

West Virginia Purchasing Division



Established by law in 1935



Department of
Administration



W. Va.
Code 5A-3



148 C.S.R. 1



Purchasing
Handbook



Fifth consecutive recipient
of the AEP award from NPI



West Virginia State Agency
for Surplus Property
WVSurplus.gov

2018 Annual Report



877 state employees
trained in FY 2018



WVPurchasing.gov



4,472 registered
vendors



57 statewide
contracts



294,970 pages
scanned



1,658 electronic and paper bids received

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Director's Message



STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION
2019 WASHINGTON STREET, EAST
CHARLESTON, WEST VIRGINIA 25305-0130

JOHN A. MYERS
CABINET SECRETARY

W. MICHAEL SHEETS
DIRECTOR

June 30, 2018

To the Citizens of West Virginia:

Fiscal Year 2018 brought about several changes to the state procurement process, all of which played a role in improving our processes to ensure efficiency and effectiveness for state agencies and vendors. Among the procedural changes, the verbal delegated bid limit increased from \$5,000 to \$10,000; a longer base term for software contracts with maintenance was allowed, up to five years; and the limit to use the Request for Proposal process was lowered to \$100,000. In addition to these changes, the Purchasing Division worked closely with the Governor's Office in suggesting to the Legislature how to improve the state purchasing process, resulting in changes incorporated into Senate Bill 283, which was introduced by the Governor's office, and successfully became law. Additional information on how this law affected the state procurement process is contained within this Annual Report.

Also during this fiscal year, the Purchasing Division offered its first ever *Legal Seminar on State Procurement Practices* for attorneys employed by West Virginia state government. With nearly 70 attorneys in attendance, these professionals learned of the legal components relating to state procurement, ethics in procurement, privacy issues and the Attorney General's Office's role in state procurement, and more. As part of this seminar, we offered Continuing Legal Education credits approved by the West Virginia State Bar to our attendees, thus saving state attorneys the cost of seeking this required training through outside sources. Continuing Professional Education credits were also approved by the West Virginia Board of Accountancy and offered this year to Certified Public Accountants as part of our annual conference and In-House Training Program. These initiatives, among many others, not only provided valuable information but proved to be cost-efficient for our customers.

As I conclude my first full year as West Virginia Purchasing Director, I am pleased with the direction we have taken and where our future lies. It is an honor to work with some of the most hardworking individuals in state government, and I truly believe that our state procurement process is dramatically impacted by the input and dedication of all state procurement officers. With that said, I am pleased to share with you our Annual Report for Fiscal Year 2018, which showcases just some of our noteworthy achievements of this past year. As always, thank you for all of the continued support offered to the Purchasing Division.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Michael Sheets".

W. Michael Sheets, CPPO, Director
West Virginia Purchasing Division

General Information

Contact Information:

Contact information for our staff is available on the West Virginia Purchasing Division's website at *WVPurchasing.gov*. Biographical information for the senior management team, the division's organizational chart and detailed contact information for staff is accessible at the "Contact Us" button on the home page. The address, telephone and fax number for our agency is noted below:

West Virginia Purchasing Division
2019 Washington Street, East
Charleston, WV 25305

Telephone: (304) 558-2306
FAX: (304) 558-4115

WVPurchasing.gov

Statutory Authority:

The Purchasing Division was created and its duties outlined in the W. Va. 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 W. Va. 148 C.S.R. 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*, the listing of state government bid opportunities through the *wvOASIS* Vendor Self Service portal; a monthly online newsletter for state procurement officers, *The Buyers Network*; our quarterly West Virginia State Agency for Surplus Property newsletter, *The Property Connection*; email correspondence to our designated state agency purchasing liaisons; various training programs; and our website (*WVPurchasing.gov*) and intranet site (<http://intranet.state.wv.us/admin/purchase>), which is only accessible to state employees. In an effort to provide our customers with the best possible service, the Purchasing Division looks for ways to network effectively 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 email 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: Acquisitions and Contract Administration, Communication and Technical Services, and Program Services. Additionally, the Purchasing Division maintains a legal office to assist with various legal and legislative issues.

Acquisitions and Contract Administration Section

The Acquisitions and Contract Administration Section is responsible for the procurement of products and services for state agencies expected to exceed \$25,000. It is committed to providing excellent customer service to agencies and vendors by buying quality commodities and services 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 the general public. It focuses on technology, communication, training, and vendor registration and relations, as well as administrative functions, including records imaging and retention, purchase order encumbrance and bid receipt.

The Communication and Professional Development Unit provides information and training services related to the division and the individual programs which are administered by the Division. Conferences, online resource training modules, in-house workshop sessions, webinars and the West Virginia Procurement Certification Program are offered throughout the year to provide guidance and opportunities to our agency procurement officers.

The Technical Services Unit maintains all technical applications administered by the division as well as oversees our networking services and the division's internet and intranet sites. In addition, this unit oversees the vendor registration and relations program.

The Support Services Unit oversees the administrative functions previously outlined.

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 Staff of the West Virginia Purchasing Division

The Purchasing Division staff, pictured below in a June 2018 photograph, works closely with our designated agency procurement officers and the many vendors that provide the commodities and services needed to maintain and operate state programs and services. We are always pleased to serve you!



Pictured back row (l-r): Diane Holley-Brown, Mark Totten, Bob Ross, Guy Nisbet, Wendy Means, Mark Atkins, Greg Clay, Shane Hall, and Samantha Knapp;

3rd row (l-r): Jessica S. Chambers, Stephanie Gale, Linda Harper, Tara Lyle, Mitzie Howard and Crystal Rink;

2nd row (l-r): Michelle Childers, Melissa Pettrey, Jimmy Meadows, Heather Bundrage, Frank Whittaker, Amber Carter, Mike Sheets, Millicent Mann, Elizabeth Perdue, Debbie Watkins, April Battle and Jennifer Fields;

Front row (l-r): Terra Oliver, Jessica Riley, Courtney Sisk Johnson, Lu Anne Cottrill, Beverly Toler, Alisha Pettit, Brittany Ingraham and Dianna Kirk.

Contact Reference Guide

	<u>Telephone No.</u>	<u>Location</u>
Director's Office		
Mike Sheets, Purchasing Director	(304) 558-0492	Main Office
Jimmy Meadows, General Counsel	(304) 558-8806	Main Office
Debbie Watkins, Administrative Secretary	(304) 558-3568	Main Office
Acquisitions and Contract Administration Section		
Frank Whittaker, Assistant Director	(304) 558-2316	Main Office
<i>Acquisitions Unit</i>		
Linda Harper, Buyer Supervisor	(304) 558-0468	Main Office
Tara Lyle, Buyer Supervisor	(304) 558-2544	Main Office
Guy Nisbet, Buyer Supervisor	(304) 558-2596	Main Office
Mark Atkins, Senior Buyer	(304) 558-2307	Main Office
April Battle, Senior Buyer	(304) 558-0067	Main Office
Heather Bundrage, Buyer	(304) 558-2566	Main Office
Jessica S. Chambers, Senior Buyer	(304) 558-0246	Main Office
Michelle Childers, Senior Buyer	(304) 558-2063	Main Office
Stephanie Gale, Senior Buyer	(304) 558-8801	Main Office
Brittany Ingraham, Senior Buyer	(304) 558-2157	Main Office
Melissa Pettrey, Senior Buyer	(304) 558-0094	Main Office
Crystal Rink, Senior Buyer	(304) 558-2402	Main Office
<i>Contract Management Unit</i>		
Greg Clay, Contract Manager	(304) 558-5780	Main Office
Shane Hall, Inspector III	(304) 558-8803	Main Office
Melissa Hitt, Inspector I	(304) 558-3488	Main Office
Mitzie Howard, Inspector II	(304) 558-2037	Main Office
Communication and Technical Services Section		
Diane Holley-Brown, Assistant Director	(304) 558-0661	Main Office
<i>Communication and Professional Development Unit</i>		
Samantha Knapp, Manager	(304) 558-7022	Main Office
Jessica L. Chambers, Public Information Specialist	(304) 558-2315	Main Office
Courtney Sisk Johnson, Public Information Specialist	(304) 558-4213	Main Office
<i>Technical Services Unit</i>		
Mark Totten, Manager	(304) 558-7839	Main Office
Alisha Pettit, Programmer	(304) 558-0247	Main Office
Wendy Means, Vendor Registration Coordinator	(304) 558-2311	Main Office
<i>Support Services</i>		
Beverly Toler, Supervisor	(304) 558-2336	Main Office
Program Services Section		
Elizabeth Perdue, Assistant Director	(304) 766-2626	Dunbar
<i>Fixed Assets Management Unit</i>		
Sherry Fewell, Fixed Assets Coordinator	(304) 766-2626	Dunbar
<i>Surplus Property Unit</i>		
Elizabeth Perdue, Manager	(304) 766-2626	Dunbar
Doug Elkins, Assistant Manager	(304) 766-2626	Dunbar
<i>Travel Management Unit</i>		
	(304) 766-2626	Dunbar

Purchasing Division Highlights

Sheets Named Director of the Purchasing Division

W. Michael “Mike” Sheets was named Director of the West Virginia Purchasing Division, effective September 30, 2017. Previously, Sheets served as Acting Director upon the retirement of former Director Dave Tincher in April of 2017.

An employee of the Purchasing Division for 13 years, Sheets held multiple positions within the Division, including Deputy Director, Assistant Purchasing Director and Contracts Manager. He noted that during his tenure, he continues to look at ways to clarify and streamline the process, while ensuring that safeguards are in place.



Mike Sheets was named State Purchasing Director, effective September 30, 2017. Prior to this role, he spent 13 years with the Division in various positions, including Deputy Director, Assistant Purchasing Director and Contracts Manager.

“Although I have some new ideas, my primary goal is to honor and uphold the integrity of the purchasing process and to comply with all purchasing laws and rules which we have been mandated to follow,” said Sheets. “I enjoy working with all of our partner agencies and their respective agency procurement officers in maintaining the high level of expectations for our state’s procurement function.”

Passage of Bills During 2017 Legislative Session Resulted in Changes to State Purchasing Process

Two bills were introduced by the West Virginia State Legislature during the 2017 Regular Session resulting in changes to the state purchasing process for Fiscal Year 2018. The bills, House Bills 2001 and 2897, became effective July 7, 2017.

Following the passage of House Bill 2001, vendors were required to submit a *Disclosure of Interested Parties to Contracts* form prior to award for contracts exceeding \$100,000. This requirement was included in the Ethics Commission statute. This dollar threshold was later changed to \$1 million during the 2018 Regular Session. Interested parties include but are not limited to subcontractors as well as any owner of a business that owns 25% or more of the business expected to receive a contract.

The other bill, House Bill 2897, changed the requirements for the submission of several documents related to construction contracts, including the contractor’s license and *Drug-Free Workplace Affidavit*. Previously, any vendor who did not submit these documents with the bid was disqualified. The new law now gives vendors one business day to submit these documents upon the request of the West Virginia Purchasing Division.

Previous statutory stipulations required vendors on construction contracts to submit to the Purchasing Division the subcontractor's list within one business day of the bid opening. In addition to the changes noted previously, House Bill 2897 also authorized the Purchasing Division to request the subcontractor's list from the apparent low bidder within one additional business day if the list is not submitted within the original time frame.

Finally, some construction contracts allow for alternative options. Depending upon funding, the options may be included in the evaluation of the bids. Although previous Purchasing Division procedures required the alternates to be noted in order of preference and accepted in that manner, House Bill 2897 mandated this requirement for all agencies under the Purchasing Division's authority and stipulated no more than seven alternates be used in any given solicitation. Again, this limit was modified during the 2018 Regular Session to only five alternates.

More Substantial Legislative and Procedural Changes Effective from the 2018 Legislative Regular Session

Following the success of legislative updates to the state purchasing process early in Fiscal Year 2018, the West Virginia Purchasing Division was pleased that the Governor's Office sponsored, and the Legislature passed, Senate Bill 283 during the 2018 Regular Session of the State Legislature. This bill, which became effective June 8, 2018, contained many suggestions offered by the Purchasing Division as significant improvements to the processes.



Some of the changes following this session, both legislative and procedural, include but are not limited to the following:

Legislative Changes

- Allowing open-ended construction and maintenance;
- Relaxing Request for Proposal requirements to speed up the process;
- Converting sole source procurements to direct awards;
- Reducing the limit on secondary bidding;
- Expanding the debarment grounds to include deferred prosecution agreements;
- Removing traditional vendor preference for most solicitations and adding a reciprocal preference;
- Allowing for the standardization of certain commodities.

Procedural Changes

- Increasing the agency delegated verbal bid limit from \$2,500 to \$5,000 to \$2,500 to \$10,000;
- Allowing screen prints from websites as documentation for the verbal bid limit;
- Permitting longer-based terms for software contracts with maintenance, up to five years;
- Revising the Request for Proposal and Expression of Interest Standard Formats to provide clarification and more ease of use;
- Lowering the limit from \$250,000 to \$100,000 for allowable use of the Request for Proposal process, upon the Purchasing Director's approval.

The Purchasing Division also updated its master terms and conditions, forms, templates and the *Purchasing Division Procedures Handbook* due to these changes. To outline these changes in more detail, Purchasing Division General Counsel Jimmy Meadows conducted a webinar on June 4, 2018, with more than 70 agency purchasing personnel participating.

Gov. Jim Justice Declares March as Purchasing Month

For the second year under his governorship, Gov. Jim Justice proclaimed that March be recognized as “Purchasing Month” throughout the state of West Virginia. Purchasing Month has been recognized in West Virginia since 2011 and honors the integrity and professionalism of all state purchasers who are entrusted with the spending of tax dollars.

