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West Virginia
ANNUAL
Purchasing Division
REPORT
Department of Administration



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June 30, 2014

To the Citizens of West Virginia:

The 2014 Fiscal Year marked one of continuing change for the Purchasing Division. As an agency responsible for ensuring the greatest benefit for the taxpayer dollar, the Purchasing Division is always striving to find the best way to not just adapt, but to find new methods to lead in an ever-changing world.

April 2014 found the signing by Gov. Earl Ray Tomblin of Senate Bill 356, which makes clarifications and additions to the current statutory authority relating to state procurement in West Virginia. This legislation accompanies other changes in state government, as the state's Enterprise Resource Planning system, *wvOASIS*, progresses. The budget phase of this project was completed on August 5, 2013, the Vendor Self-Service portal went live on June 16, 2014, and anticipation has grown toward the implementation of the financial/procurement phase of *wvOASIS* being implemented in July of 2014.

The Purchasing Division has made a concerted push to expanding the use of technology in our training and outreach efforts. This effort has been apparent in the preparations for the change to *wvOASIS*. The Purchasing Division partnered with *wvOASIS* on two vendor webinars in the spring of 2014, designed to share information about purchasing procedures and to prepare vendors for the new system.

Webinars and online training modules were only two aspects of the educational effort that the Purchasing Division offered during this fiscal year. As always, we worked to ensure that procurement education was accessible to state procurement officers. We continued our successful in-house program, expanding course offerings and striving to ensure we offered the strongest and most accessible education possible for state procurement officers. The Purchasing Division also offered two state agency procurement conferences, with the goal of making sure that everyone involved in state procurement had the ability to attend.

Change is always thrilling, and the Purchasing Division staff is excited about the changes that will be forthcoming in the approaching fiscal years. We will always work to achieve the goal of service to our customers – state agencies, vendors and the general public – in a way that makes the state of West Virginia proud.

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

Sincerely,

Dave Tincher, CPPO, Director
West Virginia Purchasing Division



General Information

Contact Information

West Virginia Purchasing Division
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WVPurchasing.gov

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**, the listing of state government bid opportunities; a monthly online newsletter for state procurement officers, **The Buyers Network**; e-mail correspondence to our designated purchasing liaisons at the state agency level; and our website (*WVPurchasing.gov*).

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

Customer Service Representative

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

Organizational Structure

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

Acquisition and Contract Administration Section

The Acquisition and Contract Administration Section is responsible for the procurement of products and services for state agencies expected to exceed \$25,000. It is committed to providing good customer service to agencies and vendors by buying the best quality commodities at the lowest cost to taxpayers.

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

Communication and Technical Services Section

The Communication and Technical Services Section is responsible for a variety of services offered to agency purchasers, the vendor community and to the general public. It focuses on technology, communication, training, vendor registration and relations, as well as administrative functions, including records imaging and retention, purchase order encumbrance, bid receipt and bid package distribution.

The Communication Unit provides information related to the division and the individual programs which are administered by the division. The Technical Services Unit maintains all technical applications administered by the division as well as oversees our networking services and the division's Internet and intranet sites. In addition, this unit oversees the administrative functions outlined above. Professional development is also a vital aspect of the division. Conferences, online resource 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

The Program Services Section is responsible for several programs administered by the Purchasing Division.

The Travel Management Unit offers guidance to state business travelers and oversees various statewide contracts for travel-related services. This unit communicates with agency travel coordinators on various issues relating to services.

The Fixed Assets Unit maintains the state's inventory of property and ensures the agencies certify their state-owned property on an annual basis.

The Surplus Property Unit manages the state and federal programs for property no longer needed within the respective governments. As part of this program, state property that is not sold to eligible organizations is made available to the public through various mechanisms, including absolute auctions, daily retail sales, online sales and statewide sealed bids.

