



Fiscal Year 2004 Annual Report

State of West Virginia
Purchasing Division

www.state.wv.us/admin/purchase

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





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A Message from the Purchasing Director

June 30, 2004

To the Citizens of West Virginia:

As with every organization, in order to keep progress moving forward, changes are often necessary. The Purchasing Division experienced this transitional phase during this fiscal year.

As a result, it was important to re-evaluate not only the programs and services which we administer, but focus more on how we were offering these services. Organizational changes were made to provide more extensive oversight and direction, while maintaining our primary focus of enhanced customer service.



In addition, this fiscal year we provided a more direct outreach program to our resident vendor community. Our **BusinessFirst Seminar Series** consisted of one of our representatives visiting many cities and towns throughout the state to sit down, one-on-one, with small business leaders to explain the state purchasing process and to answer any questions they may have.

Many other initiatives and accomplishments were realized during this fiscal year...all of which are detailed within this **Annual Report**. As always, I thank you for your continued support of the programs and services offered by the Purchasing Division. We will maintain our mission to focus on customer-service, quality and efficiency in state government operations.

Sincerely,

Dave Tincher, Director
West Virginia Purchasing Division



General Information

West Virginia Purchasing Division

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P.O. Box 50130
Charleston, WV 25305

Telephone: (304) 558-2306

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

Fax: (304) 558-4115

www.state.wv.us/admin/purchase

Statutory Authority

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

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

Our Values

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

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

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

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

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

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

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

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

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

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

Customer Expectations

WHAT OUR CUSTOMERS WANT:

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

Organizational Structure

The Purchasing Division recently reorganized its structure under the Department of Administration. In addition to the Purchasing Director's office, the division now has four sections: Acquisition and Contract Administration, Administration and Inspection, Communication and Technical Services, and Program Services.

Acquisition and Contract Administration Section

This section is responsible for the procurement of products and services for state agencies in excess of \$10,000. It is committed to providing good customer service to agencies and vendors by buying the best quality commodities at the lowest cost to taxpayers. The procurement process is monitored through the Requisition Tracking System from the requisition process to purchase order award. This section strives to provide quality services in the most efficient manner.

Administration and Inspection Section

This section is responsible for administrative functions for the division, including vendor registration, purchase order review, bid receipt and requests, records and microfilming, and encumbrance. In addition, this section oversees the inspection program, which ensures compliance of proper policies and procedures of purchasing rules. The New Business Development Unit is our vendor 'outreach' program which assists our vendor community with information and guidance on the state purchasing process.

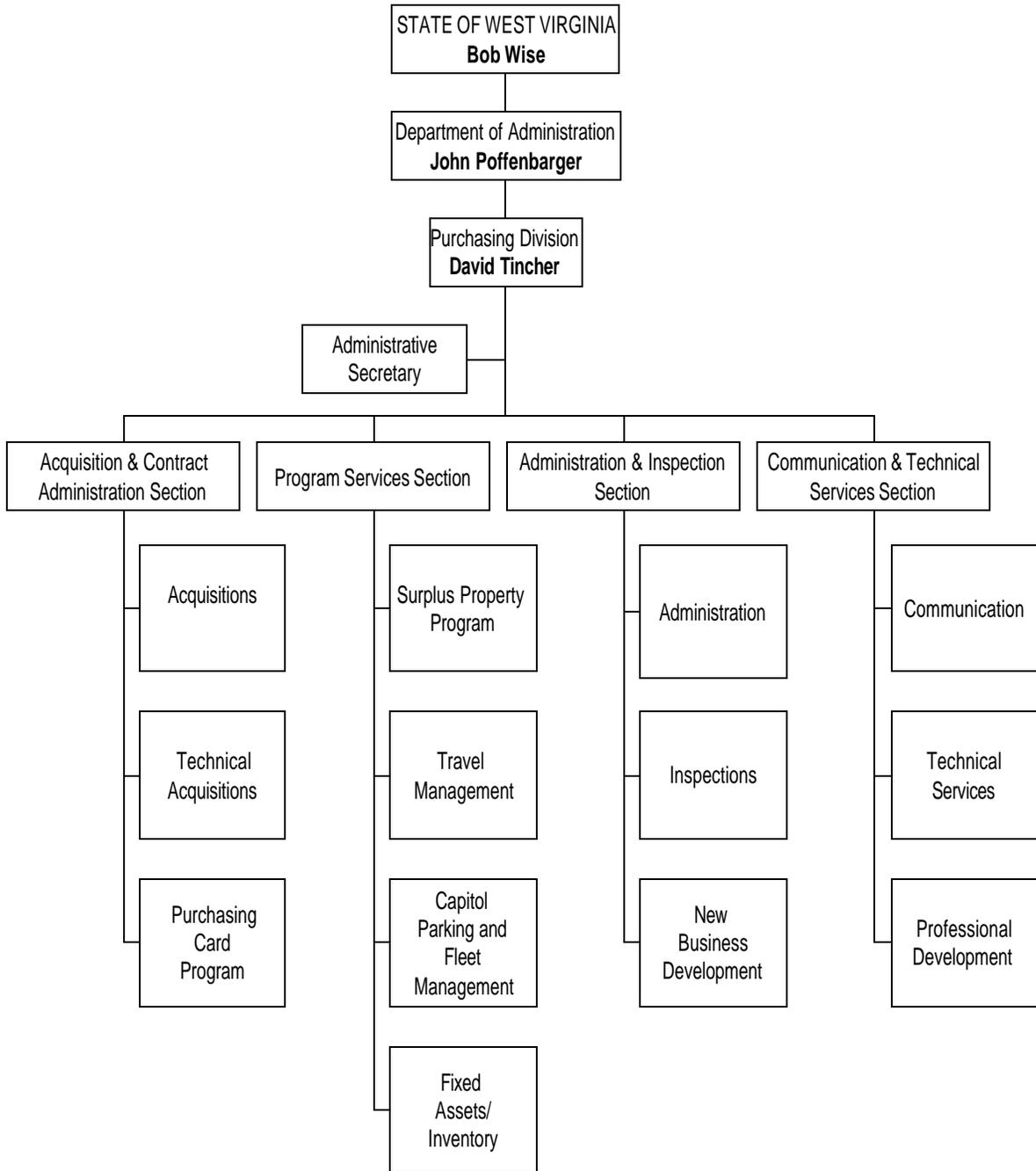
Communication and Technical Services Section

