

STATE OF WEST VIRGINIA

Purchasing Division



ANNUAL REPORT

Fiscal Year 2002

www.state.wv.us/admin/purchase



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The West Virginia Purchasing Division is an E.E.O./Affirmative Action Employer



Director's Message

June 30, 2002

**The Honorable Bob Wise
The Honorable Members of the West Virginia Legislature
Citizens of West Virginia**

The fiscal year of 2002 brought about many positive changes to the state procurement process and to the Purchasing Division as a state entity.

One of our goals was to enhance communication with our customers, state agencies and the vendor community. A requisition tracking system was implemented to detail the purchasing process into specific tasks in an attempt to better understand the steps involved and to identify areas in which improvements may be made. As a result of this system, a weekly electronic mail message is distributed to our agency purchasers and agency leaders detailing the status of requisitions processed by the Purchasing Division, so that our customers may be able to track their projects from the receipt of a requisition to the award of a purchase order/contract.

Vendors also are being better informed of bid opportunities in the competitive purchasing process with the issuance of the **West Virginia Purchasing Bulletin** on a weekly basis on the Division's website. Paid, registered vendors receive more timely notice of solicitations on which they may bid and become active in the competitive bid process.

Our achievements certainly go beyond the area of communication into such fields of technology and training, which are included among other accomplishments in this **Annual Report**.

I appreciate your continued support of our programs and services provided to state agencies, businesses and to the public.

Sincerely,

Dave Tincher, CPPO, Director
West Virginia Purchasing Division





Just About Us

West Virginia Purchasing Division

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Statutory Authority

The Purchasing Division was created and its duties outlined in the ***West Virginia Code***, §5A-3-1 et seq. According to the Code, “the Purchasing Division was created for the purpose of establishing centralized offices to provide purchasing, travel and leasing services to various state agencies.”

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

Mission Statement

The mission of the West Virginia Purchasing Division is:

- to improve the quality and efficiency of the services provided to all spending units;
- to build lasting and respected relationships with the people and vendors who provide goods and services used by and for the people of West Virginia; and,
- to assure all West Virginians that the services we provide and the purchases we make are conducted fairly and honestly to produce economical and effective results.

Organizational Structure

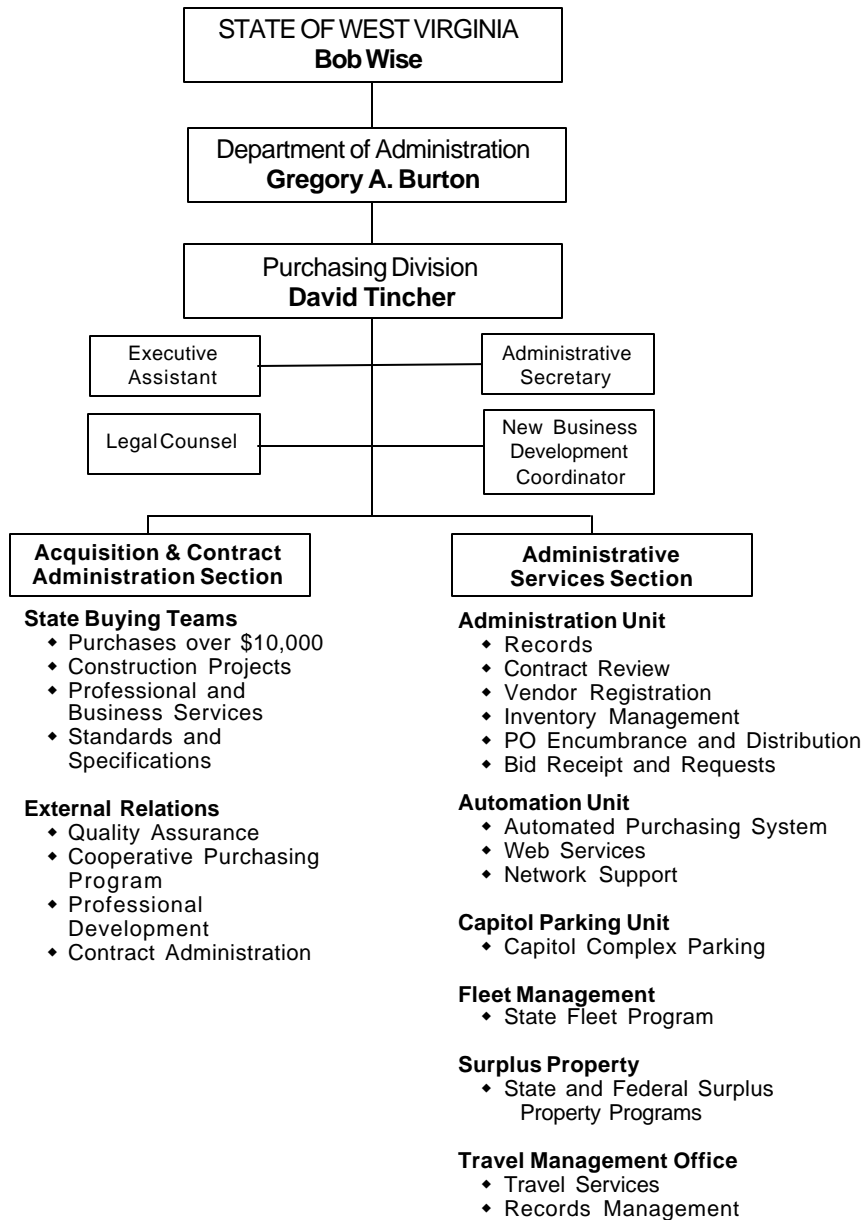
The Purchasing Division is organizationally structured under the Department of Administration. In addition to the Purchasing Director’s office, the division has two sections: Acquisition and Contract Administration and Administrative Services.

