WVSASP business hours. Auction notices are posted at the Surplus Property website at *www.state.wv.us/admin/purchase/SurplusAuction.pdf*.

Mid-week Vehicle Auction a Success

The West Virginia State Agency for Surplus Property conducted its first midweek vehicle-only auction on December 6, 2012, selling nearly 60 cars from the lot on a chilly Thursday morning. The event was an experiment for WVSASP, one that Purchasing Division Assistant Director and WVSASP Manager Elizabeth Perdue called an unbridled success. “We were extremely pleased with the response to the auction,” she said, noting the auction offered everything from retired state police vehicles to Jeep Grand Cherokees. “We had a large variety of vehicles in varying conditions, and each vehicle was sold that day. The auction took just less than an hour and we moved each vehicle we had to offer.” Perdue said the auction’s success may point toward future similar auctions.



WVSASP conducted a vehicle-only auction in December of 2012, which proved successful. Approximately 60 cars were sold within one hour at the auction.

For information about WVSASP, please visit WVSurplus.gov or call (304) 766-2626 or toll-free 800-576-7587.

Hard Work Makes for a Busy Day at the Surplus Auction



When the bidders arrive for one of the periodic West Virginia State Agency for Surplus Property public auctions in Dunbar, they may not realize the amount of planning and work that has already been spent in preparation.

“Absolute auctions used to be one of the primary ways we had to sell merchandise,” said Assistant Purchasing Director and WVSASP Manager Elizabeth Perdue. “However, with daily retail and online sales, our auctions are less frequent, so now our auctions tend to be somewhat larger.”

Perdue said vehicles represent the largest portion of what is offered at an auction. “Instead of offering four or five auctions a year, with 30 to 40 cars in each, we may only do two auctions a year and we will have more than 60 vehicles,” she said. This is in addition to the other items selected from surplus property in the agency warehouse. “We like to find unique items, things that are different and might be more interesting at an auction than for our daily retail sales.”

Further preparation for an auction includes the posting of legal advertisements two weeks prior to the auction in the newspaper and preparing notices to mailing lists promoting the different items to be available for sale. Perdue said security must be arranged for the event, typically by members of the Dunbar City Police. Staff members prepare sales orders and auction tickets. “Sales orders are for vehicles, and the tickets are for the winning bidder, listing the final price of the vehicle,” she said.

A week before an auction, merchandise is set up for viewing. A chart is created, showing the

vehicles available. “People can come by and check out what we will have for sale the week of the auction, during the inspection period. At that time they can sign up to get a bidder number,” Perdue said.

The auction itself moves fast and furiously, with the auctioneer rapidly moving from item to item. It is a quick culmination of weeks of work, with the winning bidders paying for their merchandise.

The following Monday, the auction is reconciled, Perdue said. For vehicles, titles are mailed to new owners. “We may offer the auctions less often, but they are more profitable since we can focus more intently on them,” she said.

