
State of West Virginia
Department of Administration

PURCHASING DIVISION



2012 Fiscal Year Annual Report

www.state.wv.us/admin/purchase
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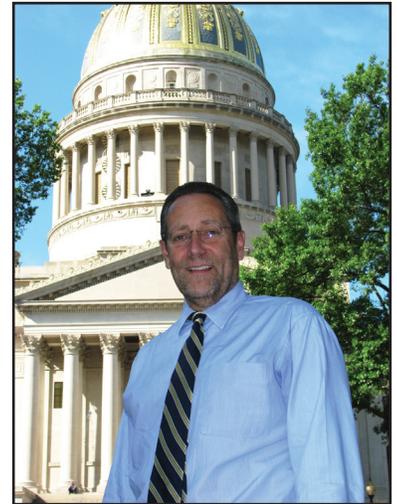
DIRECTOR'S MESSAGE

June 30, 2012

To the Citizens of West Virginia:

Times are definitely changing in state government, as apparent with the technologies by which we conduct our operations.

Along with many other state agencies, the Purchasing Division is directly involved and affected by the upcoming Enterprise Resource Planning (ERP) project, wvOASIS. This project will change many of our business practices and, in preparation of this endeavor, we have been proactive during this fiscal year by making modifications to our processes.



During **Fiscal Year 2012**, we utilized technology more proactively in our training programs, introducing webinars as part of our in-house educational curriculum to provide a more convenient way for agency purchasers to learn the law, rule and procedures of state purchasing practices. One of our primary objectives of our training programs is to ensure that agency purchasers understand the procurement process fully so they may continue to secure additional efficiencies in how they procure commodities and services. We also want to be confident that we are performing our procurement responsibilities in accordance with the framework established by the State Legislature.

Nationally, the West Virginia purchasing process was recognized as part of the State Integrity Investigation, sponsored by the Center of Public Integrity. West Virginia's procurement rated one of the highest in comparison with other states. With a 93 percent grade, West Virginia was one of only eight states that received an "A" for this category.

As long as we embrace change and realize it is for the betterment of the state of West Virginia, we will be successful in achieving the overarching goal of serving our customers -- state agencies, the vendor community and the general public -- in the most effective manner.

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 Tinker

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

<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 the 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 28 for more details on the 4th 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 of 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 the 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 the West Virginia Procurement Certification Program are offered throughout the year to provide 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 state-wide 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.



Back row (l-r), Mark Totten, Casey Hill, Krista Ferrell, Junior Blount, Don Arrick, Paul Reynolds; 5th row (l-r), Chad Williamson, Jimmy Meadows, Mitzie Howard, Guy Nisbet, Diane Holley-Brown, Shane Hall; 4th row (l-r), Roberta Wagner, Tara Lyle, Dan Miller, Elizabeth Perdue, David Scruggs; 3rd row, Crystal Rink, Connie Hill, Mike Sheets, Shelly Murray, Dave Tincher; 2nd row (l-r), Alan Cummings, Samantha Knapp, Willadean Fisher, Frank Whittaker, Debbie Watkins, Beverly Toler; Front row (l-r), Tony O'Leary, Lu Anne Cottrill, Carol Jarrett, Evelyn Melton, Sharon Thompson and Jeanne Barnhart.



DIVISION REFERENCE GUIDE

	<u>TELEPHONE NO.</u>	<u>LOCATION</u>
Director's Office		
David Tincher, Purchasing Director	(304) 558-2538	Main Office
James Meadows, Attorney	(304) 558-8806	Main Office
Debbie Watkins, Administrative Secretary	(304) 558-3568	Main Office
Acquisition and Contract Administration Section		
Mike Sheets, Assistant Director	(304) 558-0492	Main Office
Acquisitions Unit		
Krista Ferrell, Buyer Supervisor	(304) 558-2596	Main Office
Shelly Murray, Buyer Supervisor	(304) 558-8801	Main Office
Roberta Wagner, Buyer Supervisor	(304) 558-0067	Main Office
Alan Cummings, Senior Buyer	(304) 558-2402	Main Office
Connie Hill-Oswald, Senior Buyer	(304) 558-2157	Main Office
Tara Lyle, Senior Buyer	(304) 558-2544	Main Office
Guy Nisbet, Senior Buyer	(304) 558-8802	Main Office
Paul Reynolds, Senior Buyer	(304) 558-0468	Main Office
Frank Whittaker, Senior Buyer	(304) 558-2316	Main Office
Contract Management Unit		
Don Arrick, Contract Manager	(304) 558-5780	Main Office
Shane Hall, Inspector II	(304) 558-8803	Main Office
Junior Blount, Inspector II	(304) 558-3488	Main Office
Communication and Technical Services Section		
Diane Holley-Brown, Assistant Director	(304) 558-0661	Main Office
Communication Unit		
Tony O'Leary, Public Information Specialist	(304) 558-4213	Main Office
Chad Williamson, Public Information Specialist	(304) 558-2315	Main Office
Professional Development Unit		
Samantha Knapp, Staff Development Specialist	(304) 558-7022	Main Office
Technical Services Unit		
Dan Miller, Manager	(304) 558-2314	Main Office
Mark Totten, Purchasing Applications Specialist	(304) 558-7839	Main Office
Casey Hill, Purchasing Applications Specialist	(304) 558-0247	Main Office
Support Services		
Beverly Toler, Supervisor	(304) 558-2336	Main Office
Program Services Section		
Elizabeth Perdue, Assistant Director	(304) 766-2626	Dunbar
Fixed Assets Management Unit		
Pam Jarrell, Fixed Assets Coordinator	(304) 766-2626	Dunbar
Surplus Property Unit		
Elizabeth Perdue, Manager	(304) 766-2626	Dunbar
Travel Management		
Catherine DeMarco, Manager	(304) 558-2613	Main Office



YEAR IN REVIEW

Highlights

Procurement in West Virginia Receives an “A” Grade in State Integrity Investigation

After a year-long data gathering process for the national “State Integrity Investigation,” the sponsors of the report, the Center of Public Integrity, Global Integrity and Public Radio International, showcased West Virginia as a state of excellence in procurement.

West Virginia’s procurement was rated one of the highest in comparison with other states. With a 93 percent grade, West Virginia was one of only eight states that received an “A” for this category. Of those states, West Virginia, Connecticut and Iowa tied for the top rating of 93 percent.

This category reviewed state laws governing the purchase of goods and services. Questions addressed the effectiveness of our procurement process; required training for public purchasers; enforcement of conflict of interest for purchasing officials; the competitive bidding process; and our protest procedures.

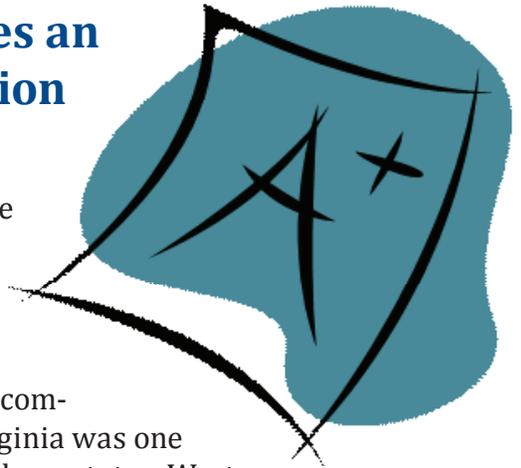
Another aspect of this rating was the accessibility that we provide to the public regarding the public procurement process. Along with the state’s Transparency website (*TransparencyWV.org*), the Purchasing Division also provides a wealth of information on our division’s website. All statewide contracts are available on the Purchasing Division’s website as well as bids received. Downloadable solicitations are also accessible to paid, registered vendors who wish to do business with the state.

The history of procurement practices in the distant past resulted in strict laws that are now in place to ensure proper conduct in public purchasing were also included in the report. The inclusions of such laws by which all state employees must abide are present for a reason. Citizens place their trust in public purchasers that these employees will spend tax dollars ethically and efficiently.

West Virginia Purchasing Division is pleased that our state earned this excellent rating in procurement as part of this national study.