West Virginia Purchasing Division Staff ... *Working for You!*



Back row (l-r), Greg Clay; Mark Totten; Diane Holley-Brown; *4th row (l-r),* Guy Nisbet; Catherine DeMarco; Shane Hall; Mitzie Howard; Dean Wingerd; Chad Williamson; Samantha Knapp; *3rd row (l-r),* Tony O'Leary; Tara Lyle; Mike Sheets; Willadean Fisher; Jimmy Meadows; Shelly Murray; Alan Cummings; Debbie Watkins; *2nd row (l-r),* Gail Montantez; Krystle Harrison; Melissa Pettrey; Crystal Rink; Purchasing Director Dave Tincher; Bob Kilpatrick; Frank Whittaker; *Front row (l-r),* Beverly Toler; Carol Jarrett; April Battle; Misty Delong; Lu Anne Cottrill; Evelyn Melton; Alisha Ord; Jeanne Barnhart; Beth Collins.



Contact 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
<i>Acquisitions Unit</i>		
Shelly Murray, Buyer Supervisor	(304) 558-8801	Main Office
Frank Whittaker, Buyer Supervisor	(304) 558-2316	Main Office
Gregory Clay, Senior Buyer	(304) 558-2566	Main Office
Beth Collins, Senior Buyer	(304) 558-2157	Main Office
Bob Kilpatrick, Senior Buyer	(304) 558-0067	Main Office
Tara Lyle, Senior Buyer	(304) 558-2544	Main Office
Evelyn Melton, Senior Buyer	(304) 558-7023	Main Office
Guy Nisbet, Senior Buyer	(304) 558-2596	Main Office
Crystal Rink, Senior Buyer	(304) 558-2402	Main Office
Dean Wingerd, Senior Buyer	(304) 558-0468	Main Office
Misty Delong, Buyer	(304) 558-8802	Main Office
Melissa Pettrey, Buyer	(304) 558-0094	Main Office
<i>Contract Management Unit</i>		
Alan Cummings, Contract Manager	(304) 558-5780	Main Office
Shane Hall, Inspector III	(304) 558-8803	Main Office
Junior Blount, Inspector III	(304) 558-3488	Main Office
Mitzie Howard, Inspector I	(304) 558-2037	Main Office
Communication and Technical Services Section		
Diane Holley-Brown, Assistant Director	(304) 558-0661	Main Office
<i>Communication Unit</i>		
Tony O'Leary, Public Information Specialist	(304) 558-4213	Main Office
Chad Williamson, Public Information Specialist	(304) 558-2315	Main Office
<i>Professional Development Unit</i>		
Samantha Knapp, Staff Development Specialist	(304) 558-7022	Main Office
<i>Technical Services Unit</i>		
Mark Totten, Manager	(304) 558-7839	Main Office
<i>Support Services</i>		
Beverly Toler, Supervisor	(304) 558-2336	Main Office
Program Services Section		
Elizabeth Perdue, Assistant Director	(304) 766-2626	Dunbar
<i>Fixed Assets Management Unit</i>		
Sherry Fewell, Fixed Assets Coordinator	(304) 766-2626	Dunbar
<i>Surplus Property Unit</i>		
Elizabeth Perdue, Manager	(304) 766-2626	Dunbar
Jordan Kirk, Assistant Manager	(304) 766-2626	Dunbar
<i>Travel Management</i>		
Catherine DeMarco, State Travel Manager	(304) 558-2613	Main Office

*wv*OASIS Implementation Affects West Virginia Government Operations

The *wv*OASIS project implementation began in early August 2013 with the first phase of the Enterprise Resource Planning (ERP) project relating to budgeting. In addition to automating a new budget system, *wv*OASIS is also changing how the state of West Virginia processes other business functions, including financial management, procurement, asset management, personnel administration, time reporting and leave management, payroll, transportation, benefits administration, purchasing cards, and treasury management.