Acquisition and Contract Administration Section

This section is responsible for the acquisition of products and services over \$10,000 for all state agencies, with emphasis on buying the best quality for the least cost to taxpayers. The External Relations Unit serves as the liaison for the Purchasing Division, state agencies, vendors and political subdivisions. Other areas of responsibility include professional development, contract management, quality assurance and the political subdivision Cooperative Purchasing Program.

Administrative Services Section

This section is responsible for various programs and services, including the automated purchasing system, fleet management, State Capitol parking, inventory management, records management, Surplus Property Program, travel management, vendor registration, and purchase order review and encumbrance.



Quick Contact Reference Guide

	<u>Telephone #</u>	<u>Location</u>
DIRECTOR'S OFFICE		
David Tincher, Director	(304)558-2538	Main Office
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Pam Jones, Senior Buyer	(304)558-0067	Main Office
Betty Francisco, Senior Buyer	(304)558-0468	Main Office
Chuck Bowman, Senior Buyer	(304)558-2157	Main Office
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Charlyn Miller, Senior Buyer	(304)558-2596	Main Office
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ADMINISTRATIVE SERVICES SECTION		
<u>Automation Unit</u>		
Dan Miller, Manager	(304)558-2314	Main Office
<u>Administration Unit</u>		
JoAnn Dunlap, Manager	(304)558-0059	Main Office
<u>Capitol Parking</u>		
Janice Boggs, Manager	(304)558-0086	Main Office
<u>Fleet Management Office</u>		
Janice Boggs, Manager	(304)558-0086	Main Office
<u>Surplus Property Program</u>		
Ken Frye, Manager	(304)766-2626	Dunbar
<u>Travel Management</u>		
Catherine DeMarco, Manager	(304)558-2613	Main Office



Year in Review

Highlights

Requisition Tracking System

The feedback received from state agencies thus far has been extremely positive. We also are using the system to generate contract status reports that are electronically distributed to approximately 200 recipients in state government. Agency representatives now have the information they need to track their requisitions through the purchasing process.

**Dave Tincher, Director
Purchasing Division**

The Purchasing Division can now tell you exactly how long, what steps were taken and the time it took for each step in the state purchasing process. This data is easy to obtain with the recently implemented Requisition Tracking System, a server-based system that tracks from the requisition level to the issuance of a purchase order/contract.

Soliciting the technical expertise of the Information Services and Communications Division, the Purchasing Division initiated this pilot project with the Department of Health and Human Resources on January 7, 2002. By February 1, entries for all agencies were being made into the system.

“The feedback received from state agencies thus far has been extremely positive,” said Purchasing Director Dave Tincher. “We also are using the system to generate

contract status reports that are electronically distributed to approximately 200 recipients in state government. Agency representatives now have the information they need to track their requisitions through the purchasing process.” Tincher adds that the Purchasing Division buyers and support staff have been instrumental in the project’s success.

A total of 19 transaction types are being monitored, including agreements, agency contracts, statewide contracts, direct purchases, construction contracts, expressions of interest, requests for proposals, regular purchases, state contract releases and emergency purchases. A specified timeframe goal has been established for each of the transaction types.

In addition, the system distinguishes between purchasing and non-purchasing timeframes in the purchasing process. This determination will be helpful in researching ways to reduce the purchasing cycle and make positive process enhancements.