Technology Serves as Invaluable Resource for Purchasing Training Opportunities

During this fiscal year, the Purchasing Division experimented with technology in a much larger



fashion. Several new online training modules were developed and made available on the Purchasing Division's website for our agency purchasing liaisons, making training more convenient.

Additionally, the division began offering webinars, primarily for those agency procurement officers who are not readily available to travel to Charleston for the in-house sessions. Attendees of the webinars are now able to follow an on-line presentation while listening to an educator present it live. Participants may submit questions online during the webinars or ask them by conference call at designated times throughout the program. The integration of participation from webinar users has made online education a useful training component for the Purchasing Division, as reflected in evaluations from this fiscal year's webinars.



Purchasing Applications Specialist Mark Totten and Vendor Registration Coordinator Jeanne Barnhart are pictured during the webinar on "Vendor Registration."

The Purchasing Division continues to make its training programs interactive, utilizing technology throughout the programs or events. The 2011 Agency Purchasing Conference included a game show, "Purchasing Cash Cab," which incorporated the use of several large projection screens to assist throughout this learning event. For additional information about the Purchasing Division's training programs, please visit <http://www.state.wv.us/admin/purchase/training/default.html> or contact Staff Development Specialist Samantha Knapp at (304) 558-7022 or by e-mail at Samantha.S.Knapp@wv.gov.

2011 Agency Purchasing Conference Exceeds Expectations



More than 260 agency procurement officers joined 30-plus Purchasing staff members and guest speakers at the 2011 Agency Purchasing Conference at Stonewall Resort.

Located at Stonewall Resort on November 1-4, the 2011 Agency Purchasing Conference was one of the best attended training events offered by the Purchasing Division in its history. New topics, innovative presentation formats and the always-popular game show entertainment were just some of the reasons for its success.

For the first time in a decade, attendance reached

300 as more than 260 agency procurement officers joined the Purchasing Division staff and guest presenters for this three-day conference. More than 90 agency purchasers were attending this annual conference for the first time.

“I was very pleased with the success of the conference,” said Purchasing Director Dave Tincher. “From the excellent attendance to the wide variety of classes offered, I think we accomplished our objective which was to give agency procurement officers a renewed sense of professionalism by attaining more knowledge in the procurement procedures for which they follow every day.”



Buyer Supervisor Krista Ferrell discusses the RFP Journey as part of her “Preparing a Request for Proposal” class offered during the 2011 Agency Purchasing Conference.

Each year, new elements are added to the conference. New to the 2011 Agency Purchasing Conference was the Advanced Track for primary agency designated procurement officers who are selected by their agency directors. As part of this track for these experienced purchasers, a Speed Roundtable Session was offered during which attendees rotated from table to table discussing different topics with fellow agency purchasers, while the Purchasing Division staff served as facilitators. The Advanced Track sessions also included workshops on the Role of the Procurement Officer, Contract Drafting, and the Protest Process. The Purchasing Division has offered in the recent past a Beginner’s Track for agency purchasers with two years or less experience in procurement, which consists of six workshop targeting basic purchasing information.

Also new to the 2011 conference was the Purchasing Tools and Resources class, centered on the various informational offerings available to agency purchasers, including the Purchasing Division website, training programs and communication initiatives.



Buyer Supervisor Shelly Murray is pictured above listening to questions being asked during her “Emergency and Sole Source Purchases” presentation.

The conference offered 55 different sessions covering 30 topics related to the public procurement process. General session speakers included Todd Childers, who gave an overview of the Enterprise Resource Planning (ERP) Project, wvOASIS, and Gary Slater from the Commission on Special Investigations.

The primary goal for the annual Agency Purchasing Conference was to educate and inform; however, networking and informal purchasing discussion are among the benefits also obtained by attending this educational event. Additional conference features included recognition of the Purchasing Division’s annual purchasing award winners (see Page 36) and the highly entertaining educational game show, “Purchasing Cash Cab” (see Page 26).

Participants of the 2011 Agency Purchasing Conference were asked to complete an evaluation at the conclusion of this annual training event. Not only was this year’s conference one of the best attended in many years, the **120** evaluation forms (approximately **45** percent of the total agency attendance) received represented one of the largest responses ever. “The feedback we receive from agency purchasers every year assists us in shaping our future conference agendas. The end result benefits state agencies by having well-informed individuals better suited to properly handle the many complex purchasing issues we face every day,” said Tincher. Please see below for conference evaluation results:

CONFERENCE REGISTRATION	
EXCELLENT	78%
GOOD	22%
FAIR	0%
POOR	0%

CONFERENCE ORGANIZATION	
EXCELLENT	64%
GOOD	32%
FAIR	4%
POOR	0%

OVERALL OPINION OF CONFERENCE	
EXCELLENT	54%
GOOD	39%
FAIR	7%
POOR	0%

Educating Non-Purchasing State Officials on State Procurement Process and Procedures

The Purchasing Division continues to develop new ways to educate individuals who are not directly involved in the state procurement process so they are better informed of the state laws, rules and requirements related to purchasing commodities and services. One initiative was the creation of a pamphlet titled, "A Brief Overview of West Virginia State Procurement." This information was prepared and distributed to all division directors and agency heads throughout state government and posted on the Purchasing Division's website.

This pamphlet provides general information about the requirements by which the Purchasing Division and agency procurement officers must abide, in accordance with state law. Information on public records, spending limits, purchasing exemptions, mandatory contracts, training, violations to procurement requirements, and the role of the agency designated procurement officers were included in this informational material. Helpful resources were also included to assist agency officials in learning more about the state purchasing process.

When Purchasing Director Dave Tincher shared the pamphlet with state officials, he stressed the importance of our agency designated procurement officers and the vital role they play to ensure the efficiency and effectiveness of how state dollars are being spent.

The pamphlet, which is an informative tool encouraged to be shared with high level officials within state agencies, may be accessed at:

<http://www.state.wv.us/admin/purchase/arc/BriefOverviewofWVStateProcurement.pdf>



ERP Project to Update and Streamline State Government Business Functions

In December 2011, the state of West Virginia entered into a contract with CGI Group Inc., to develop and implement throughout state government an Enterprise Resource Planning (ERP) system that will change business operations, including procurement.

This ERP system, known as wvOASIS (Our Advanced Solution with Integrated Systems), is de-

A Brief Overview of West Virginia State Procurement



West Virginia Department of Administration

Purchasing Division

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signed to merge 118 different systems across the state which will streamline various governmental functions. Expected outcomes include creating enhanced efficiencies in tracking our monetary resources and providing greater government oversight. The system will include procurement, human resources, payroll, inventory, asset management and financial and treasury management.

“CGI is very excited and committed to make this project a success,” said Dan Miller, the Purchasing Division’s Technical Services Unit Manager, who is also serving as team lead for Procurement and Logistics for wvOASIS.

wvOASIS was officially kicked off on March 13, 2012 at the Charleston Civic Center Little Theater in Charleston, offering a crowd of nearly 500 state employees an opportunity to see highlights of the new system and a project timeline. For more information about wvOASIS, please visit:

<http://www.wvoasis.gov>

Purchasing Division Enhances its Buyer Orientation Program

The Purchasing Division introduced a new orientation program this fiscal year for new buyers and purchasing assistants within the division. The program stresses the importance of providing a consistent training regimen that encompasses the different purchasing methods, the system applications and associated procedures. The buyer program is a six-month process with the goal of having the buyer ready to accept his or her own agency file assignments. The purchasing assistant program is a three-month process.

“With the new buyers, we saw a need for a more organized methodology of orientation so that there can be a greater consistency with the new staff,” said Purchasing Director Dave Tincher.

During this orientation, new buyers are introduced to the various aspects of procurement and the role and responsibility of the Purchasing Division. The new buyer reviews all reference materials; observes and handles various transactions; learns how to use the various purchasing applications, including the TEAM automated purchasing system and Requisition Tracking System; and works closely with buyer supervisors who oversee their progress. Buyers are evaluated by a buyer supervisor throughout the orientation process to ensure they are progressing satisfactorily so they will be able to handle their own agency file upon completion.