This section focuses on three primary functions: technology, communication and training. The Communication Unit provides information related to the division as well as the individual programs which are administered by the division. Technical Services Unit maintains the automated purchasing system, our networking services and the division's website. Professional development is a vital aspect of the division. Conferences and seminars are offered throughout the year to offer guidance to our customers.

Program Services Section

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

State of West Virginia
 Department of Administration
 Purchasing Division



Quick Contact Reference Guide

	<u>Telephone #</u>	<u>Location</u>
Director's Office		
David Tincher, Director	(304) 558-2538	Main Office
Debbie Watkins, Administrative Secretary	(304) 558-3568	Main Office
Acquisition and Contract Administration Section		
Karen Byrd, Assistant Director	(304) 558-4317	Main Office
<u>Acquisitions Unit</u>		
Ron Price, Buyer Supervisor	(304) 558-0492	Main Office
John Johnston, Senior Buyer	(304) 558-2402	Main Office
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
Charlyn Miller, Senior Buyer	(304) 558-2596	Main Office
Mike Sheets, Senior Buyer	(304) 558-2544	Main Office
<u>Technical Acquisitions Unit</u>		
Evan Williams, Buyer Supervisor	(304) 558-5472, ext.3826	One Davis Square
<u>Purchasing Card Unit</u>		
Ann Mollohan, Coordinator	(304) 558-3486	Main Office
Administration and Inspection Section		
Jo Ann Dunlap, Assistant Director	(304) 558-0059	Main Office
<u>Administration Unit</u>		
Bid Receipt, RFQ Requests, Encumbrance, Vendor Registration, Records/Microfilming, Contract Review		
<u>Inspections Unit</u>		
<u>New Business Development Unit</u>		
Scott Padon, Manager	(304) 558-3488	Main Office
Communication and Technical Services Section		
Diane Holley, Assistant Director	(304) 558-0661	Main Office
<u>Technical Services Unit</u>		
Dan Miller, Manager	(304) 558-2314	Main Office
<u>Communication Unit</u>		
<u>Professional Development</u>		
Program Services Section		
Ken Frye, Assistant Director	(304) 766-2626	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 Unit</u>		
Ken Frye, Manager	(304) 766-2626	Dunbar
<u>Travel Management</u>		
Catherine DeMarco, Manager	(304) 558-2613	Main Office
<u>Fixed Asset/Inventory</u>		



Year in Review

Highlights

Purchasing Division Reorganization

In an attempt to enhance customer service and efficiency in our operation, the Purchasing Division announced changes in its organization, effective June 1, 2004. A reorganization of the Purchasing Division provides additional opportunities to improve the services we provide to our customers. By reorganizing our division, more attention may be directed at the various aspects of each program and service we offer and the customers for whom we serve.

