

State of  
West Virginia

Department of  
Administration

Purchasing  
Division



# 2011 Fiscal Year Annual Report



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# DIRECTOR'S MESSAGE

June 30, 2011

To the Citizens of West Virginia:

The Purchasing Division continues to be a customer-driven organization that maintains the integrity of the statutory and regulatory requirements in spending state taxpayers' dollars.

Our agency seeks opportunities to assist state agencies in procuring commodities and services in the most cost-effective and expedient manner. Additionally, we understand and appreciate the marketing strategies and business practices of vendors interested in providing their offerings to the state of West Virginia.



Some of the innovative ways in which we provided our services during this fiscal year was to provide a mechanism for state agencies to utilize emergency procurement procedures for American Recovery and Reinvestment Act (ARRA) projects, when sufficient time was not available for the agency to process these purchases through the normal purchasing process. Another initiative was to issue more statewide contracts and piggyback contracts which allowed agencies to quickly obtain the commodities and services they needed, since these contracts had already been competitively bid. These contracts save time and resources, and most importantly, state dollars.

During this fiscal year, the Purchasing Division solicited input from our agency purchasers to enhance the processes in place. By communicating with our agency partners, we were able to create procedures conducive to the operation of state government. Some of these issues related to our Request for Proposals standard format, revisions to the **Purchasing Division Procedures Handbook** and the proposed legislative rule on Certified Small, Women, and Minority-Owned Businesses.

Another initiative to assist our customers was the first-ever Surplus Property Furniture Giveaway, which offered office furniture at no charge to eligible organizations of the West Virginia State Agency for Surplus Property. This program continues to be a valuable resource to public agencies and certain non-profit organizations as well as to the general public.

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

Sincerely,

Dave Tincher

Director, West Virginia Purchasing Division



# GENERAL INFORMATION

## Contact Information:

West Virginia Purchasing Division  
2019 Washington Street, East  
P.O. Box 50130  
Charleston, WV 25305-0130

Telephone: (304) 558-2306  
In-state toll-free: 800-BIDS2WV (800-243-7298)  
Fax: (304) 558-4115  
[www.state.wv.us/admin/purchase](http://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 and travel services to various state agencies.”

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

## Mission Statement:

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

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

## Marketing Strategy:

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

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

its tradition of our Open House. During this event, the division opened its doors to our agency partners and encouraged them to bring documentation or questions they wished to discuss. (See **Page 11** for more details on the 4<sup>th</sup> annual Open House event.)

### *Customer Service Representative*

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

## Our Values:

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

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

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

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

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

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

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

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

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

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

## Customers Expectations:

What Outcomes Are Our Various Customers Expecting?

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

## Organizational Structure:

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

### *Acquisition and Contract Administration Section*

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

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

### *Communication and Technical Services Section*

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

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

In addition, this unit oversees the administrative functions outlined above. Professional development is also a vital aspect of the division. Conferences, online training modules, in-house workshop sessions and

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the West Virginia Procurement Certification Program are offered throughout the year to offer guidance and opportunities to our agency procurement officers.

### *Program Services Section*

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

The Travel Management Unit offers guidance to state business travelers and oversees various statewide contracts for travel-related services. 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.



# QUICK REFERENCE GUIDE

	<u>TELEPHONE NO.</u>	<u>LOCATION</u>
<b><u>Director's Office</u></b>		
David Tincher, Director	(304) 558-2538	Main Office
Debbie Watkins, Administrative Secretary	(304) 558-3568	Main Office
James Meadows, Attorney	(304) 558-8806	Main Office
<b><u>Acquisition and Contract Administration Section</u></b>		
Mike Sheets, Assistant Director	(304) 558-0492	Main Office
<b><u>Acquisitions Unit</u></b>		
Chuck Bowman, Buyer Supervisor	(304) 558-2157	Main Office
Krista Ferrell, Buyer Supervisor	(304) 558-2596	Main Office
Shelly Murray, Buyer Supervisor	(304) 558-8801	Main Office
Roberta Wagner, Buyer Supervisor	(304) 558-0067	Main Office
Tara Lyle, Senior Buyer	(304) 558-2544	Main Office
Guy Nisbet, Senior Buyer	(304) 558-8802	Main Office
Paul Reynolds, Senior Buyer	(304) 558-0468	Main Office
Frank Whittaker, Senior Buyer	(304) 558-2316	Main Office
<b><u>Contract Management Unit</u></b>		
Kristy James, Contract Manager	(304) 558-5780	Main Office
Susan King, Inspector III	(304) 558-2652	Main Office
Shane Hall, Inspector II	(304) 558-8803	Main Office
Junior Blount, Inspector II	(304) 558-3488	Main Office
<b><u>Communication and Technical Services Section</u></b>		
Diane Holley-Brown, Assistant Director	(304) 558-0661	Main Office
<b><u>Communication Unit</u></b>		
Tony O'Leary, Public Information Specialist	(304) 558-4213	Main Office
Chad Williamson, Public Information Specialist	(304) 558-2315	Main Office
<b><u>Professional Development Unit</u></b>		
Samantha Knapp, Staff Development Specialist	(304) 558-7022	Main Office
<b><u>Technical Services Unit</u></b>		
Dan Miller, Manager	(304) 558-2314	Main Office
Mark Totten, Purchasing Applications Specialist	(304) 558-7839	Main Office
<b><u>Support Services</u></b>		
Beverly Toler, Supervisor	(304) 558-2336	Main Office
<b><u>Program Services Section</u></b>		
Ken Frye, Assistant Director	(304) 766-2626	Dunbar
<b><u>Fixed Assets Management Unit</u></b>		
Pam Jarrell, Fixed Assets Coordinator	(304) 766-2626	Dunbar
<b><u>Surplus Property Unit</u></b>		
Ken Frye, Manager	(304) 766-2626	Dunbar
Elizabeth Perdue, Assistant Manager	(304) 766-2626	Dunbar
<b><u>Travel Management</u></b>		
Catherine DeMarco, Manager	(304) 558-2613	Main Office



# A YEAR IN REVIEW...

## Highlights

### Governor Earl Ray Tomblin Proclaims March as Purchasing Month



Gov. Earl Ray Tomblin proclaimed that March 2011 be recognized as “Purchasing Month” throughout the state of West Virginia. This Proclamation was made on February 11, 2011.

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

Public purchasers perform a vital function toward the operation of state government. The integrity and professionalism of state purchasers are valued by the public, who entrusts the spending of its tax dollars.



**Gov. Earl Ray Tomblin signed into proclamation to make March 2011 “Purchasing Month.” The National Institute of Governmental Purchasing joined with the Purchasing Division in leading the initiative for the proclamation.**

### Procurement Responsibilities Play Vital Role in State’s Growth

One of the rewards of working in procurement is seeing the finished products. The Purchasing Division played a role in an unique transaction this fiscal year when the state Office of Miners’ Health, Safety and Training (MHST) had a formidable project come to fruition. The agency unveiled a specially-built mobile command and response vehicle designed primarily for use at coal mining sites. Officially named the Command Unit Rapid Response Task Force I and Mine Rescue Truck, the vehicle is a result of recent coal mine disasters.

“Officials with The Miners’ Health, Safety and Training and the Southern West Virginia Community and Technical College were involved in writing the specifications for this vehicle. Once they were complete, we bid it out through the normal bidding process,” said Senior Buyer Frank Whittaker.

The design and features of this state-of-the-art tool will support mining and mine rescue operations across the state, and if requested, around the country and world for emergencies. This vehicle is being used to perform mine site evaluations to identify baseline atmospheric readings in order to recognize mines with potential atmospheric problems before an accident.

“The agency was great to work with and very receptive to any changes to the specifications and or bidding documents that were suggested by the Purchasing Division to ensure a successful bid process and award,” Whittaker said. “This vehicle has such a vast array of capabilities, I am sure it will be a great asset to the



**The Command Unit Rapid Response Task Force 1 and Mine Rescue Truck was recently processed through the Purchasing Division.**

ally get to work here?" The new building expansion and the new features have added a really good feeling to the park," Durham said.