Buyer Supervisor Roberta Wagner works with Senior Buyer Connie Hill to review documents received by a state agency as part of the Buyer Orientation Program.

Tincher said the orientation process should expedite the extensive learning process of this valuable position so the new buyers may more quickly and efficiently work with their respective assigned agencies. “The quicker that a new buyer is trained, the better service and attention to detail they will be able to give to the agencies,” he said. “This is part of the Purchasing Division’s focus on best serving its customers.”



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

Gov. Earl Ray Tomblin proclaimed the month of March as Purchasing Month in West Virginia in 2012. This serves as a symbol of the importance placed on procurement professionals in the public sector throughout the state.

Procurement officers are the stewards of the budgeted dollars, ensuring that the proper procedures are followed to gain the biggest return using the state’s dollars in an efficient and ethical manner. It brought great pride to those who perform the procurement role in each respective organization, that the profession was recognized. The National Institute of Governmental Purchasing encouraged all state and local governments throughout the United States to make a similar proclamation in celebration of the service procurement professionals provide.

There are many responsibilities that public procurement officers have in state government. First and foremost is having an understanding of the statutory and regulatory requirements for state purchasing. Equally important is maintaining successful communication among peers, superiors, and the Purchasing Division. Procurement officers must have an understanding of the responsibilities of educating and informing others in their respective organizations of procurement practices and procedures. By serving in the role of gatekeeper for documentation and processing issues, the procurement officers must also ensure that those in the procurement field are properly trained on the purchasing process.

Another component of public procurement is continuing to enhance vendor relations. We must always look at the vendor community as potential suppliers to state government. Enhancing our relationships with vendors will result in increased participation in the competitive bid process. And, as we are all fully aware, competition among the vendor community ultimately results in savings to the state.

Small Businesses Now Eligible for Surplus Property through the Federal 8(a) Program

The West Virginia State Agency for Surplus Property (WVSASP) and the U.S. Small Business Administration (SBA) joined together to administer the 8(a) program that assists disadvantaged businesses to continue to progress and succeed. The 8(a) program is a federal program that allows those businesses to obtain surplus property that they might not otherwise be able to afford. According to SBA’s website, “the 8(a) Program is an essential instrument for helping socially and

economically disadvantaged entrepreneurs gain access to the economic mainstream of American society. The program helps thousands of aspiring entrepreneurs to gain a foothold in government contracting.”

This program is a great opportunity for businesses. “Those businesses that are eligible can really benefit from the program by receiving great items for a small fraction of what the cost would be if they had to purchase the items new,” said Elizabeth Perdue, Assistant Purchasing Director and WVSASP Manager.

A business can simply call WVSASP to begin the steps towards becoming classified as an eligible “disadvantaged” business. Businesses can begin shopping for surplus property through the General Services Administration website and can receive the help of the people at WVSASP to begin screening items to find what goods are appropriate for their business.



For more information, contact WVSASP at (304) 766-2626 or visit its website at:

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

Additional information on the 8(a) program may be found on the SBA website, ***<http://www.SBA.gov>***.



Vendor Procurement Guide Published at the Purchasing Division’s Vendor Resource Center

The Purchasing Division showcased its new educational guide to businesses in March of 2012. The **West Virginia Vendor Procurement Guide** provides valuable information to businesses regarding the many aspects of doing business with the state of West Virginia. Information, such as definitions, purchasing in levels of authority, vendor registration and responsibilities, bid opportunities, the purchasing process, and vendor resolutions, disputes and protests are included in this guide.

Operating as an informal reference guide to vendors interested in marketing commodities and services to the state of West Virginia, the online **West Virginia Vendor Procurement Guide** also offers a detailed explanation of the state’s purchasing process and provides helpful resources, such as the Purchasing Division Directory, forms, the agency/buyer assignments, exemptions to the Purchasing Division’s authority, a listing of existing mandatory and optional contracts, the Vendor Code of Conduct and frequently asked questions that they may have regarding our state’s competitive purchasing process.

“Our goal was to provide interested businesses with information on how our state’s purchasing process works,” said Purchasing Director Dave Tincer. “We hope that this informative resource will better educate and inform our vendor community and answer many questions that they may have in doing business with our state government.”

The Vendor Procurement Guide is available on the Vendor Resource Center of our website at:

<http://www.state.wv.us/admin/purchase/vrc/vpg>

Purchasing Division’s Intranet Site Gets a New Look with Enhanced Navigation Features

Following in the footsteps of the 2010 renovation of the Purchasing Division’s website, the division’s intranet site was redesigned and modernized during this fiscal year. The decision to redesign was based on making it serve agency procurement officer needs more easily while also modernizing the site’s look.

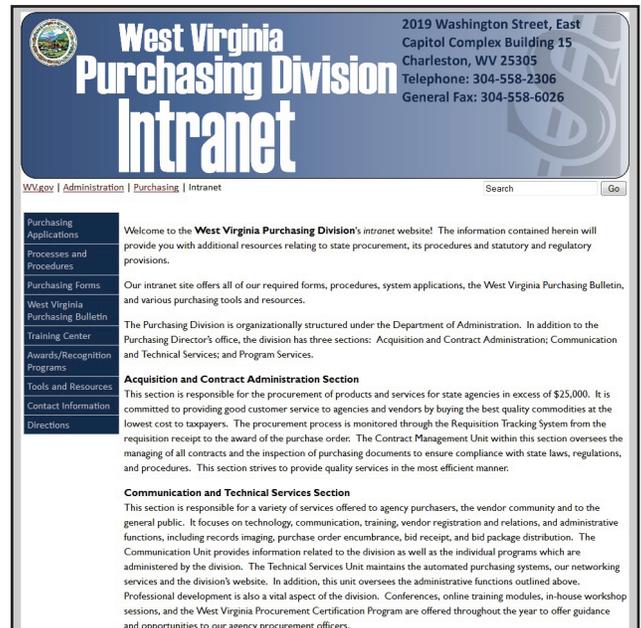
Purchasing Applications Specialist Mark Totten said the previous site was not reflective of current web design standards and not as well organized as it could have been.

“We wanted to create a site that state agencies can quickly access,” he said. “The intranet site resembles the main Purchasing Division website, but has fewer graphics to speed navigation time and allow the user to access his or her desired information more quickly. We also worked to ensure that we do not duplicate information from the Internet site, so some links on the intranet site open to the Internet site if the information already there cannot be improved upon.”

The renovated intranet site has information geared strictly toward procurement officers and state agency employees. Among the site’s unique features is a direct link into the West Virginia Purchasing Bulletin, the weekly publication used by the Purchasing Division to advertise competitive bid opportunities expected to exceed \$25,000. Also available on the intranet site is the Daily Requisition Tracking Report, which is updated every business day and allows state agency employees to view the current status of agency projects. Through the site, they may also access all forms required by the Purchasing Division.

To view the intranet site, users’ computers must be on the state executive domain. To visit the intranet site, please visit:

<http://intranet.state.wv.us/admin/purchase>





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.

Unique Purchases Common for Procurement Staff

Amongst the solicitations processed through the Purchasing Division, there are occasionally unusual purchases that are needed to be processed. During this fiscal year, the Purchasing Division received a requisition for the purchase of dog food. This solicitation provided dog food for the West Virginia State Police K-9 Unit.

“One doesn’t immediately think of dog food as an item the state may purchase,” said Senior Buyer Tara Lyle. A notable specification for this contract is the type of dog food desired. The food must contain minimum percentages of protein, fat, fiber, and vitamins. Certainly, dogs whose duties range from routine patrol to high-risk detection must receive healthy diets.



A West Virginia State Police special operations officer and dog handler responds to a bank robbery in Charleston.

Lyle said compared to contracts such as construction, which require much documentation, the dog food purchase and those like it are fairly straight forward. “No matter how simple or complex a contract is, the process is the same, even if we are purchasing dog food,” she added.

Another interesting solicitation entailed supplying coal to the Division of Natural Resources for use by the historic Cass Scenic Railroad State Park. Cass offers mountainous train excursions in steam-powered locomotives and the Purchasing Division assists with the acquisition of coal to power these trains.