This 2018 proclamation was part of an annual nationwide recognition initiated by the National Institute of Governmental Purchasing. The Purchasing Month proclamation highlighted the initiatives which develop, support and promote public procurement practitioners through their educational and research programs.



Purchasing Division Presents Valuable Information to Local Government Entities, Potential Vendors

During Fiscal Year 2018, the West Virginia Purchasing Division focused its efforts on educating both local government entities and prospective vendors about the programs and services offered by the Division. As part of this initiative, Purchasing Division staff visited four cities statewide during the fall of 2017, including Beckley, Clarksburg, Martinsburg and Moorefield.



Assistant Purchasing Director Frank Whittaker and Buyer Supervisor Guy Nisbet speak to a group of vendors during a seminar in Parkersburg, West Virginia. The seminar was part of an initiative during Fiscal Year 2018 to educate local government entities and prospective vendors on the programs and services available to them.

A morning session conducted at each location focused on the programs and services available to local government entities (i.e. city governments, counties, school boards, etc.), including programs offered by the West Virginia State Agency for Surplus Property and availability of statewide contracts for many commonly-used items.

An afternoon session provided vendors with information on the process of doing business with the state, including how to view state solicitations expected to exceed \$10,000, how to register as a vendor with the Purchasing Division, requirements for successful vendors and more.

Due to the success of these four events, the Purchasing Division decided to continue its outreach efforts in 2018. Beginning in April, Purchasing Division staff visited three more cities, including Huntington, Parkersburg and Lewisburg, during Fiscal Year 2018. Additional seminars are scheduled through the end of 2018 with visits to five more locations statewide.

During Fiscal Year 2018, there was a total of **77** representatives from local government agencies and **185** vendors who attended these valuable seminars.

Purchasing Division Hosts its First Ever Legal Seminar on State Procurement Practices

The West Virginia Purchasing Division offered its first ever legal seminar on state procurement practices on May 15, 2018. The event was attended by **69** state-employed attorneys from various departments and agencies. This seminar was recognized by the West Virginia State Bar for **5.3** in-house CLE credits, including **.60** ethics credits.

In addition to gaining valuable information relating to state procurement laws, rules and procedures as well as privacy, ethics, and the Attorney General's role in procurement, the Purchasing Division worked closely with the West Virginia State Bar to offer Continuing Legal Education credits to all attorneys in attendance, free of charge.



West Virginia Purchasing Division offered its first ever legal seminar on state procurement practices on May 15, 2018. Purchasing Division General Counsel James Meadows (shown above) presented information on legal issues relating to state procurement to approximately 70 state-employed attorneys.

The agenda for the seminar included the following presentations from experts from various state agencies: *An Overview of Legal Issues Relating to State Procurement* by Purchasing Division's General Counsel James Meadows; *Privacy Issues* by State Privacy Officer Sallie Milam; *Freedom of Information Act (FOIA) Process* by Department of Administration's General Counsel Robert Paulson; *An Overview of the Legislative Process and the Office of Technology's Procurement Approval Process* by Department of Administration Deputy General Counsel Jennelle Jones; *Ethics in Procurement* by State Ethics Commission's General Counsel Kimberly Weber; *Further Ethics Discussion Relating to Procurement* by Meadows; and the *Attorney General's Role in Procurement* by State Deputy Attorney General John Gray. A question and answer session was the final session of the seminar.

"Purchasing touches virtually every corner of state government," said Purchasing Director Mike Sheets. "For this reason, the Purchasing Division determined that it was vital to offer a training focused specifically on the legal aspects of the state procurement process."



Purchasing Division Offers Continuing Education Credits to State Certified Public Accountants and Attorneys

While the Purchasing Division has always offered a comprehensive training program to state employees, during Fiscal Year 2018 the Division looked at other ways to incentivize its program to benefit procurement officers and other state employees trained through the program.

Our solution was to offer approved continuing professional education credits to Certified Public Accountants and continuing legal education credits to attorneys employed by West Virginia state government, free of charge, to assist them in not only meeting the required procurement training as specified by the law and rules but also meeting the mandatory hourly training requirements for their respective professional fields of study. Doing so not only saves the attendee money by not having to pay for additional training to obtain their needed hours, but also reaches a whole new audience for the Purchasing Division's training program who would not have been reached previously, broadening the scope of understanding among state employees directly and indirectly involved in the procurement process.

Savings to Certified Public Accountants: According to the National Business Institute, the average cost for Certified Public Accountants (CPA) attending in-person seminars offering Continuing Professional Education (CPE) credits is **\$50** per hour. When that amount is multiplied by the number of hours offered by the Purchasing Division to a single CPA for attending its In-House Training Program in-person workshops and Agency Purchasing Conference (i.e. a total of **53** hours annually), both of which are approved by the West Virginia Board of Accountancy for CPEs, CPAs can realize a total savings of **\$2,650** annually. Many of our state's procurement officers are CPAs.

Prior to the Purchasing Division offering CPE credits as part of its training program and conference, these employees were forced to choose between training opportunities required for them to keep apprised of the procurement laws and rules or attending training to maintain their professional certifications. Now that CPEs are offered to these individuals free of charge, they not only save money on the cost of training to maintain their professional certification, but they can also meet their mandated training hours stipulated in the West Virginia Code of State Rules while spending less time away from the office.

The West Virginia Board of Accountancy approved one CPE for each 50 minutes of in-person training attended as part of the Purchasing Division's In-House Training Program. Eligible CPAs wishing to obtain CPEs could choose from a variety of topics, including but not limited to developing specifications, preparing and evaluating RFPs, vendor registration and inspection services.

Savings to Attorneys Employed by State Government: The same cost savings applies to attorneys employed by West Virginia state government. The National Business Institute states the average cost for attorneys attending in-person seminars offering Continuing Legal Education (CLE) credits is also **\$50** per hour. When that amount is multiplied by the number of hours offered by the Purchasing Division for its high-level officials training on state purchasing procedures and the Purchasing Card Program, as well as its legal seminar on state procurement practices (both of which are approved by the West Virginia State Bar for CLEs), that is a total savings of **\$375** per attorney attending both offerings.

In this case, attendance at both events is free to West Virginia state-employed attorneys who are gaining valuable information to assist them in making sound, effective decisions related to procurement contracts, legal issues and more. To illustrate the extent of the savings, the **69** state government attorneys participating in the Purchasing Division's legal seminar on state procurement practices, which offered **5.3** in-house CLE credits, including **.60** ethics credits, is estimated at saving the state **\$18,285**.

The West Virginia Purchasing Division was pleased to offer Continuing Education credits free of charge to Certified Public Accountants (CPAs) and state government attorneys during Fiscal Year 2018.

Purchasing Division Staff Participates in the 4th Annual Minority Business Exposition

Representatives from the West Virginia Purchasing Division participated in the 4th Annual Minority Business Exposition conducted October 25, 2017, at the Charleston Civic Center. The event was coordinated by the Herbert Henderson Office of Minority Affairs.

During the event, minority business owners and entrepreneurs were provided the opportunity to network and receive free education on how to further their business initiatives. During the event, the Purchasing Division's Quality Control and Transparency Specialist Lu Anne Cottrill and Senior Buyer Stephanie Gale maintained an informational booth. Additionally, Technical Services Manager Mark Totten presented a general session for attendees on the laws and rules which govern the state purchasing process.

Among the information provided, attendees learned how to register with the Purchasing Division, as well as where to find various resources on the Purchasing Division's website, WVPurchasing.gov. One such resource discussed was the Small, Women-, and Minority-Owned (SWAM) Business Certification, which may be requested as part of a vendor's record with the Purchasing Division. The SWAM certification, governed by W. Va Code § 5A-3-59, provides non-resident vendors categorized as small, woman-, or minority-owned businesses the opportunity to request vendor preference. More information on SWAM certification, including definitions, requirements and certification forms can be found on the Purchasing Division's website at www.state.wv.us/admin/purchase/minority.html.



Quality Control and Transparency Specialist Lu Anne Cottrill (pictured) and Senior Buyer Stephanie Gale maintained an informational table at the 2017 Minority Business Expo. During this event, they shared information with attendees on how to do business with the state, including how to register with the Purchasing Division and seek bid opportunities.

Purchasing Division Receives Award from National Procurement Institute for Fifth Consecutive Year

The West Virginia Purchasing Division was awarded the prestigious 22nd Annual Achievement of Excellence in Procurement® (AEP) for 2017 from the National Procurement Institute, Inc. (NPI). The



Purchasing Division received the AEP award from NPI for the fifth consecutive year.

The Purchasing Division was the only governmental agency in West Virginia and one of only 12 state agencies in the United States and Canada to receive this award in 2017.

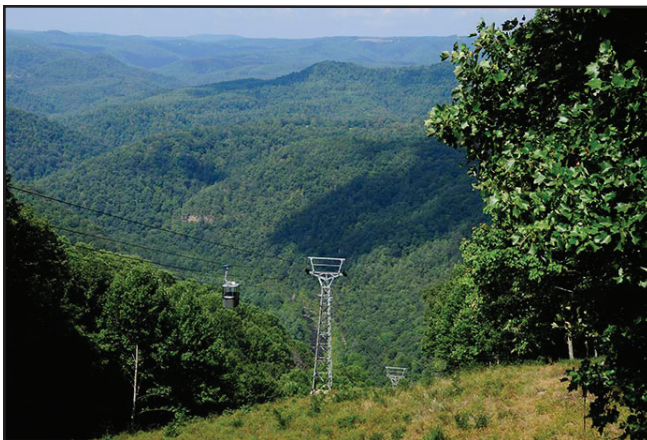
The AEP is awarded annually to recognize innovation, professionalism, e-procurement, productivity, and leadership in the procurement function and encourages the development of excellence as well as continued organizational improvement. Founded in 1968, NPI establishes cooperative relationships among its members and develops efficient purchasing methods and practices in the areas of governmental, educational and institutional procurement.

The AEP award is the national program used to benchmark organizational excellence in procurement. It is earned by public and nonprofit organizations that obtain a high application score based on standardized criteria designed to measure state-of-the-art in best procurement practices.

From Ziplines to New Buildings...

A Constant Variety of Unique Purchases Make their Way through the West Virginia Purchasing Division

The West Virginia Purchasing Division is responsible for procuring commodities and services on behalf of all state agencies, in accordance with W. Va. Code § 5A-3. In most cases, these purchases are for common necessities, such as paper, office supplies, tools, technology equipment and vehicles. However, not all purchases have the qualities familiar to commonplace use. Many of the purchases made by our state agencies are as unique as the programs and services they provide to their customers.



During Fiscal Year 2018, Pipestem Resort State Park kicked off the first phase of constructing zipline runs on its property. The West Virginia Purchasing Division worked closely with the Division of Natural Resources to secure the successful contractor, Terradon Corporation, to study, design and prepare construction design plans and specifications for this project.

Below are examples of two contracts issued during Fiscal Year 2018 that were a little different from the norm. Due to the unusual and complex characteristics of the solicitations, the Purchasing Division buyers work closely with agency procurement officers to ensure the specifications are written competitively to allow for adequate vendor bids.

New Zipline Offers Twist on Outdoor Adventure at Pipestem Resort State Park

Pipestem Resort State Park, a 4,050-acre park located on the border of Summers and Mercer counties, sits on the east rim of the Bluestone River Gorge with the scenic Bluestone River 1,200 feet below.

The property features two hotels, one of which is located at the bottom of the gorge and can only be accessed by

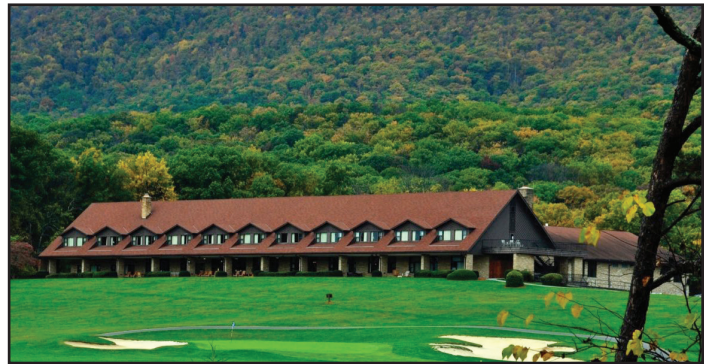
an aerial tramway, while the Bolar Lookout Tower overlook provides elevated views from above.

During Fiscal Year 2018, the resort began the first phase of constructing a zipline. This project will provide a way for visitors to check things out from a different vantage point while also allowing them a unique and exciting way to experience the outdoors.

The Purchasing Division helped secure Terradon Corporation as the vendor to study, design and prepare construction contract plans and specifications for the construction. Terradon is also conducting all surveying and environmental clearance and performing periodic inspections during construction. A total of 10 to 15 zipline runs starting near the Canyon Rim Center are expected as part of the design plans, with the runs ending near the bottom of the tram crossing the Bluestone River. The runs are expected to be tree-to-tree, where site conditions allowed.

New Lodge Among Planned Improvements at Cacapon Resort State Park

At Cacapon Resort State Park in Berkeley Springs, West Virginia, work was planned to continue to modernize the park's facilities. With its history dating back to the 1930s, an original cabin from a Civilian Conservation Corps project remains on site and in use, while the current, 48-room lodge was dedicated in 1956. Guest rooms are small, and although there is a lake for swimming, the facility lacks a pool.