“The Requisition Tracking System is an excellent example of using technology to its fullest,” said Cabinet Secretary of Administration Greg Burton. “By creating definite goals for each transaction type, the Purchasing Division has information at its fingertips and has created benchmarks for future improvements.”

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**Gregory A. Burton, Cabinet Secretary
Department of Administration**

Electronic Purchasing

With the ever-changing advancements in technology, the Purchasing Division began the process of acquiring an electronic purchasing system with the release of the request for proposal. Bids opened on June 26, 2002, with nine proposals received. An evaluation committee, comprised of Purchasing Division and agency representatives, is currently reviewing the proposals in accordance with Best Value Purchasing techniques.

Most often referred to as **E-Procurement**, electronic purchasing will offer numerous benefits to the state purchasing process. "It is our goal to select an electronic procurement system that is user-friendly and meets the technological needs of our state agencies and vendor community," according to Purchasing Director Dave Tincher.

The goals of this project include:

-  Web-based requisition entry
-  Web-based order tracking
-  Distribution of bid documents via the Internet
-  On-line access to view contract information
-  On-line vendor registration using a credit card
-  Computer-based training modules and procedure manuals
-  Interoperability with the West Virginia Financial Information Management System

"Our current automated purchasing system was ahead of its time when implemented in 1991; however, today, it has become quite antiquated," said Tincher. "Technological enhancements now offer interaction between the vendor and the Purchasing Division. Great expense has been allocated to perform such tasks as mailing bid packages to a requesting vendor. This system will bring the business opportunities to the personal computers of those vendors who may be able to fulfill the state's needs."

Weekly Purchasing Bulletin

For the past 13 years, the **West Virginia Purchasing Bulletin** has been published and distributed to all paid vendors. It details all solicitations on behalf of state agencies that are expected to exceed \$10,000.

Since its inception, the Bulletin has been made available twice monthly and, for nearly five years, has been accessible on the Purchasing Division's website (with certain security stipulations).

In an effort to expedite the purchasing process and to better serve our customers, *state agencies and the vendor community*, the Purchasing Division began on October 2, 2001, publishing the **West Virginia Purchasing Bulletin** on a weekly basis. "We continue to look at ways to reduce the time in which the Purchasing Division has responsibility for the acquisition," said Purchasing Director Dave Tincher. "We've heard you loud and clear. You have told us that you want to speed up the time in which the solicitation is advertised."

Occasionally, requisitions are received in the Purchasing Division in the middle of our schedule, where delays may occur as a result of simply waiting until the next advertising opportunity. Days must be added to the bid opening date to accommodate the need to notify our vendors of the solicitation through the Bulletin.

"Going from 24 issues to 52 issues most certainly pleases all parties involved in the purchasing process," Tincher adds.

Since October, each weekly issue was printed and distributed to nearly 6,500 paid vendors; however, due to postage and printing costs, the cost of mailing weekly issues was cost prohibitive.

As a result, on July 1, 2002, the **West Virginia Purchasing Bulletin** began a **bi-weekly** mailing, with an electronic **weekly** issue accessible for viewing on the Purchasing Division's website at www.state.wv.us/admin/purchase for paid, registered vendors.

Secured access is in place on our website for paid, registered vendors. The vendor's computer-generated number is necessary in addition to the vendor's check number by which the registration or subscription renewal was paid.

Agency purchasers with access to the state's Intranet may view the weekly issue of the Bulletin at <http://intranet.state.wv.us/admin/purchase>.

Training

The Purchasing Division conducted two training conferences during this fiscal year. The spring training targeted our vendor community and the fall event trained state agency purchasers on various procedures, policy and programs.



Agency Purchasing Conference

Focusing on the *Keys to Effective State Purchasing*, the 2001 Agency Purchasing Conference was conducted on October 15-18, 2001 at Canaan Valley State Resort and Conference Center.

With over 300 agency purchasers, staff and guest presenters in attendance, the opportunities to learn and network were abundant.

Twenty workshop sessions were available for participants, including Checks and

Balances, Correctional Industries, Customer Relations, Fixed Assets, Got Questions?, Info@Purchasing.com, In Need of Space?, Introduction to Purchasing, Making Wise Small Dollar Decisions, Purchasing Legal Issues, State Travel, RFP Standard Format, RFP Evaluation and Award, State Vehicles for Lease, Statewide Contracts, Sheltered Workshops, Step One: Vendor Registration, Tech Talk, the Value of the Purchasing Card and You Name It...Surplus Property Has It!