As original trains are still utilized at Cass, a special type of coal is necessary. The Request for Quotation listed specifications for the coal including size and moisture and volatility content. The estimated quantity for this contract is 1,200 tons. During operational months, from April to November, Cass uses about 50 to 75 tons of coal weekly!

While the process for bidding unique purchases is not different, finding vendors who can meet the specifications can be tricky. “We rely on the agency for suggested vendors because they are the expert,” said Senior Buyer Frank Whitaker. “Of course coal isn’t bid every day, but the agency knows the vendor market.”

Statewide Contracts Reviewed for Usage and Accessibility

As part of an extensive review of the usage of statewide contracts during this fiscal year, the Purchasing Division surveyed our agency designated procurement officers to determine which of these contracts were being used and to what extent.

As a result, agencies indicated that more than 20 contracts were no longer of value as a statewide contracts and, therefore, were cancelled from future rebidding.

Not only were the contracts reviewed for effectiveness and usage, but also as part of this project, the Purchasing Division reorganized the listing of contracts on its newly updated Statewide Contracts page to make this site more user friendly for procurement officers. The contract descriptions are more concise and the secondary pages from which additional information may be obtained about each specific contract are more searchable. Additional keywords were included on the secondary pages to allow users to locate a particular contract or commodity that they may need.

All statewide contract information is available on the Purchasing Division’s website directly at:

<http://www.state.wv.us/admin/purchase/swc>

The changes made to the Statewide Contracts page were based primarily on suggestions from agency purchasers. Their feedback provided the momentum for the new features to make this web page more straightforward to navigate. In addition, based on a usage survey from procurement officers, the Purchasing Division removed the statewide contracts which were deemed unnecessary and this made navigation of the Statewide Contracts page cleaner and easier.

The search box on the Statewide Contracts page allows users to type in key words to more readily find the statewide contract link they need. Procurement officers should find the ‘search’ function very useful. If the commodity or service is not found on the new page, then this search function will assist procurement officers in finding what they are looking for in a very timely manner.



Data Overload?

Analyzing information is just part in a day's work for the Purchasing Division's buying staff. Senior Buyer Guy Nisbet, left, and Buyer Supervisor Shelly Murray review a wall full of information pertaining to a state-wide contract for motor vehicles, which is under review.

In order to best analyze the data of the potential vendors, the two made an extensive comparison sheet to better facilitate the process.

Reorganization of Buying Assignments and Staff

Changes to the Acquisition and Contract Administration's buying staff this fiscal year created a need to reorganize the buyer assignments to provide more equality in disseminating the work and more efficiency in processing the transactions.

"We continue to make every effort to balance the amount of purchasing transactions, while maintaining a comfortable and consistent working relationship with the agencies that we serve. The new assignments keep some agency-buyer relationships intact, while creating assignments for our newer buyers who have been trained and are ready to have their own file," said Purchasing Director Dave Tincher. "By dividing the agencies among more of our buying staff, additional resources will be available to better serve the state agencies under our authority."

For a complete list of the current Purchasing Division buyers and their files, please visit:

<http://www.state.wv.us/admin/purchase/byrassign.pdf>

Purchasing Division Modifies its Terms and Conditions, Along with Forms and Checklists

Revised terms and conditions for purchasing transactions, processed by the Purchasing Division and through the agency delegated purchasing authority, became effective on June 8, 2012. Legislation passed during the 2012 Regular Session of the Legislature which affects the procurement process was included in these revised documents. (See Page 40 for Legislative Action)

The revised terms and conditions are available on the Purchasing Division's website at:

Agency Master Terms and Conditions

<http://www.state.wv.us/admin/purchase/TCA.pdf>

Purchasing Master Terms and Conditions

<http://www.state.wv.us/admin/purchase/TCP.pdf>

Since terms and conditions are incorporated into the standard formats for Requests for Proposals (RFP) and Expressions of Interest (EOI), these documents were also revised and updated respectively in the **Purchasing Division Procedures Handbook** within Appendix J (RFP Standard Format) and Appendix P (EOI Standard Format) at:

<http://www.state.wv.us/admin/purchase/Handbook>

During this fiscal year, several forms and the Process Checklists - listed in Appendix O of the **Purchasing Division Procedures Handbook** - were also updated to more appropriately reflect the documentation and approvals necessary for each type of transactions. The Purchasing Division continually notifies state procurement officers of these updates and changes throughout the year.

Inspection Services Realizes Positive Effect on State Agencies

The Purchasing Division's Inspection Services Unit has inspected the procurement records of each government agency under the authority of the Purchasing Division's rules and regulations since the unit was reinstated through legislation passed during 2006 Regular Session of the Legislature.

The Purchasing Division inspectors began returning to agencies during this fiscal year for its second round of agency reviews. "It is, in many ways, a start-over situation since the inspection process is relatively new and oftentimes the individual in the procurement position is also new," said Inspector Junior Blount. "Procurement at the agency level has become a far more advanced position than it was in the past, and it frequently needs someone devoted to it full time."



Contract Manager Don Arrick (center) discusses documentation that is required to be maintained at the agency level with the Purchasing Division's inspection staff, Junior Blount (left) and Shane Hall (right).

As the inspectors returned to agencies, they saw general overall improvement and found the agencies becoming more accustomed to the inspection process and what the inspectors are looking for. Inspector Shane Hall said that he also finds agencies adhering closer to *West Virginia Code* as he returned for another inspection. "Since starting over, the agencies are better at following the rules, and agencies

are typically doing better on second visits.”

Don Arrick joined the Purchasing Division during this fiscal year to oversee the Contract Management and Inspection functions. To learn more about the Inspection Unit, visit:

<http://www.state.wv.us/admin/purchase/inspection>

Fiscal Year Inspection Statistics

During this fiscal year, the Inspection Unit opened and completed **37** individual inspections of various state agencies and related programs. This encompassed more than **80,942** transactions from which **3,993** (approximately **4.93** percent) were closely scrutinized. Of these transactions reviewed more closely, **886** were determined to have a negative finding (approximately **22.2** percent).

The breakdown of findings from these inspections are as follows:

<u>Finding</u>	<u>% of Inspected Transactions</u>
Stringing	0.5%
Failure to use Statewide Contracts	1.6%
Failure to use Internal Resources	0.4%
Bids not documented	4.0%
Failure to check/retain vendor registration	3.5%
Failure to verify Unemployment	
Compensation and Workers' Compensation	4.4%
Failure to obtain Purchasing Affidavit	3.5%
Failure to issue a purchase order	1.4%
Failure to affix an asset tag	0.2%
Failure to include the Non-Conflict of Interest form	2.6%
Travel findings	0.05%
Miscellaneous findings	0.2%

Protest 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 business days before the scheduled bid opening.

Protests of contract award must be filed within five days of the date of contract award. In **Fiscal Year 2012**, **25** 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 Rules* to ensure fair and consistent treatment of vendors. Based on the number of transactions processed by the Purchasing Division and the number of protests filed, the Purchasing Division has a **1.86%** 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. An annual conference and seminars are offered throughout the year to offer guidance to our customers.

West Virginia Purchasing Bulletin

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

This publication is secured, requiring vendors who wish to access this 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.

As of June 30, 2012, a total of **5,668** vendors have access to this weekly online publication.

Vendor Registration

A total of **9,018** vendor registration and disclosure statement forms, renewal notices and vendor updates were received for processing during the **Fiscal Year 2012**. Revenue generated from vendor registration fees during **Fiscal Year 2012** was **\$708,500**. The vendor registration annual fee is **\$125**.

Vendor Registration Page Offers Helpful Information to Interested Suppliers

A Vendor Registration section was added to the Purchasing Division's website to offer those interested in doing business with the state a starting point while also offering others additional information on the process.

Purchasing Applications Specialist Mark Totten said that while the Purchasing Division offers a class on vendor registration as well as an online training module, the information did not have a formal presence on the website. "Vendor registration is often the first contact in state government a vendor may make," he said.