The sale of bonds allowed the state park to invest \$25 million toward its facilities, including plans to renovate the current lodge; add a 78-room lodge with new guest rooms, a spa and an indoor pool; upgrading the lodge restaurant; and making improvements to the golf course. The project is also expected to include upgrades to the sewage system and electrical equipment. Paradigm Architecture of Morgantown, West Virginia, was the successful vendor to provide the design Project Manual and drawings.

Work continued during Fiscal Year 2018 at Cacapon Resort State Park in Berkeley Springs, West Virginia, to modernize the park's facilities. The West Virginia Purchasing Division worked closely with West Virginia State Parks and the Division of Natural Resources to solicit bids and award the construction phase of the project.

The West Virginia Purchasing Division worked with West Virginia State Parks and the Division of Natural Resources to solicit and award the construction phase of this contract. The project is expected to be completed within two years.

Purchasing Division Joins Other Agencies in the Collaborative Completion of Building 3 Renovation

Renovations to Building 3 on the Capitol campus were completed during Fiscal Year 2018. The renovated building, which was the largest construction project on the Capitol grounds since completion of the Culture Center, offers panoramic views of the Capitol campus and downtown Charleston. The



The West Virginia Purchasing Division joined other agencies in the completion of Building 3's renovation. The project required contractors to remove the interior walls and replace the layout with a more modern, open-air floor plan. In addition to the main renovation, the project required smaller projects to be processed through the Purchasing Division, including solicitations for data connection and furniture.

building's security checkpoint, and the marble and brass window counters that were formerly part of the Division of Motor Vehicles' customer service area were restored to their original appearance.

There were several smaller projects related to the renovation that required different solicitations that were let by the Purchasing Division, including those for data connection and furniture.

project was a collaboration between Department of Administration agencies, including the Purchasing Division, General Services Division and Real Estate Division.

Building 3's original design created by Cass Gilbert Jr. featured individual offices around the perimeter, with a reception area in the center. During the renovation, the walls were removed and replaced with a more modern, open-air floor plan to allow more employees to be located in the building.

Each floor now contains a conference room, kitchenette and break room. Other updates to the building include data closets to provide easy access to computer and telecommunications systems, ADA-accessible doorways and restrooms and a lactation station.

The exterior was restored to its original appearance, as was the building's iconic green marble art deco in the first-floor lobby. Space that once housed the main lobby's newsstand was repurposed as the

Program Accomplishments

Acquisitions and Contract Administration Section

The Acquisitions 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 West Virginia Code and preserve the integrity in buying the best quality commodities at the lowest cost to taxpayers. Additionally, this Section oversees the Contract Management Unit, which includes Inspection Services.

Purchasing Division Focuses on Improving Process Efficiency During Fiscal Year 2018: Here's How...

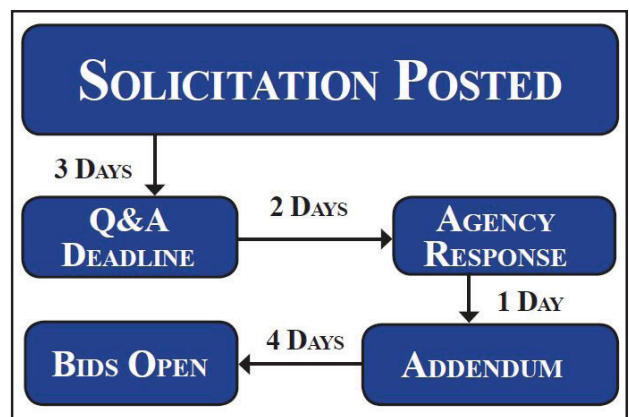
The Purchasing Division is always looking for ways to speed up and improve the procurement process. In addition to legislative changes that took effect June 8, 2018, the Purchasing Division also implemented some procedural and processing changes throughout this fiscal year. While some were the result of trending issues or circumstances, others derived out of suggestions from our agency partners. Below are some of the ways we worked to improve processing times and efficiency this fiscal year:

Advertising Cycle Shortened to 10 Days

During Fiscal Year 2018, the Purchasing Division expedited the bid process for general solicitations by shortening the complete advertisement cycle for common solicitations to 10 days. This change allowed state agencies to obtain needed commodities and services more quickly.

Utilizing the new format, vendors now have three days to submit their questions regarding the solicitation once it has been published in the *West Virginia Purchasing Bulletin*.

In turn, the agency has two days to respond to all questions and one day to publish the resulting addendum, if necessary. Ideally, there should be four days between any addendum and the bid opening date.



Purchasing Division Implements One-Page Solicitation Notification

To reduce the amount of time to complete the procurement process as well as to reduce postage costs, the Purchasing Division no longer mails full solicitation packets to vendors, except upon request. Instead, during Fiscal Year 2018, the Purchasing Division created a one-page solicitation document to notify vendors of each published solicitation, which includes the solicitation type, a description of the commodity or service needed, the deadline for questions, the bid closing date and time and where the vendor can find the solicitation online.

Section 9 Exemption Opinion Request Form Created to Assist Agencies

In an effort to further assist our agency procurement officers, the Purchasing Division created the Section 9 Exemption Opinion Request Form. The purpose of this form is to provide assistance to agency procurement officers who wish to formally inquire about whether a specific transaction falls under the Non-Competitive/Exempt List of Commodities and Services found in Section 9 of the *Purchasing Division Procedures Handbook*.

Weekly Status Calls and/or Meetings with Agencies Allow for a Proactive Approach

The Purchasing Division buying staff implemented weekly status calls and/or meetings with certain agencies this fiscal year to establish and maintain an open line of communication, and to be aware of possible upcoming issues to avoid any delays in the process.

Specifications are often a focus of these status meetings to ensure they are written competitively and accurately, and to minimize any potential risks.

Purchasing Division Continues to Offer Strategic Sourcing Meetings with High Volume Agencies



Purchasing Director Mike Sheets is pictured leading a strategic sourcing meeting with procurement officers from the State Auditor's Office.

The Purchasing Division continued to offer strategic sourcing meetings with some of its customers to review procurement trends and to plan appropriately for purchases expected in the upcoming fiscal year.

The goal of the meetings is to create a proactive dialogue with agency procurement officers regarding their procurement framework. Discussions on opportunities to consolidate procurements, internal controls and procedures, comparisons of inspection outcomes, legal issues and procurement training platforms are made during these meetings to enhance the agency and Purchasing Division partnership.

For the third consecutive year, Purchasing Division staff met with a variety of agency representatives to prepare for the upcoming procurements for Fiscal Year 2019. The majority of the meetings took place prior to the new fiscal year, with the exception of a few that were conducted in July of 2018. The agencies included the General Services Division (Administration), Adjutant General's office, Department of Veterans Assistance, Department of Agriculture, Division of Highways, Department of Health and Human Resources, Secretary of State's office, State Auditor's office, State Treasurer's office and Attorney General's office.

New Statewide Contracts Issued by the Purchasing Division Prove Beneficial to State Agencies

The Purchasing Division awarded several new statewide contracts during Fiscal Year 2018. These contracts, which are mandatory for use by state agencies, are noted on the next page.

New Purchasing Card Contract Announced

The Purchasing Division awarded a new contract for the state Purchasing Card Program (PCARD), which went into effect November 11, 2017. The contract was awarded to US Bank. Because the contract had such a large impact to state employees and businesses, the State Auditor's Office worked carefully to coordinate the transition to the new cards.

Komax Awarded Digital Copiers Contract

The Purchasing Division issued a new statewide contract for digital copiers. The contract (DIGCOP17A), which included the lease or purchase of multi-function monochrome digital copiers and small color copiers with various band and accessory options, was awarded to Komax, LLC, and went into effect on August 24, 2017.



Purchasing Division Awards New Statewide Contract for Light Bulbs

A statewide contract for light bulbs and ballasts (LIGHT18) was awarded by the Purchasing Division to WV Electric Supply Company during Fiscal Year 2018. The contract included compact fluorescent lights (CFL), fluorescent bulbs, metal halide bulbs, light-emitting diode (LED) bulbs, incandescent bulbs, halogen bulbs, high pressure sodium bulbs and associated ballasts. A catalog, including ordering instructions, was posted on the Purchasing Division's statewide contract webpage.

Other Statewide Contracts Awarded During Fiscal Year 2018

During Fiscal Year 2018, the Purchasing Division also awarded statewide contracts for industrial tires and tubes (NTIRE18), which includes new passenger and pursuit tires, and medium and light duty vehicle truck tires. In addition, a statewide contract for mailing machines (MAILMCHN), including digital mailing machine systems, was awarded. To view all of the statewide contracts currently available to state agencies, visit www.state.wv.us/admin/purchase/swc/default.html.

Ordering Instructions for Statewide Contracts Assist State Agencies When Placing Delivery Orders

The Purchasing Division made it easier than ever before for state agencies and political subdivisions to order commodities and services from statewide contracts by developing ordering instruction documents for most statewide contracts issued by the Division. The instructions are posted at the top of the webpage for each statewide contract and include any special instructions, such as the minimum order amount; approvals required, if any; agency and/or vendor contact information; the type of delivery order, if any; and more detailed instructions for placing orders.

Although ordering instructions had always been included within statewide contracts, the goal of the new format was to make them easier to locate. The instructions also serve as a helpful resource for

agencies when training new procurement officers, as well as make it a quick resource for local government entities when using the statewide contracts since they may not be familiar with the Purchasing Division's procedures.

Purchasing Division Creates Specification Repository

The West Virginia Purchasing Division created a repository of specification samples during Fiscal Year 2018. The specification index may be used by state agencies and local government entities when procuring certain commodities and services. The sample specifications may be easily modified to suit an entity's particular needs, which will expedite the development of specifications.

"Writing specifications is difficult and sometimes it's a challenge just knowing where to start," said Assistant Purchasing Director Frank Whittaker. "The hope is that by establishing templates for some of the more common commodities and services, we can assist the agencies in establishing a quality specification that will not only speed up the procurement process, but also result in a top-quality contract."

During this fiscal year, service specifications were published for elevator maintenance, HVAC maintenance, security systems and tractors, with additional specifications planned for the future. The specification repository can be accessed online at www.state.wv.us/admin/purchase/specs.

Inspection Reports Posted Online for Agencies' Benefits

Effective April 1, 2018, final agency inspection reports are available online on the Purchasing Division's website at www.state.wv.us/admin/purchase/inspection/inspectReports.html. By posting the inspection reports, agencies have the opportunity to review actual findings of other agencies so they may be better informed and possibly avoid conducting the same infraction within their own agency.



The Purchasing Division is required by law to review certain aspects related to the government purchasing function. Specifically, the Purchasing Division is required to determine whether commodities delivered or services performed conform to contractual requirements and review and audit spending unit requests and purchases that fall under the authority of the Division. Inspectors review agency purchases and verify that all purchasing laws, rules and procedures were followed.

Inspectors also check an agency's use of internal sources; use of statewide contracts; failure to competitively bid at the delegated level; vendor registration/state debarment; verification searches; misuse of vendor fee exemption codes; purchasing affidavits; purchase orders; asset tags (if applicable); certifications of non-conflict of interest; and whether any incidents of stringing have occurred. Upon completion, the inspectors prepare a written summary of their findings and recommendations and issue a grade on a scale from A to F.

Contract Management Unit Responsible for Reviewing Procurement Transactions and Providing Training to State Agencies to Ensure Compliance

Throughout the fiscal year, the Purchasing Division inspection staff travels throughout the state to review purchasing records primarily for agency delegated purchasing transactions, which are purchases costing \$25,000 or less.

Fiscal Year Inspection Statistics

During this fiscal year, the inspectors within the Contract Management Unit opened and completed **46** individual inspections of various state agencies and related programs. This encompassed more than **56,037** transactions from which **2,275** (approximately **4.1** percent) were closely scrutinized. Of these transactions reviewed more closely, **226** were determined to have a negative finding (approximately **10** percent).

Below are percentages based on the total number of transactions for inspections made during Fiscal Year 2018:

Finding	Percentage of Inspected Transactions
Stringing	0.53%
Failure to use Statewide Contracts	1.63%
Failure to use Internal Resources	0.18%
Bids not documented	3.70%
Failure to check/retain vendor registration	1.14%
Failure to verify Unemployment Compensation and Workers' Compensation	2.24%
Failure to obtain Purchasing Affidavit	2.77%
Failure to issue a purchase order	1.80%
Failure to affix an asset identification tag	0.18%
Failure to include the Non-Conflict of Interest form	2.63%
Miscellaneous findings	0.01%

Purchasing Reports to Legislature on Stringing, Sole Source Purchases and Recycled Products

Each January and July, the Purchasing Division is required to electronically submit a semi-annual

Stringing Report to the West Virginia Legislature, in accordance with W. Va. Code § 5A-3-10(b), through the Legislature’s database to the Joint Committee on Government and Finance. Additionally, the Purchasing Division is required to submit to the Legislature an annual report on all sole source purchases, a semi-annual report on eligible organization purchases of surplus property and an annual report of the procurement of recycled products.

According to the *Purchasing Division Procedures Handbook*, stringing is defined as “issuing a series of requisitions or dividing or planning procurements to circumvent the twenty-five thousand dollar threshold or otherwise avoid the use of sealed bids.” During the year, Purchasing Division inspection staff members travel throughout the state to review purchasing records, primarily for agency delegated purchasing transactions to ensure those transactions are completed in accordance with the Purchasing Division’s procedures. Based on their inspections and findings, incidents of stringing occurred in **0.53%** of inspected transactions during Fiscal Year 2018.