In summary, there are now four primary sections:

Acquisition and Contract Administration Section

Assistant Director – Karen Byrd

Acquisitions Unit

Technical Acquisitions

Purchasing Card Program

Administration and Inspection Section

Assistant Director – Jo Ann Dunlap

Administration Unit

Inspections Unit

New Business Development

Communication and Technical Services Section

Assistant Director – Diane Holley

Communications Unit

Technical Services

Professional Development

Program Services Section

Assistant Director – Ken Frye

Surplus Property Program

Travel Management Unit

Capitol Parking and Fleet Management Unit

Fixed Assets / Inventory Unit

BusinessFirst Seminar Series Targets

Acting Cabinet Secretary of Administration Tom Susman and Purchasing Director Dave Tincher were pleased to implement a new program, called **BusinessFirst**, which was offered during the month of April in an attempt to attract and inform small businesses on how to do business with state government.

Administered through the New Business Development Office of the Purchasing Division, this seminar series was presented in 15 cities throughout the state. The half-day seminars consisted of two individual workshops: “*Opportunities*” and “*Mechanics*”.

The “*Opportunities*” portion explained why businesses should target the state of West Virginia as a potential customer. The “*Mechanics*” segment reviewed the steps on how to conduct business with state government, including explicit steps on becoming a registered vendor and the procedures necessary to participate in the competitive purchasing process.

The purpose of the **BusinessFirst** Seminar Series was to bring the business assistance resources about why and how to conduct business with state government directly to the business community. The workshops emphasized the state’s various needs for goods and services which may be provided by small West Virginia businesses.

The cities in which the seminars were included in the **BusinessFirst** series were Beckley, Clarksburg, Elkins, Fairmont, Lewisburg, Logan, Martinsburg, New Martinsville, Ripley, Terra Alta, Weirton, Wheeling and Williamson. The seminars were standardized so the same information was disseminated to all participants throughout the state.

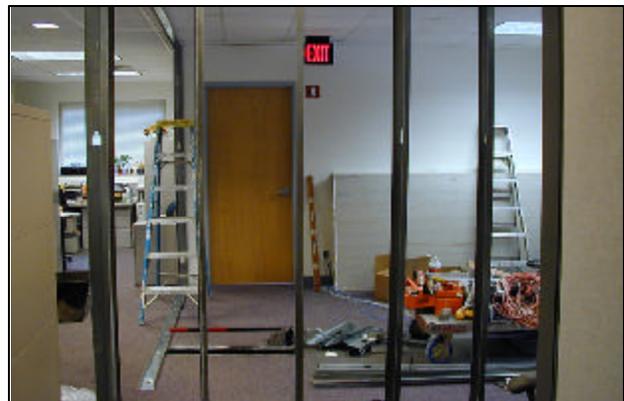


The seminars were designed for one-on-one contact with small business representatives. Audiences ranged in size up to 25.

Office Space Renovation

The Purchasing Division staff learned quickly the importance of being flexible during the renovation of our office space at 2019 Washington Street, East, in Charleston.

The Purchasing Division had the opportunity to acquire a portion of the second floor of our building. Therefore, plans were quickly developed to determine the most efficient use of this much needed additional space.



UNDER CONSTRUCTION... Purchasing Division staff worked among the debris from the renovation of the downstairs office space.



Visitors must sign a log at the reception area prior to entering.

The most urgent need related to the filing space for purchasing records. The 'file room' was expanded to better accommodate the records which must be retained at our location.

Security was another issue which needed to be addressed. The renovated space requires all visitors of the Purchasing Division to sign in at the reception area. If the individual has an appointment or needs to see an employee, the security door to the staff area will be opened utilizing an electronic feature to unlock the door.

Appropriate storage for bids also was included in the new design.

An area is now designated for the storage of bids and proposals until they are to be opened.

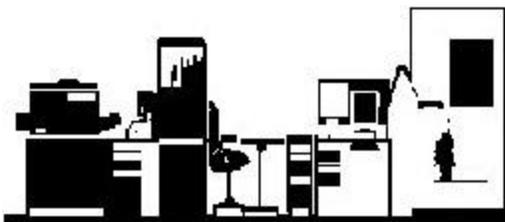
The director's office, the Acquisition and Contract Administration Section, and the majority of the Administration and Inspection Section is located on the first floor of the building.

Employees of the Communication and Technical Services Section, and several staff members of the Program Services Section (Fleet Management Office and the Travel Management Office) and Administration and Inspection Section (New Business Development Office) are located on the second floor of the building.

Although this transition progressed quickly, the work process continued with as little delay as possible, for which our staff is to be commended.



The Purchasing Division's file room had to be expanded in order to accommodate the volume of documents.