The new addition increased the lodging from 20 to 47 new rooms, with an indoor pool, hot tub and fitness center. The lodge lobby and conference and meetings rooms were expanded. Durham said the expansion was just the beginning of another series of procurements, noting how chairs, sheets, pillows, televisions, furniture and waste baskets were among the many items that had to be purchased.

"Once the building was complete, it was basically a shell. We continued to do a great deal of work with the Purchasing Division to get the many furnishings needed for the inside and the Purchasing Division has been great to work with all along," Durham said. "This is the fourth and final phase of a long-term master plan for Twin Falls which dates back to the mid-1980s and so much of these projects involved working through the Purchasing Division. All along, our two agencies have worked well together."

agency and the state for many years to come."

Another purchase this year in which the Purchasing Division played an important role related to Twin Falls Resort State Park. Years before he was named the Twin Falls Resort State Park superintendent in 1979, Scott Durham learned the importance of having purchasing regulations in place.

It was at his first state parks job that he remembers a fellow employee ordering tools to be used for the grounds. "I learned that the policies and procedures put in place through the years were done so for a reason," Durham said. "I certainly understand their importance and I am glad we have them."

Durham has good reason to reflect positively on the relationship between Twin Falls and the Purchasing Division. Major renovations were completed in August of 2010 at the Wyoming County state park which brought about a lodge expansion, new furnishings and a new atmosphere.

"Every day, when I come to work, I think to myself, 'Do I really get to work here?'"



**Twin Falls Resort State Park renovated its facility by increasing the number of lodging rooms and adding an indoor pool, hot tub and a fitness center.**

## Agency Purchasing Certification Program Progresses

The Purchasing Division Certification Program has progressed since the fall of 2009, when this initiative was introduced to state agency procurement officers at the Purchasing Division's annual conference. The program's goal is to recognize agency purchasing professionals who have achieved various levels of

knowledge, skills and professionalism in the area of state public purchasing.

The importance of professionalism in the public procurement field is becoming more apparent each and every day. There are many factors that affect the level of professionalism, including integrity, dedication, experience and knowledge.

These attributes are what transforms an *amateur* to a *professional* purchasing official: a strong dedication to abide by the law, a genuine respect to the needs of the requestor and supplier, and the ability to understand the procedures in place and why those procedures were established. These factors assist the public purchaser in making the oftentimes tough decisions that are required of them.

During this fiscal year, there were approximately 40 participants of this program, with 14 achieving the Basic Procurement Certification.

For a complete list of the requirements for the WVPBC or West Virginia Procurement Advanced Certification (WVPAC), visit <http://www.state.wv.us/admin/purchase/training/Certification>.

In addition to the WVPBC Program, Buyer Supervisor Roberta Wagner joined select company when she was notified by the Universal Public Purchasing Certification Council (UPPCC) that she had earned the designation of Certified Professional Public Buyer (CPPB). The CPPB certification marks an elite level of achievement for public procurement officials. According to the UPPCC, 144 individuals passed the CPPB test nationally during its spring 2010 testing period. This was an additional accomplishment for one of our professional buying staff members!



**Some of the recipients of the West Virginia Procurement Basic Certification within the Purchasing Division include: (back row, from left) Sheri Slone, Roberta Wagner, and Shelly Murray; (front row, from left) Chuck Bowman, Frank Whittaker and Mike Sheets.**

## Purchasing Division Unveils New Website

The Purchasing Division was pleased to unveil its new website, which presents visitors with a more customer-friendly way to gather important procurement information. The site was officially revealed at the 2010 Agency Purchasing Conference.

The new site is the culmination of several months of diligent work by the Communications and Technical Services Section, particularly Casey Hill and Amelia Ferrell, the Governor's Internship Program participants for the division in the summer of 2010.

"We are very pleased with our newly formatted website," said Diane Holley-Brown, Assistant Director for the Communication and Technical Services Section. "The new site contains the same level of valuable information, but is offered in a clear, concise and easy-to-navigate manner. Our goal was to make visiting the Purchasing Division's website a quick, easy and beneficial task. We had some incredible assistance provided by our two summer interns and in the end, I believe that we have accomplished what we set out to do."

Several key components of the new site include separate pages devoted to agency purchasers; vendors;

emergency purchases, which currently includes information for federal stimulus projects; various publications, such as the *West Virginia Purchasing Bulletin*; *The Buyers Network*; and other special pages for training, programs and bid information. Several new pages were added that previously did not exist, including the Inspection Unit site.

The new website also incorporates photographs, colored buttons and less text to make the information more accessible for the user.

## ARRA Stimulus Procedures Created for Timely Projects

During this fiscal year, the Purchasing Division made substantial changes affecting the state competitive purchasing process. One of these changes related to projects utilizing American Recovery and Reinvestment Act (ARRA) federal funds.

Due to expedited requirements imposed on the use of ARRA federal funds, which provide an unprecedented opportunity to accomplish many state goals, an unanticipated volume of work for the state was realized. As a result, on August 13, 2010, Purchasing Director David Tincher authorized the suspension of standard purchasing procedures for projects utilizing these Federal Stimulus funds and invoking the emergency purchasing procedures as set forth in the *West Virginia Code* §5A-3-15, the *Code of State Rules* §148 CSR 1-7.6 and Section 8.6 of the **Purchasing Division Procedures Handbook**.



Emergency purchasing procedures allow state agencies, after receiving approval from the Purchasing Division, to seek and obtain bids for the work as well as all other necessary approvals and then submit that information to the Purchasing Division for award of the contract.

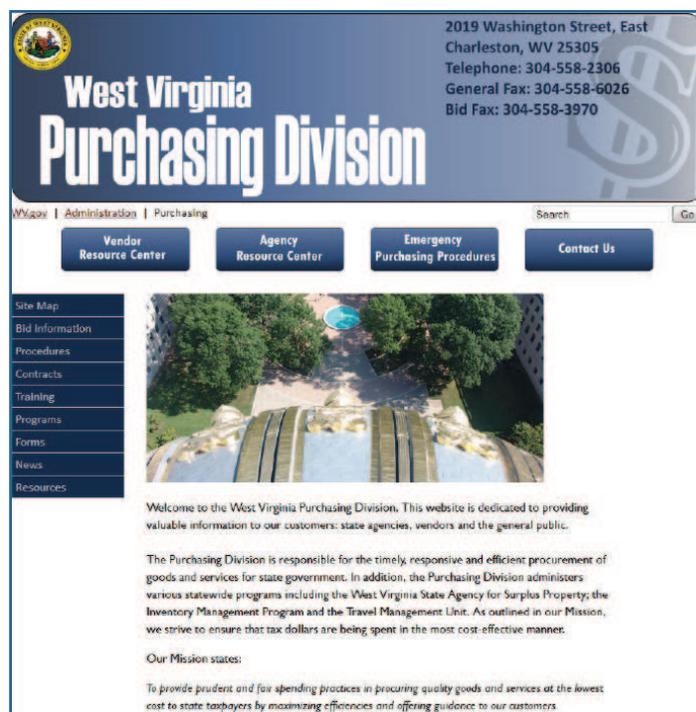
This emergency declaration permits state agencies to use ARRA Federal Stimulus funds in the most expeditious manner to obtain maximum benefit for the state of West Virginia.

General guidelines were established to be followed in processing an emergency purchase using SEP/ARRA funds, **if the agency believed time would not allow for these purchases to move through the normal purchasing process:**

Once approval was granted from the Purchasing Division to process the purchase as an emergency, the agency could solicit bids for the project.

The Purchasing Division publicly posted the projects on a web page, [www.state.wv.us/admin/purchase/stimulus.html](http://www.state.wv.us/admin/purchase/stimulus.html), that was established for these time-sensitive stimulus projects. This web page is accessible to all vendors, regardless of their vendor registration status.

The Purchasing Division continues to make positive changes to assist state agencies in processing ARRA funded projects.