Vendor Purchasing Conference

The 4th Annual Vendor Purchasing Conference



welcomed approximately 100 business representatives from various states, including West Virginia, Virginia, Maryland, Washington, D.C., Ohio and Pennsylvania.

This training event took place on May 15-17, 2002 at Canaan Valley State Resort and Conference Center. General sessions addressed an introduction to state purchasing and vendor resources, including the Regional Contracting Assistance Center (RCAC) and the Small Business Office's Minority Development Center of the West Virginia Development Office.

Small workshop sessions targeted such topics as the Basic Process Continues, Business Link for West Virginia Vendors, High-Tech Contracts, How to Get Started, Marketing to State Agencies, Payment Made Simple, Purchasing's Website, Statewide Contract Management, and What's Your Question?

Flood Assistance

Many people in West Virginia will not quickly forget the raging floods of the summer of 2001 that changed the lives of hundreds of people in the southern portion of the state. Homes and businesses were destroyed, leaving a desperate hope as to where to start rebuilding what was taken from them.

Governor Bob Wise pledged to work diligently in assisting our fellow West Virginians, and urged all state agencies to take action in any way possible to ease the lives of those affected by the rising waters.

The West Virginia State Agency for Surplus Property was called by Governor Wise to assist nearly 75 small businesses which were devastated by the flooding. Surplus Property Manager Ken Frye coordinated several truck loads of property to McDowell and Wyoming counties to provide assistance.

Several employees of this agency spent the entire week coordinating this effort, including Frye, Danny Layton, Jim Hudson, David Wolfe, Roger Roe, Larry Danberry and Anthony Cooper.

Prior to transporting this property to the affected areas, Cabinet Secretary of Administration Greg Burton, Purchasing Director Dave Tincher and staff representatives of their offices visited the Surplus Property facility to take a tour and to determine the types of property that could be used in this relief initiative.

A special session was called by Governor Wise to address the millions of dollars in flood aid which was to be reallocated to the 24 counties that have been declared disaster areas. According to state statistics, the government's flood-related expenses exceeded \$125 million.

"It is fortunate that the Surplus Property agency is alive and well in West Virginia and was able to react so quickly to assist in our southern counties," said Tincher. "These employees are to be commended for their dedication and compassion during this trying time for so many of our state's residents."

When another flood hit in the spring of 2002, Surplus Property Unit once again offered their services to 16 businesses that sought assistance. Nearly 400 pieces of property were made available to these businesses.



It is fortunate that the Surplus Property agency is alive and well in West Virginia and was able to react so quickly to assist in our southern counties," said Tincher. "These employees are to be commended for their dedication and compassion during this trying time for so many of our state's residents.

**Dave Tincher, Director
Purchasing Division**





Year in Review

Program Accomplishments

Acquisition and Contract Administration

The Acquisition and Contract Administration Section is responsible for the procurement of products and services for state agencies. The ACA Section is committed to buying the best quality at the lowest cost to taxpayers and providing quality services in the most efficient manner possible. With the implementation of the Requisition Tracking System, all procurement transactions are monitored from the requisition process to purchase order award.

Acquisitions Unit

Best Value Purchasing Training

The Best Value Purchasing training required for agencies using the Request For Proposal (RFP), Expression of Interest (EOI), or Design Build processes has been expanded to include video and on-line training availability. A Best Value Purchasing Training video was created and is available for use by agencies for the RFP process. The training video also is available on the state's Intranet. Agencies now may have approved evaluation committee members receive training at their computers with access to the Intranet.

Dedicated Buyers

The Acquisition and Contract Administration Section has added a dedicated buyer for the Department of Health and Human Resources. Dedicated buyer services continue to be provided for the Division of Highways. The largest number of purchasing transactions are processed for these agencies.

Expiring Contract Report

The Acquisition and Contract Administration Section is pleased to offer state agencies a new monthly report that provides a list of all agency, open-end contracts due to expire in the upcoming sixty (60) day period. This report serves as a reminder for agencies to review upcoming expiring contracts and make decisions regarding renewal or rebidding.

Cooperative Purchasing

The Cooperative Purchasing Program, which enables eligible political subdivisions to utilize statewide contracts, has been expanded to provide for on-line membership renewal and contract selection. Political subdivisions can access the Purchasing Division website on the Internet and may connect to the Cooperative Purchasing page. This site provides information about the Cooperative Purchasing Program, on-line membership and contract selection instructions, and answers frequently asked questions.