Language on the website is aimed at those new to doing business with the state. The page also

provides a link to the **West Virginia Vendor Procurement Guide**, the *West Virginia Purchasing Bulletin* and to frequently asked questions (FAQ) about vendor registration and the certification process for small, women- and minority-owned businesses. “We hope the FAQ will answer some of the questions that inevitably arise,” Totten said.

To view this webpage, please visit:

<http://www.state.wv.us/admin/purchase/VendorReg.html>

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 **2,680** purchase orders, including open-end contracts and change orders, were encumbered by the Purchasing Division for **Fiscal Year 2012**.

Records and Imaging

All documents beginning with **Fiscal Year 2012** 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 **321,957** for **Fiscal Year 2012**.

Accessibility to Public Records

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

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

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

The Communication and Technical Services Section oversees the requests for records through the FOIA process. During **Fiscal Year 2012**, the Purchasing Division responded to a total of **172** FOIA requests.

Receipt of Incoming Sealed Bids

The Technical Services Unit is responsible for receiving sealed bids from vendors who are participating in the competitive bid process. This unit received **3,106** incoming sealed bids for **Fiscal Year 2012**.

Governor's Internship Program Participation

The Purchasing Division welcomed two new employees this summer. Cameron Thompson and Megan Pulliam joined the Purchasing Division's Communication and Technical Services Section in May of 2012 as interns through the Governor's Internship Program.

Working as a technology intern, Cameron will be a senior in the fall of 2012 at Marshall University with a major in Management Information Systems. A resident of Cross Lanes, Cameron graduated from Nitro High School in 2009.

A junior at West Virginia University, Megan worked as a communications intern. She is a Marketing major with a minor in International Development. Megan lives in Cross Lanes and graduated from Charleston Catholic High School in 2010.

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

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.



Megan Pulliam and Cameron Thompson joined the Purchasing Division's Communication and Technical Services section in May of 2012 as Governor's Internship Program interns.

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

Online Training Modules

As technology continues to improve, so do the methods in which the Purchasing Division reaches out to state agency purchasers. The concept of online training modules was developed during **Fiscal Year 2010** with three online training modules taking precedence. By the end of **Fiscal Year 2012**, that number more than tripled to **10** online training modules.

Topics for these modules include Agency Delegated Purchasing; Basic Purchasing; Best Value Procurement / RFP; Emergency and Sole Source Purchases; Evaluation and Award Process; Fixed Assets; Request for Quotations; Vendor Registration; Vendor Remedies; and Writing Specifications.

This manner of training allows agency purchasers to improve the foundation of their knowledge from the convenience of their offices whenever needed. From beginners to the more experienced purchasers, these modules provide a simple way to view information that is contained in *West Virginia Code*, the *Code of State Rules*, and the **Purchasing Division Procedures Handbook**, related to a specific topic of choice. The Purchasing Division continues to develop new online training modules based on need and feedback from agency purchasing staff and Purchasing Division personnel.

The online training modules are available for download at:

<http://www.state.wv.us/admin/purchase/training/modules.html>

[Please note that each module is worth one credit in the Purchasing Division's Certification Program.]



Purchasing Director Dave Tincher instructs a class on Procurement Values and Principles as part of the In-House Training curriculum.

In-House Training Curriculum

The West Virginia Purchasing Division continues to offer face-to-face trainings through its In-House Training Program, which allows agency purchasers to receive training year-round, ask purchasing-related questions, and discuss specific issues with Purchasing Division staff.

The program offers classes each month throughout the year. Last year, **16** different topics and **19** different training sessions were incorporated into the In-House Training Program, proving to be a driving force behind

increased training opportunities offered by the Purchasing Division.

Topics offered in **Fiscal Year 2012** included Purchasing Tools and Resources, Surplus Property/Fixed Assets, Guiding Values and Principles of Public Procurement, Contract Drafting, and much more!

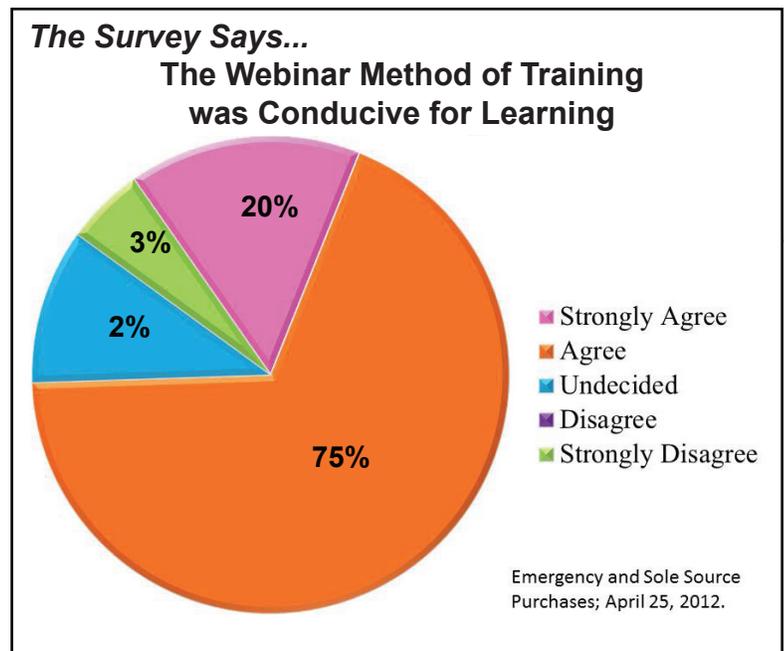
These free training sessions are open to all state agency purchasers. From July 2011 to December 2011, all sessions were conducted in Charleston at the Gaston Caperton Training Center (Building 7). In January 2012, the remaining sessions for **Fiscal Year 2012**, with the exception of the Beginner's Track, were moved to the Purchasing Division (Building 15) in an effort to increase the audience's participation by utilizing an interactive electronic white board. Presenters also offered pre- and post-tests, pop quizzes, and real-life examples to actively engage audience members.

For a list of all in-house training workshops offered by the Purchasing Division, please visit:

<http://www.state.wv.us/admin/purchase/training/inhouse.html>

Webinars

After a successful webinar was pilot-tested in April 2011, the Purchasing Division decided to conduct webinars on a quarterly basis. In August 2011, the Communication and Technical Services Unit offered its second webinar, which trained approximately **36** individuals across the state. 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 or via their telephone at the end of the presentation.



Two more webinars conducted in January and April of 2012 trained approximately **58** individuals statewide. Evaluations were conducted on <http://www.surveymonkey.com>. Of the responses collected, participants felt strongly that webinars were a cost-efficient method of training and a good use of their time. Topics were chosen based on what the Purchasing Division determined would most benefit state employees in the field and included statewide and piggyback contracts, vendor registration, and emergency and sole source purchases.

Staff Professional Development Series

As crucial as training is for our state agency purchasers, the Purchasing Division also understands the need for its own staff to receive guidance on pertinent topics. Beginning in January 2012, an external speaker attended each monthly staff meeting to discuss a particular topic of interest, some directly related to purchasing and some not. Topics included CPR training, a personal look at DHHR's agency delegated purchasing processes, an overview of the state legislative processes, wellness programs offered through the West Virginia Public Employees Insurance Agency, and more. Monthly professional development sessions are being planned for next fiscal year.

Innovative Training Techniques

The Purchasing Division tested the knowledge of attendees at the 2011 Agency Purchasing Conference by the game show, "Purchasing's Cash Cab."

The cab, which was mimicked by an extended golf cart covered in flashing lights and a Taxi sign, acted as the centerpiece for the game show. Two-person teams were asked a series of easy, medium, and hard purchasing-related questions.

Easy questions were worth \$25 each, medium questions were worth \$50, and hard questions were worth \$100. As participants racked up points, they could also utilize two shout-outs, an audience shout-out and a buyer shout-out, to assist with the more difficult questions. Upon completion of each round, participants watched a bonus video question worth an additional \$200.

The game show followed the conference banquet on Wednesday night and garnered many laughs and discussion from the audience. Acting as the new host this year, Staff Attorney Jimmy Meadows was quick on his feet with quirky comments, good-natured taunting, and an all-around fast-paced game. Three projector screens surrounded the room and displayed multiple game show extras: the questions, score board, and video footage as if the cab was actually driving around town.