State agencies are strongly encouraged to continuously monitor their expenditures with vendors to ensure that the total amount spent with a given vendor, in any 12 month period, of same or similar commodities or services does not exceed a bid threshold without the proper level of documentation and bidding. This can be easily done through reporting in *wvOASIS Business Intelligence* using the report WV-FIN-AP-026 (Comprehensive Statewide Payment Detail by Vendor) or WV-FIN-AP-0551 by inserting the agency’s department number for total spend for the service date range. The Purchasing Division encourages state agencies to procure open-ended contracts for commodities and/or services that are used often to eliminate the potential for stringing.

Additional reports required to be submitted to the Legislature are noted below:

- A report is required each July that provides a list of all solicitations submitted for sole source commodities or services, noting the outcome of the transaction. This requirement is in accordance with W. Va. Code § 5A-3-10(c).
- The semi-annual report of all commodities sold to eligible organizations through the West Virginia State Agency for Surplus Property is due twice annually, in accordance with W. Va. Code § 5A-3-45.
- The Comprehensive Procurement of Recycled Products Program and its annual report is due at the end of January of each year, in accordance with W. Va. Code § 22-15A-21.

All of the reports required to be submitted to the Legislature may be found on the Legislature’s website under the Audits/Reports section in the State Agency Reports subsection. To view these reports, visit www.legis.state.wv.us.

Communication and Technical Services Section

The Communication and Technical Services Section is responsible for a variety of programs and services offered to agency purchasers, the business community and the general public. This Section focuses on technology, communication, training, professional development and administrative functions, such as vendor registration, records imaging, purchase order encumbrance, bid receipt and bid package distribution. The Communication and Professional Development Unit oversees

communication, professional development and a variety of training offerings targeting agency purchasers and vendors. The Technical Services Unit maintains various automated applications, networking services and the Division's website. The Support Services Unit manages the administrative functions mentioned above.

West Virginia Purchasing Bulletin

The *West Virginia Purchasing Bulletin*, which contains bid opportunities for solicitations exceeding \$10,000 (although agencies can use the *Purchasing Bulletin* to post solicitations under that amount), is posted on the Vendor Self Service (VSS) portal of *wvOASIS* at *wvOASIS.gov*. Vendors may create an account through the VSS or may use the public view access to view and, if desired, download the solicitations through this portal.

Additionally, vendors may request the Purchasing Division to mail solicitations directly to them, although the requests are becoming fewer due to the ability of vendors to download the solicitations online. During Fiscal Year 2018, the Purchasing Division received **12** requests to mail solicitation packages.

Vendor Registration

The Purchasing Division's Vendor Registration Program continues to streamline the tools within the system for the benefit of the vendor community and state agencies. More options are available than ever before for vendors pursuing business with the state and for state agency procurement employees contributing to the process.

In Fiscal Year 2018, the Purchasing Division created and/or approved a total of **199** Vendor/Customer Creation (VCC) documents and **4,273** Vendor/Customer Maintenance (VCM) documents in *wvOASIS* for a total of **4,472** new or modified vendor registration documents processed. These documents' totals include **799** documents reviewed by the Purchasing Division through system workflow from vendors using the Vendor Self Service (VSS) portal on *wvOASIS.gov*.

A total of **689** *Vendor Registration and Disclosure Statement and Small, Women-, and Minority-owned Business Certification* documents, the paper registration method for vendors not self-registering online, were processed during Fiscal Year 2018.

A total of **4,248** paid registrations were received via multiple payment methods during Fiscal Year 2018, with revenue generating **\$531,000.00**. The vendor registration annual fee is **\$125**.

Small, Women-, and Minority-Owned Business Certification

The West Virginia Purchasing Division incorporates the Small, Women-, and Minority-Owned Business (SWAM) Certification application as part of the Vendor Registration and Disclosure Statement, in accordance with W. Va. Code § 5A-3-59 and the W. Va. § 148 C.S.R. 2-1. During Fiscal Year 2018, a total of **684** vendors were certified or updated their certification through the Purchasing Division as a SWAM business.

Purchase Order Encumbrance

All purchase orders and subsequent change orders with a fixed amount are placed in the Purchase Order Encumbrance system. A total of **1,771** purchase orders, including open-end contracts and change orders, were encumbered by the Purchasing Division during Fiscal Year 2018.

Records and Imaging

All documents relating to Fiscal Year 2018 transactions were scanned and managed with the division's imaging system. The total number of pages scanned for the Purchasing Division, which contained purchase orders, change orders, vendor registration forms, renewals and deposits and all supporting documentation, was **294,970** for Fiscal Year 2018.

Accessibility to Public Records

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.

The Communication and Technical Services Section oversees the requests for public records through the Freedom of Information Act (FOIA) process. All FOIA requests received are properly entered into the Secretary of State's FOIA database, in accordance with W. Va. 153 C.S.R. 52

During Fiscal Year 2018, the Purchasing Division responded to a total of **124** FOIA requests.

Receipt of Incoming Sealed Bids

The Support Services Unit is responsible for receiving paper sealed bids from vendors who are participating in the competitive bid process. During Fiscal Year 2018, there were **921** paper bids received by the Purchasing Division. Through *wvOASIS*, vendors may also submit electronic bids to the Purchasing Division. There was a total of **737** electronic bids received through *wvOASIS* during this fiscal year. The total number of all incoming paper and electronic sealed bids for Fiscal Year 2018 was **1,658**.

Purchasing Division Continues its Active Participation in the Governor's Internship Program

The Purchasing Division continued its support of and participation in the Governor's Internship Program by mentoring two college students during Fiscal Year 2018.

Since the inception of the Governor's Internship Program in 1989, the Purchasing Division has participated in this valuable program and has helped nurture some of the brightest students in West Virginia. During Fiscal Year 2018, the Purchasing Division was fortunate to welcome Natalie Bowman and Zachary Wynn.

Bowman, a sophomore majoring in Broadcast Journalism and minoring in Marketing and Strategic Social Media at West Virginia University, worked with the Purchasing Division as a communication intern. "I am learning many new skills," she said. "I have been able to write articles and participate in the event planning process while also learning to work in more efficient and organized ways. I am very grateful for the opportunities that the Governor's Internship Program has provided."



Pictured above are Purchasing Division interns Zachary Wynn, Technical Intern, and Natalie Bowman, Communication Intern.

Wynn, a sophomore Computer Science major at Marshall University, is working as a technical intern for the Purchasing Division. "Working for the Purchasing Division, I have learned how to adapt to different situations based on what I am needed to do, and I can apply that to anything that I choose to do in the future," he said.

Professional Development and Training

Fiscal Year 2018 was an extremely busy year for the West Virginia Purchasing Division. New training initiatives were undertaken, while the Division also continued to focus much of its time and energy on maintaining its existing comprehensive training program to meet the needs of agency procurement officers statewide.

Having procurement personnel who understand the laws, rules and procedures governing the state procurement process is at the core of maintaining a process that is efficient and effective. It is their responsibility to ensure that our taxpayer dollars are being spent in an ethical and legitimate manner.

The Purchasing Division manages a variety of training platforms, many of which are free and easily accessible, to educate agency purchasers, vendors and political subdivisions on the laws, rules and procedures which govern the state purchasing process. From in-house training workshops and webinars to online training modules, conferences and other seminars, the Purchasing Division provides ample opportunities for state employees to obtain the information needed to perform the procurement function for their agencies and/or for vendors and local government entities to participate in the procurement process.

These offerings allow participants who are required to procure under the Purchasing Division's authority, as well as those whose participation in the process is optional (i.e. political subdivisions and vendors) to learn the procurement laws, rules and processes outlined in W. Va. Code 5A-3, 148 C.S.R. 1 and the *Purchasing Division Procedures Handbook*.

Below are some of the ongoing improvements and activities the Purchasing Division achieved during this fiscal year to meet the needs of agencies, vendors, political subdivisions and Purchasing Division staff.

2017 Agency Purchasing Conference

From August 22-25, 2017, more than **250** agency purchasers gathered at Canaan Valley Resort for the 2017 Agency Purchasing Conference. As part of this three-day conference, the Purchasing Division offered **55** different sessions highlighting more than **25** purchasing-related topics, ranging from *Electronic Business with West Virginia* and *Purchasing as a Privacy Powerhouse* to *Risks in Public Procurement* and *Business Intelligence*.

Nearly **25%** of attendees were first-time participants, prompting the Purchasing Division to once again offer the *Beginner's Track*, as well as the *Advanced Track* for seasoned designated procurement officials.



An attendee reviews a copy of a PowerPoint during one of the conference workshops at the 2017 Agency Purchasing Conference.

Attendees provided excellent feedback as part of the online evaluation, which was emailed following the conference. With a response rate of **52%** of attendees, conference participants rated various categories on a four-scale survey, with excellent being the highest. Respondents rated the following categories as “good” or “excellent:” **92%** for the overall opinion of the conference; **98%** for conference registration; **97%** for the organization of the conference; **98%** for the atmosphere being conducive to learning; and **100%** for the overall quality of the conference sessions being professional and effective.

When asked what they liked best about the conference, one attendee responded, “the unique ideas implemented, i.e. personal schedule in conference lanyard, use of the *Poll Everywhere* app and buyers seated at different tables during the meals.” Another attendee noted, “the classes, resources and talking with co-workers from different agencies and offices concerning purchasing subjects and situations we all face daily” as the best part of the conference.

Purchasing Director Mike Sheets commended his staff for the hard work they dedicate each year to make sure this training event offers value and great substance to all agency procurement officers. “I truly believe that everyone leaves this conference with a wealth of information and invaluable tools that they can use to benefit them in their job responsibilities,” he said.

The Purchasing Division has offered this conference for decades and is pleased to see that agency procurement officers understand and appreciate its value.

Vendor Training Initiatives

In addition to the “*Doing Business with the State of West Virginia*” vendor seminars conducted throughout the state during Fiscal Year 2018, which is highlighted on **page 8**, the West Virginia Purchasing Division continued to offer its free webinars to current and prospective vendors during Fiscal Year 2018.

On October 11, 2017, and March 14, 2018, approximately **80** vendors participated in a webinar administered by the Purchasing Division. During the 90-minute presentation, participants learned how they could maximize their opportunities to bid and perform work for West Virginia state government. These webinars were designed to educate vendors about the state procurement process. Some of the topics addressed included:

- Marketing their commodities and services to West Virginia state agencies
- Registering as a vendor with the Purchasing Division
- Submitting bids/proposals

It has been the Purchasing Division's goal to foster open and fair competition in the state procurement process at all times. By continuing to offer free informational seminars and webinars to vendors, the Purchasing Division is doing its part to ensure that vendors understand the competitive bidding procedures and participate in this process to the fullest extent possible.

Webinars

To accommodate designated procurement officers who are required to obtain 10 hours of procurement training offered by the Purchasing Division each fiscal year, in accordance with W. Va. § 148 C.S.R. 1-3.2, the Purchasing Division increased its webinar offerings during Fiscal Year 2018 from every other month to nearly one per month. The increased webinar offerings provide a practical training solution to agency purchasers who are unable to travel to Charleston for training or whose schedules conflict with the scheduled In-House Training Program dates and times.

The webinars offered this fiscal year covered basic topics applicable to most agency purchasers, regardless of location, and included topics such as statewide contracts, fixed assets and surplus property, purchasing as a privacy powerhouse, *WV*OASIS, developing specifications and more. Approximately **350** individuals participated in these free webinars.

In-House Training Curriculum

The West Virginia Purchasing Division continues to improve its In-House Training Program. The Division offered **16** face-to-face in-house training sessions this fiscal year. Sessions ranged from one to six hours in length and combined a variety of topics into single sessions, with many of the sessions being offered at least twice during the year.

New to the schedule was a combined session on purchasing risks, ethics and common pitfalls in the procurement process. This session offered guidance on how agencies can better manage their solicitations from beginning to end while reducing risk and ensuring compliance with the laws, rules and procedures. For the second year in a row, the agenda



The Purchasing Division provides in-house training workshops each month to agency procurement officers. Designated agency procurement officers are required to take 10 hours of purchasing training annually.

again contained a workshop to assist any procurement officer interested in obtaining their state certification. The workshop discussed the requirements of the program and offered an interactive format for attendees to better understand information contained within the *Purchasing Division Procedures Handbook* that may be found on the final exam.

The Purchasing Division continued to take a hands-on approach, incorporating engaging activities into sessions where possible. During the Request for Proposals workshop, attendees used colorful sticks to visualize how the technical and cost scores are combined to determine the highest scoring proposal. Meanwhile, in the Developing Specifications session, volunteers were asked to come up to the front of the room and tie a necktie. However, the instructions did not specify that the tie could simply be knotted and considered tied rather than tying the necktie properly, so the first person to tie it in any manner was deemed the winner. This demonstrated the importance of truly specifying what you want in your specifications to vendors. In addition to these and other hands-on activities, presenters also utilized handouts, and in some cases, surfed the web, to illustrate the topics at hand.

The Purchasing Division understands the benefits of these hands-on activities, handouts and other methods of educating agency purchasers and strives to always offer participants the opportunity to practice and apply their newly-acquired knowledge.

The image shows a web browser window displaying the 'Sign In' page for the 'LEARNING CENTER'. At the top left, there is a 'Sign In' button. Below it is the West Virginia state seal and the text 'LEARNING CENTER'. There are three input fields: 'Language' with a dropdown menu set to 'English', 'User ID', and 'Password'. A 'Go' button is located below the input fields. At the bottom, there is a link that says 'Forgot your User ID or Password?'.

Purchasing Transitions Training Registration to State’s Online Learning Management System

During Fiscal Year 2018, registration for the Purchasing Division’s In-House Training Program and webinars was moved to the state’s online learning management system, CourseMill. The goal of moving registration to this system was to allow agency procurement officers to register themselves for training and ultimately be able to track their training participation for both the 10-hour training requirement and the state certification program.