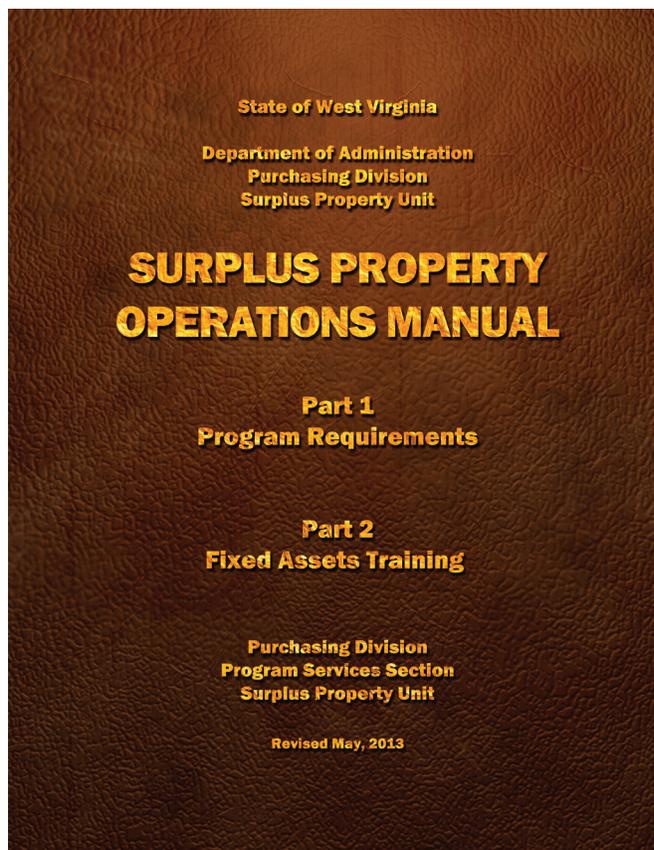
Statewide Sealed Bid Process

Occasionally, the West Virginia State Agency for Surplus Property may conduct a statewide sealed bid for a specific item(s) if it is in the best interest of the state to sell the property at the item’s location.

This method of public sale requires bidders to complete and submit a bid form prior to an established bid opening date and time. This type of sale is conducive when state agency property is located outside of the Charleston area.

New Surplus Property Operations Manual Introduced to State Agencies

The Purchasing Division announced its newest publication, the Surplus Property Operations Manual, in May 2013. This manual consolidates the former West Virginia State Agency for Surplus Property Reference Manual and the Inventory Management and WVFIMS Fixed Assets Training Manual.



This comprehensive manual has been created to provide state agency personnel with updated information on the Surplus Property processes, as well as asset management guidelines and fixed assets training procedures.

State agency procurement officers are advised to review this publication in its entirety on the Purchasing Division’s website at www.state.wv.us/admin/purchase/surplus/surplus_operations_manual.pdf.

The Surplus Property Operations Manual serves as a guide to assist state agency personnel responsible with proper management of state-owned assets and for properly disposing surplus equipment to Surplus Property. These procedures will help ensure that asset management and disposal of surplus property are handled in accordance of West Virginia

Code, State Code of Rules, and Purchasing Division procedures.

The second part of the operations manual provides detailed instructions, including screen shots, for adding, changing and retiring fixed assets in the WVFIMS Fixed Asset System. State agency personnel who have questions about the revised manual may contact Assistant Purchasing Director and WVSASP Manager Elizabeth Perdue at (304) 766-2626 or at Elizabeth.J.Perdue@wv.gov.

The Property Connection Now Only Available Online

Beginning with the spring 2013 edition, *The Property Connection*, the quarterly newsletter for the West Virginia State Agency for Surplus Property, switched to an electronic-only format.



“This change is an effort to more efficiently bring news and information about WVSASP to eligible organizations,” said WVSASP Manager Elizabeth Perdue. “This change eliminates the wait for eligible organizations to receive The Property Connection through the mail, and instead makes it as simple as the click of a mouse.”

Downloads are available at www.state.wv.us/admin/purchase/surplus/propertyconnection. The Property Connection will continue as a quarterly publication.

Travel Management Office

Travel Expenditures

The total amount of travel expenditures statewide for Fiscal Year 2013 was **\$48,768,574.00**.

Statewide Contract for Car Rentals [Enterprise and Hertz]

To provide more cost-effective service to the state, the Purchasing Division elected to piggyback car rental contracts entered into through the Western States Contracting Alliance with Enterprise and Hertz.

Below is the information relating to the piggyback contracts for rental vehicles.

Enterprise

The total number of rental days for the Fiscal Year 2013 was **53,382**, based on an expenditure of **\$1,418,375.92**, making the average cost of a rental car per day as **\$26.57**. Without a preferred car rental contract, the normal (average) daily rate today is **\$60.00**, for a savings of **\$1,784,544.80**.

Hertz

The total number of rental days for the Fiscal Year 2013 was **1,959**, based on an expenditure of **\$76,689.00**, making the average cost of a rental car per day to **\$39.15**. Without a preferred car rental contract, the normal (average) daily rate is **\$60.00**, for a savings of **\$40,851.00**.