Paired with unique lighting effects, the game show setup impressed even the most serious of audience members. Although the teams placed first, second, and third overall, all game show participants received a Purchasing Cash Cab soup mug with assorted candies.



Purchasing Attorney James Meadows, right, served as host of the educational game show, "Purchasing's Cash Cab." Skip Amole of the Department of Environmental Protection, left, and Bobby Price of the Department of Health and Human Resources share a laugh while answering a question.

Fiscal Year 2012 Training Statistics:

<u>Description</u>	<u>Statistics</u>
Total Number of State Employees Trained in the Purchasing Division's Training Program	443
Number of In-House Training Sessions	39
Number of Total Attendance at In-house Sessions	320
Number of Agency Conference Participants	262
Number of Online Training Modules	10
Number of Online Modules Viewed and Certified	76
Number of WV Procurement: Basic Certified	8
Number of WV Procurement: Advanced Certified	2

Purchasing Division Procurement Certification Program

The West Virginia Procurement Certification Program grew this year with an increase in participants and the addition of the Advanced Procurement Certification Program. This program provides professional development and recognition to procurement officers and promotes education, knowledge and hands-on experience of public procurement within state government.

During **Fiscal Year 2012**, **eight** procurement officials achieved the basic-level certification, while approximately **20** others continued to progress through the program. A total of **22** agency procurement officers and Purchasing Division buyers have received basic certification since the program was first introduced in 2009.

These graduates and their peers can set their sights on the Advanced Procurement Certification Program, introduced by the Purchasing Division this year for those who have successfully completed the Basic Certification Program. Fittingly, the Advanced Certification Program requires participants to complete more intricate standards than the Basic Certification Program.

Purchasing Division Buyer Supervisors Krista Ferrell and Roberta Wagner became the first graduates of the agency's Advanced Certification program in March of 2012.

"Through the Purchasing Division's certification program, state agency purchasers continue to demonstrate the commitment and integrity needed to obtain a high level of expertise in the state's procurement process, and rightfully so, are recognized for their achievements," said Purchasing Division Staff Development Specialist Samantha Knapp. "The program has received considerable positive feedback and is proving to be quite beneficial to the participants, their agencies and the state procurement process in general."

For more information and a complete list of the requirements for the Purchasing Division Procurement Certification Program, visit:

<http://www.state.wv.us/admin/purchase/training/Certification>

Purchasing Division Procedures Handbook

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

During this fiscal year, three revisions to the **Purchasing Division Procedures Handbook** were made, effective September 12, 2011, December 15, 2011, and March 15, 2012. The current **Purchasing Division Procedures Handbook**, along with archived editions, is available online at the Purchasing Division's website at:

<http://www.state.wv.us/admin/purchase/Handbook>

Purchasing Division Continues its Success with Annual Open House Event

The Purchasing Division offered its fifth annual Open House at its Washington Street Office on May 15, 2012. More than **70** procurement officers from throughout the state attended the function to meet and informally discuss topics of interest with the Purchasing buyers, inspectors, training representatives and technical services personnel.

Highlights also included informational sessions, building tours, virtual tours of the Purchasing Division website, and “Purchasing Division Scramble Board” in the conference room.

The annual Open House provided procurement officers and Purchasing Division staff with the unique experience to interact in person. Buyer Supervisor Roberta Wagner said, “It is wonderful being able to build a rapport on a more personal level with agency officials and procurement officers.”

Dana Hoffman, a procurement officer with Office of the Insurance Commissioner, gave a procurement officer’s assessment of the Open House. “I would like to say the Purchasing Division’s Open House was definitely worth attending. It was great to meet the different buyers and other Purchasing Division staff. Everyone went out of their way to help you any way they could and answer any questions you may have. The food and refreshments were a very nice gesture also in making a well-rounded learning experience.”

The 2012 event was the second consecutive year that 30-minute informational sessions for participants were integrated into the Open House schedule. The topics included “A High Level Overview of Purchasing;” “Process Checklists;” “I’m New to Purchasing, Where do I Start?” and “Inspection Services.”

Purchasing Director Dave Tincer expressed his satisfaction on the success of the event. “I am very pleased that we had another quality Open House event. The lines of communication between our staff and those who visit our Open House are strengthened and, in turn, make the state procurement process even more efficient. Throughout the day, I saw a lot of good dialogue being exchanged between our staff and the agency procurement officers. All of this leads to a more proficient way of operating on all levels.”

Attendees were also presented with an electronic evaluation of their experience at the Open House. Of the **19** responses, **100** percent of attendees found the informational sessions to be “excellent” or “good.”



The Purchasing Division held its fifth annual Open House in May, 2012. Purchasing Applications Specialist Mark Totten is pictured speaking to several procurement officers who attended the event.

THE BUYERS NETWORK

JUNE 2012 - VOL. 22, ISSUE 6

THE BUYERS NETWORK is Published Monthly by the Purchasing Division of the West Virginia Department of Administration to Promote Better Value in Public Purchasing



More than 70 procurement officers attended the fifth Annual Purchasing Division Open House.

Purchasing Division's Open House Offers Event for Agency Purchasers

The West Virginia Purchasing Division offered its fifth annual Open House at its Washington Street Office on May 15. More than 70 procurement officers located throughout the state attended the function to meet and informally discuss topics of interest with Purchasing Division buyers, inspectors, training representatives and technical services personnel. Highlights also included informational sessions, building tours, virtual tours of the Purchasing Division website, and "Purchasing Division Scramble Board" in the conference room.

The annual Open House provides procurement officers and Purchasing Division staff with the unique experience to interact in person. Buyer Supervisor Roberta Wagner says, "It is wonderful being able to build a rapport on a more personal level with agency officials and procurement officers." The event is an informal opportunity to place a name with a face and discuss purchasing matters.

Dana Hoffman gave a procurement officer's assessment of the Open House. "I would like to say the Purchasing Division's Open House was definitely worth attending. It was great to meet the different buyers and other Purchasing Division staff. Everyone went

Please see **OPEN HOUSE**, Page 4

INSIDE...

- **Director's Comments:** Plans Underway for Implementation of Small, Women and Minority-Owned Business Certificate
- **Surplus Property Gets a Spring Cleaning**
- **Procurement Training at Agency Level Creates Benefits that Ripple Throughout**

Purchasing Division Begins Using New Terms and Condition on June 8, 2012

All agency designated procurement officers were provided with a preview of revised terms and conditions for purchasing transactions processed by the Purchasing Division and through the agency delegated purchasing authority, which will become effective on June 8, 2012.

These revised terms and conditions will be added to procurement documents received by the Purchasing Division beginning on this effective date. Legislation passed during the 2012 Regular Session of the Legislature which affects the process is included in these revised documents.

To view in advance the revised terms and conditions, please visit:

<http://www.state.wv.us/admin/purchase/RevisedTandC.html>

This page was created as a courtesy for our agency designated purchasers. Beginning on June 8, 2012, the revised terms will replace the current terms and conditions and be uploaded to the site map on the Purchasing Division's website at:

<http://www.state.wv.us/admin/purchase/sitemap.html>

Please see **TERMS**, Page 6

Agency Procurement Officers Rely on The Buyers Network for a Variety of Information

The Purchasing Division distributes a monthly e-newsletter entitled, *The Buyers Network*, which focuses on the latest issues and events most relevant to state procurement officials. In March 2012, an electronic survey was issued to agency procurement officers.

Approximately 40 state agency procurement officials responded to the reader electronic survey which consisted of a series of questions asking procurement officials to rate various aspects of this publication. Reader responses to the general questions indicated that the publication is experiencing a high level of consistent readership.

Of the responses, approximately **85** percent indicated that the information in *The Buyers Network* was "most often" or "always" relevant to their job. Nearly 98 percent stated they "most often" or "always" found the design and format easy to read. In those same two levels of ratings, **90** percent of respondents found the variety of articles interesting.

One hundred percent of respondents said *The Buyers Network* is "most often" or "always" offered in a timely manner each month and **95** percent agreed that the frequency of the newsletter met their needs.