The core finance and procurement module will be incorporated in Phase C of the *wv*OASIS system, which has an implementation date of July of 2014. In preparation of this system implementation, the Purchasing Division has been working diligently during Fiscal Year 2014 in reaching out to our agency procurement officers and to our vendor community by conducting various webinars and updating information on our website. Additionally, the Purchasing Division created a new webpage, *wv*OASIS Procurement, to provide our users with current details as it relates to the

procurement aspect of the new system. This page may be accessed at www.state.wv.us/admin/purchase/oasis.html.



Staff Development Specialist Samantha Knapp and Technical Services Manager Mark Totten assisted with *wv*OASIS training, focusing on Vendor/Customer Registration Creation and Maintenance. Other Purchasing Division staff also provided training for this new enterprise resource planning system.

Vendors were able to begin registering through the Vendor Self-Service (VSS) portal, effective June 16, 2014, to access and manage their vendor accounts as well as view bid opportunities, awarded contracts and payment status online. For more information on *wv*OASIS, please visit wvOASIS.gov.

Several of the Purchasing Division employees served as trainers for various components of the new system, including Asset Management, Master Agreements, and Vendor/Customer Registration Creation and Maintenance. Along with many employees within state government, our staff attended various training sessions in preparation for the *wv*OASIS implementation.

Purchasing Division Awarded Achievement of Excellence in Procurement

In September 2013, the Purchasing Division was awarded the 18th Annual Achievement of Excellence in Procurement (AEP) Award from the National Procurement Institute (NPI). This award is given to public and non-profit organizations that receive a high application score based upon certain standards. The criteria include e-procurement, innova-

tion, productivity, professionalism, and leadership.

The award was given to 179 applicants, including 15 state agencies, 43 counties, 58 cities, 23 school districts, 23 special districts, 17 higher education agencies, and 15 state agencies. Six of the 15 state agencies were purchasing divisions. In the state of West Virginia, the Purchasing Division was the only successful applicant.



According to its website, NPI was founded in 1968 with the purpose of “establishing cooperative relationships among our members for the development of efficient purchasing methods and practices in the areas of governmental, educational, and institutional procurements.” NPI is made up of qualified purchasing personnel from across the United States and aims to facilitate further education and development of its members.

“This national recognition proves that this agency continues to move in the right direction by ensuring the public’s trust in the spending of the state’s tax dollars,” stated Gov. Earl Ray Tomblin, praising the Purchasing Division.

Senate Bill 356, Focused on State Procurement Practices and Training, Signed into Law by Gov. Earl Ray Tomblin

Senate Bill 356, which was signed into law by Gov. Earl Ray Tomblin, made significant clarifications and additions to the current statutory authority relating to state procurement. The bill, which addressed consequences for individuals who do not follow the intent of state contracting and provided several purposeful changes to how state agency procurement officers perform their jobs, became effective on June 6, 2014, 90 days after its passage. Below is a listing of important changes that resulted from the legislation:

General Procurement Provisions for State Spending Units (*West Virginia Code §5A-1-10*):

- Gives the cabinet secretary of administration the ability to issue notice to cease and desist to any spending unit when the secretary has credible evidence that the spending unit has failed to purchase on a competitive basis or use statewide contracts.
- Necessitates all spending units, when possible, to base purchases upon competition and utilize statewide contracts.

Purchasing Division Creation and Purpose (*West Virginia Code §5A-3-1*):

- Codifies existing practices pertaining to the division’s purpose and policies.

Powers and Duties of Director of Purchasing (*West Virginia Code §5A-3-3*):

- Gives the director the authority to issue notice to cease and desist to a spending unit when director has credible evidence that a spending unit has violated competitive bidding or other requirements established in this provision and rules promulgated.

Reverse Auctions (*West Virginia Code §5A-3-10d*):

- Provided the division with the authority to begin reverse auctions to procure commodities and establishes a definition for a reverse auction.
- Requires promulgation of rules.