CDW (Collision Damage Waiver)

The state's new rental car contracts now include the insurance for collision damage waiver. The average cost of optional coverage provided by car rental companies is **\$25** per day. Based on **55,341** rental days, the state has saved **\$1,383,525.00** on rental insurance.

Statewide Contract for Travel Management Services [National Travel]

Year-end transactions include:

Exchanges	479
Refunds	61
Airline tickets	8,722
Service fees paid	\$209,203.60
Total Transactions	16,354
Cost	\$4,814,912.51
Full Fare	\$14,572,759.28
Savings	\$9,757,846.77

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

The rebate for .40% of the qualifying annual volume was **\$23,779.16**.

Delta SkyMiles Bonus Tickets

Four (4) free tickets were used for a total value of **\$4,813.30**.

Mileage Reimbursement Rate

In accordance with the Department of Administration's bi-annual review of the state's mileage reimbursement rate for privately owned vehicles, which is determined in January and July of each year, the state's reimbursement rate for the use of employees' privately owned vehicles remained at 47 cents per mile for the July 2012 and January 2013 review periods.

Cabinet secretaries and bureau chiefs were notified on August 1, 2012 and January 28, 2013. The State Travel Management Office notified all agency travel coordinators regarding the results of this review.



Recognizing Excellence

The Purchasing Division is pleased to recognize excellence in state procurement each year at its annual agency purchasing conference. Hundreds of state employees work in state procurement in West Virginia. So many of these professionals demonstrate qualities of excellence each and every day. Some of their characteristic traits include dedication, loyalty, exemplary work ethics, strong decision-making skills, a willingness to serving the public and a desire to continually learn and develop their skills.

During Fiscal Year 2013, the Purchasing Division honored one of its agency procurement officers as the *Agency Procurement Officer of the Year*. This recognition was announced during a special ceremony at the 2012 Agency Purchasing Conference. The criteria for this award includes such qualities as tenure, performance, internal training efforts, communication, cooperation and exerting a positive image.

Agency Procurement Officer of the Year

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.

One of the many highlights of the annual Agency Purchasing Conference is the recognition of those individuals who have proven to be exceptional in the field of public procurement. This year, the tradition continued with the opportunity to honor a procurement officer who had excelled in his position until his untimely passing.

At the purchasing conference at Stonewall Resort in November of 2012, Purchasing Director Dave Tincher announced that the *2012 Agency Procurement Officer of the Year* was being given in memory of Bruce Blackhurst, who served as the chief financial officer for the Division of Juvenile Services. Blackhurst passed away in January 2012.

Blackhurst was described as “kind and caring,” “engaging,” “a problem solver” and “always giving his undivided attention and support when needed” by his peers. Blackhurst was held in high esteem by fellow procurement officers and had attended the Agency Purchasing Conference for more than a decade, as well as attending the annual Purchasing Division Open House. He had also participated as a contestant during the Purchasing Division’s game shows offered at the conference.



Bruce Blackhurst of the Division of Juvenile Services was named the 2012 Agency Procurement Officer of the Year. Blackhurst passed away in January 2012.

During his presentation, Tincher displayed an engraved clock in honor of Blackhurst which was delivered by Blackhurst's co-workers to his family.

This is the 17th year in which the *Agency Procurement Officer of the Year* award has been presented. For a list of past winners for various purchasing recognition programs, please visit the Purchasing Division's intranet site at <http://intranet.state.wv.us/admin/purchase/Recognition/default.html>.

The purpose of the *Agency Procurement Officer of the Year* 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, communication skills, internal training efforts, cooperation with agency and purchasing staff, positive image, and good purchasing practices.