Mandatory Fixed Assets Training

The Purchasing Division conducted a **mandatory** Fixed Assets/Inventory Training Workshop for **all** designated *Agency Inventory Coordinators* in Building 17 (First Floor Conference Room) at the State Capitol Complex in late March and early April.

More than 100 agency coordinators attended these training sessions on fixed assets procedures, including the disposition of property and electronic entering of data.

For the convenience of our agency inventory coordinators, three sessions were offered to accommodate their schedule; however, only one session was required to be taken by each coordinator. These sessions were offered on a first-come, first-serve basis.

All state inventory coordinators for agencies that are required to follow the State Purchasing Procedures were required to attend this training.

The **Inventory Management and WVFIMS Fixed Assets Training Manual** and the **Surplus Property Retirement Form (Form WV-103)** are available on the division's website at:

<http://www.state.wv.us/admin/purchase/surplus/InventoryMgt/default.htm>

2003 Architectural and Engineering 5G Conference

With over 110 representatives of architectural and engineering (A&E) firms and public agencies, the 2003 Architectural and Engineering 5G Conference was conducted on September 30-October 1 at Oglebay Park in Wheeling.

The Purchasing Division was pleased to take a proactive role in offering for the first time a conference focused on such services. The American Council of Engineering Companies of WV and the American Institute of Architects were co-sponsors of this endeavor.

§5G of the **West Virginia Code** addresses the procurement of architectural and engineering services by the state and its political subdivisions. In addition to state government employees, there were representatives of counties, cities, public service districts, housing authorities, development corporations and other public entities who wanted to learn more about the requirements of procuring A&E services for projects.

"The participants were pleased with the agenda, which included panel discussions and guest presentations as well as a mock interview of our expression of interest purchasing method. But more importantly, what I heard more than anything was that everyone was pleased that a conference of this nature finally happened. This open forum has been not only needed, but wanted by A&E firms as well as public agencies," said Purchasing Director Dave Tincher.



Panel discussions were offered for architects and engineers as well as public agencies on various issues.



Purchasing Director Dave Tincher kicks off the mock interview, demonstrating the expression of interest process, with the help of representatives of the Regional Jail Authority and ZMM, Inc.

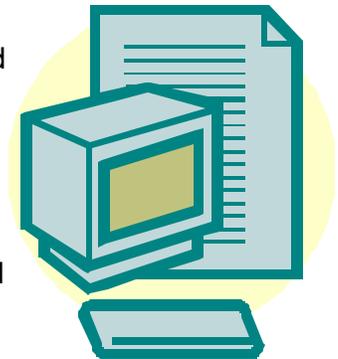
State government representatives served as panelists for workshops geared toward the A&E audience and, in turn, architects and engineers served as panelists for workshops geared toward public agencies. "This truly was a joint effort among many," Tincher added. "When we kicked off the conference, there was a long list of people to thank because we solicited the help of government and A&E representatives."

The workshops included such topics as the interpretations and applications of §5G; project management; development, evaluation and award of expressions of interest; and future projects and funding issues. A special presentation was offered by Richard Berich, a consultant from Maryland who has a great deal of knowledge in quality-based selection.

Another positive aspect of this conference was a mock interview, which showcased the expression of interest process. Steve Canterbury, director of the Regional Jail Authority, along with Diana Johnson and Chilton Lilly, also of the Authority, joined with Steve Branner and Carl Agsten, Jr. of ZMM, Inc., an A&E firm, in conducting the interview and entertaining questions during the simulation of the process. "Our goal was to provide the conference participants with a better understanding of the responsibilities encompassed in §5G and to gain different perspectives on how public agencies interpret and apply this legislation into their procurement processes," Tinchler said.

Minority and Small Business Data

The Purchasing Division revised the Vendor Registration and Disclosure Statement forms, the WV-1 and WV-1A, in order to begin collecting data on minority and small businesses who register with our division.



In addition to the paper copies available through the Correctional Industries' printing facility, the revised forms may be accessed electronically at the following websites:

- ◆ Division's Internet website
(<http://www.state.wv.us/admin/purchase>)
- ◆ Division's Intranet site
(<http://intranet.state.wv.us/admin/purchase>)

The change provides the division with the opportunity to collect information relating to the designation of a small business status. The form added a question which requested the applicant to indicate if it is a small business as defined by the **Code of Federal Regulations**, Title 13, Part 121, as appended.

This code contains detailed industry definitions and related procedures offering the characteristics of the business' control, operation and/or ownership.

The applicant may designate from the following listing:

- ◆ Disabled Small Business Ownership
- ◆ Minority Small Business Ownership
- ◆ Small Business Ownership
- ◆ Veteran Small Business Ownership
- ◆ Women Small Business Ownership

The Purchasing Division is gathering this information for data collection efforts *only*. Presently, there are no state laws or regulations which provide any preferences or special circumstances for small businesses.