To view *The Buyers Network* on the Purchasing Division's website, please visit:

<http://www.state.wv.us/admin/purchase/BN/bnlist.html>

Technological Initiatives

The Purchasing Division continues to make enhancements to its technological system applications, including the TEAM automated purchasing system, the Requisition Tracking System, the *West Virginia Purchasing Bulletin*, and the Purchasing Division's Internet and intranet sites.

Purchasing Website Statistics

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

The following **Fiscal Year 2012** statistics pertain to the Purchasing Division's website, <http://www.state.wv.us/admin/purchase>:

Total Hits:	9,925,590
Unique Visitors:	136,525
Visitor Sessions:	637,708
Average Visitors Per Hour:	15.54

Program Services Section

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

Fixed Assets Statewide Program

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

Agencies are required to enter their fixed assets with an acquisition value of \$1,000 or more into the WVFIMS Fixed Asset System and retire obsolete equipment in accordance with policy and procedure. There were **1,161** retirement documents (assets taken out of the Fixed Asset System) processed for a total dollar amount of **\$20,842,834.04**.

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 2012**, the Surplus Property Unit processed **379** Data Change Requests.

The total dollar amount of assets entered into the Fixed Asset System for **Fiscal Year 2012** was **\$38,501,534.07**. Total dollar amount of assets currently in the system is **\$1,978,581,700.34**.

Surplus Property Program

Fiscal Year 2012 Statistics

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

Federal Property Service Charge	\$ 4,484
---------------------------------	-----------------

State Property Service Charge	337,209
Public Auctions	128,045
Public Daily Sales	1,196,243
Statewide Sealed Bids	365,039
Online Auction	294,093
Scrap	46,618
Total Revenue	\$2,371,731

State Vehicles

Approximately **404** vehicles were sold during **Fiscal Year 2012**. Below is a breakdown of the method by which they were sold:

Public Auction	56	\$79,050
Public Daily Sales	254	866,723
Online Sales	66	147,126
Negotiated Sales	28	187,855
Totals	404	\$1,280,754

Online Sales

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

WVSASP has sold **285** items through the online sales site during **Fiscal Year 2012** for a total amount of **\$294,093**. Items sold included motor vehicles; office equipment; a mobile home; piano, boats and a commemorative coin.

To learn more about Surplus Property's online sales, visit:

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

Daily Public Retail Sales

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

As a result of the daily public retail sales, **\$1,196,243** was generated in revenue during the **Fiscal Year 2012**.



One of the sale methods used by the West Virginia State Agency for Surplus Property is public auctions. An auctioneer is pictured taking bids on surplus property during the all-day event.

Public Auctions

The West Virginia State Agency for Surplus Property (WVSASP) periodically offers absolute auctions, which are one-day sale events used to dispose of state surplus property at the agency's headquarters in Dunbar.

The auctions most often begin at 10 a.m., but potential bidders may inspect the sale property the week preceding during WVSASP business hours.

Auction notices are posted at the Surplus Property website at:

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

Statewide Sealed Bid Process

Occasionally, the West Virginia State Agency for Surplus Property may conduct a statewide sealed bid for a specific item(s) if it is in the best interest of the state to sell the property at the item's location. During this fiscal year, the WVSASP worked with the State Rail Authority to sell more than **600** tons of scrap rail at several of its rail yards in the Eastern Panhandle in October of 2011.

This method of public sale requires bidders to complete and submit a bid form prior to an established bid opening date and time. This type of sale is conducive when state agency property is located outside of the Charleston area. Due to the sheer volume of materials and its location, WVSASP used the sealed bid process for the scrap rail sale.



The West Virginia State Agency for Surplus Property facilitated a statewide sealed bid sale for the state Rail Authority. More than **600** tons of scrap rail was sold as part of this sealed bid.

"It has been a long time since we had a sale this large. I think the last time we did a sale for the State Rail Authority was at least 15 years ago. That is probably why we had so many rails to move this time," said Ken Frye, former Surplus Manager who retired in February of 2012. "But we got it all sold and the Rail Authority officials were very pleased. They were able to clear their yards and make money from it in the process." Ten businesses submitted bids on the items, which ranged from predominately scrap rail to boxcars and miscellaneous items such as crossing lights. The items were separated into 14 lots according to material and location.

“I was very pleased with the results. This sale was much better than I expected. I was doing market research on scrap prices as they are very volatile. I was hoping we would get 12 cents on the pound and we averaged about 17 cents or so on the pound for our sale,” Frye said. “The marketing efforts we did to get businesses interested in bidding really paid off.”

Public Sales Website

The West Virginia State Agency for Surplus Property expanded its Public Sales Section of its website. Useful information on the various types of public sales was added to better explain its online sales process, direct retail sales, statewide sealed bids and public auctions. The site may be accessed at:

<http://www.state.wv.us/admin/purchase/surplus/public.html>

Free Furniture Giveaway

The West Virginia State Agency for Surplus Property offered a successful furniture giveaway from July 5-15, 2011 to eligible organizations, including public agencies and certain non-profit organizations.

The giveaway not only helped clear much needed space at the agency’s warehouses, but it also benefited many eligible organizations who participated. The giveaway gave these businesses a great opportunity to acquire quality furniture that they might not have been able to purchase otherwise due to limited budgets.



The West Virginia State Agency for Surplus Property freed up much needed storage space with its free furniture giveaway promotion to eligible organizations in July 2011.

Thirty-seven agencies took advantage of the furniture giveaway and more than **600** pieces of furniture were driven off the lot during the event. Chairs, filing cabinets, desks, bookcases, tables and storage cabinets were among the most popular pieces with the eligible customers.

Deana Burke of Glenville, founder and executive director of Visions, Vessels, and Victory, picked out an assortment of chairs, desks and filing cabinets during her visit. Visions, Vessels and Victory is a non-profit agency with three food pantries in Wirt, Gilmer and Berkeley counties. The filing cabinets, she said, will make good storage bins for canned goods and many of the chairs would be used for elderly citizens to sit in while waiting in line at the outreach centers.

“The price is great,” Burke said with a laugh, adding in a more serious tone, “We only operate on donations. We do not receive any government money. We could not have come down here and bought this. The fact that this is all free is truly a blessing for our organization.”

Revised Surplus Property Reference Manual

The Reference Manual for the West Virginia State Agency for Surplus Property Program was updated in August of 2011 and posted online at:

<http://www.state.wv.us/admin/purchase/surplus/referenc.html>

The manual details specific information about how state agencies are to retire property to WVSASP, in accordance with *West Virginia Code §5A-3-45*, which states: “The state agency for Surplus Property has the exclusive power and authority to make disposition of the commodities or expendable commodities now owned or in the future acquired by the state when the commodities are or become obsolete or are not being used or should be replaced.”

The manual also provides guidance on how eligible organizations can obtain quality, usable property at a substantially reduced price from the WVSASP from both the state and federal surplus property programs. The West Virginia State Agency for Surplus Property is located at 2700 Charles Avenue in Dunbar and can be reached at (304) 766-2626 or toll-free at (800) 576-7587. Questions can be submitted by e-mail at:

<http://www.state.wv.us/admin/purchase/surplus/Question.html>

Organizational Change

Elizabeth Perdue was named in March of 2012 as Assistant Purchasing Director of the Program Services Section and Manager of the West Virginia State Agency for Surplus Property. Perdue previously served as the assistant manager for WVSASP.

This position oversees programs administered by the Purchasing Division, including the Surplus Property Program, State Travel Management and the Fixed Asset System. Perdue replaces Ken Frye, who retired in February of 2012.



Elizabeth Perdue was named as the Assistant Purchasing Director of the Program Services Section and Manager of the WVSASP.

Travel Management Office

Travel Expenditures

The total amount of travel expenditures statewide for **Fiscal Year 2012** was \$47,507,185.

Statewide Contract for Car Rentals [Enterprise and Hertz]

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

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

Enterprise

The total number of rental days for the **Fiscal Year 2012** was **53,283**. Based on an expenditure of **\$1,436,980**, the average cost of a rental car per day was **\$26.97**.