Major Contracts; Direct Ordering Process (*West Virginia Code §5A-3-10e*):

-
- Gives director the authority to permit spending units to procure commodities directly from a pre-approved vendor through a master contract and subsequent direct ordering bid process, if fair, economical, and in the best interest of the state.
 - Requires promulgation of rules.

Purchasing in the Open Market on Competitive Bids; Grant Exemption, etc. (*West Virginia Code §5A-3-11*):

- Language states that a grant that is awarded by the state is exempt from the competitive bidding requirement, unless the grant is used to procure commodities and services that directly benefit the spending unit.

Purchases or Contracts Violating Article Void; Personal Liability (*West Virginia Code §5A-3-17*):

- Specifies who could be charged with responsibility for the purchase if contract contrary to the provision of this article or rules made thereunder.
- In addition to the spending officer of a spending unit, language now includes any other person charged with responsibility for the purchase or contract.
- Notes that the state must establish proof that the individual acted knowingly and willfully.

Statement of Purpose; Obtaining Money and Property under False Pretenses or by Fraud from the State (*West Virginia Code §5A-3-30*):

- Increases the penalty for those found guilty of a felony, upon conviction, from being fined an amount not exceeding \$10,000 (previously it was \$1,000).

Corrupt Action, Combinations, Collusions, or Conspiracies Prohibited; Penalties (*West Virginia Code §5A-3-31*):

- Includes language noting the unlawfulness of any person to corruptly acting alone, along with combining, colluding, or conspiring with one or more other persons, with respect to the purchasing or supplying of services, commodities, or printing to the state.

Annual Purchasing Training (*West Virginia Code §5A-3-60*):

- Adds a requirement for all executive department leaders as defined to attend two hours of training on purchasing procedures and purchasing cards annually; this training will be offered in concert with the State Auditor.

Purchasing Director Dave Tincher shared these highlights with all agency designated procurement officers in March 2014.

Vendor Outreach Tops the Purchasing Division's Agenda in Fiscal Year 2014

One of the Purchasing Division's goals was to focus on vendor training and outreach, especially with the implementation of the *wvOASIS* Enterprise Resource Planning system. Some of the projects included updating the Vendor Resource Center, creating the online vendor resource modules, offering more vendor webinars and developing vendor outreach initiatives for *wvOASIS*. Below is a brief description of each of these initiatives.

Vendor Resource Center Updated

This past year, the Vendor Resource Center (VRC) on the Purchasing Division's website was both aesthetically and functionally revamped. The principle changes involved a reworking of the site's layout and the addition of new training modules.

"The combination of additional content and a renewed design improves the site's usefulness dramatically," said Techni-



cal Services Manager Mark Totten. “The purpose of the VRC has always been to be a ‘one-stop shop’ for vendors seeking information on the state of West Virginia’s competitive bid process as well as general information about the Purchasing Division.”

Online Vendor Resource Modules

In October of 2013, the Purchasing Division announced an expansion in training opportunities with a series of online modules. The modules are focused on giving vendors access to up-to-date information on procurement processes. The modules contain content from the West Virginia Vendor Procurement Guide, and their topics range from Vendor Bid Opportunities to Resolutions, Disputes

and Protests.

“The West Virginia Purchasing Division strives to ensure that information posted on its website is clear, concise, and complete,” said Staff Development Specialist Samantha Knapp. “Our goal is that these modules assist vendors wishing to conduct business with the state of West Virginia.”

The final three vendor modules were added to the Purchasing Division’s website. General Purchasing Information, parts one and two, and Vendor Registration are all available online for vendors wanting to learn more about how to do business with the state of West Virginia. The free resource modules contain both audio and visual components and can be found at the web address at www.state.wv.us/admin/purchase/vrc.

Vendor Webinars

In late September of 2013, the Purchasing Division offered webinars to inform vendors that were new at doing business with the state. In mid May and early June, the Purchasing Division offered vendor webinars intended for all vendors – currently registered with the state of West Virginia or not.