## 2010 Agency Purchasing Conference Provides Training to Agency Procurement Officers

Two new classes and a new game show were among the highlights for nearly 230 agency purchasing agents attending the 2010 Agency Purchasing Conference conducted at Canaan Valley Resort and Conference Center in Davis. Among those in attendance were approximately 80 first-time conference attendees. In addition to the purchasing agents, approximately 30 staff members and guest speakers also attended the three-day conference.

The 2010 Agency Purchasing Conference introduced the new Purchasing Ethics class, taught by Purchasing Director Dave Tincher. The workshop offered a historical overview of purchasing ethics reform during the division's history, as well as presented several case study scenarios for attendees to discuss.

Also new this year was the Meet CTS class, spotlighting the duties and personnel of the Communications and Technical Services section of the Purchasing Division. Assistant Director Diane Holley-Brown led the session, discussing CTS and its varied contributions to the Purchasing Division. Technical Services Unit Manager Dan Miller closed up the session with a tour through the Purchasing Division's recently redesigned website. The conference also brought back Writing Specifications, a class which had not been offered for several years.

Speakers posted their PowerPoint presentations online ahead of the time before the conference, allowing those planning to attend to print out just the information needed for their specific classes. The "Beginners Track" was offered again for a third consecutive year. This series of six introductory classes was specifically designed for individuals with two years or less of procurement experience, with classes focusing on the bare-bone basic levels of purchasing. Purchasing Division staff and guest presenters offered 28 workshop topics from which attendees could choose.

The conference gave the Purchasing Division staff and procurement individuals an opportunity to connect



**Participants of the 2010 Agency Purchasing Conference were encouraged to ask questions throughout this training event to learn more of the purchasing process.**



**The 2010 Agency Purchasing Conference gave those in attendance a chance to refresh their knowledge of procurement while learning new aspects of purchasing.**

outside the confines of work and the office to discuss work-related issues. “This conference allows face-to-face interaction between the Purchasing Division and agencies that oftentimes is not otherwise possible,” Purchasing Director Dave Tincher said.

Participants of the 2010 Agency Purchasing Conference were asked to provide feedback on this annual training event. The response was overwhelmingly positive, with 96 percent of those re-

sponding rating the overall conference either “excellent” or “good.” The organization of the conference got even higher marks, with 99 percent of the responding participants offering a rating of “excellent” or “good.” “When we ask the agency purchasers who attend our conference for feedback, we are always hoping for positive responses, but our primary goal is to obtain honest input that may help us continue to improve the programs we offer,” said Tincher. “I’m very pleased that, based on the evaluation forms received, it appears that we met and, in some cases, exceeded our participants’ expectations. This shows that the time and effort of our staff in organizing the logistics and preparing interactive presentations was definitely worthwhile.”

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



<b>CONFERENCE REGISTRATION</b>	
EXCELLENT	79%
GOOD	20%
FAIR	0%
POOR	1%

<b>CONFERENCE ORGANIZATION</b>	
EXCELLENT	69%
GOOD	30%
FAIR	1%
POOR	0%

<b>OVERALL OPINION OF CONFERENCE</b>	
EXCELLENT	57%
GOOD	39%
FAIR	4%
POOR	0%

## Surplus Property Furniture Giveaway Proves Beneficial to Eligible Organizations

Though harsh winter weather may not have cooperated, the office furniture giveaway for the West Virginia State Agency for Surplus Property (WVSASP) was still a success in helping meet the needs of nearly 40 different organizations.

“We consider this project very successful,” said WVSASP Manager Ken Frye. “The weather did inhibit part of the giveaway, but I feel that we were certainly able to meet some of our goals.” The furniture giveaway, held Dec. 6-17, 2010, was an effort by WVSASP to clear excess furniture the agency has received recently.

Office furniture, ranging from office chairs and desks to bookshelves and shelving units, was available to any eligible organization or state agency free of charge; the organization or agency only had to come to the WVSASP Dunbar warehouse to pick up the furniture.

Frye said 39 different entities participated in the furniture giveaway, including 17 nonprofit organizations. “The nonprofit organizations were the largest of any of the groups taking advantage of this offer,” Frye said. “That is extremely appropriate since those organizations tend to be among the neediest.” Also participating were seven schools, six state agencies, four municipalities, three public service districts, one fire department, and one sheriff’s department.

More than 250 pieces of furniture were given away, Frye said, with more than half of the furniture being chairs. “This was helpful since chairs were the items we had the most of in storage,” Frye said. Also given away were 65 file cabinets, 33 tables, 29 desks, and the balance in stools, shelving, coat racks and storage cabinets.

Based on WVSASP prices, Frye said the furniture’s given value was approximately \$13,000. “However, had similar furniture been purchased new, the price would have been at least 10 times that amount,” Frye said. “These organizations took a sizeable load of furniture, but obviously there was a need for it or the effort would not have been put forth to come and get the furniture.”

While WVSASP was able to help numerous eligible organizations, Frye said the giveaway also offered the opportunity to become reacquainted with organizations that may not have visited WVSASP recently.

“We had organizations from both the northern panhandle and the eastern panhandle areas, many of which we have not seen in a long time,” Frye said. “Those organizations traveled quite a distance, and we certainly hope they will think of Surplus Property when they have furniture needs in the future.”

And while the snow might have kept some organizations from taking advantage of the giveaway, Frye said overall he was satisfied with the result. “It did help us out in the areas that we hoped it would,” he said. “And we hope organizations throughout the state will remember Surplus Property for their property needs.”

Another furniture giveaway event was scheduled for July 5-15, 2011.



**While the weather may not have cooperated, the office furniture giveaway by the West Virginia State Agency for Surplus Property (WVSASP) was still a success on several fronts, said Manager Ken Frye.**

## Valuable Agency and Vendor Feedback Important in Revamping Request for Proposal Standard Format

In November, 2010, the Purchasing Division began utilizing the revised Request for Proposal (RFP) Standard Format, which focused more on 'solutions' than requirements. Agencies and vendors alike provided input on this revised format prior to implementation.

To view the new format, visit the Purchasing Division Procedures Handbook, Appendix J, at:  
[www.state.wv.us/admin/purchase/Handbook/default.html](http://www.state.wv.us/admin/purchase/Handbook/default.html)

Below is an overview of the changes:

- ◆ The new format follows the bid solicitation, vendor response, agency evaluation, and award process in a chronological order to minimize the confusion both to the vendors and the preparing agency.
- ◆ The use of mandatory requirements are limited to functions and duties of the agencies as defined by Federal/State Code, Rule, policy, etc. and/or critical functions of the agency to fulfill the duties and obligations to their end user/customer.
- ◆ The response section consists of uniform response criteria which allow the agency the ability to "score" the response to maximize the best value of the vendor's proposal to the State.
- ◆ The Evaluation focuses on vendor qualifications and approach to project specified goals and objectives.

The RFP process should be viewed as a solution to a problem, and that the agency scores each vendor based on its approach to solving that said problem. It is our attempt to focus on a process that would decrease the amount of time to prepare and evaluate RFPs, as well as, giving the agencies Best Value Methodology to allow the vendors to propose better solutions to the agency's problem.

## Purchasing Division's 4th Annual Open House Incorporates Training Component

The Purchasing Division was pleased to offer its 4<sup>th</sup> annual **Open House** on May 10, 2011, from 10 a.m. – 2 p.m. at the agency's office located at 2019 Washington Street East. Several new components were part of this year's event.

Throughout the **Open House**, there were four 30-minute informational presentations in the second floor training room. Attendance to our **Open House** and to one of our informational presentations earned procurement officials *one class credit* toward our Basic Purchasing Certification program.



**Agency procurement officers had the opportunity to meet with Purchasing Division buyers and inspectors and to participate in informational sessions.**

The four informational sessions included:

- ◆ Question and Answer session with Purchasing Director David Tincher;
- ◆ Purchasing Certification Program;
- ◆ Purchasing Division and Legal Matters;
- ◆ Agency Inspections

Due to limited seating, each training session accommodated approximately 15 individuals and procurement officials were limited to attending only one session at the **Open House**. Registration for these classes was held on the day of the **Open House**.