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

- 2012:** Bruce Blackhurt (Division of Juvenile Services)
- 2011:** Belinda Burdette (Alcohol Beverage Control Administration)
- 2010:** Les Smith (Division of Tourism)
- 2009:** Jamie Adkins (Department of Environmental Protection)
- 2008:** Pam Hodges (Regional Jail Authority)
- 2007:** Karen Lane (Division of Motor Vehicles)
- 2006:** Gloria Anderson (Division of Culture and History)
- 2005:** Diana Joseph (Division of Natural Resources)
- 2004:** Carole Woodyard (West Virginia State Police)
- 2003:** Syble Adkins (Department of Revenue)
- 2002:** Ratha Boggess (Treasurer's Office)
- 2001:** Bev Carte (Division of Natural Resources)
- 2000:** Lendin Conway (Department of Environmental Protection)
- 1999:** Jo Miller Bess (Department of Health and Human Resources)
- 1998:** Lt. Col. Jim Powers (West Virginia State Police)
- 1997:** Susie Teel (Department of Environmental Protection)
- 1996:** Edi Barker (Bureau of Employment Programs)



Financial Statistics

Fiscal Year 2013

NEW PURCHASE ORDER SUMMARY

Resident Vendor Analysis:

Vendor	Count (#)	Percent (#)	Value (\$)	Percent (\$)
West Virginia	704	64.35%	\$158,602,991.49	48.17%
Non-West Virginia	390	35.65%	\$170,659,993.72	51.83%
TOTAL	1,094	100%	\$329,262,985.21	100%

The average purchase order amount for Fiscal Year 2013 was **\$300,971.65**. This summary does not include within the count statistics the change orders processed during Fiscal Year 2013.

Agency Analysis:

Top 10 Agencies	Count (#)	Percent (#)	Value (\$)	Percent (\$)
Highways	361	33.00%	\$72,710,415.62	18.04%
Administration	128	11.70%	\$51,485,131.15	15.64%
DEP	116	10.60%	\$36,795,940.95	11.18%
DHHR	85	7.77%	\$41,746,320.93	12.68%
DNR	68	6.22%	\$9,844,550.36	2.99%
Public Transit	39	3.57%	\$8,094,245.72	2.46%
Corrections	33	3.02%	\$19,938,413.23	6.06%
Agriculture	31	2.83%	\$11,402,302.84	3.46%
Education	24	2.19%	\$3,270,007.50	0.99%
State Police	23	2.10%	\$7,311,230.95	2.22%
Other	186	17.00%	\$79,958,965.55	24.28%
TOTAL	1,094	100.00%	\$329,262,925.21	100.00%



Legislative Action

The following legislative changes occurred during Fiscal Year 2013, which affected the state procurement process:

Sublist Reporting Requirement

House Bill 2716 modified the West Virginia Fairness in Competitive Bidding Act. The bill provided two significant changes. First, it lowers the threshold amount from \$500,000 to \$250,000 for triggering a low bidder's duty to submit list of subcontractors on government contracts. Second, the bill extends the sublist reporting requirement beyond the Purchasing Division to contracts issued by state spending units.

Repeal of Department of Health and Human Resources' Medicaid Purchasing Exemption

Senate Bill 194 repealed the exemption from *West Virginia Code* §5A-3 as it related to the Medicaid program for the West Virginia Department of Health and Human Resources (DHHR). The bill contained an exception, however. DHHR continues to maintain authority over the contracts processed from April 1, 2009, to January 2, 2013, the period for which that department managed these contracts.



Goals and Objectives

Objective 1

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

Maintain an average procurement cycle of 30 days or less.

Objective 2

Continue the forward progression on the e-procurement initiatives relating to the state procurement process as part of the Enterprise Resource Planning (ERP) project, *wvOASIS*.

Objective 3

Provide educational and informative tools to agency procurement officers and the vendor community 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) at the annual Agency Purchasing Conference.

Continue to create on-line modules, in-house training programs and webinars for state agencies on various topics relating to the state purchasing process.

Expand educational efforts to vendors who are interested or currently doing business with the State of West Virginia.

Objective 4

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

Maintain a rate for formal protests of less than four percent through dispute resolution and process education.