External Relations Unit

Statewide Contract Management

A process was implemented to monitor statewide contract usage and performance. Usage questionnaires are issued at the end of the first six (6) months to state agencies and vendors to determine frequency of use, satisfaction with commodities or services, identify problem areas, and ensuring appropriate needs are being met. The information is received and contract management meetings are scheduled with vendors and agencies on selected contracts to discuss survey results and any reported problems. Contract renewal meetings are subsequently held with Buyers approximately 120 days prior to expiration to discuss usage questionnaire results, renewal and rebidding issues and options.

Administrative Services

Administrative Services Section is responsible for various programs and services, including the automated purchasing system, vendor registration, inventory management, travel management, fleet management and the Surplus Property Program.

Administration Unit

*The Administration Unit oversees several purchasing-related functions, including the production of the **West Virginia Purchasing Bulletin**, vendor registration, purchase order review, encumbrance and distribution, West Virginia Financial Information Management Fixed Assets System, microfilming of all executed purchase orders and supporting documentation, and the distribution of bid packages and receipt of incoming bids.*

West Virginia Purchasing Bulletin

The West Virginia Purchasing Bulletin, which contains information on purchasing requirements in excess of \$10,000, was published twice monthly until October of 2001. From this date until June 30, 2002, this publication began a weekly publication schedule and was mailed to more than 6,4000 vendors as well as posted on the Purchasing Division's website. Vendors wishing to access the Purchasing Bulletin on the website must be a registered vendor and have paid the required \$45 annual fee. The Bulletin is secured and only accessible to vendors who have received their vendor number and password from the Purchasing Division.

Vendor Registration

A total number of 10,008 vendor registration and disclosure statement forms were received for processing during the 2002 fiscal year. Of this number, 5,302 were vendor renewals, 1,183 new vendors registering with the Purchasing Division and the remaining balance of 2,739 were for exempt vendors or vendors updating their status with the Purchasing Division. Forms which were returned to vendors due to the form being incomplete totaled 784. Revenue generated from vendor registration fees for fiscal year 2002 was \$291,825.

Purchase Order Encumbrance, Distribution and Microfilming

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

The total number of purchase orders encumbered by the Purchasing Division, which includes all purchase orders executed by the Purchasing Division (3,527) and Higher Education (1,453) is 4,980.

Total documents microfilmed for the Purchasing Division, which contains purchase orders, change orders, vendor registration forms and all supporting documentation is 232,215.

Fixed Assets (Inventory Management)

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

Agencies are required to enter their fixed assets with an acquisition value of \$1,000 or more into the WVFIMS Fixed Assets System and retire obsolete equipment in accordance with policy and procedure. Total dollar of assets entered into the Fixed Assets System for fiscal year 2002 was \$58,167,860.48. Total dollar assets currently in the system is \$1,048,198,837.36.

Bid Package Requests and Incoming Bids

The Administration Unit received and responded to 9,967 bid requests from vendors and received 3,918 incoming bids from vendors.

Automation Unit

The Automation Unit has three primary objectives:

- *Administration of the automated purchasing system;*
- *Maintenance of the Purchasing Division's Internet and Intranet web pages;*
- *PC and local area network support.*

Electronic Purchasing (E-Purchasing): The Purchasing Division opened bids for a web-based electronic purchasing system on June 26, 2002. Nine (9) proposals were received and are currently under evaluation. More than fifty (50) vendors attended the mandatory pre-bid conference. The evaluation committee consists of representatives from the Department of Administration, Department of Environmental Protection, Department of Health and Human Resources, Department of Transportation, and the State Treasurer's Office.

Requisition Tracking System: The Automation Unit collaborated with the Information Services & Communications Division to develop a new requisition tracking system. The purpose of the new system is to supplement the tracking and reporting capabilities of our legacy purchasing system. The new system, known as ReqTrak, underwent pilot testing in January before being fully implemented on February 1, 2002.

Weekly Contract Status Reports: The Automation Unit began e-mailing weekly contract status reports to state agencies on October 5, 2001. The report includes a brief description of the requisition, its current status, and the buyer's name and E-mail address. Procurement officers and agency personnel can subscribe or unsubscribe to the weekly report online at <http://intranet.state.wv.us/admin/purchase/subscribe.htm>. The current weekly distribution is approximately 200.

Web Accessibility: During the past year, the Automation Unit has joined in the effort to make the Web more accessible to the visually impaired. We have made significant revisions to our site in

order to conform with the W3C's "Web Content Accessibility Guidelines 1.0", available at <http://www.w3.org/TR/1999/WAI WEBCONTENT 19990505>, Level A. Our goal for the future is to continue to meet or exceed these minimum guidelines as new information is added to our site.