The first three sessions listed were chosen as they are not formal presentations at the annual conference or at our in-house training sessions. The nature of the Agency Inspections session was more about the general practices which the inspectors are experiencing in their field visits.

For the second consecutive year, one attendee's name was drawn to receive a complimentary registration to the 2011 Agency Purchasing Conference. All staff members were available throughout the **Open House** to informally meet and discuss Purchasing Division issues and programs, such as inspection, in-house training and the Surplus Property Program.



## Purchasing Division Creates Vendor Code of Conduct

The West Virginia Purchasing Division has always encouraged its buying staff as well as the procurement officers at the agency level to abide by the Code of Ethics created by the National Institute of Governmental Purchasing (NIGP). In fact, this Code is incorporated in the **Purchasing Division Procedures Handbook** as part of the appendix found online at: <http://www.state.wv.us/admin/purchase/handbook/2007R10/handF.htm>.

The West Virginia Purchasing Division is a strong proponent of ethical conduct throughout the state procurement process. Similarly, the same level of conduct is expected of the vendors who do business with the state of West Virginia.

Effective January 1, 2011, the Vendor Registration and Disclosure Statements were revised to include language encouraging our vendor community to abide by a Vendor Code of Conduct when doing business with the state of West Virginia. This Code is listed below:

A vendor doing business with the state of West Virginia shall:

- ◆ Submit a bid or proposal that is competitive, consistent and appropriate to the bid specifications offered by the West Virginia Purchasing Division;
- ◆ Refrain from employing any agency procurement officer in the business of the vendor or professional activity in which the vendor is involved with the state of West Virginia;
- ◆ Believes in the dignity and worth of services rendered by your organization and the social responsibilities assumed as a supplier of goods and services to the state of West Virginia;
- ◆ Refuse to cause or influence, or attempt to cause or influence, agency procurement officers in their official capacity to impair the objectivity or independence of judgment of a purchasing transaction;

- ◆ Avoid any appearance of unethical or compromising practices in relationship, actions and communications;
- ◆ Identifies and eliminates participation of any individual in procurement situations where a conflict of interest may be involved;
- ◆ Understands that agency purchasers of the state shall at no time or under any circumstances, accept directly or indirectly, gifts, favor, service, gratuities or other items of value from your organization;
- ◆ Adhere to all state laws, regulations and procedures in place by the West Virginia Legislature and the West Virginia Purchasing Division to ensure the integrity of the state procurement process;
- ◆ Perform or render the goods or services in accordance with the agreed upon specifications for which the vendor has contracted with the state of West Virginia;
- ◆ Constantly strive for the highest standards of ethical behavior, trust, respect, fairness, integrity and credibility.

The Vendor Code of Conduct is available online at <http://www.state.wv.us/admin/purchase/vrc/vendorconduct.html>.



# A YEAR IN REVIEW...

## Program Accomplishments

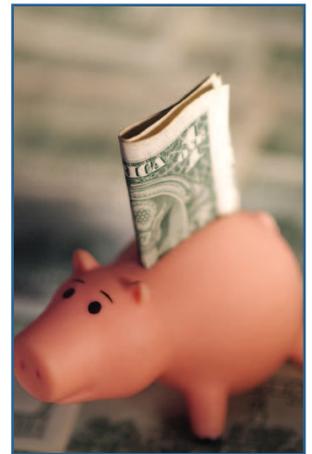
### Acquisition and Contract Administration Section

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

### Innovative Procurement Practices Realized

Nearly \$900,000 a year... That's the minimum amount of money the state of West Virginia is expecting to save on an annual basis in office supply purchases through a new piggyback contract with Office Max that became effective on July 1, 2010.

The Purchasing Division strives to find the most cost effective means to procure goods and services necessary to operate state programs and services. Office supplies are products that all agencies utilize. In the past, this statewide contract had been one of the most used contracts issued. Because the existing statewide contract for office supplies (OFFICE07) was close to expire, Purchasing Director Dave Tincher requested his buying staff to seek out companies that currently have national public contracts through the Western States Contracting Alliance (WSCA) or the National Joint Powers Alliance (NJPA).



"We didn't just look at these national contracts," said Tincher. "We asked both of these companies to bring to us the best public contracts they have for office supplies and told them to show us which ones will work the best for West Virginia."

Office Max and Staples, two major national office supply companies, had national contracts; therefore, the state of West Virginia could piggyback those contracts and realize instant savings. After evaluating the current pricing structures of those national contracts offered by the two companies, the Purchasing Division, through its membership in the Western States Contracting Alliance (WSCA), finalized the new piggyback contract in June of 2010.

This is another example of how piggybacking contracts can benefit the state. When WSCA officials were sent a letter of intent to participate in the contract, the Purchasing Division had already done thorough research to ensure that participating on this piggyback contract met all the criteria set forth in the *West Virginia Code* and the *Legislative Rules*.

Prior to the Purchasing Division becoming a participant on this piggyback contract, Office Max was the vendor on the statewide contract (OFFICE07), which provided office supplies for state agencies and political subdivisions. Figures provided by Office Max officials boosted the state's willingness to become a partner on the WSCA Office Max contract.

Office Max was given the Purchasing Division's fiscal year 2009 expenditures from the OFFICE07 contract

and applied the discounts that would have been received with the WSCA pricing standards. With WSCA, the state would have saved \$860,742 by buying the same exact items.

*West Virginia Code §5A-3-19* states that “The Purchasing Director may, upon the recommendation of a state spending unit, participate in, sponsor, conduct, or administer a cooperative purchasing agreement or consortium for the purchase of commodities or services with agencies of the federal government, agencies of other states, other public bodies or other state agencies, if available and financially advantageous...”

Tincher said he strongly encourages his buying staff to look at already established public contracts that meet the criteria of piggybacking. “Taking the extra effort to not only evaluate what public contracts are available, but to work with those participating vendors to determine what works best for your agency or for the state of West Virginia is definitely worth the time,” he said. “We continue to pursue these opportunities when it is in the best interest of the state.”

## Mandatory Contracts Result in Savings Initiative

As the Purchasing Division continues to seek cost-efficient ways to assist state agencies, one effort in particular has realized substantial savings while providing the necessary products and services for state operations. Authorizing the use of piggyback contracts has escalated the savings for the state in general.

Generally, piggyback contracts are available to state agencies to use on an *optional* basis. However, in some cases this fiscal year, certain piggyback contracts have replaced statewide contracts as a savings initiative. In these instances, the specific piggyback contracts are considered *mandatory* for state agency use due to the volume savings when used by all state agencies.

Currently, there are six piggyback contracts that meet this criterion and are considered mandatory for state agency use. These contracts, listed above, are available on the statewide contract webpage at: <http://www.state.wv.us/admin/purchase/swc/default.htm>.

An example of utilizing piggyback contracts to obtain better prices and more options, beginning on July 1, 2010, the Purchasing Division approved a new piggyback contract (PBKCR10), which replaces the statewide contract (CRENTAL08).

The piggyback contract was established through the Western States Contracting Alliance (WSCA), which the Purchasing Division is a member and was able to partner. Through PBKCR10, state employees can choose vehicle rentals from Enterprise Rent-A-Car Company, National Car Rental (a division of Enterprise) or the Hertz Company.

“The rates are less expensive than they were with the previous statewide contract and for those state employees who have to travel out of state, this contract gives them more options to find a car rental at an airport,” said State Travel Manager Catherine DeMarco. Previously, there was only one company on the statewide car rental contract. “The savings the state will realize on an annual basis will be substantial.”

Another aspect of this contract is the inclusion of collision insurance as part of the rental agreement. State employees no longer need to pay extra for this benefit.

The link for contract information is located at: <http://www.state.wv.us/admin/purchase/piggyback/CARRENT.htm>. Those who visit the CRENTAL08 link on the statewide contracts page will be re-directed to this link.