The May and June seminars were necessary because of the transition to *wvOASIS*, which will change the way vendors find out about projects. In the new system, bid opportunities are available to viewing through the Vendor Self-Service (VSS) process as a component of *wvOASIS*. For additional information about the webinars offered by the Purchasing Division, contact Staff Development Specialist Samantha Knapp at (304) 558-7022 or e-mail Samantha.S.Knapp@wv.gov.

wvOASIS Vendor Outreach

With the implementation date for the procurement phase of *wvOASIS* (Phase C) on July 8, 2014, the Purchasing Division spent much of



Purchasing Division staff members joined representatives of *wvOASIS* to participate in two webinars targeting our vendor community. Various topics relating to purchasing were addressed as was the implementation of Phase C of *wvOASIS*.

Fiscal Year 2014 developing communication strategies to inform our vendors of the new Vendor Self-Service (VSS) portal that will contain all bid opportunities expecting to exceed \$5,000. The VSS may be accessed at wvOASIS.gov.

The Purchasing Division created a *wvOASIS* Procurement webpage at www.state.wv.us/admin/purchase/oasis.html to aid both vendors and state procurement officers. Another valuable vendor resource can be found at wvOASIS.gov. Additionally, the division created an informational notice that was shared with vendors on our website as well as vendors visiting our office. This notice was also included on purchase orders and with vendor registration informational packets that were mailed to vendors.

In addition to the online resources, the Purchasing Division also offered two vendor webinars on May 19 and June 6 that addressed procurement guidelines for vendors as well as incorporated information regarding the *wvOASIS* system.



Senior Buyer Guy Nisbet discusses Emergency and Sole Source Purchases during the Agency Purchasing Conference at Stonewall Resort.

Two Purchasing Conferences Offered to Reach Agency Purchasers Statewide

In 2013, the Purchasing Division decided to offer two locations for the 2013 Agency Purchasing Conference in order to reach as many state agency purchasers as possible. Two state park locations were selected: Pipestem Resort State Park and Stonewall Jackson Resort. “By offering two locations for our conference this year, we are able to connect and train more individuals who are involved in the procurement process at their agencies,” said Purchasing Director Dave Tincher. These three-day conferences were open to all state purchasing officers in West Virginia.

A total of 325 state agency procurement officers attended the conferences, which provided an opportunity to attend a wide variety of classes focused on state procurement procedures and requirements. Classes were geared to both new agency purchasers as well as those state employees who are experienced and knowledgeable of state purchasing procedures. The conferences included lecture, open discussion groups, question-and-answer sessions, and an orientation for novice agency purchasers.

All of the 2013 conference presentation materials have been made available and can be reviewed at www.state.wv.us/admin/purchase/training/2013ConfPPTs.html.

Please see below for conference evaluation results:

CONFERENCE REGISTRATION	
EXCELLENT	78%
GOOD	21%
FAIR	1%
POOR	0%

CONFERENCE ORGANIZATION

EXCELLENT	64%
GOOD	32%
FAIR	3%
POOR	1%

OVERALL OPINION OF CONFERENCE

EXCELLENT	57%
GOOD	37%
FAIR	5%
POOR	1%

March Continues as Purchasing Month in West Virginia

Gov. Earl Ray Tomblin declared that March 2014 would be recognized as “Purchasing Month” within the state of West Virginia. The Purchasing Division is proud of this initiative showcasing the procurement profession, which is part of an annual nationwide recognition created by the National Institute for Governmental Purchasing (NIGP).

“This recognition by our highest state official demonstrates the importance of the work we all perform each and every day,” said Purchasing Director Dave Tincher. “I encourage us all to join together to celebrate with pride our role in state government and for our profession.”

Public purchasers perform a vital function and ensure efficient and ethical practices. Their dedication to spending tax dollars in an economical and effective manner is admirable and essential.