Those interested in registering for any in-person training or webinar may visit www.onlinelearning.wv.gov and log in with their unique user ID and password. Once logged in, they simply needed to click on the Course Catalog tab and enter the specific Catalog ID from the schedule posted on the Purchasing Division’s website to view the classes open for registration.

Agency Resource Modules

State agency purchasers continue to utilize the Purchasing Division’s online agency training modules. To maintain current and accurate training content, the Purchasing Division must make updates to these modules often, especially this fiscal year due to the many recent statutory and procedural changes.

In addition to module revisions, the Purchasing Division also dedicated its efforts this fiscal year to creating three mini-training modules, with others planned for the near future. The purpose of the mini-training modules is to focus on a single topic at a high level.

Among those revised this fiscal year were modules on *Agency Delegated Purchasing*, *Basic Purchasing* and *Special Purchasing Processes*. These modules continue to provide more interaction between the viewers and the content, allowing trainees to click on the various learning elements throughout the presentation while also receiving valuable information related to purchasing processes and procedures. New mini-modules developed and posted online focused on the *Blackout Period*, *Stringing* and *Vendor Registration Fee Exemption Codes*.

All modules are self-paced and available to our state agency procurement officers free of charge. Agency procurement officers may view these modules on the Purchasing Division's training website from their workplace, at home or while on the go. There are **14** modules (i.e. 11 full modules and three mini-modules) covering varying topics, from *Public Procurement Basics* and *Requests for Quotations to Change Orders and Addenda* and *Writing Specifications*.

During Fiscal Year 2018, agency purchasers self-reportedly viewed the modules more than **650** times.

High-Level Officials Purchasing Procedures and P-Card Training

The West Virginia Purchasing Division continues to offer in-person training twice per year on the state's purchasing procedures and Purchasing Card Program to the state's high-level officials. The two-hour training, which is required by W. Va. Code § 5A-3-60, is co-presented by the Purchasing Division and the State Auditor's Office and is mandatory for all "executive department secretaries, commissioners, deputy commissioners, assistant commissioners, directors, deputy directors, assistant directors, department heads, deputy department heads and assistant department heads" to complete annually.

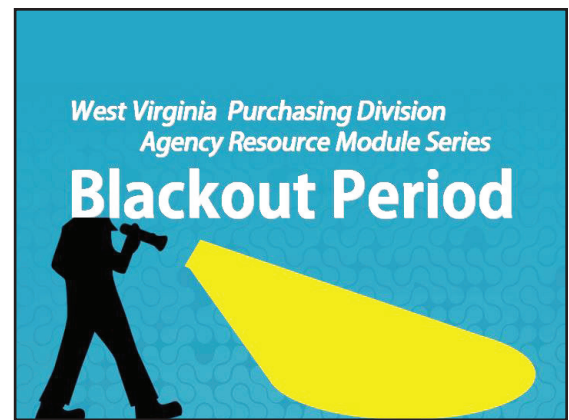
During Fiscal Year 2018, this training was offered as a webinar on **November 2, 2017**, and on **May 10, 2018**. Each webinar was recorded and posted on the Purchasing Division's website for online viewing for any individual who was unable to attend the live webinar. Approximately **300** high-level state officials participated in or viewed this training this fiscal year.

Purchasing Division Procurement Certification Program



The Purchasing Division continues to certify agency purchasers through the *West Virginia Procurement Certification Program*.

During Fiscal Year 2018, **15** agency purchasers successfully completed the Basic Certification Program. This brings the number of total agency purchasers certified since the program's inception to **86**. While no agency procurement officers were certified at the advanced level, the Purchasing Division continues to maintain and update its advanced certification final exam to reflect the current laws, rules and procedures governing the state purchasing process.



The Purchasing Division developed three new mini-modules during Fiscal Year 2018. Topics for the new modules included the blackout period, stringing and use of the vendor fee exemption codes. These modules join 11 full modules.

During this fiscal year, candidates continued to also successfully meet the steps for recertification at both the basic and advanced levels. Recertification is required every three years. These requirements include:

- Attending two of the next three Agency Purchasing Conferences, from the date of the recipient's certification/recertification.
- Attending a minimum of twenty hours of classes, learning sessions or purchasing-certified events in the three-year period from the date of the recipient's certification/recertification.
- Submitting a verification form for recertification with the appropriate signature from the recipient's immediate supervisor and agency head, and if applicable, approval from the department's designated procurement officer.

A complete list of certified individuals, their dates of certification/recertification and their applicable expiration dates may be found on the Purchasing Division's website. For a direct link, visit www.state.wv.us/admin/purchase/training/Certification. This webpage also contains the requirements to successfully complete the basic and advanced level certifications.

Staff Development

The West Virginia Purchasing Division offers professional development sessions for its staff to ensure an adequate understanding of various laws, rules and procedures. During Fiscal Year 2018, Purchasing Division General Counsel Jimmy Meadows addressed the staff as part of continuing education to discuss the legislative requirement that competitive bidding serve as the standard in West Virginia state purchasing. As part of this training, Meadows also highlighted statutes addressing best value procurement, sole source purchases, reverse auctions, secondary bidding, emergency purchases, exempt purchases and construction.

In late May of 2018, Meadows also presented to staff an overview of the legislative changes and internal procedural changes that would affect the purchasing process as of June 8, 2018, to ensure the staff had a full understanding of these changes prior to educating our agency procurement officers. In April of 2018, Board of Risk and Insurance Management representatives addressed the staff to discuss the basics of insurance requirement and coverages, including various parts of an insurance policy, types of insurance claims and coverage to consider. In addition to internal professional development training, Purchasing Division staff also attended and participated in conferences conducted by national organizations, including the National Association of State Procurement Officials, National Institute of Governmental Purchasing and the National Procurement Institute.

National Certifications

West Virginia Purchasing Division personnel understands the importance of continuing education and professional development. This fiscal year, eligible Purchasing Division staff worked toward meeting the requirements of national certifications through the Universal Public Procurement Certification Council (UPPCC). The Certified Professional Public Buyer (CPPB) certification signifies that the designated individual has reached a specific level of education and experience and has demonstrated an established level of knowledge necessary to competently perform the work of a public procurement officer or buyer. The Certified Public Procurement Officer (CPPO) establishes a standard by which qualifications of state officials may be evaluated for a managerial or supervisory level position in public procurement.

During Fiscal Year 2018, Senior Buyer Crystal Rink obtained her CPPB designation. Additionally, Purchasing Director Mike Sheets successfully completed his CPPB/O re-certification and Assistant Purchasing Director Frank Whittaker and Buyer Supervisor Tara Lyle successfully completed their CPPB re-certifications. Additionally, Administrative Secretary Debbie Watkins earned her Certified Administrative Professional credential offered through the International Association of Administrative Professionals program, which demonstrates aptitude through an evaluation of skill and knowledge of administrative and office professionals.

Purchasing Division Training Summary

The Purchasing Division’s comprehensive training program affects many state employees throughout the year. Below is a summary of the training formats and attendance for Fiscal Year 2018:

Description of Training	Statistics
Total Number of State Employees Trained through the Purchasing Division’s Training Program, including Legal Seminar and High Level State Officials Training	877
Total Number of Agency Procurement Officers Trained through the Purchasing Division’s Training Program*	500
Number of High-Level State Officials Trained on Purchasing Procedures and Purchasing Card Program	308
Number of In-House Training Sessions	16 sessions; (41.5 hours)
Number of Agency Webinars	8 sessions; (14.5 hours)
Number of Total Attendance at In-House Sessions	311
Number of Participants in Agency Webinars	361
Number of Agency Conference Participants	251
Number of Online Training Modules	11 full modules (5.5 hours); 3 mini-modules (.75 hours)
Number of Online Modules Viewed and Certified	674
Number of Individuals Attaining the WV Procurement: Basic Certification	15
Number of Individuals Attaining the WV Procurement: Advanced Certification	0
Number of Individuals Attaining Re-Certification	1

**This total relates to only agency procurement officers who were trained through the Purchasing Division’s Training Program’s in-house training workshops, annual conference and online resource modules. This number does not include attorneys attending the legal seminar, high-level officials attending the biannual training, or participation in the statewide local government or vendor seminars.*

Purchasing Staff Presents at the 2017 NASPO Procurement Trainers Conference

Assistant Purchasing Director Diane Holley-Brown and Communication and Professional Development Manager Samantha Knapp served as presenters at the second annual National Association of State Procurement Officials (NASPO) Procurement University's Training Coordinators Conference.



The one-hour and fifteen minute presentation, conducted on Sunday, July 16, 2017, in Asheville, North Carolina, focused on the process for developing a state certification program and highlighted the different approaches taken by the states of West Virginia and Ohio. Holley-Brown and Knapp specifically discussed the history of West Virginia's program, its requirements and how staff manages the tracking and status of participants in the program.

Purchasing Division Continues to Track Training Hours of Agency Designated Procurement Officers

In 2015, a training requirement was added to W. Va. Code 148 C.S.R. 1, stipulating agency designated procurement officers to complete 10 hours of purchasing training each year. To ensure that the designees meet this legislative requirement, the Purchasing Division actively tracks training participation and notifies individuals mid-year of their total hours obtained.

Training hours are tracked on a fiscal year basis. As part of the mid-year audit, the Purchasing Division informed procurement officers whether they had met the requirement, and if they had not, how many hours they still needed to obtain by the end of the fiscal year in order to be in compliance. Procurement officers can meet the requirement by attending monthly Purchasing Division In-House Training workshops, participating in Purchasing Division webinars or viewing self-paced online training modules on the Purchasing Division's website. Attendance at the annual Agency Purchasing Conference also counts toward the 10-hour requirement.

Governor's Committee for the Purchase of Commodities and Services from the Handicapped

In accordance with W. Va. Code § 5A-3-10(e), the Purchasing Division is responsible for designating an Executive Secretary for the Governor's Committee for the Purchase of Commodities and Services from the Handicapped (GCPCSH). Technical Services Manager Mark Totten continues to serve in this position as the liaison between the Purchasing Division and the GCPCSH, and also handles all administrative functions and maintains the committee's website, www.gcpcsh.wv.gov.

Purchasing Division Procedures Handbook

Throughout the year, state employees have access to the *Purchasing Division Procedures Handbook*, which is made available on the Purchasing Division's website. This document provides state agency purchasers with the most current, accurate and comprehensive information related to the state purchasing process.



During Fiscal Year 2018, one revision was made to the 2015 edition of the *Purchasing Division Procedures Handbook*, effective January 1, 2018. However, due to the many legislative and procedural changes resulting from the 2018 Regular Session of the State Legislature, a brand new *Purchasing Division Procedures Handbook* was published, effective June 8, 2018. This Handbook was reformatted as a PDF with clickable links and posted online at www.state.wv.us/admin/purchase/Handbook, along with archived copies of past revisions.

Purchasing's 11th Annual Open House a Success

Approximately **75** agency procurement officers attended the Purchasing Division's 11th annual Open House, which was conducted on May 1, 2018, at the Division's offices at 2019 Washington Street East in Charleston.

This free event was open to all state agency purchasers who fall under the authority of W. Va. Code 5A-3. The Open House provided agency purchasers the opportunity to network with their peers, discuss ongoing solicitations with Purchasing Division personnel as well as issues related to contracts or topics specific to their agency, and learn more about the purchasing process. Inspectors and technical staff were also present to answer questions, as well as representatives from Surplus Property.



The Purchasing Division's Open House event brings together procurement officers from many state agencies. Additionally, informational sessions are offered throughout the day on various topics.

“There are new faces in both the Purchasing Division and among our state agencies, so the annual Open House is a great opportunity for people to connect, get to know one another, and talk about solutions for any issues their agencies might be facing,” said Purchasing Director Mike Sheets. “Having open lines of communication helps everyone do their jobs more efficiently and effectively.”

This year's agenda included three 30-minute informational sessions for attendees, including one on legislative updates to the purchasing process, forms and documentation, and a question and answer session with staff.

Purchasing Division Resumes Vendor Notification by U.S. Mail of Registration Expiration Dates

In an effort to make the procurement process more communicative during Fiscal Year 2018, the

Purchasing Division resumed providing vendors with advanced notice of their one-year registration period expirations. In February 2018, the Purchasing Division began sending a monthly postal mailing to vendor contacts whose entities showed a registration expiration date approaching within a 30-day period.

Prior to the implementation of *wv*OASIS's Phase C in 2014, the Purchasing Division's primary communication with vendors regarding their upcoming registration expiration was through notices automatically generated by the TEAM Purchasing System and sent by U.S. Mail. Several years into the electronic-only communication through *wv*OASIS, the Purchasing Division identified the best way to maximize communication with the state of West Virginia's vendor community was an approach that re-incorporated physical letters sent directly to vendor contacts.

With more vendors maintaining their Purchasing Division registration status without interruption, and simultaneously keeping their Ordering and Payment addresses up to date, the Purchasing Division's hope is to expedite the contract award process at both the agency and centralized level.

Technological Initiatives

The Purchasing Division is pleased to make continuous technical improvements to our programs and services. The Technical Services Unit was instrumental in implementing many accomplishments during Fiscal Year 2018 that are outlined below:

Local Governments Page Added to Purchasing Site

The West Virginia Purchasing Division placed a new emphasis on outreach to local government entities during Fiscal Year 2018. As part of this initiative, a new website was launched with information applicable to municipalities, counties, fire departments and county boards of education. Among the information added was a section on frequently asked questions, statewide contracts (including an online module), notice of awarded contracts, a subscription mailing list sign-up and additional opportunities for local government entities.