Fleet Management Office

The Fleet Management Office provides management services for approximately 1,500 vehicles and ensures that these vehicles are appropriate for the transportation needs of the users. This office interfaces with all levels of state government and coordinates the involvement of state agencies that lease vehicles from the Purchasing Division.

State Vehicle Purchase

The Fleet Management Office completed the purchase of 234 vehicles for the model year 2002. The total amount spent on this year's vehicle order was approximately \$5,000,000. A majority of these vehicles were financed through a third party, while some were paid in full with cash. The Fleet Management Office met with each vendor on the statewide vehicle contract to explain the ordering process to try and eliminate any problems of delivery that would prevent payment of a vehicle. Billing codes were included on the new model vehicle ordering forms to provide more accurate billing reports.

Vehicle Lease/Maintenance Program

A new maintenance/service contract for all vehicles was renewed with PHH Vehicle Management Services. Several agencies including the West Virginia State Police and some higher education institutions have continued to participate in the Vehicle Lease/Maintenance Program even though these agencies are exempt from our program.

Future Plans

- Continue to improve the vehicle ordering process to ensure agency needs are satisfied; Overhaul the new and retired vehicle process to ensure efficiency and accountability; Evaluate the current fleet; Retire vehicles that are five years old and replace with new vehicles
- .
- Continue to meet with each Agency Fleet Coordinator to review vehicle orders. This action ensures that the agency is ordering a vehicle that accommodates the task for which the vehicle would be utilized.
- Establish a direction for Fleet Services into the year 2003 and develop several strategies to be followed. Within each strategy are goals that will aid the Fleet Section in measuring our progress.

State Capitol Parking

The State Capitol Parking Unit oversees approximately 3,000 parking spaces for employees, visitors and legislators at the State Capitol Complex in compliance with the rules and regulations as set forth by the Cabinet Secretary of the Department of Administration.

Capitol Parking Space Reallocation

All parking spaces around the campus were reallocated, effective January 4, 2001. Groups of parking spaces were allocated to various state agencies. Allocations made in the Parking Building and the Transportation Building were assigned by floor on an equal percentage basis.

Handicap Parking Spaces

The handicap parking situation at the State Capitol Complex was evaluated. As a result, 30 spaces were added to accommodate all individuals with disabilities on the waiting list for a handicap-designated space. Currently, there is a total of 76 handicap spaces at the State Capitol Complex.

State Vehicle Parking

Parking has been provided for most state vehicles at the Laidley Field Stadium area.

State Capitol Parking Website

A website continues to be updated, detailing various aspects of parking at the State Capitol (www.state.wv.us/admin/purchase/parking).

Future Plans

- Update the Capitol Complex Parking Manual.
- Continue to monitor the parking situation to provide the most convenient parking for employees and people doing business at the Capitol Complex.

Surplus Property Unit

The Surplus Property Unit coordinates the acquisition of federal surplus property for resale to eligible organizations. It approves the disposal of retired state-owned property and oversees the sale of retired state property to eligible organizations and the general public through auctions and sealed bids.

Fiscal Year 2002 Statistics

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

Federal Property Service Charge:	\$ 240,693.78
State Property Service Charge:	735,498.50
Public Auctions:	391,822.62
Weekly Sealed Bids:	378,955.79
Statewide Sealed Bids:	<u>9,928.61</u>
Total Revenue:	\$1,756,899.30

State Vehicles

Approximately 494 vehicles were sold during Fiscal Year 2002. Below is a breakdown of the method by which they were sold:

Public Auction:	164	\$289,815.00
Weekly Sealed Bids:	150	346,066.94
Statewide Sealed Bids:	2	756.00**
Negotiated Sales:	<u>178</u>	\$648,385.00
<i>Municipalities</i>	<i>54</i>	
<i>Non-profit Organizations:</i>	<i>47</i>	
<i>County Commissions:</i>	<i>9</i>	
<i>State Agencies:</i>	<i>12</i>	
<i>Board of Education</i>	<i>24</i>	

The organizations listed purchased the majority of the vehicles. Public service districts, fire departments, housing authorities, and committees on aging purchased the remaining 32 vehicles.

***The vehicles sold through the statewide sealed bid process were in scrap condition; therefore, the revenue received is substantially less than those in drivable condition.*

State Helicopter Sealed Bid

The Surplus Property Unit was charged with the responsibility of selling a 1999 Bell 407 helicopter owned by the WV State Police. After exhausting all attempts to sell this helicopter to an eligible organization, the Surplus Property Unit sought sealed bids from the public. This sealed bid sale was marketed in national and international aviation trade publication, resulting in achieving estimated market value. D.L. Turock of Northern Light Aviation of Dover, Delaware was the successful bidder of \$1,200,000.