Hertz

The total number of rental days for the **Fiscal Year 2012** was **1,910**. Based on an expenditure of **\$69,928**, the average cost of a rental car per day was **\$36.61**.

Statewide Contract for Travel Management Services [National Travel]

Year-end transactions include:

Exchanges	468
Refunds	24
Airline tickets	8,017
Service fees paid	\$191,877
Total Transactions	14,871
Cost	\$4,059,895
Full Fare	\$12,454,843
Savings	\$8,394,949

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

The rebate for the qualifying annual volume was **\$12,741**.

Mileage Reimbursement Rate

Effective July 20, 2011, the state mileage reimbursement rate for use of employees' privately owned vehicle for business use increased to **47.0** cents per mile. The State Travel Management Office, under the Department of Administration, notified agency travel coordinators of the change. This increase from **42.5** cents per mile was based on long-term fuel pricing trends as well as projected fuel price increases. The rate remained consistent at the January 2012 review.

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



RECOGNIZING EXCELLENCE

Award Winners

Each year, the Purchasing Division recognizes state employees who work in state procurement and demonstrate qualities of excellence to the government procurement industry. These individuals demonstrate strong decision-making skills, dedication to public procurement and high work ethic.

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 2011 Agency Purchasing Conference. The criteria for these awards include such qualities as tenure, performance, internal training efforts, communication, cooperation and exerting a positive image.

Agency Procurement Officer of the Year

Belinda Burdette

West Virginia Alcohol Beverage Control Administration

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

One of the highlights of the annual Agency Purchasing Conference is the recognition of those individuals who have proven to be exceptional in the field of public procurement.

At the 2011 Agency Purchasing Conference in November, Belinda Burdette of the Alcohol Beverage Control Administration was named the recipient of the *Agency Procurement Officer of the Year*. Burdette has worked in the public purchasing field for approximately 10 years and is described as “open,” “honest,” and “professional” by her peers. Burdette is the one who assists those in her agency by explaining the procurement rules so they are easily understood. She also keeps the staff informed of changes to the procedures.



Purchasing Director Dave Tincher awarded Belinda Burdette of the Alcohol Beverage Control Administration as the recipient of the Agency Procurement Officer of the Year at the Agency Purchasing Conference.

Purchasing Director Dave Tincher honored Burdette with an engraved clock and a certificate which he signed, along with Gov. Earl Ray Tomblin and former Cabinet Secretary of Administration Rob Ferguson. Burdette received complimentary lodging and registration to the 2012 Agency

Purchasing Conference. Ron Moats, commissioner of the Alcohol Beverage Control Administration, was also present for the award presentation. This is the 16th year in which the *Agency Procurement Officer of the Year* award was presented.

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

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

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

Partner in Purchasing

Barbara Ratliff

West Virginia State Auditor's Office

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.

Barbara Ratliff of the Auditor's Office was recognized as the 2011 Partner in Purchasing award recipient. This award is given to the individual who works closely with programs administered by the Purchasing Division, such as travel, fixed assets,



Barbara Ratliff of the State Auditor's Office was recognized as the Partner in Purchasing recipient at the Agency Purchasing Conference. Pictured with her is Purchasing Director Dave Tincher.

surplus property and automation. Ratliff has served in this role for approximately 12 years. She supervises a staff of five in processing travel settlement forms for state employees and works closely with the State Travel Management Office and the agency travel coordinators to resolve travel issues. Ratliff was honored with an engraved plaque and a certificate signed by Gov. Tomblin, former Cabinet Secretary Ferguson and Tincher. She also received complimentary lodging and registration to the 2012 Agency Purchasing Conference. This is the 11th year this award has been offered.

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

2010: Shawn Carper (Finance Division/Department of Administration)

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 (IS&C/Department of Administration)

2000: Brent Kessinger (Department of Environmental Protection)

Friend of Purchasing

Phil Myles

West Virginia Attorney General's Office

Occasionally, the Purchasing Division honors a Friend of Purchasing. Although this recognition has no defined criteria, Purchasing Director David Tincher described this honor as a "recognition of someone who we feel is part of us."

Phil Myles of the Attorney General's Office is the recipient of the *Friend of Purchasing* award which was created three years ago to recognize those who have demonstrated support, cooperation and teamwork with the Purchasing Division.

Myles has worked in the Attorney General's Office for many years and though he does not directly purchase goods and services, he was recognized for providing the Purchasing Division with valuable guidance throughout the years.

Myles received a Blenko vase and a certificate signed by Gov. Tomblin, former Cabinet Secretary Ferguson and Tincher.



Phil Myles of the Attorney General's Office was recognized by Purchasing Director Dave Tincher as the recipient of the Friend of Purchasing award.



FINANCIAL STATISTICS

Fiscal Year 2012

NEW PURCHASE ORDER SUMMARY

Resident Vendor Analysis:

Vendor	Count (#)	Percent (#)	Value (\$)	Percent (\$)
West Virginia	932	69.50%	\$256,017,445.12	50.71%
Non-West Virginia	409	30.50%	\$248,896,942.17*	49.29%
TOTAL	1,341	100%	\$504,914,387.29	100%

The average purchase order amount for FY 2012 was **\$376,520.80**. This summary does not include change orders processed during FY 2012.

*The non-West Virginia purchase order value does include the purchase order FAR226005 to CGI for the state Enterprise Resource Planning (ERP) project in the amount of \$98 million.

Agency Analysis:

Top 10 Agencies	Count (#)	Percent (#)	Value (\$)	Percent (\$)
Administration	192	14.32%	\$136,279,719.35	26.99%
Highways	416	31.02%	\$72,710,415.62	14.40%
DEP	189	14.09%	\$57,161,653.69	11.32%
DNR	72	5.37%	\$50,276,094.22	9.96%
Eng. Fac. / MAPS	18	1.34%	\$42,573,898.11	8.43%
Corrections	21	1.57%	\$35,230,630.83	6.98%
DHHR	120	8.95%	\$27,674,692.78	5.48%
Public Transit	18	1.34%	\$8,123,588.45	1.61%
Juvenile Services	10	0.75%	\$7,427,652.70	1.47%
Education	12	0.89%	\$7,249,309.76	1.44%
Other	273	20.36%	\$60,206,731.78	11.92%
TOTAL	1,341	100.00%	\$504,914,387.29	100.00%



LEGISLATIVE ACTION

Small, Women-, and Minority-owned (SWAM) Business Legislative Rule

House Bill 4142 authorized the Department of Administration to promulgate legislative rule relating to certification for small, women, and minority-owned (SWAM) businesses.

Buy American Task Force

House Bill 4263 created a “Buy American Task Force” to study the use of American made construction materials and goods, with a final report due to the State Legislature by December 31, 2012.

Disclosure of Subcontractors

Senate Bill 36 required the disclosure of subcontractors within two hours of the close of bids for public contracts.

Green Buildings Act

Senate Bill 76, known as the “Green Buildings Act,” required new facility projects of public agencies and projects receiving state funds, to be designed and constructed complying with the International Code Council 2009 International Energy Conservation Code and the ANSI/ASHRAE/IESNA Standard 90.1-2007.

Retirement of Information Technology Equipment

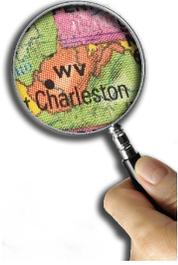
Senate Bill 563 clarified that the Office of Technology is responsible for the retirement or transfer of information technology equipment that may contain confidential or privileged electronic data.

Travel Management Fund

Senate Bill 564 rewrote the current section on funds for travel management. The bill creates the Aviation Fund and the Fleet Management Office Fund. The bill provides that the moneys in these funds do not expire and are to be used for aviation and fleet management purposes, respectively. The bill requires costs and expenses to be borne by the agency or department using the aviation and fleet services.

Criminal Background Checks

Senate Bill 659 required vendors, contractors, subcontractors and their employees to submit to a criminal background check if they will be at a state facility or have access to sensitive or critical information.



GOALS AND OBJECTIVES

Objective 1

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

Maintain an average procurement cycle of 30 days or less.

Objective 2

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

Objective 3

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

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

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

Objective 4

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

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