Year in Review

Program Accomplishments

ACQUISITION AND CONTRACT ADMINISTRATION SECTION

The Acquisition and Contract Administration Section is responsible for the procurement of products and services for state agencies in excess of \$10,000. It is committed to providing good customer service to agencies and vendors by buying the best quality commodities at the lowest cost to taxpayers. The procurement process is monitored through the Requisition Tracking System from the requisition process to purchase order award. This section strives to provide quality services in the most efficient manner.

Senate Bill 100 - No-Debt Affidavit Requirements

With the passage of Senate Bill 100 during the 2004 Legislative Session, changes were made in §5A-3-10a of the **West Virginia Code** affecting the No-Debt Affidavit. The new legislation prohibits awarding contracts to vendors who owe a debt not only to the state, but to its political subdivisions as well. Another change relates to the dollar threshold of debts owed. Vendors must sign a No-Debt Affidavit certifying that no debt in an amount greater than \$1,000 in the aggregate is owed to the state or any of its political subdivisions. The revised No-Debt Affidavit was effective June 11, 2004.

Technical Acquisition Unit

As part of the Purchasing Division reorganization, a new unit was created within the Acquisition and Contract Administration Section to provide technical purchasing assistance to the Information Services and Communications Division of the Department of Administration. Evan Williams, Buyer Supervisor, was temporarily assigned to IS&C to serve as the lead procurement buyer for all technology-related purchases. Mr. Williams will oversee many of the statewide technical purchases and will approve all purchases competitively bid through the electronic bulletin board process. Carol Jarrett, Administrative Services Assistant, is assisting Mr. Williams.

Contract Management

The Purchasing Division continues to poll agencies regarding the use of statewide contracts. User satisfaction surveys are sent to agencies for all statewide contracts to obtain information on the effectiveness of the contract, problems and potential needs. The information is used to revise contracts to correct problems found and to ensure agency needs are being met. The Acquisition and Contract Administration Section plans to further expand this process in order to ascertain needs currently not being met through statewide contracts. New contracts will be developed accordingly, based on information attained from the agencies.

Procedural Change in Advertising Purchases

The purchase of advertising is no longer permitted to be made under the Purchasing Division Policies and Procedures Handbook, Section Nine: Sole Source Acquisitions. All purchases of advertising require competition and public advertisement at the appropriate levels in accordance with handbook procedures.

Contract Time Extensions

During this fiscal year, the Purchasing Division placed additional emphasis on requirements for change orders that increase contract amounts and request time extensions. While reviews of contract increases and time extensions have always been performed by the Purchasing Division, more explicit information was requested from the state agencies to support the need for increases in costs and time for completion. Agencies also were more strongly encouraged to process change orders of this nature more expeditiously to allow for the prompt payment of vendors for work performed outside the original scope.

Additional Buyer

The Purchasing Division was pleased to be able to add a new senior buyer to the Acquisition and Contract Administration Section, bringing the total number of buyers to eight. These eight buyers are responsible for processing all formal purchases in excess of \$10,000 on behalf of the state agencies

Cooperative Purchasing

The Cooperative Purchasing Program, which enables eligible political subdivisions to utilize statewide contracts issued by the Purchasing Division, continues to provide services to political subdivisions throughout the state. Political subdivisions may subscribe or renew their membership electronically at <http://www.state.wv.us/admin/purchase/coop>.

ADMINISTRATION AND INSPECTION SECTION

This section is responsible for administrative functions for the division, including vendor registration, purchase order review, bid receipt and requests, records and microfilming, and encumbrance. In addition, this section oversees the inspection program, which ensures compliance of proper policies and procedures of purchasing rules. The New Business Development Unit is our vendor 'outreach' program which assists our vendor community with information and guidance on the state purchasing process.

West Virginia Purchasing Bulletin

This publication, which contains information on purchasing requirements in excess of \$10,000, was published weekly and posted the Purchasing Division's website. A paper copy of the **West Virginia Purchasing Bulletin** was mailed to more than 6,400 vendors bi-weekly. 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, requiring vendors who log into

the electronic version of the Bulletin to have their vendor number and password, both of which are provided by the Purchasing Division.

Vendor Registration

A total number of 10,346 vendor registration and disclosure statement forms, renewal notices and vendors updating their status were received for processing during 2004 fiscal year. Of this number, 5,327 were vendor renewals and 1,057 were new vendors registering with the Purchasing Division. Incomplete forms returned to vendors totaled 801. The balance of 3,161, were for exempt vendors or vendors updating their status with the Purchasing Division. Revenue generated from vendor registration fee for fiscal year was \$287,283.