Federal Property Auction

The Surplus Property Unit ventured into an area where they have never gone before...conducting a sale of federal surplus property. Because the federal program is overseen by the U.S. General Services Administration, Surplus Property had never attempted to plan for such a sale, which has different terms and conditions than state sales.

Federal Warehouse Supervisor Danny Layton and his staff prepared for the federal sale of property that was held on June 1, 2002. Approximately 1,000 individual pieces of federal property were combined into 351 lots. Frye indicated that this property had an inventory value of over \$2 million and was about one third of its entire federal inventory. "This was the first sale of this type that has ever been conducted by this agency," Frye said. "It was very successful. Nearly 240 individuals were registered."

Frye added that due to the success, he plans to make this sale an annual event at its facility in Dunbar. "Most states sell federal property online using the federal government's website. We conducted a local auction because we wanted to give our West Virginia customers an opportunity to purchase federal surplus property and they were very appreciative of our efforts."

The auction netted \$123,631 of which the profit was split equally with the U.S. General Services Administration.

Remote Romney State Auction

On May 18, several members of the Surplus Property Unit staff traveled to Romney to prepare for a state property auction. Property from surrounding state facilities were accumulated at the WV School for the Deaf and Blind in Romney for the sale. "This was a tough job, as our four employees had to unload and line up five tractor-trailer loads of property for the auction. Although the weather was cold and damp, the sale went well and several of our customers had positive comments about bringing the sale to them," said WVSASP Manager Ken Frye. Approximately 60 bidders were registered for the sale.



Travel Management Office

Avis Car: Statewide Contract for Rental Vehicles

In fiscal year 2002, the total rental days decreased to 7,806, based on an expenditure of \$303,857, raising the average cost of a rental car per day to \$38.92. Without a preferred car rental contract, the normal (average) daily rate is \$66.50 for a savings of \$215,242.

Diners Club: Statewide Contract for Travel Charge Card Services

The statewide contract for travel charge card services with Diners Club includes CDW insurance when renting a vehicle, with a savings of \$280,510 for the fiscal year (based on \$20.99 a day for insurance and 13,364 rental days). Based on an Avis report of rentals with another form of payment, \$18,870 was paid for collision insurance.

National Travel: Statewide Contract for Travel Management Services

- Continental Airlines discount earned \$1,607 in savings
- United Airlines discount earned \$29,040 in savings

**These contracts were not extended for the 2003 fiscal year.*

New Business Development Office

The New Business Development Office is organized under the Director's Office to assist vendors and to promote competition within the state's procurement process.

Vendor Participation

The Purchasing Division's New Business Development maintains the continuing efforts of encouraging greater vendor participation and expanding the vendor pool (registered vendors). The digital age brings more electronic solicitations and inquiries about how to effectively solicit state government agencies to the Division. The responses are directed to and coordinated through New Business Development. The consistent message regarding participation in state procurement bidding and the consistent level of instruction is important to those businesses that are new or hopeful participants in adding West Virginia state government to their customer base.

Vendor Training

A dedicated effort to expand the participation of registered and non-registered vendors in the Purchasing Division's Annual Vendor Conference was made by the New Business Development program. The expansion efforts included the inclusion of representatives of business incubator organizations including the West Virginia Development Office's Small Business Development Center, the Regional Contracting Assistance Center, Inc. (RCAC provides services in 41 counties), and the Procurement Technical Assistance Center (PTAC provides services in 17 northern and western counties) to both promote and encourage business participation and to provide information to participating vendors. The Division's efforts to expand the informational reach through the strong relationships established with these external organizations serves to expand the potential vendor pool for purchases by state government with West Virginia businesses.

Minority-Owned Businesses

The Division began an initiative this year to sharpen the focus on West Virginia's largest groups of defined-business ownership categories: disabled-owned small business, minority-owned small business, veteran-owned small business, woman-owned small business, and other small businesses. Vendors registering with the Division, either as first time registrants or through a renewal of their business registration, are asked to provide information about their business. This focus allows for the Division to prospectively identify purchases of more than \$10,000 made by state government agencies with these small businesses. Additionally, the data collected by the Division will provide a single source for state government procurement staff to readily identify small businesses from which purchases may be made

either to more fully support the small business community within West Virginia or to meet any mandatory purchasing requirements that may be imposed by any authority governing how the state government-administered funds may be expended – which is increasingly important with the use of funding provided by the federal government.