Other Updates to Purchasing Website and Intranet

Information on the Purchasing Division's website and intranet is regularly updated to accommodate changes in procedures. The Purchasing Division has taken steps to improve these websites in Fiscal Year 2018, making information more accessible for both agencies and vendors. These updates are noted below:

- To provide transparency in the state procurement process, the Purchasing Division began posting all inspection reports on its Inspection Services website at www.state.wv.us/admin/purchase/inspection/inspectReports.html, effective April 2, 2018. These reports look at purchases one year in arrears. Therefore, 12 reports were published this fiscal year that reflect Fiscal Year 2017 procurements. Among the reports published were those for the Board of Osteopathic Medicine, Board of Social Work Examiners, the Division of Motor Vehicles and more. For more information on these reports, see **page 18**.

- The Purchasing Division added a specification index to its website to assist state agencies and local government entities when procuring certain commodities and services. The sample specifications can be modified to suit the agency's specific needs while expediting the purchasing process. During Fiscal Year 2018, sample specifications were added for elevator and HVAC maintenance, security systems and tractors. More information on this specification repository can be found on **page 18**.
- To provide clear, concise information on how to order from the various statewide contracts, a detailed instruction document was added to most contracts on our webpage. The statewide contracts webpage located at www.state.wv.us/admin/purchase/swc provides an index of all statewide contracts mandatory for use by state agencies and available to local government entities.

In addition to the many changes and updates made to the Purchasing Division's website and intranet during Fiscal Year 2018, the website statistics for this fiscal year are noted below:

Purchasing Division's Internet Site Statistics:

Total Hits:	13,787,442
Unique Visitors:	191,449
Visitor Sessions:	1,598,999
Average Visitors Per Hour:	21.86
Files Downloaded:	50,662

Purchasing Division's Intranet Site Statistics:

Total Hits:	120,297
Unique Visitors:	2,242
Visitor Sessions:	15,066
Average Visitors Per Hour:	0.26

Program Services Section

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

Fixed Assets Management Program

In accordance with W. Va. Code §§ 5A-3-34 through 37, the Purchasing Division has full authority over inventories and property. The head of every spending unit of state government shall, on or before July 15th of each year, file with the director an inventory of all real and personal property, and of all equipment, supplies and commodities in its possession as of the close of the last fiscal year. Agencies

are required to report their fixed assets with an acquisition value of \$1,000 or more into the WV OASIS Fixed Assets System and retire obsolete equipment in accordance with policy and procedure.

Surplus Property Program

The West Virginia State Agency for Surplus Property (WVSASP) has assisted thousands of eligible organizations for more than 70 years by offering quality, usable property at a substantially reduced price. WVSASP is authorized to market state property to the general public if eligible organizations do not express a need first. Additionally, WVSASP works closely with the U.S. General Services Administration to administer the federal surplus property program for eligible organizations.

Fiscal Year 2018 Statistics

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

Federal Property Service Charge	\$ 84,569.03
State Property Service Charge	276,524.44
Public Auctions	139,200.00
Public Daily Sales	557,836.92
Statewide Sealed Bids	849.59
Online Sales (GovDeals)	627,889.82
Scrap	<u>30,876.58</u>
 Gross Revenue	 \$1,717,746.38
 Amount Reimbursed to State Agencies	 \$ 660,237.16
 Net Revenue	 \$1,057,509.22

State Vehicles

There were **304** vehicles sold during Fiscal Year 2018. Below is a breakdown of the method by which they were sold:

Public Auction	45	\$139,200.00
Public Daily Sales	94	379,980.00
Online Sales (GovDeals)	143	540,423.21
Negotiated Sales	<u>22</u>	<u>242,785.00</u>
 Totals	 304	 \$1,302,388.21

Online Sales

The West Virginia State Agency for Surplus Property (WVSASP) utilized an online auction process to dispose of property that is not easily transportable to the Dunbar location, located too far from

Charleston for it to be reasonably picked up, unique or has been warehoused at WVSASP for an extended period of time.

Agencies are required to obtain approval for the disposition of all state property through WVSASP, unless statutorily exempt. Online sale sites, such as GovDeals, allow users to browse items for sale according to category, auction closing time and state. The site is specifically designed for government sellers and allows for greater accountability for WVSASP.

WVSASP sold **234** items through the online sales site during Fiscal Year 2018 for a total amount of **\$627,889.82**. Items sold through online sales included a Mosley safe, Daihatsu mini-truck, Caterpillar grader, Mack dump truck, hot drink vending machines, Yale forklift, canoe, Chandler and Price letter press and a Ford tractor.

Daily Public Retail Sales

The West Virginia State Agency for Surplus Property has had the authority to sell state property to the public through daily retail sales since June 2008. 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, **\$557,836.92** was generated in revenue during Fiscal Year 2018.

Surplus Property Affected by New Fleet Law Changes

The West Virginia State Agency for Surplus Property (WVSASP) was affected by a new fleet management law passed by the Legislature during the 2018 Regular Session, which became effective June 5, 2018. During the Session, lawmakers passed and the governor signed into law House Bill 4015.

Among the changes implemented as part of this law, agencies are now required to enter every state-owned vehicle into the *wv*OASIS Fixed Assets System. The bill also required every state agency to re-register its vehicles with the Division of Motor Vehicles and replace existing green and white license plates, which did not have an expiration date, with new blue and gold plates that must be renewed every two years.

By July 15th of each year, agencies will be required to affirm that all vehicles in the *wv*OASIS Fixed Assets System are accurate and current as part of its inventory certification to WVSASP. To assist state entities in meeting the new inventory requirements, WVSASP posted *wv*OASIS asset instructions and the required certification document on its website, ***WVSurplus.gov***. The Purchasing Division worked closely with the Fleet Management Division, which saw its official name changed from “Office” to “Division” as part of the new law, to prepare for the changes.

Eligible Organizations Put to Use a Variety of Unique Items Purchased from Surplus Property

When items no longer needed by West Virginia state agencies are sent to the West Virginia State Agency for Surplus Property (WVSASP), the goal is for eligible organizations and the public to purchase needed

items at an affordable price. That goal was met in several instances during Fiscal Year 2018, as indicated below.

Veterans Assistance Stretches Dollars Thanks to Affordable Merchandise from Surplus Property

The West Virginia Department of Veterans Assistance was able to completely furnish offices in its new location during Fiscal Year 2018, thanks to the West Virginia State Agency for Surplus Property (WVSASP).



The West Virginia Department of Veterans Assistance was able to fully furnish its new offices while saving money during Fiscal Year 2018, thanks to WVSASP.

The Department had moved from Kanawha Boulevard in Charleston, West Virginia, to Building 5 on the Capitol campus. The purchase from WVSASP included enough cherry desks, file cabinets and cubicle partitions to fill several offices, as well as chairs for the conference room.



Rick Young, a teacher with Clay County Middle School, has shopped at the West Virginia State Agency for Surplus Property for nearly 30 years. Pictured above is a computer lab he helped furnish with his purchases.

Clay County Middle School Saves Money with Variety of Supplies

With school budgets stretched thin and administrators trying to get the most out of every dollar, the West Virginia State Agency for Surplus Property (WVSASP) is a great place to look for bargains. Rick Young, a science teacher at Clay County Middle School, has helped his students while saving money for nearly 30 years.

His first purchase in 1988 was a set of microscopes for his fourth and fifth grade science classes, followed by purchases for stacking chairs, tables, shredders, storage cabinets, file cabinets, corkboards, white boards, VCRs, DVD players, televisions, wheelchairs, power strips and books.

During Fiscal Year 2018, Clay County Middle School's typical purchases primarily involved school and office furniture, including teacher desks and chairs; technology, including computers, printers and iPads; and science equipment. According to Young, the purchases have allowed Clay County Middle School to put together labs of 15 to 30 computers in each of their language arts, math, science, social studies, art and health classrooms as well as a mobile lab in the library. "Students have benefitted from our WVSASP purchases because we've been able to blend learning and computer-assisted instruction," he said.

Surplus Property Hosts State Vehicle Public Auction

The West Virginia State Agency for Surplus Property (WVSASP) opened its gates on December 6,

2017, to host a state vehicle public auction. With approximately 100 individuals attending the event, the WVSASP lot was full of prospective bidders inspecting vehicles prior to the auction start time. “I was very pleased with the turnout at our December auction,” shared WVSASP Director Elizabeth Perdue. “Our customers always love these events and we enjoy having such a nice crowd visit our facility. Some of the attendees had not visited WVSASP since the construction was completed so it was wonderful to see their reactions.”

All 45 of the vehicles listed for auction, which included a 2012 GMC Canyon, 2011 Jeep Grand Cherokee, 2010 Ford Explorer, 2008 GMC Savana, and 2006 Dodge Dakota, were sold.



The West Virginia State Agency for Surplus Property hosted a state vehicle public auction on December 6, 2017. With approximately 100 bidders in attendance, all 45 vehicles were sold during the auction.

Surplus Facebook Page Reaches 3,800 Likes



To maintain transparency and to better market its inventory, news and upcoming events to its daily retail sales customers, eligible organizations and the public, the West Virginia State Agency for Surplus Property (WVSASP) maintains a Facebook page, which can be found online at www.facebook.com/WVSurplus.

During Fiscal Year 2018, this Facebook page reached more than 3,800 “likes.”

The page is monitored throughout the day and week so that all comments and messages can be answered in a timely manner. Additionally, weekly updates include the vehicle sales list, the weekly deal, current inventory and more.

Surplus Property Hosts 2018 Open House Event for Eligible Organizations and State Agencies

The West Virginia State Agency for Surplus Property (WVSASP) conducted an Open House for eligible organizations, including nonprofits, state agencies and local government entities, on May 23, 2018 at its facility in Dunbar, West Virginia. Representatives from more than **20** eligible organizations attended the event to learn about the benefits of shopping at and partnering with WVSASP. In addition to state agencies, other attending organizations included the Facing Hunger Foodbank and the Gilmer County Volunteer Fire Department.

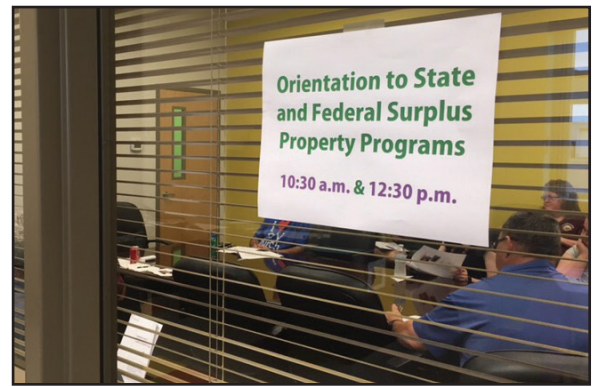
“This event allowed us to connect with state agencies, nonprofits and other eligible organizations that may

not have known what WVSASP offers,” shared Elizabeth Perdue, Assistant Purchasing Director and Manager of WVSASP. “We had several representatives of nonprofits attend who were learning about WVSASP for the first time.”

During the Open House, WVSASP conducted two informational sessions focusing on the state and federal surplus property programs. WVSASP staff members were also available to meet with attendees individually to learn about their needs.

A post-event survey also revealed the following information:

- **100%** of respondents rated the event as “Excellent” or “Good.”
- **100%** of respondents indicated they were “Highly Likely” or “Somewhat Likely” to recommend WVSASP to other organizations.
- **100%** of respondents indicated they would be interested in attending a similar event in the future.



The West Virginia State Agency for Surplus Property (WVSASP) offered an Open House for Eligible Organizations on May 23, 2018. As part of the event, WVSASP Manager Elizabeth Perdue offered two sessions on the state and federal surplus property programs.

Surplus Property’s 2018 Customer Appreciation Day Offers Extended Business Hours



More than 50 individuals attended the West Virginia State Agency for Surplus Property’s Customer Appreciation Day. The event, held June 6, 2018, offered extended hours until 6 p.m. and staff was on site to answer questions and learn of attendees’ property needs.

The West Virginia State Agency for Surplus Property (WVSASP) said “thank you” to its many loyal customers and “hello” to new ones at its Customer Appreciation Day on June 6, 2018.

As part of the event, WVSASP extended its normal hours of operation by staying open until 6 p.m. Assistant Purchasing Director and WVSASP Manager Elizabeth Perdue said this allowed for more people to attend the event, many of whom work throughout the day.

More than 50 customers attended the event to shop, discuss their property needs and take advantage of the special extended hours. Many of those attending expressed their appreciation to WVSASP for making shopping more convenient for their schedules.

Tulips Make their Way from Capitol Campus to Rest Areas Statewide, Thanks to WV Surplus Property

In early May of 2018, the West Virginia State Agency for Surplus Property (WVSASP) began receiving

deliveries of tulips and daffodil bulbs that were no longer needed at the Capitol. As the new summer flowers were being prepared to be planted, the bulbs were dug up and retired to the Surplus Property warehouse in Dunbar.

The Division of Highways (DOH) needed bulbs to be planted at the various welcome centers throughout West Virginia, so the timing was perfect. “We were pleased to partner with the Division of Highways in supplying the agency with the necessary flower bulbs so that these welcome centers will be aesthetically pleasing to those traveling around the state,” said Elizabeth Perdue, Assistant Purchasing Director and Manager of WVSASP. “From what we understand, planting will begin this fall at rest stops all around the state.” This collaboration provided great savings to the DOH.



With approximately 10,000 flower bulbs available at the warehouse, WVSASP began reaching out to state agencies and eligible organizations. A small portion was sold to the public.