Purchase Order Encumbrance and Distribution

The West Virginia Financial Information Management System (WVFIMS) Purchase Order Encumbrance Module was successfully implemented May 1, 1998. As a result, all purchase orders and subsequent change orders with a fixed amount were placed on the Purchase Order Encumbrance system. The total number of purchase orders encumbered by the Purchasing Division, which includes all purchase orders executed by both the Purchasing Division (3,462) and Higher Education colleges and universities (992), is 4,454.

As a result of HB169 being passed by the Legislature and signed into effect by the Governor effective March 17, 2004, Higher Education is no longer required to send their purchase orders to the Purchasing Division for encumbrance.

Records and Microfilming

Total documents microfilmed for the Purchasing Division, which contained purchase orders, change orders, vendor registration forms and all supporting documentation is 383,358.

Bid Package Requests and Incoming Bids

The Administration Unit is responsible for receiving and responding to vendors requesting bid packages who wish to participate in the competitive bid process. We received 7,267 bid requests and 3,579 incoming bids.

New Business Development Office

In addition to the BusinessFirst seminar series (see page 6), the New Business Development Office continued the day-to-day activity of introducing state government purchasing to potential vendors as referred by division staff, agency procurement staff, and, especially, representatives of the Small Business Development Centers of the West Virginia Development Office.

Many one-on-one meetings were held with businesses interested in starting a business relationship with state government. The goal was to ensure the first steps taken by the business resulted in a positive experience with state government.

COMMUNICATION AND TECHNICAL SERVICES SECTION

This section focuses on three primary functions: technology, communication and training. The Communication Unit provides information related to the division as well as the individual programs which are administered by the division. The Technical Services Unit maintains the automated purchasing system, our networking services and the division's website. Professional development is a vital aspect of the division. Conferences and seminars are offered throughout the year to offer guidance to our customers.

Purchase Order and RFQ Forms

A change was made in the printing of the purchase order and request for quotation forms, resulting in cost-effectiveness. In the past, the division purchased preprinted forms, which had to be stored at the Information Services and Communications Division. Each night, an operator would make sure the correct box of pre-printed forms were loaded into the printer. With the purchase of equipment, IS&C now prints our purchase order and request for quotation forms by using large rolls of plain white paper, resulting in a smarter and less expensive method of printing.

Weekly Email Contract Report

Nearly 200 agency procurement officers are sent an electronic mail message each Monday, providing an update on various contracts that are in process at the Purchasing Division. The information for this update is derived using the Requisition Tracking System, administered by the Purchasing Division.

Technical Services Database

The Technical Services Unit created and implemented a new database for tracking and documenting technical service requests. As a result, all requests for technical assistance are now assigned a tracking number. From October 1, 2003 to June 30, 2004, a total of 1,588 service requests were successfully resolved and documented.

Fleet Billing Reports

An Access application was created to automate the monthly fleet billing reports, which are submitted to the Accounting Section of the Finance Division. Billing information is extracted using scheduled queries and then exported to a folder to which the Accounting Section has access. This task resulted in time saved and accuracy ensured.

New LAN Firewall

To ensure the safety of the information on the division's local area network, a firewall was installed. Information Services and Communications Division provides a firewall to protect the state's wide area network (WAN), but this additional firewall prevents individuals within the WAN, such as college students and state employees from attaining unauthorized access.

Program Publications

To enhance communication with our customers, the division distributes publications for each of the programs administered, including Fleet Management, Travel Management and Surplus Property, on a quarterly basis. Cost-saving efforts have been made by providing electronic access to all of these publications, along with **Buyers Network**, the division's monthly newsletter. Although a mailing list is maintained for hard copy distribution, many customers may view this information at the division's website: www.state.wv.us/admin/purchase.

Professional Development

Continuing education has always been an established goal within the division. Although the annual conference had to be postponed due to the renovation project and the activity in this year's legislative session, the division made plans to offer a purchasing seminar offered by the National Institute of Governmental Purchasing, Inc. in the fall of 2004.

Architectural/Engineering 5G Conference

Over 100 participants attended the Architectural/Engineering 5G Conference on September 30-October 1, 2004, at Oglebay Park in Wheeling. A collaboration among the division, the American Council of Engineering Companies of WV and the American Institute of Architects, co-sponsors of this event, resulted in a positive, interactive conference.

PROGRAM SERVICES SECTION

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

Fixed Assets - Inventory Management

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

Agencies are required to enter their fixed assets with an acquisition value of \$1,000 or more into the WVFIMS Fixed Asset system and retire obsolete equipment in accordance with policy and procedure. Total dollar of assets entered into the Fixed Asset system for fiscal year 2004 was \$25,385,424.16. Total dollar assets currently in the system is \$1,192,111,187.14.