Future Plans

Following the first-ever 2003 Agency-Vendor Purchasing Conference in April of 2003, the New Business Development series of regional day workshops will begin, based on the relationships developed with the local Small Business Development Centers, the local Chambers of Commerce, the Regional Contracting Assistance offices, and the Procurement Technical Assistance Center offices. The Purchasing Division’s Regional Workshop is patterned after the Division’s large Vendor Conferences, but delivers the essential information required for businesses to participate in purchases, large and small, by state government agencies to the local business community in time-manageable sections suited for businesses with a small staff and limited travel budgets or opportunities.



Recognizing Excellence

2001 Award Winners

State government has produced many valuable public servants, who perform beyond the expectations established for their position. The Purchasing Division is pleased to coordinate two award programs which were highlighted at the annual agency purchasing conferences: the Agency Procurement Officer of the Year and the Partner in Purchasing. Tradition continued into fiscal year 2002 with the announcement of the honored recipients of these awards.

Agency Procurement Officer of the Year

Beverly Carte of DNR

Beverly Carte of the Division of Natural Resources was selected as the *Agency Procurement Officer of the Year*. State agencies are encouraged to submit nominations for this award. The selection is based on an established criteria which includes such qualities as experience, cooperation, tenure, image and the implementation of cost-saving ideas.

Working in public procurement for more than 25 years, Beverly has demonstrated a high ethical nature, and has excellent oral and written communication skills.

She has completed national purchasing certification courses and always offers extra efforts in creating cost-savings ideas and enhancing her agency's internal procedures.



Partner in Purchasing

Barbara Haddad of IS&C

Barbara Haddad of the Information Services and Communications Division was the recipient of the *Partner in Purchasing* award. This award program accepts nomination forms submitted by the Purchasing Division staff and state agency employees. As the *Agency Procurement Officer of the Year* focuses on the procurement aspect, the *Partner in Purchasing* highlights individuals who work closely with other programs administered by the Purchasing Division, including automated purchasing, Capitol parking, fixed assets, fleet management, surplus property and travel management.

She is truly a *partner* in administrating and maintaining the automated purchasing system, TEAM. She works closely with the Purchasing Division's Automation Unit in ensuring that the technical end of the TEAM system operates smoothly. Barbara is responsible for making sure the data entered into the TEAM system is secure.



Financial Statistics

FISCAL YEAR 2002

Purchase Order Summary

Resident Vendor Analysis:

Vendor	Count (#)	Percent (#)	Value (\$)	Percent (\$)
West Virginia	1,247	67%	\$316,510,859.18	65%
Non West Virginia	624	33%	\$173,608,905.94	35%
TOTAL	1,871	100%	\$490,119,765.12	100%

The average purchase order amount for FY2001 was \$261,956.05.

Agency Analysis:

Top 10 Agencies	Count (#)	Percent (#)	Value (\$)	Percent (\$)
Highways	573	31%	\$157,535,854.35	32%
DHHR*	231	12%	\$67,225,153.84	14%
DEP	147	8%	\$36,099,146.95	7%
Education	72	4%	\$28,715,699.07	6%
Reg. Jail & Corr. Auth.	25	1%	\$24,173,394.83	5%
Div. Eng. Facilities	18	1%	\$21,317,712.79	4%
Administration	84	4%	\$16,733,269.47	3%
Corrections	20	1%	\$13,163,242.67	3%
Natural Resources	99	5%	\$6,597,369.20	1%
State Police	48	3%	\$6,503,281.66	1%
Others	554	30%	\$112,055,640.29	24%
TOTAL	1,871	100%	\$490,119,765.12	100%

*The transactions for the Board of Medicine are not included in the DHHR total shown above.



Legislative Changes

There were no substantial legislative changes affecting the West Virginia Purchasing Division during the 2002 Legislative Regular Session.



Plans for the Future

Objectives for FY2003

- ~ To create a new purchasing handbook with the assistance of Purchasing Division and agency representatives which would offer more detail and clarification in the state purchasing process.
- ~ To continue to be proactive in reaching new businesses and encourage their participation in the competitive purchasing process.
- ~ To award a contract for an electronic purchasing system, which will technologically enhance the manner in which the state conducts its business.
- ~ To clarify the processing of various transactions by developing checklists with tasks to be completed.
- ~ To combine the individual training conferences for vendors and agency purchasers, resulting in more networking opportunities and to reduce administrative costs.
- ~ To develop a West Virginia Purchasing Certification Program for agencies and their procurement officers.