State Travel Management Office

Information and statistics related to the State Travel Management Office and the travel-related contracts that are used by state employees are noted below:

Statewide Contract for Car Rentals [Enterprise and Hertz]

To provide more cost-effective service to the state, the Purchasing Division elected to participate in car rental contracts with Enterprise and Hertz that were part of a national cooperative contract through NASPO ValuePoint.

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

Enterprise

The total number of rental days for the Fiscal Year 2018 was **84,531**, based on an expenditure of **\$2,339,568.25**, making the average cost of a rental car per day as **\$27.68**. Without a preferred car rental contract, the normal (average) daily rate is **\$70.00** for a savings of **\$3,577,601.75**.

Hertz

The total number of rental days for the Fiscal Year 2018 was **671**, based on an expenditure of **\$36,915.12**, making the average cost of a rental car per day **\$55.02**. Without a preferred car rental contract, the normal (average) daily rate is **\$70.00**, for a savings of **\$10,054.88**.

CDW (Collision Damage Waiver)

The state’s rental car contracts include the insurance for collision damage waiver. The average cost of

optional coverage provided by car rental companies is **\$30.00** per day. Based on **85,202** rental days, the state has saved **\$2,556,060.00** on rental insurance.

Statewide Contract for Travel Management Services [National Travel]

Year-end transactions include:

Exchanges	222
Refunds	32
Airline tickets	3,759
Service fees paid	\$91,320.94
Total Transactions	7,094
Cost	\$2,296,177.97
Full Fare	\$6,987,588.00
Savings	\$4,731,376.12

The Delta Partnership results in a savings as detailed below:

Tickets:	1,094
Cost:	\$653,352.40
Full Fare:	\$31,951,963.00
Savings:	\$1,298,610.60

Mileage Reimbursement Rate

The state of West Virginia adheres to the federal government’s mileage reimbursement rate for privately-owned vehicles set by the U.S. General Services Administration, in accordance with the State Travel Rules.

In 2018, that rate was increased to **54.5** cents per mile, an increase of one cent from the previous rate. The rate covers all operating costs, such as fuel, maintenance, and insurance, and no additional reimbursement will be made for such expenses.

The State Travel Management Office notifies state agency travel coordinators regarding this type of change. To view the State Travel Rules, visit: www.state.wv.us/admin/purchase/travel/TravelRule.pdf

Legal Office

The Legal Office assists the Purchasing Division staff with ongoing legal and legislative issues, including drafting proposed legislation, addressing privacy issues, developing risk management solutions, overseeing all agency and central level protests, monitoring all terms and conditions, establishing templates and forms, and more.

Purchasing Division General Counsel Works with Other Agencies to Develop Solutions to Reduce Risk

The Purchasing Division worked diligently to identify and eliminate any contracting risk exposure to the state. General Counsel James Meadows partnered with other agencies during this fiscal year, including the Board of Risk and Insurance Management (BRIM), the West Virginia Office of Technology (WVOT) and the state's Chief Privacy Officer. This partnership resulted in a working group that met regularly throughout the year to identify areas of risk exposure and possible ways to mitigate that risk. Specifically, the group focused on insurance, privacy and security. Examples of the working group's efforts include the following examples.

Insurance

The state lacked guidance and understanding of insurance coverages and limits that awarded vendors should be required to obtain. Additionally, it was not uncommon for vendors to be awarded contracts without insurance mandates. To address these issues, the working group met with various state officials to implement some changes. Those changes are as follows:

- Solicitations must now contain vendor insurance requirements unless BRIM approves the lack thereof.
- Agencies can now seek recommendations from BRIM regarding insurance coverage and limits.
- BRIM developed a written insurance guide that has been included as an appendix to the *Purchasing Division Procedures Handbook*. Vendor insurance requirements are a vital part of any procurement process to ensure that the vendor itself is responsible for its own acts of negligence or for a contract violation, and not the state. The guide was developed because knowledge of insurance requirements falls outside the expertise of most individuals who handle procurement for the state.
- The Purchasing Division now requires that the state be listed as an additional insured on insurance policies. This requirement was added to the Purchasing Division's General Terms and Conditions after consulting with BRIM and polling other states on the issue.

Privacy

- The state's Chief Privacy Officer presented information at the 2017 Agency Purchasing Conference and as part of the Purchasing Division's 2018 In-House Training Program to educate procurement officers about privacy risks and how to guard against them.
- The Privacy Impact Assessment ("PIA") was developed by the Chief Privacy Officer, in conjunction with WVOT, to assist agencies in determining their privacy risk exposure. The working group was able to establish a process whereby WVOT would notify the agency in question during its WVOT review that the PIA should be completed and refer the matter to the Chief Privacy Officer.

Security

- The working group developed a cloud addendum that could be utilized in conjunction with the PIA to ensure that adequate security provisions are included in cloud-based contracts. The initial version of the cloud addendum was utilized on at least one contract by the end of the fiscal year.

W. Va. 148 C.S.R. 1-8 addresses the process by which a vendor may file a protest. There are two types of protests: protests of specifications, which must be filed with the Purchasing Division at least five business days before the scheduled bid opening, and protests of contract award, which must be filed within five days of the date of contract award. All protests, regardless if related to transactions processed by the Purchasing Division or by agencies under their delegated authority, must be submitted to the Purchasing Division.

During Fiscal Year 2018, **21** protests relating to central purchasing transactions 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 West Virginia Code and the Code of State Rules to ensure fair and consistent treatment of vendors.

Of those **21** protests filed, only **two** resulted in a change to the award of the contract. Based on the number of transactions processed by the Purchasing Division and the number of protests filed, the Purchasing Division has a **1.41%** rate of protests. This statistic reflects the percentage of purchase orders and contracts for which a protest of any type is filed for the fiscal year.

The action taken on protests filed may be to modify specifications, deny the relief requested or change the award decision. In only **0.14%** of the total transactions processed was the award decision changed. Stated another way, the award decision made by the Purchasing Division prevailed in **99.86%** of all transactions.

Debarred Vendor List Provides Critical Guide for Agencies

The Purchasing Division was required to take the action of debarment against several vendors during Fiscal Year 2018. This course of action was taken to eliminate any risks to the state that could occur from doing business with these vendors.

“There are many options that we have in our toolbox and debarment is one of them,” explained Purchasing Director Mike Sheets. “It is not always the state’s first choice because of the severe effect it has on a vendor. However, in some cases, it is the most necessary and appropriate action.”

The Purchasing Division maintains a state debarment list on its website, which prohibits any state or local government from doing business with the vendors noted during the debarment period. This includes soliciting offers from, awarding contracts to or consenting to subcontract with a debarred vendor as detailed in W. Va. Code §§ 5A-3-33c and 33d.

Agency purchasers are encouraged to check the Debarred Vendor List for each transaction, and documentation showing that the verification has been completed should be included in the file for all transactions. The Debarred Vendor List can be found at www.state.wv.us/admin/purchase/debar.html.

Various Documents Modified Due to Senate Bill 283

As a result of the passage of Senate Bill 283, various documents, including the Purchasing and Agency Master

Terms and Conditions, forms, templates and standard formats had to be created or modified. The time frame for which these changes had to be made was limited; therefore, the Purchasing Division's General Counsel James Meadows jumped to the task of drafting the changes, which he presented to other senior management staff for final review and approval.

Notification was shared with the Purchasing Division staff and the agency designated procurement officers more than two weeks in advance of the June 8, 2018, effective date.

Meadows also provided an overview of these changes to the Purchasing Division staff and presented a webinar on June 4, 2018, to review all of the changes with agency designated procurement officers in advance to address any questions or concerns.

Recognizing Excellence

The Purchasing Division values the work performed by the agency procurement officers and, as a result, the tradition continued during Fiscal Year 2018 for the Purchasing Division to recognize those agency partners who display excellence in procurement practices. With hundreds of employees working in state procurement at the West Virginia government level, many hardworking state procurement professionals demonstrated noteworthy qualities on a daily basis, with many cost saving results.

Some of their character traits include dedication, loyalty, exemplary work ethic, strong decision-making skills, a willingness to serve the public and a desire to continually learn and develop their skills.

During the 2017 Agency Purchasing Conference on August 24, 2017, the Purchasing Division presented the *Agency Procurement Officer of the Year* award. This recognition was announced during a special ceremony following the group luncheon.

The criteria for this award include 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 annually recognize one individual working in the procurement field who has demonstrated high levels of performance and professionalism.

Procurement Officer Althea Greenhowe Department of Health and Human Resources

The West Virginia Purchasing Division recognized Althea Greenhowe, who serves as a backup designated procurement officer for the Department of Health and Human Resources (DHHR), as its *2017 Agency Procurement Officer of the Year*.

Employed by DHHR since 2014, Greenhowe is an Administrative Services Assistant III for the Operations and Purchasing Section.

A recipient of the *West Virginia Procurement: Basic Certification*, Greenhowe serves as the Secretary of the West Virginia Chapter of the National Institute of Governmental Purchasing. She was described as a “positive image for both purchasing and her workplace and does whatever is necessary to keep the environment and communication through the entire process running as smoothly as possible.”



Purchasing Director Mike Sheets is pictured above with 2017 *Procurement Officer of the Year* award recipient Althea Greenhowe, a designated procurement officer for the Department of Health and Human Resources.

During the 2017 Agency Purchasing Conference, Purchasing Director Mike Sheets announced Greenhowe as the recipient of the award and presented her with a framed picture of the state Capitol and a certificate signed by Governor Jim Justice and Department of Administration Cabinet Secretary John Myers.

“Althea follows and stays compliant with all purchasing laws, rules and procedures. This allows the state of West Virginia to obtain the highest quality of goods and services at a respectable and reasonable cost,” shared one peer.

In its 22nd year, the *Agency Procurement Officer of the Year* award program was created by the Purchasing Division to recognize and honor individuals who have demonstrated high levels of performance and professionalism. Nomination criteria includes tenure, performance, communication, internal training, professional development, cost-saving ideas, cooperation with Purchasing Division and other state agency personnel, creating a positive image for the organization, establishing and following good purchasing practices and participating in professional purchasing organizations.

For a list of past winners, visit the Purchasing Division’s intranet site at <http://intranet.state.wv.us/admin/purchase/Recognition>. The complete list of recipients is noted below:

- 2017:** Althea Greenhowe (Department of Health and Human Resources)
- 2016:** Darlene Hovatter (Division of Juvenile Services)
- 2015:** Angela Negley (Division of Natural Resources)
- 2014:** Bryan Rosen (Department of Health and Human Resources)
- 2013:** Becky Jones (West Virginia Lottery) and Charlyn Miller (Division of Rehabilitation Services)
- 2012:** Bruce Blackhurst (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)

Annual Statistical Data

FISCAL YEAR 2018 AWARD TRANSACTION SUMMARY

New Purchasing Award Transactions and Delivery Orders

Designation	Total Count	Percentage	Total Amount	Percentage
In-WV*	11,832	53.50%	\$125,487,977.93	25.6%
Out-WV	10,233	46.50%	\$364,101,756.21	74.4%
TOTAL	22,065	100.00%	\$489,589,734.14	100.00%

*In-state vendors are based on the ordering address selected by the procurement officer on the award document.

Average Contract Value (Excluding Delivery Orders):	\$175,511.45
Average Transaction Amount (Including Delivery Orders):	\$22,188.52

Change Order Analysis*

Fiscal Year	Count (#)	Types of Transactions
2018	1,774	Central Purchase Orders, Central Contracts, Central Master Agreements, and Central Delivery Orders Only

* A change order can be executed for many reasons, including but not limited to, a legal name modification, an increase or decrease, the cancellation of a contract, the issuance of a Notice to Proceed, the renewal of an existing contract and other administrative changes.

Procurement Type Breakdown

Procurement Type Name	Total Count Per Type	Count Percentage	Procurement Type Amount	Amount Percentage
Central Purchase Order	307	1.39%	\$30,502,129.35	6.23%
Central Contract	252	1.14%	\$15,537,626.34	3.18%
Central Master Agreement*	742	3.36%	\$0.00*	0.00%
Central Emergency Purchase	39	0.18%	\$2,659,682.83	0.54%
Statewide Contract (Open-End)*	29	0.13%	\$0.00	0.00%
Agency Delivery Order**	20,067	90.94%	\$138,566,829.71	28.30%
Central Delivery Order	509	2.31%	\$294,802,808.45	60.21%
Other***	122	0.55%	\$7,520,657.46	1.54%
TOTAL	22,067	100.00%	\$489,589,734.14	100.00%

*Central Master Agreements, including Statewide Contracts, are open-end contracts issued by the Purchasing Division from which delivery orders may be made. A delivery order issued from a Central Master Agreement at the agency level is an agency delivery order. Delivery orders that must be processed through the Purchasing Division are central delivery orders.

** For the purpose of this Annual Report, only agency delivery orders made against a Central Master Agreement issued by the Purchasing Division are included.

***The "other" category includes central sole source procurements, piggyback delivery orders, agency cancel and re-award procurements, and central cancel and re-award procurements.