During the 2011 Fiscal Year, there were 337 piggyback contracts and 104 statewide contracts in effect.



# Inspection Services Statistics

During this fiscal year, the Inspection Unit opened and completed 33 individual inspections of various state agencies and related programs. This encompassed more than 217,885 transactions from which 9,298 (approximately 4.3 percent) were closely scrutinized.

The breakdown of findings from these inspections are as follows:

<u>Finding</u>	<u>% of Inspected Transactions</u>
Stringing	1%
Failure to use Statewide Contracts	1%
Failure to use Internal Resources	0%*
Bids not documented	3%
Failure to check/retain vendor registration	1%
Failure to verify Unemployment Compensation and Workers' Compensation	2%
Failure to obtain Purchasing Affidavit	2%
Failure to issue a purchase order	1%
Failure to affix an asset tag	0%*
Failure to include the Non-Conflict of Interest form	1%
Miscellaneous findings	0%*

*Problems with receiving, failure to use internal resources, and miscellaneous findings were less than 1% of the total.*

## Green Purchasing Initiative Encouraged to Agencies

Procuring and utilizing environmentally-preferable products (EPPs) has become a vital part of public procurement in recent years due to its benefits to the environment, improved efficiencies and cost-savings results. Green purchasing is often referred to as responsible purchasing, eco-procurement, green procurement, and sustainable purchasing. It is a way of adding environmental considerations to the price and performance criteria used by public and private sector procurement officers to make purchasing decisions. Most importantly, green purchasing attempts to identify and reduce the environmental impact of an organization's activities and maximize resource efficiency.

EPPs may include, but not be limited to, items that:

- ◆ Contain recycled materials-made from sustainable resources, recycled or remanufactured materials or parts
- ◆ Minimize waste-minimal packaging that is recyclable or reusable (take-back provisions)
- ◆ Conserve energy and/or water or other natural resources
- ◆ Prevent pollution-emissions, VOCs (volatile organic compounds), etc.
- ◆ Consist of fewer toxic substances or reduce the amount of toxic substances disposed or consumed
- ◆ Protect open-space
- ◆ Encourage an environmentally positive practice (water fountains, compost bins, recycling containers, engine block heaters, etc.)
- ◆ Uses energy alternatives to fossil fuel

All of these attributes add up to increased environmental benefits. These are realized when purchasing decisions are made affecting our local environment and the health of our citizens and workers as well as the global

community.

The Purchasing Division works closely with the Department of Environmental Protection in creating a Recycled Products Comprehensive Procurement Program. An annual report is submitted to the State Legislature each January detailing this Green Purchasing Initiative.

In accordance with the *West Virginia Code* §22-15A-21, it is the policy of the state of West Virginia, to the maximum extent possible, purchase recycled products used by state agencies and instrumentalities.

The following components are incorporated as part of this program :

- ◆ A review, and subsequent revision, of existing procurement procedures and bid specifications to remove language that discriminates against recycled products. The West Virginia Department of Administration, Purchasing Division is responsible for reviewing all state contracts under its jurisdiction for processing and approving to ensure that no language is included that discriminates against recycled products. Please note that the **Purchasing Division Procedures Handbook** includes the directive to remove discriminatory language regarding recycled products in **Section 4: Acquisition Planning** under “Other Considerations” (subsection 4.6.1.5).
- ◆ A review, and subsequent revision, of existing procurement procedures and bid specifications to ensure that, to the maximum extent possible, all agencies and instrumentalities of the state purchase recycled products; Provided, that recycled paper products shall be given a price preference of ten percent and that priority shall be given to paper products with the highest postconsumer content. All state agencies and instrumentalities are encouraged to purchase recycled products. Bid specifications are modified by the Purchasing Division when necessary to incorporate the price preference and to stress the priority of the highest postconsumer content. The **Purchasing Division Procedures Handbook** includes information on the use of recycled products, the related price preference of ten percent and that priority shall be given to the highest postconsumer content. This information is included in **Section 4: Acquisition Planning** under “Other Considerations” (subsection 4.6.1.5).
- ◆ A plan to eliminate, to the maximum extent possible, the use of disposable and single-use products. All state agencies and instrumentalities are encouraged to eliminate the use of disposable and single-use products. The **Purchasing Division Procedures Handbook** includes information on the use of recycled products, the related price preference of ten percent and that priority shall be given to the highest postconsumer content. This information is included in **Section 4: Acquisition Planning** under “Other Considerations” (subsection 4.6.1.5).
- ◆ A requirement that all agencies and instrumentalities of the state use compost in all land maintenance and landscaping activities: Provided, that the use of composted or deep stacked poultry litter products, certified by the Commissioner of Agriculture as being free from organism that are not found in poultry litter produced in this state, have priority unless determined to be economically unfeasible by the agency or instrumentality.
- ◆ The Purchasing Division requires agencies to use compost or deep stacked poultry litter products as stated in the Code citation. The **Purchasing Division Procedures Handbook** includes information on the use of recycled products, the related price preference of ten percent and that priority shall be given to the highest postconsumer content. This information is included in **Section 4: Acquisition Planning** under “Other Considerations” (subsection 4.6.1.5)

Procurement managers understand the connection between broader social issues and purchasing decisions. They are increasingly integrating environmental, health, and safety concerns into their strategic sourcing and in their recognition of the fact that government’s wastes, emissions, and environmental risks are often directly linked to the quantity and quality of the goods and raw materials it buys.

For clarification or more information on this state law, please visit the respective section of the *West Virginia Code* at: <http://www.legis.state.wv.us/WVCODE/ChapterEntire.cfm?chap=22&art=15A&section=21#15A#15A>.

## Protests Procedures Outlined to Vendors

The *Code of State Rules* §148 CSR 1-8 provides vendors with a means by which to file protests with the Purchasing Division. Two types of protests are recognized. Protests of specifications must be filed with the Purchasing Division at least five (5) business days before the scheduled bid opening.

Protests of contract award must be filed within five (5) days of the date of contract award. In Fiscal Year 2011, 28 protests were filed with the Purchasing Division, which is considered minimal based on the number of transactions processed. Every possible effort is made by the Purchasing Division to ensure that the bid and contract award processes are conducted in strict accordance with the *West Virginia Code* and *Code of State Rule* to ensure fair and consistent treatment of vendors. Based on the number of transactions processed by the Purchasing Division and the number of protests filed, the Purchasing Division has a 2.25% rate of protests.

## Communication and Technical Services Section

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

## West Virginia Purchasing Bulletin

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

This publication is secured, requiring vendors who wish to access the Bulletin to have their vendor number and password, which is provided to them by the Purchasing Division. Hyperlinks to solicitations are available on the online version of the *West Virginia Purchasing Bulletin*. The *West Virginia Purchasing Bulletin* also includes sole source determination notices and periodic bid opportunities from exempt agencies.

A special news section was added this fiscal year which provides paid, registered vendors with articles relevant to their participation in the competitive procurement process.

As of June 30, 2011, a total of 5,946 vendors have access to this weekly online publication.

## Vendor Registration

A total number of 11,275 vendor registration and disclosure statement forms, renewal notices and vendor updates were received for processing during the Fiscal Year 2011. Revenue generated from vendor registration fees during Fiscal Year 2011 was \$743,250. The vendor registration annual fee is \$125.

## Privacy Notice to Vendors

The Purchasing Division revised its Vendor Registration and Disclosure Statement forms (WV-1 and WV-1A) in January to incorporate a privacy notice which explained the collection and disclosure of information obtained by the Purchasing Division. This notice states:

*The Purchasing Division is required to collect certain information as stated in West Virginia Code §5A-3-12, other applicable sections of the West Virginia Code, the Vendor Registration and Disclosure Statement forms, and other documents to facilitate the state bidding and contract administration processes. This information is stored in a secure environment, but unless specifically protected under state law, any information provided may be inspected by or disclosed to the public.*

This notice is also available on the Vendor Resource Center at <http://www.state.wv.us/admin/purchase/vrc/default.html>.