The official proclamation is on display at the Purchasing Division’s office in Building 15 at the State Capitol campus. “We are grateful to Gov. Tomblin for the recognition again this year,” said Tincher.



Procurement Plays Vital Role in State Government

The Purchasing Division processes hundreds of transactions each year. Planning and determining an agency’s need is the first step of the procurement process. Once the need has been determined, the Purchasing Division takes it from there. Following specific procedures which are clearly defined, our buying staff plays a vital role in making important projects in West Virginia come to fruition.

Listed are a sampling of some of the projects that the Purchasing Division processed that were completed during Fiscal Year 2014.

Canaan Valley Resort Lodging

If you have not been to the Canaan Valley Resort in a while, “[you] may not recognize it,” said the park’s Assistant Superintendent Stan Beafore.

Approximately \$25 million has been put toward giving the resort a much-needed facelift. Buyer Supervisor Frank Whittaker, who handled the state Division of Natural Resources file when this project began, said that he had to “give this project special attention.”

“The rooms were over 40 years old. I have been able to see the new rooms as they are being built and I think they are luxurious,” Beafore stated. In addition to the rooms, the main lobby area also underwent significant renovations. While guests previously had to walk outside to go to their rooms from the conference center or main lobby, they now have an interior walkway.

The resort’s recreation room, indoor pool, conference center, and restaurant are also under renovation. Additionally, \$8 million has been earmarked for work on the park’s ski resort.



Approximately \$25 million was spent to reinvigorate Canaan Valley Resort, updating lodging rooms in the state park, as well as the resort’s recreation room, indoor pool, conference center and restaurant.



The Logan State Office Building serves as the workplace for five different state agencies, totalling more than 125 employees.

Logan State Office Building

On August 16, 2013, the Logan State Office Building conducted its opening ceremony. The ceremony, which took place in downtown Logan, was a festive occasion with refreshments, live music, and notable guests such as Gov. Earl Ray Tomblin and Department of Administration Secretary Ross Taylor.

The building, which is five stories tall and roughly 54,000 square feet, now serves as the new workplace for five different agencies totalling more than 125 employees. Prior to the building’s construction, these state employees were working in smaller, older offices scattered around the Logan area.

Once the project began, several interesting situations occurred. The pre-bid meeting was held at the State Office Building lot in which there were elephants being housed for a nearby festival.

After the contract was awarded, the super storms of 2012 hit and a hotel on an adjoining lot burned to the ground. “We learned to adapt to a lot of unique situations,” recalled Buyer Supervisor Krista Ferrell.

“It took a lot to get the building completed, but we got it done. That is a testament to all who were involved,” said Bob Kilpatrick, the General Services Division’s agency procurement officer who handled the \$16 million project.

Adopt-a-Highway Safety Vests

The Adopt-A-Highway program, started in 1988 and co-sponsored by the Division of Highways (DOH) and the Department of Environmental Protection (DEP), was created to encourage the public to get involved with environmental protection and litter pickup near roads in West Virginia. The program is unique in that it is operated by the DEP, but funded through the DOH. The Purchasing Division plays a role in the provision of bright safety vests to the over 21,000 volunteers in over 1,300 groups.



Adopt-A-Highway volunteers pick up trash along a West Virginia road while wearing a safety vest procured through the Purchasing Division for the Division of Highways.

While the vests used to be simple, brightly-colored mesh garments, recent changes to the law have changed requirements. Vests now must meet reflective striping, brightness, adjustable sizing, and material (flammability) standards. Volunteers are responsible for picking up work materials from their county DOH and returning them after their work. “As buyers... [seeing] the products and services we assist in procuring while traveling around the state... leaves you with a favorable impression about our profession,” said Alan Cummings, who served as the senior buyer for that transaction.