Top Agencies by Volume

(including Award Transactions and Delivery Orders)

Agency	Total Volume	Amount Percentage	Total Count	Total Percentage
Health and Human Resources	\$277,625,096.59	56.71%	3,141	14.24%
Division of Highways	\$47,002,323.97	9.60%	732	3.32%
Division of Corrections and Rehabilitation	\$32,435,108.61	6.62%	1,101	4.99%
General Services Division	\$19,108,937.16	3.90%	1,229	5.57%
Department of Environmental Protection	\$8,374,641.51	1.71%	1,097	4.97%
Division of Juvenile Services	\$5,408,104.18	1.10%	3,840	17.40%
Department of Veterans Assistance	\$5,984,443.56	1.22%	2,530	11.47%
Information Services and Communications	\$4,590,508.73	0.94%	227	1.03%
Department of Revenue	\$4,824,596.87	0.99%	599	2.71%
Workforce West Virginia	\$2,589,282.46	0.53%	260	1.18%
Treasurer's Office	\$1,751,941.76	0.36%	212	0.96%
Division of Rehabilitation Services	\$1,258,946.83	0.26%	1,175	5.33%
Division of Culture and History	\$621,813.60	0.13%	312	1.41%
Department of Education	\$125,180.22	0.03%	1,091	4.94%
Others*	\$77,888,808.09	15.91%	4,519	20.48%
TOTAL	\$489,589,734.14	100%	22,065	100%

* Note that state agencies that are fully or partially exempt from the Purchasing Division's authority may issue delivery orders against the Purchasing Division's Statewide Contracts. The statistics above include delivery orders that are processed at the agency level against Statewide Contracts issued by the Purchasing Division.

Top 20 Frequently-Purchased Commodities by Count*

(Including Delivery Orders)

Commodity Type and Name	Total Count	Count Percentage	Total Value	Value Percentage
93131607 – Food Distribution Services	26,187	21.81%	\$760,056.19	0.16%
44120000 – Office Supplies	17,617	14.67%	\$1,363,990.56	0.28%
27110000 – Hand Tools	10,274	8.56%	\$2,496,138.32	0.51%
80111606 – Temporary Medical Staffing Needs	5,621	4.68%	\$24,319,111.12	4.97%
50300000 – Fresh Fruits	5,534	4.61%	\$90,557.22	0.02%
50000000 – Food Beverage and Tobacco Products	3,250	2.71%	(\$139.38)	0.00%
50202301 – Water	3,173	2.64%	\$236,481.72	0.05%
44101501 – Photocopiers	3,114	2.59%	\$664,759.44	0.14%
83111603 – Cellular Telephone Services	2,799	2.33%	\$999,927.90	0.20%
43210000 – Computer Equipment and Accessories	2,075	1.73%	\$2,782,084.41	0.57%
53102700 – Uniforms	1,504	1.25%	\$193,070.07	0.04%
85101601 – Nursing Services	1,406	1.17%	\$3,533,271.14	0.73%
47131801 – Floor Cleaners	1,403	1.17%	\$383,203.22	0.08%

Commodity Type and Name	Total Count	Count Percentage	Total Value	Value Percentage
50180000 – Bread and Bakery Products	1,358	1.13%	\$12,525.67	0.00%
80161801 – Photocopier Rental or Leasing Services	1,151	0.96%	\$1,706,102.54	0.35%
80111613 – Temporary Manual Labor	1,139	0.95%	\$2,185,318.72	0.45%
72101506 – Elevator Maintenance Services	972	0.81%	\$317,667.40	0.06%
50131701 – Fresh Milk or Butter Products	823	0.69%	\$46,439.18	0.01%
76110000 – Cleaning and Janitorial Services	820	0.68%	\$9,459,947.28	1.93%
56111500 – Workstations and Office Packages	747	0.62%	\$2,517,120.17	0.51%
Others	29,085	24.23%	\$435,502,101.25	88.95%
TOTAL	120,052	100.00%	\$489,589,734.14	100.00%

**The commodity data is based on UNSPSC Codes, which are used in the wvOASIS Enterprise Resource Planning System, and is extracted at the commodity level, not by transaction. Therefore, the total count is higher since each transaction may have more than one commodity line.*

Notable Contracts Issued During Fiscal Year 2018

Department of Administration - Finance Division

Single Audit Services - *Projected Contract Life Value of \$3,978,500*

This contract is to prepare the Single Audit of the state of West Virginia and the state's Comprehensive Annual Financial Report (CAFR), in accordance with generally accepted auditing standards, the Single Audit Act of 1996, OMB Circular A-133, Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (uniform guidance), Governmental Accounting Standards Board (GASB) pronouncements, other applicable laws, and federal and governmental requirements.

Department of Environmental Protection

Expression of Interest for City of Wheeling - *Projected Contract Life Value of \$934,000*

This architectural and engineering design contract is for the landfill project in Wheeling.

Expression of Interest for a Tank Study - *Projected Contract Life Value of \$384,488*

This architectural and engineering design contract is for a tank study in Morgantown.

Expression of Interest for Watershed Project - *Projected Contract Life Value of \$513,207*

This architectural and engineering design contract is for the Lower Ohio Watershed Project.

Department of Health and Human Resources

FEA Support to Self-Direction Members - *Projected Contract Life Value of \$101,857,800*

In accordance with W.Va. Code § 5A-3-10b, the Department of Health and Human Resources, Bureau of Medical Services awarded a contract to provide Government Fiscal/Employer Agent (F/EA) Financial Management Services and support brokerage (otherwise known as Resource Consulting services) on the Bureau's behalf to all Medicaid Home and Community-Based Services members who choose to receive self-directed services using the Bureau's Personal Options Model.

Integrated Eligibility Solutions - *Projected Contract Life Value of \$274,000,000*

The Department of Health and Human Resources awarded a contract to provide for the design, development, implementation, maintenance and operation of an Integrated Eligibility Solution that will support various programs administered by the Department, such as RAPIDS and OSCAR.

Department of Commerce - Division of Natural Resources

The following projects were processed by the Purchasing Division on behalf of the Division of Natural Resources during Fiscal Year 2018:

Elk River Wildlife Management Office Building - Projected Contract Life Value of \$892,850

Winfield Boating Ramp and Facilities - Projected Contract Life Value of \$1,673,420

Claudia Workman Wildlife Center Site Preparation - Projected Contract Life Value of \$1,745,427

Board of Pharmacy

The following projects were processed by the Purchasing Division on behalf of the Board of Pharmacy during Fiscal Year 2018:

Prescription Monitoring Program - Projected Contract Life Value of \$799,225

Licensing / Records Database - Projected Contract Life Value of \$296,380

Controlled Substance Monitoring - Projected Contract Life Value of \$980,000

Department of Revenue - Tax Division

Integrated, Image-Based Remittance Processing/Data Capture System - Projected Contract Life Value of \$2,244,370

In collaboration with the Tax Division, the Purchasing Division awarded this contract to provide an integrated, image-based remittance processing and data capture system to scan tax returns and other various correspondence.

Department of Transportation - Division of Highways

The following projects were processed by the Purchasing Division on behalf of the Division of Highways for annual road-related contracts during Fiscal Year 2018:

Stone and Aggregate, Road Salt, Ready Mix and Hot Mix - Projected Contract Life Value of \$88,000,000

Class 934 Under Bridge Inspection Vehicle - Projected Contract Life Value of \$787,234

A severe-duty truck with an Aspen Aerial for under deck bridge access for inspection purposes.

64,000 GVWR Tandem Axle Dump Truck with Hydraulic System

Projected Contract Life Value of \$51,293,200

This was a consolidated procurement to include the award of a truck contract and accessory components. The contract contained two trucks with accessories. One truck had a dump body and a front snow plow and V-box spreaders. The other truck has a dump body and front snow plow, V-box spreaders and right front wing plow. The contract also included an anti-icing tank and spray system, which may be purchased for both truck types.

Department of Transportation - State Rail Authority

The following projects were processed by the Purchasing Division on behalf of the State Rail Authority during Fiscal Year 2018:

7500 Crossties for Durbin and Moorefield - Projected Contract Life Value of \$288,750

**Replace 6000 Ties and Surface Track for the South Branch Railroad -
Projected Contract Life Value of \$676,152**

4000 Crossties and Four Switch Ties in Durbin - Projected Contract Life Value of \$214,928

Locomotive Parts for EMS Locomotives - Projected Contract Life Value of \$39,941

Significant Limitations on Reporting

General Accounting Expenditures (GAX) Payments

Approximately \$3.3 Billion

The wvOASIS Enterprise Resource Planning system allows agencies to create payment transactions called General Accounting Expenditures (GAX). These transactions do not require any reference to a contract and cannot accurately account for spend on that contract; therefore, these payments cannot be included in the reported statistics in this Annual Report.

During Fiscal Year 2018, according to wvOASIS reporting, the state of West Virginia processed **412,945** GAX payment transactions for a total payment of **\$3,394,274,270**. The average GAX payment was **\$8,219.68**.

West Virginia Purchasing Card Procurements

Approximately \$400 Million

The West Virginia Purchasing Division is responsible for issuing the contract to administer the West Virginia Purchasing Card Program. In coordination with the State Auditor's office, this program processes payments made by state employees authorized to use their Purchasing Card. If the Purchasing Card transaction is not referenced to an existing contract, the Purchasing Division is unable to connect the payment to a specific contract. For Fiscal Year 2018, according to wvOASIS reporting, the state of West Virginia processed **414,776** Purchasing Card transactions for a total payment of **\$401,134,649.89**. The average Purchasing Card payment was **\$967.11**.

Comparability with Legacy Systems

Most of the data presented in this Annual Report is based upon established reports made available to the Purchasing Division through the Business Intelligence feature of the *wv*OASIS Enterprise Resource Planning system.

Many legacy systems, including the TEAM Automated Purchasing System that was used for processing and reporting from 1991 to 2014, were used to calculate statistical data for this Annual Report in the past.

Any comparison between the Fiscal Year 2018 Annual Report and prior annual reports using these legacy systems for reporting is subject to significant variation and should be considered with proper caution.

Legislative Action

The following information reflects the legislative changes that occurred during Fiscal Year 2018, which affected the state procurement process:

Senate Bill 283, which was introduced by the Governor's Office based on suggestions made by the Purchasing Division, brought about a multitude of changes to the state procurement process.

Among the changes, Senate Bill 283 provided the following:

- Allows for open-ended maintenance and repair construction contracts up to \$500,000. This amount applies to the entire term of the contract, including renewals.
- Relaxes the Request for Proposals process by allowing agencies to select the best product by comparing vendor proposals against one another and considering best-in-class solutions that exceed the specifications.
- Converts sole source procurements to direct awards and eliminates the need to certify that only one vendor in the world can provide a particular commodity or service. Instead, the agency can certify that no one would be likely to provide the commodity or service under the current circumstances. The public notice requirements still apply.
- Increases the master contract time for secondary bidding from one to three years and increases the spending limit on commodities for secondary bidding from \$50,000 to \$1 million per order.
- Expands the debarment grounds to cover admissions of guilt that do not lead to conviction, other general bad behavior, and related parties.
- Removes traditional vendor preference on all commodities and services, except for purchases of automobiles and certain highway-related construction equipment, and adds a reciprocal preference that will provide West Virginia vendors with the same percentage of preference against out-of-state vendors when that state provides a preference in favor of its resident vendors.
- Requires the sale of a vehicle to an eligible organization at the average loan value as listed in the NADA, which will allow the West Virginia State Agency for Surplus Property (WVSASP) to more easily establish a realistic price to facilitate increased sales of used vehicles. It also allows spending units to receive proceeds from the sale of assets by WVSASP when the original purchase fund no longer exists.
- Established procedures for setting standards, which eliminates the need for "or equal" specifications for that particular commodity, which would last for a stated period of time.
- Allows for the emergency purchase of design and engineering work, even when the cost of the project is expected to exceed \$250,000, to quickly stop problems from becoming more dangerous and costlier to repair.
- Increases the limit for the *Disclosure of Interested Parties* form from \$100,000 to \$1 million. The form no longer applies to publicly traded companies.

Other legislation which passed during the 2018 Regular Session of the Legislature that affected the state procurement process included:

Senate Bill 133: Exempting renewal of certain contracts entered into during declared state of emergency

Senate Bill 282: Exempting the State Conservation Committee from Purchasing Division requirements for contracts related to flood recovery

Senate Bill 348: Allowing for disposal of service weapons of special DNR police officers

Senate Bill 625: Creating WV Volunteer Fire and Rescue Act of 2018

Senate Bill 2694: Relating to the development and implementation of a program to facilitate commercial sponsorship of rest areas

Senate Bill 4015: Relating to the management and continuous inventory of vehicles owned, leased, operated, or acquired by the state and its agencies

Senate Bill 4162: Granting authority to the State Conservation Committee to contract for flood response

Senate Bill 4338: Relating to the powers and authority of the Division of Administrative Services and the Division of Corrections and Rehabilitation of the Department of Military Affairs and Public Safety

Senate Bill 4522: Allowing certain tax information to be shared with the Director of Purchasing Division, Department of Administration, and State Auditor

Goals and Objectives

Goal

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

Objective:

Provide training on purchasing rules, regulations and procedures to representatives of at least 75% of all state agencies under the Purchasing Division's authority (excluding boards and commissions) at the agency's annual Purchasing Conference.

Fiscal Year 2018 Performance Measure: 78% of agency representatives in attendance

Objective:

Conduct a minimum of 30 hours of in-person training workshops for agency purchasers on purchasing laws, rules and procedures.

Fiscal Year 2018 Performance Measure: 100 hours of in-person training workshops offered

Objective:

Make available on the Purchasing Division's website a minimum of 10 online resource modules for agency purchasers on purchasing laws, rules and procedures.

Fiscal Year 2018 Performance Measure: 14 online resource modules available

Objective:

Monitor purchasing training activity on 100% of all agency designated procurement officers and other state employees who conduct purchasing as a primary job function who have been reported to the Purchasing Division.

Fiscal Year 2018 Performance Measure: 100% of agency designated procurement officers monitored

Goal

Ensure accountability through proactive auditing and documentation review.

Objective:

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

Fiscal Year 2018 Performance Measure: 1.41% protest rate