A more encompassing notice to vendors on information collected is also included in the Vendor Resource Center and the Privacy and Confidentiality pages on the Purchasing Division's website.

## Purchase Order Encumbrance and Distribution

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

A total of 2,726 purchase orders, including open-end contracts and change orders, were encumbered by the Purchasing Division for Fiscal Year 2011.

## Records and Imaging

All documents beginning with Fiscal Year 2011 transactions were scanned and managed with the division's imaging system. Total pages scanned for the Purchasing Division, which contained purchase orders, change orders, vendor registration forms and all supporting documentation were 284,074 for Fiscal Year 2011.

## Accessibility to Public Records

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

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

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

## Receipt of Incoming Sealed Bids

The Technical Services Unit is responsible for receiving sealed bids from vendors who are participating in the competitive bid process. This unit received 3,032 incoming sealed bids for Fiscal Year 2011.

## Agency Designated Purchasing Contact Persons

In accordance with the *Code of State Rules* §148 CSR 1, each spending unit must select a purchasing designated contract person, whose name is filed with the Purchasing Director. This Rule states, “all purchases must be approved by the secretary or head of the spending unit, or a designee, whose name shall be filed with the Director. The person(s) named should take available purchasing training and have responsibility for the function of purchasing. Each spending unit shall process all purchases through this person(s), who shall be responsible for correspondence and communication with the Purchasing Division.”

As a result, these designated individuals within each agency have formulated the Purchasing Division’s communication network, which ensures that information relating to process and procedures are being directed to the proper individual.

An Agency Procurement Designation form is completed by each agency and updated each year. In May of 2011, the Purchasing Division required agencies to designate whether the individual is the primary or back-up designated purchasing contact if they wish to designate more than one individual. These contacts will be the official agency procurement contacts with the Purchasing Division for the 2012 fiscal year.



**Breana Crites served as an intern with the Purchasing Division through the summer.**

## Governor’s Internship Program Participation

Continuing our participation in the Governor’s Internship Program, the Purchasing Division was pleased to hire Breana Crites, a student at West Virginia Wesleyan College, as our summer intern through this valuable program. She worked in the Communication and Technical Services Section, assisting with communication and marketing projects. This is Crites’ second summer as an intern at the State Capitol.

Crites recently completed her senior year at Wesleyan, working to complete a bachelor’s degree in marketing and will continue in the fall for a fifth year to finish her Masters in Business Administration degree. Her expected graduation is May 2012, with a marketing major and communication minor. A resident of Elkview, she graduated from Capital High School in 2007.

The Purchasing Division has been active in the Governor’s Internship Program since its inception in 1989, which pairs high-achieving college students and their career interests with state agencies seeking to host them.

## Professional Development and Training

In an effort to improve the training and education of West Virginia’s state agency procurement officials, the West Virginia Purchasing Division continually strives to seek new and innovative ways to reach out to state agencies, as well as expand existing programs that effectively utilize the agencies’ time and money. The Purchasing Division relies on material contained in the *West Virginia Code*, the *Code of State Rules*, and the *Purchasing Division Procedures Handbook* to ensure that individuals receive the most reliable and

accurate information regarding state purchasing procedures.

Below are some of the enhancements and developments the Purchasing Division has made during this fiscal year:

### *Online Training Modules*

The West Virginia Purchasing Division ended the **Fiscal Year 2010** with three online training modules available on our website. The topics included Basic Purchasing, Best Value / Request for Proposal Training, and Vendor Registration.

During **Fiscal Year 2011**, this number doubled, for a total of six available on our website. Topics for these modules, which were chosen based on need and agency feedback, include Agency Delegated Purchasing, Special Purchasing Processes: Emergency and Sole Source Purchases, and Writing Specifications. In addition, the Basic Purchasing Online Module was re-formatted into a video from a PowerPoint, and the Best Value / RFP Training was modified to match the new RFP Standard Template.

The online training modules were created to provide a simple and user-friendly way for agency procurement officials to receive training from the convenience and comfort of their offices whenever necessary. The online modules mirror the information that is presented during these same-topic In-House Trainings and Agency Purchasing Conference workshops, and are a great resource for new and experienced agency purchasers alike.

The online training modules are available for download at [www.state.wv.us/admin/purchase/training](http://www.state.wv.us/admin/purchase/training). Each module is worth one credit in the Purchasing Division's Certification Program. Additional online training modules are being planned for the near future.

### *In-House Training Curriculum*

The West Virginia Purchasing Division continues to offer a full schedule of classes as part of its 2011 In-House Training Program. The program, which offers classes every month of the year except for the month of the annual Agency Purchasing Conference (i.e. October 2010), included various purchasing-related workshops, many of which were offered at the 2010 Agency Purchasing Conference.

Workshops offered included the Beginner's Track, a series of six classes aimed at teaching the basics of the state purchasing process for individuals with two years or less procurement experience; Special Purchasing Processes: Emergency and Sole Source Purchases; Agency Delegated Purchasing; Inspection Services; Contracts: Statewide and Piggyback, and much more! A total of 19 different topics were offered as part of this curriculum. In addition, these training sessions offered hands-on exercises, including pre- and post- tests, pop quizzes, and more, which helped participants apply what they learned.

All workshops are free and were conducted in Charleston at the Gaston Caperton Training Center (Building 7). The Communication and Technical Services section of the Purchasing Division focused its attention on evaluating all In-House Training sessions and received positive feedback. This feedback will be used to help improve training classes for future In-House Trainings, as well as those offered during the annual Agency Purchasing Conference.

For a list of in-house training workshops offered by the Purchasing Division, please visit [www.state.wv.us/admin/purchase/training/inhouse.html](http://www.state.wv.us/admin/purchase/training/inhouse.html).



## Webinars

Communication and training using electronic media is becoming a growing trend. To gauge the interest of agency procurement officials to receive training in this way, the Purchasing Division utilized MeetingPlace software to conduct a pilot-test webinar on Statewide and Piggyback Contracts.

Participants were able to view the presentation as well as listen to audio via their telephones in their own offices, eliminating the need to spend time and money on travel. In addition, participants could ask questions through a chat box feature on their screens.

Individuals seeking the WV Procurement: Basic Certification each received one credit for participating in this webinar. More than 40 individuals participated, which was geared toward field personnel from state agencies that were unable to travel to Charleston for a one-hour In-House Training session. Additional webinars are planned for the future.



**Buyer Supervisor Chuck Bowman conducts a training on Request for Quotations via webinar while Staff Development Specialist Samantha Knapp assists.**

## Innovative Training Techniques

The Purchasing Division tested the knowledge of attendees of the 2010 Agency Purchasing Conference while also ensuring a fun time for everyone involved with the conference game show, “Are You Smarter than a Purchasing Buyer?”

The game, a variation on the Jeff Foxworthy-hosted “Are You Smarter than a Fifth Grader?” tested two-person teams in a series of questions related to state procurement.

The Purchasing Division buyers served as “experts” if the teams needed assistance by allowing them to “peek” or “copy” their answers. The game was the centerpiece of the Wednesday night dinner.

Continuing his hosting duties from previous years was Buyer Supervisor Chuck Bowman, who kept the action moving and the crowd laughing throughout with a series of well-timed jokes and witty patter. That included his own take on Foxworthy’s “You Might Be a Redneck If...” with “You Might Be a Procurement Officer If...”

The overall winning team received the board game version of “Are You Smarter than a Fifth Grader?” while the runner-up teams received the lunch box card game version. Across each table were Smarties candies and Dum-Dum suckers to add to the evening’s theme. In the end, the game show demonstrated that education can be offered with a chuckle.



**The Purchasing Division’s buying staff were the ‘experts’ as part of the training game show, “Are You Smarter than a Purchasing Buyer?” at the 2010 Agency Purchasing Conference.**

## Training Statistics:

<u>Description</u>	<u>Statistics</u>
Number of In-House Training Sessions	39
Number of Total Attendance of In-house curriculum	549
Number of Agency Conference Participants	229
Number of Online Training Modules	6
Number of Online Modules Viewed and Certified	197
Number of WV Procurement: Basic Certified	14

## Purchasing Division Procedures Handbook

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

During this fiscal year, four revisions to this document were made, effective August 4, 2010, January 15, 2011, April 1, 2011 and June 30, 2011.