Division of Natural Resources Licensing

Wild and Wonderful West Virginia transitioned to a new Electronic Licensing and Game Checking System (ELS) to keep better track of the 600,000 outdoor enthusiasts that hunt, trap, and fish in the state annually. The sale of licenses generates around \$15 million for the Division of Natural Resources (DNR) and serves as a major source of funding for the agency’s statewide stewardship initiatives, so having an up-to-date system in place is important.

The previous system, which was last updated more than ten years ago, was a combination of paper-based forms, internet sales, and point of purchase sales. Although the *GoWild* licensing sales system of the past worked when it was first implemented, it had become very outdated.



The new system is more efficient when it comes to tracking and selling licenses, facilitating the process of obtaining a license and checking in game, and allowing for DNR law enforcement to filter out would-be buyers who are not authorized to do so.

Procuring the new ELS was not without its challenges. “There are only a few companies in the country that specialize in electronic licensing systems,” said DNR procurement officer Angela Negley, who also mentioned that the project required eight addendums and several re-bids.

“At one point... we had about 30 to 40 people at DNR working on it,” said Michael Ingram, the administrative services manager for the DNR Licensing Unit, who recalled that planning for the

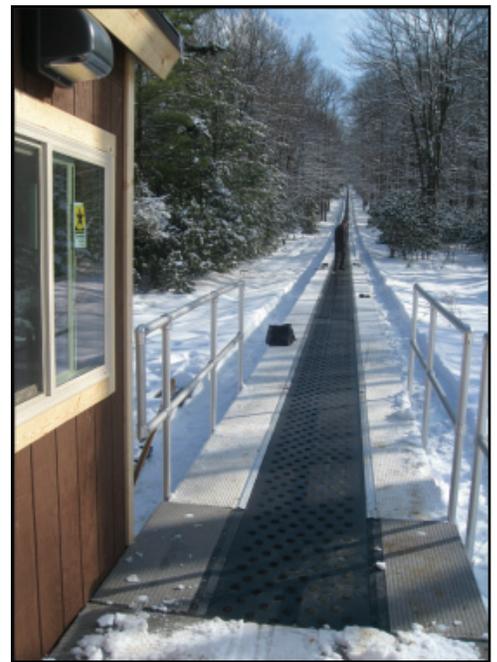
new system took over three years. “It was a huge challenge to say the least, but this proved to be a very valuable system,” said Negley.

Ski Sledding Upgrades

The Blackwater Falls State Park sledding complex upgraded its towing system and added snow-making equipment this past fiscal year in order to attract more winter-sport enthusiasts and modernize the park. Tucker county and much of the mountainous eastern region of West Virginia relies on winter recreation to boost the economy; while the area sees an average of 120 inches of snow each winter, some winters can be very dry, which would be bad for business if it weren’t for new snow blowers.

Before this project, there was no snow-making mechanism and the park towed visitors using a tow rope that was attached to a specially-modified truck. Now, visitors can expect snow (the new machine can produce over a foot a day!) and enjoy the new towing mechanism, which uses a rubber conveyor belt. The hard work of Senior Buyer Guy Nisbet ensured the completion of this project, and now all of the new state-of-the-art equipment practically guarantees winter sledding fun at Blackwater Falls.

A conveyor belt replaced the specially-modified pickup truck and tow rope that once transported sledding enthusiasts at Blackwater Falls State Park.



At Blackwater Falls State Park, a conveyor belt replaced the specially-modified pickup truck and tow rope that once transported sledding enthusiasts at the park.

Digital Video System for State Police

A digital mobile video system was procured by the Purchasing Division for the West Virginia State Police. The state-of-the-art technology will be used as an unbiased source of information to be used in the courtroom, particularly in cases where there is uncertainty about the nature of an incident. “The system is designed to help us with liability issues,” said Joe Harless, an Information Systems Specialist III with 25 years of experience with the State Police.

According to Harless, the State Police already has in-car cameras that record disputes and can help settle them, but they have become outdated and need replacing. The new digital camera system is easier to use and has more functions than the current model being used. For example, current cameras do not film the inside of the car. “When someone is placed in the back of a cruiser, they will get rid of incriminating evidence by stuffing it in the seats. The camera would catch someone trying to hide something” said Harless. The new technology also has wireless capabilities.