Approximately 189 state employees were trained on the WVFIMS Fixed Asset system during Fiscal Year 2004. In addition, 81 employees attended a training session on fixed assets at the State Auditor's conference in September 2003.

Fleet Management

State Vehicle Purchase

The Fleet Management Office completed the purchase of 136 vehicles for model year 2004. The total amount spent on this year's vehicle order was approximately \$3 million. These vehicles were financed through a third party. The Fleet Management Office met with each vendor on the statewide vehicle contract to explain the ordering process, in an attempt to eliminate any problems with 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.

State Capitol Parking

Parking Meters

The Capitol Parking Unit realized the need for additional meters at the Laidley Field visitor parking lot. As a result, 93 new parking meters were purchased and will be installed at this location.

Transportation Building

The Transportation Building (Building 2) was demolished due to various structural problems. Although the building offered 180 spaces, approximately 50 were not being used because of safety concerns. As a result of this demolition, the area was graveled and offers 50 spaces for employee parking. The remaining employees who had previously parked in the Transportation Building were assigned alternative spaces at other state parking lots throughout the Capitol Complex.



Renovation of Guard Stations

The parking guard stations throughout the Capitol Complex received a facelift during this fiscal year. There had been no updates to this station for the past three years. At the guard station on the Governor's Drive, new lighting was installed. In addition, the building was painted, along with installing a new door and mini-blinds. Furniture was acquired through the Surplus Property Program to furnish the station.



At the guard stations on Piedmont Road and Greenbrier Street, the locations were cleaned and better organized. The goal was to help improve the parking attendants' working environment. "They were very pleased with the work done to these guard stations," said Capitol Parking

Manager Janice Boggs. "The renovations to the guardhouse makes the place look more comfortable," said Parking Attendant Chris Cline. "It is a more pleasant atmosphere."

Parking Attendant Jim Fisher agrees and adds that the changes have initiated feedback even from state employees who visit the guardhouse. "We've had a lot of favorable comments on our new look as well as the renovations to the guard house," he said.

Surplus Property

Fiscal Year 2004 Statistics

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

Federal Property Service Charge:	\$ 224,869.48
State Property Service Charge:	315,488.00
Public Auctions:	363,662.59
Weekly Sealed Bids:	345,398.84
Statewide Sealed Bids:	<u>255,292.45</u>
Total Revenue:	\$1,504,711.36

State Vehicles

Approximately 361 vehicles were sold during Fiscal Year 2004. Below is a breakdown of the method by which they were sold:

Public Auction:	139	\$241,075.00
Weekly Sealed Bids:	126	232,734.73
Statewide Sealed Bids:	33	11,278.24
Negotiated Sales:	<u>63</u>	<u>\$220,650.80</u>
Totals:	361	\$705,738.77

Federal Public Auction

The West Virginia State Agency for Surplus Property conducted its second annual Federal Surplus Property Auction on November 1, 2003, at its 2700 Charles Avenue, Dunbar location. Over 350 individuals registered to participate in this sale.

More than 350 lots of property were sold, with a total revenue of \$105,000. Some of the items for sale included trucks, trailers, engines, generators, pumps, woodworking equipment, shop equipment, exercise equipment, clothing, diving equipment and household/office furniture.

Last year was the first time Surplus Property conducted a sale of federal surplus property. Because the federal program is overseen by the U.S. General Services Administration, Surplus Property has to abide by different terms and conditions than those required for the state auctions which are held during fair-weathered months.



Over 350 individuals participated in the federal public auction.

Ken Frye, Surplus Property Manager, explains that most states sell federal property online using the federal government's website. However, he added that in West Virginia, he wanted to conduct a local auction in order to give our state residents an opportunity to purchase federal surplus property. "Last year, we had over 1,000 pieces of property combined into 351 lots. From the feedback received last year from those in attendance, everyone was extremely appreciative that we were making this effort to bring federal property to them at low, discounted auction prices," he said.

DEP Helicopter

Utilizing trade publications and other resources, the West Virginia State Agency for Surplus Property strongly publicized the availability of a 1971 Bell 206B Jetranger Helicopter, no longer needed by the Department of Environmental Protection (DEP). As a result, DEP was pleased with the high bid of \$135,100 from Swope Construction Company. Over 20 bids were received for this sealed bid sale, which took place on May 13.



The specifications for the helicopter included an airframe 11720 TT, engine 10701 TT, low skid gear, particle separator, wire strike protection, aircom bleed air heater with defroster, rotor brakes, dual controls, and 1,200 pound cargo hook.