The current **Purchasing Division Procedures Handbook**, along with archived editions, are available online at the Purchasing Division's website at [www.state.wv.us/admin/purchase/Handbook/default.htm](http://www.state.wv.us/admin/purchase/Handbook/default.htm).

## Technological Initiatives

The Purchasing Division continues to make improvements to the efficiencies of its technological system applications, including the TEAM automated purchasing system, the Requisition Tracking System (ReqTrak), the *West Virginia Purchasing Bulletin*, and the website.

## Purchasing Website Statistics

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

During **Fiscal Year 2011**, the following statistics were realized relating to the Purchasing Division's website at [www.state.wv.us/admin/purchase](http://www.state.wv.us/admin/purchase):

Total Hits:	23,699,148
Unique Visitors:	127,474
Visitor Sessions:	702,455
Average Visitors Per Hour:	14.55

## Program Services Section

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

### Fixed Assets Statewide Program

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

Agencies are required to enter their fixed assets with an acquisition value of \$1,000 or more into the WVFIMS Fixed Asset System and retire obsolete equipment in accordance with policy and procedure. There were 1,081 retirement documents (assets taken out of the Fixed Assets System) for a total dollar amount of \$15,734,011.86.

Agencies occasionally need to correct errors in their inventory. Data Change Requests must be completed and processed by the Surplus Property Unit when these corrections are made. During Fiscal Year 2011, the Surplus Property Unit processed 434 Data Change Requests.

The total dollar amount of assets entered into the Fixed Asset System for Fiscal Year 2011 was \$48,780,050.24. Total dollar amount of assets currently in the system is \$1,877,563,529.04.

### Surplus Property

#### *Fiscal Year 2011 Statistics*

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

Federal Property Service Charge	\$ 4,985.28
State Property Service Charge	372,326.11
Public Auctions	145,469.50
Public Daily Sales	878,002.09
Statewide Sealed Bids	602.52
Online Auction	552,633.71
Scrap	<u>33,215.71</u>
Total Revenue	\$1,987,234.92

## State Vehicles

Approximately 332 vehicles were sold during Fiscal Year 2011. Below is a breakdown of the method by which they were sold:

Public Auction	67	\$117,975.00
Public Daily Sales	185	679,631.00
GovDeals	39	83,503.48
Negotiated Sales	<u>41</u>	<u>245,860.00</u>
Totals	332	\$1,126,969.48

## Online Sales

The West Virginia Agency for Surplus Property (WVSASP) has marked more than a year working with the online auction site, *GovDeals.com*, and it continues to be a successful arrangement for WVSASP.

“*GovDeals.com* has grown tremendously for us in the time we have utilized it. I believe that we are getting as much for the items we post as we could hope to get through an online method,” said WVSASP Manager Ken Frye. WVSASP has sold 258 items through the site during Fiscal Year 2011 for a total amount of \$552,633.71, ranging from computers and office equipment to vehicles and heavy machinery.

Since late 2009, WVSASP has been utilizing this online sales mechanism for property that is either unique in nature or more beneficial to sell online. *GovDeals.com* allows users to browse based on item category, auction closing time and state. However, the site is designed specifically for government sellers and allows for greater accountability for WVSASP, Frye said.

“The information on *GovDeals.com* is never deleted, as opposed to other online sale sites, which deletes information after 90 days. Maintaining a record of the information on the site makes it very helpful for us and for auditing purposes,” Frye said.

It has also been a money-saving effort for the state, Frye said. “It is very easy to list things for sale on *GovDeals.com* at the agency location. This saves the agency which is retiring the property the trouble of transporting the equipment to our Dunbar warehouse, and it saves the state money since the equipment is not handled as much,” he said.

In the future, WVSASP plans to assign a building connected to the auction room to be dedicated to *GovDeals.com*. “The building space has a loading dock which will make the pick-up process easier on the customers,” Frye said.



According to *GovDeals.com*, more than 1.1 million bidders can access surplus items that are bid on the site, either through *GovDeals.com* or via links on its sister sites, [www.govliquidation.com](http://www.govliquidation.com) and [www.liquidation.com](http://www.liquidation.com). *GovDeals.com* has more than 2,550 government clients of all sizes.



**A hydroscopic excavator is just one of the numerous items the West Virginia State Agency for Surplus Property has sold through *GovDeals.com*.**

## Daily Public Retail Sales

Since June of 2008, the West Virginia State Agency for Surplus Property has had the authority to sell state property to the public through its daily retail sales.

All direct sale items are priced and sold on an “as is, where is” basis. Surplus Property accepts cash and credit cards, but not personal checks. Property is available at the Surplus Property facility at 2700 Charles Avenue in Dunbar.

As a result of the daily public retail sales, **\$878,002.09** was generated in revenue during the Fiscal Year 2011.

## Organizational Changes

Organizational changes in the Surplus Property Program resulted during the fiscal year from increased activity with the public and employee attrition. Elizabeth Perdue was named Assistant Director for the West Virginia State Agency for Surplus Property (WVSASP). She previously served as the Purchasing Division’s chief financial officer since 2007. This assistant director position is one that has not existed in the agency in more than 20 years.

WVSASP Manager Ken Frye said Perdue’s selection represented one of a series of changes the agency undergoing. Frye said the changes are the result of employees retiring and the changing face of the agency.

“We have had a great deal of attrition in recent years, primarily through retirement, so we took this opportunity to restructure the agency,” Frye said. “Things have changed, programs have changed, and our needs as an agency have changed. It felt like the right time to bring the position back and allow someone to assume those duties.”

The popularity of the daily retail sales and the online sales through *GovDeals.com* has provided added benefits to this program.

## Let’s Be Friends on Facebook!

The West Virginia State Agency for Surplus Property now has a page on the social media website Facebook to provide timely information regarding the valuable property available to eligible organizations and the public. The page serves as a new marketing tool for the agency. The page features up-to-date photos of inventory and information on upcoming events, such as auctions and sales. It also includes a link to an online map for directions to the Surplus Property warehouse in Dunbar.



As its initial responsibility, Surplus Property assists hundreds of eligible organizations by offering usable property at a reasonable cost. Due to the volume of property throughout the program, Surplus Property also seeks to provide the public with good, quality merchandise at an excellent price.

Surplus Property’s Facebook page can be viewed by visiting [www.facebook.com](http://www.facebook.com) and searching for “WV Surplus Property” or visiting [www.state.wv.us/admin/purchase/surplus](http://www.state.wv.us/admin/purchase/surplus) and clicking on the Facebook link.

## Travel Management Office

### Travel Expenditures

The total amount of travel expenditures statewide for Fiscal Year 2011 was **\$42,193,497.98**.

## Statewide Contract for Car Rentals [Enterprise and Hertz]

To provide more cost-effective service to the state, the Purchasing Division elected to piggyback car rental contracts entered into through the Western States Contracting Alliance with Enterprise and Hertz. Included in these contracts is the CDW insurance, which was previously covered by the United Bank's Mastercard program, for a savings of \$810,125.00

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

### Enterprise

The total number of rental days for the Fiscal Year 2011 was 31,058 based on an expenditure of \$841,162.36, the average cost of a rental car per day was \$27.08. Without a preferred car rental contract, the normal (average) daily rate is \$99.00, for a savings of \$2,233,579.64.

### Hertz

The total number of rental days for the Fiscal Year 2011 was 1,347 based on an expenditure of \$49,236.00, the average cost of a rental car per day was \$36.55. Without a preferred car rental contract, the normal (average) daily rate is \$99.00, for a savings of \$84,117.00.

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

Year-end transactions include:

Exchanges	503
Refunds	41
Airline tickets	6,966
Service fees paid	\$169,951.49
Total Transactions	13,076
Cost	\$3,329,681.53
Full Fare	\$11,002,911.63
Savings	\$7,673,230.10

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

The rebate for the qualifying annual volume was \$20,444.83.

## Mileage Reimbursement Rate

Effective January 15, 2011, the state mileage reimbursement rate for use of employees' privately owned vehicle for business use increased to 42.5 cents per mile. The State Travel Management Office, under the Department of Administration, notified agency travel coordinators of the change. This increase from 40.5 cents per mile was based on long-term fuel pricing trends as well as projected fuel price increases in 2011.

The rate change is in accordance with the Department of Administration's bi-annual review of the state's mileage reimbursement rate. The next review of the state mileage reimbursement rate was conducted in July of 2011.

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## *Delta SkyMiles Bonus Tickets*

Five free tickets were used for a total value of \$1,639.95.



# RECOGNIZING EXCELLENCE

## Award Winners

The Purchasing Division continues to recognize agency employees working in state procurement, who demonstrate qualities of excellence to the government procurement industry. These individuals stand out as true examples of dedication and high performing work ethic. From their expertise, others may strive to follow in their footsteps.

There are two recognition programs offered by the Purchasing Division each year: the *Agency Procurement Officer of the Year* and the *Partner in Purchasing*. The awards were announced during a special ceremony at the 2010 Agency Purchasing Conference. The criteria for these awards include such qualities as tenure, performance, internal training efforts, communication, cooperation and exerting a positive image.

### 2010 Agency Procurement Officer of the Year Les Smith - West Virginia Division of Tourism

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

Les Smith, Procurement Officer for the West Virginia Division of Tourism, was honored as the 2010 Agency Procurement Officer of the Year.

Smith has been working in public purchasing for more than 20 years, beginning as an auditor and moving into procurement.

On his nomination form, Smith was described by his peers as “a stickler for submitting error-free work,” as well as “responsible,” “reliable” and “helpful.” This is the 15<sup>th</sup> year the Purchasing Division has offered the Agency Procurement Officer of the Year award, which goes to the individual who has demonstrated the qualities of an exceptional purchasing agent.

For being selected as the winner, Smith received an engraved clock, a certificate of congratulation signed by Gov. Joe Manchin III, Cabinet Secretary Robert W. Ferguson, Jr. and Purchasing Director Dave Tincher. He also received complimentary lodging and registration to the 2011 Agency Purchasing Conference.

The purpose of the Agency Procurement Officer of the Year award is to recognize one individual working in the state purchasing field who has demonstrated high levels of performance and professionalism. The criteria that is used in making the selection for this award include tenure, communication skills, internal training efforts, cooperation with agency and purchasing staff, positive image, and good purchasing practices.



**Purchasing Director Dave Tincher honors Les Smith of the Division of Tourism, who received the Procurement Officer of the Year award.**

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

- 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)

## 2010 Partner in Purchasing

Shawn Carper - Finance Division / Department of Administration

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

Shawn Carper of the Finance Division of the Department of Administration was named the 2010 *Partner in Purchasing* in demonstration of his exceptional professionalism in various programs administered by Purchasing Division.

Carper is truly a partner of our agency in that he works directly with many of the programs administered by the Purchasing Division. He was described as “a responsible communicator” in his role with the Finance Division where he works closely with the Purchasing Division on various programs and functions, including contracting, vendor registration and purchase order encumbrance. This is the 10<sup>th</sup> year this award has been offered.

As the recipient, Carper received a plaque, a certificate of congratulation signed by Gov. Joe Manchin III, Cabinet Secretary Rob Ferguson, and Purchasing Director Dave Tincher and will receive complimentary lodging and registration



**Purchasing Director Dave Tincher is pictured with Shawn Carper of the Finance Division, who received the Partner in Purchasing award.**

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to the 2011 Agency Purchasing Conference.

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

2009: Alan Siemiaczko (Lottery Commission)

2008: John Lopez (Regional Jail Authority)

2007: No Award Offered

2006: Bryan Arthur (Division of Corrections)

2005: Patty Mills (Lottery Commission)

2004: Tammy Canterbury (Department of Environmental Protection)

2003: Patricia Holtsclaw (Alcohol Beverage Control Administration)

2002: (Co-Winner) Susie Teel (Department of Health and Human Resources) and June Casto (Department of Environmental Protection)

2001: Barbara Haddad (Department of Administration - IS&C)

2000: Brent Kessinger (Department of Environmental Protection)



# FINANCIAL STATISTICS...

## Fiscal Year 2011

### NEW PURCHASE ORDER SUMMARY

#### Resident Vendor Analysis:

Vendor	Count (#)	Percent (#)	Value (\$)	Percent (\$)
West Virginia	833	66.80%	\$238,461,412.67	55.19%
Non West Virginia	414	33.20%	\$193,605,563.66	44.81%
<b>TOTAL</b>	<b>1,247</b>	<b>100%</b>	<b>\$432,066,976.33</b>	<b>100%</b>

The average purchase order amount for FY 2011 was \$346,485.15

\*This summary does not include change orders processed during FY 2011. Additionally, the summary does not include the purchase order, AUD115000, for purchase card services in order to avoid double-reporting since this card is used for payment of contracts already included.

#### Agency Analysis:

Top 10 Agencies	Count (#)	Percent (#)	Value (\$)	Percent (\$)
Highways	348	27.91%	\$87,668,589.51	20.29%
Administration	137	10.99%	\$74,207,059.70	17.17%
DEP	171	13.71%	\$51,247,685.90	11.86%
DHHR	103	8.26%	\$28,882,387.05	6.69%
DNR	88	7.06%	\$18,425,508.93	4.26%
DMV	13	1.04%	\$17,069,428.44	3.95%
Lottery	10	0.80%	\$14,645,420.59	3.39%
Eng. Fac. / MAPS	22	1.76%	\$14,499,483.72	3.36%
State Police	41	3.29%	\$14,213,909.44	3.29%
Veterans Assistance	12	0.96%	\$12,141,283.00	2.81%
Other	302	24.22%	\$99,066,220.05	22.93%
<b>TOTAL</b>	<b>1,247</b>	<b>100.00%</b>	<b>\$432,066,976.33</b>	<b>100.00%</b>



# LEGISLATIVE ACTION

## Certified Small, Women, and Minority-Owned Businesses

### Notice of Public Comment Period for Proposed Legislative Rule Related to Certified Small, Women, or Minority-Owned Business

As a result of House Bill 4582, which passed during the 2010 legislative session, a public notice was issued for a proposed rule on certified small, women, or minority-owned business. The deadline for public comment was July 1, 2011.

Specifically, the rule provided definitions; identified the certification process; prohibited false or misleading information; described who is eligible; outlined the procedures for renewal of certification; allowed for evaluation of local, state, private sector and federal certification programs; described procedures for certification of business previously certified by other qualifying programs; addressed both approval and denial of certification; and described revocation, re-application and jeopardizing of federal funds.



# DIVISION OBJECTIVES

## Objective #1

- ◆ Ensure the purchasing process functions in an expeditious and conscientious manner.
- ◆ Maintain an average procurement cycle of 30 days or less.

## Objective #2

- ◆ Continue forward progression on eProcurement initiatives, including evaluation of current systems and possible replacement and acceptance of credit card payment for vendor registration fees. The Purchasing Division is actively involved in the current Enterprise Resource Planning (ERP) implementation project as it relates to the eProcurement module.

## Objective #3

- ◆ Provide educational and informative tools to agency procurement officers to ensure the State is achieving best value.
- ◆ Provide training on purchasing rules, regulations, and procedures to at least 75% representation of all state agencies under the Purchasing Division's authority (excluding boards and commissions) on an annual basis.
- ◆ Continue to create online and in-house training programs for state agencies on various topics relating to the state purchasing process.
- ◆ Establish an agency purchasing certification program to promote education and training within the state procurement function.

## Objective #4

- ◆ Ensure accountability to the state through proactive auditing and documentation review.
- ◆ Maintain a rate for formal protests of less than 4% through dispute resolution and process education.