The radio and avionics included Apollo I Loran C, King KX 170B Nav/Comm, King KR 85 ADF, King KT 76 Transponder, emergency beacons DF 88, and Narco ELT 10.

Scrap Metal

Approximately 770 tons of scrap rail was sold on behalf of the State Rail Authority (South Branch Railroad). With four bidders participating, over \$88,000 in revenue was generated.

Travel Management Office

Statewide Contract for Car Rental Services

The statewide contract for rental vehicles was serviced by Avis through April, 2004. In fiscal year 2004, the total number of rental days decreased to 5,620, based on an expenditure of \$236,495, raising the average cost of a rental car per day to \$42. Without a preferred car rental contract, the normal (average) daily rate is \$68, for a savings of \$145,665.

On May 1, 2004, this contract was awarded to Enterprise. For the two months of the fiscal year 2004, in which this contract was in place, the total number of rental days was 1,056, based on an expenditure of \$53,734.50, resulting in the average cost of a rental car per day of \$50.*

Without a preferred car rental contract the normal (average) daily rate is \$68, for a savings of \$18,073.50.

**Please note that the Enterprise contract now includes sport utility vehicles, pick-up trucks and vans.*

Statewide Contract for Travel Management Services

National Travel serves as the contractor for the state's travel management services.

The fiscal year-end transactions include:

Exchanges	1,174
Refunds	148
Airline tickets	8,112
Service fees paid	\$200,966.16

Totals:

<i>Transactions:</i>	16,822
<i>Cost:</i>	\$3,659,258.53
<i>Full Fare:</i>	\$12,442,195.65
<i>Savings:</i>	\$8,877,507.77

Statewide City-Pair Fares Contract

Delta Airline and the state of West Virginia negotiated city-pair fares as follows:

<i>Tickets Issued</i>	<i>Total Spent</i>	<i>Full Fare</i>	<i>Savings</i>
123	\$81,124.50	\$151,260.00	\$70,135.50

United Bank MasterCard: Statewide Contract for Travel Credit Card Services

The statewide contract for travel credit card services with MasterCard includes CDW insurance when renting a vehicle. Since the average rate for collision insurance is \$21 per day, based on a total of 8,251 rental days reported from United Bank, the state saved \$173,271.

United Bank will issue a check for \$7,081.32, which represents the revenue sharing for January - June of 2004. From this point forward, United Bank will pay the revenue sharing annually at the state's fiscal year-end (June 30).



Financial Statistics

FISCAL YEAR 2004

Purchase Order Summary

Resident Vendor Analysis:

Vendor	Count (#)	Percent (#)	Value (\$)	Percent (\$)
West Virginia	1,146	67%	\$294,586,511.99	59%
Non West Virginia	567	33%	\$200,930,223.12	41%
TOTAL	1,713	100%	\$495,516,735.11	100%

The average purchase order amount for FY 2004 was \$289,268.38.

Agency Analysis:

Top 10 Agencies	Count (#)	Percent (#)	Value (\$)	Percent (\$)
Highways	393	23%	\$113,975,727.08	23%
DHHR	194	11%	\$70,787,236.47	14%
DEP	235	14%	\$54,823,190.56	11%
Emergency Services	11	1%	\$35,566,992.40	7%
Div. Eng. Facilities	22	1%	\$27,655,957.45	6%
Veterans Affairs	4	0%	\$22,202,653.00	4%
Education	69	4%	\$18,255,358.74	4%
Administration	75	4%	\$15,420,231.88	3%
Public Transit	27	2%	\$11,776,382.01	2%
Juvenile Services	11	1%	\$9,864,768.00	2%
Others	672	39%	\$115,188,237.52	24%
TOTAL	1,713	100%	\$495,516,735.11	100%



Legislative Changes

House Bill 3150

Bars state officers, agencies or entities from requiring that surety payments, performance or bid bonds be obtained from any particular company.

House Bill 4671

Relates to the disposal of law enforcement weapons when replaced due to routine wear.

House Bill 4745

Relating to the administration of repairs to vehicles and equipment by the Division of Highways.

Senate Bill 100

Prohibits state and political subdivisions from contracting with vendors owing debt to the state.

Senate Bill 209

Requires a review of certain state leases and purchases by the Joint Committee on Government and Finance.

Senate Bill 269

[Sunset Bill] Continues the Division of Purchasing within the Department of Administration.

Senate Bill 456

Requires state agencies administering funds or grants to notify the grantee in certain cases.

Senate Bill 578

Continues the Design-Build board.

Senate Bill 700

Requires state agencies to make timely payments for telecommunication services; requires the Secretary of the Department of Administration to transfer funds for the payment of the telecommunications services.