The West Virginia Educational Broadcasting Authority recently upgraded its video production equipment in its Morgantown facility with plans to mirror the changes in its Charleston office.

The agency’s long-term goal is to have a State Police cruiser with one of the new cameras assigned to the ranks of officers that usually patrol roads.

Educational Broadcasting

When asked about the old video production equipment located in the West Virginia Educational Broadcast Authority’s (WVEBA)

Charleston studio, WVEBA Director Chuck Roberts said that “it has been frustrating and strangely fun to keep this puzzle going.” The equipment is so old, Roberts said, that if parts need to be replaced it is not uncommon that they cannot be found.

Fortunately for Roberts and the rest of WVEBA’s Charleston employees, this predicament is now in the past, and the new technology matches their studio in Morgantown. The Charleston studio is planning to acquire in-studio cameras, monitors, switchboxes, cables, and wiring, among other things, all of it geared for high-definition transmission. The equipment that was replaced “was from the mid-1990s, which in [this] line of work is very old,” stated Bill Blaker, the Morgantown production manager.

WVEBA Procurement Officer Steve Chapman guided the requisition through the Purchasing Division and is pleased with the outcome, even if the quality of equipment does not quite match that of ABC News in New York. Upgrades to Educational Broadcasting Authority’s video production equipment included new cameras and a new control board.

DMV Motorcycle Safety Curriculum gets a Boost

The West Virginia Division of Motor Vehicles purchased two motorcycles for its Motorcycle Safety and Awareness Program with the goal of educating motorcyclists – some of who are required by law, particularly if they are first-time permit holders needing to be endorsed by the DMV within the first 90 days. In addition to being used during training sessions, the bikes also serve as a visual lure during program promotion.

“In the past... it was hard to recruit new riders to our safety program by passing out information from the back of a truck. Now, when we arrive on a motorcycle with state plates, it gets people’s attention,” said Harry Henderson, the DMV state programs manager. “It shows you are serious about motorcycle riding and it shows enthusiasts that you are speaking to them on a level they can better relate.”



Chuck Carpenter, state motorcycle safety coordinator for the Division of Motor Vehicles, is pictured with the motorcycles and a trailer that the agency uses to promote and implement its Motorcycle Safety Awareness Program.

Henderson created the specifications for both the request for motorcycles and the request for the extensive safety program, which was also secured through the Purchasing Division. The successful vendor, the Motorcycle Safety Foundation (MSF), is required by contract to administer various safety classes around the state. Participants get to ride the motorcycle around a course designed by the MSF while being coached.

Last year, 1,500 people were trained; this year, Henderson said that they are ready to train 2,000 motorcycle riders throughout 2014.

Chuck Carpenter, state motorcycle safety coordinator for the Division of Motor Vehicles, is pictured with the motorcycles and a trailer that the agency uses to promote and implement its Motorcycle Safety Awareness Program.

Purchasing Division Staff Attains National Certification

During Fiscal Year 2014, three members of the Purchasing Division’s Acquisition and Contract Administration (ACA)

Section received national procurement certification through the Universal Public Procurement Certification Council (UPPCC). Senior Buyers Frank Whittaker and Tara Lyle, along with Assistant Purchasing Director for ACA Mike Sheets, received recognition in August of 2013 from the UPPCC for attaining their Certified Professional Public Buyer (CPPB) status. In May of 2014, Contract Manager Alan Cummings, Senior Buyer Guy Nisbet and Staff Attorney James Meadows attained their CPPB status. In February of 2014, Sheets received the next level of certification by achieving the Certified Public Procurement Officer (CPPO).

Formed in 1978 as an independent organization to govern and administer the CPPB certification program, the UPPCC is highly regarded among employers involved in the public sector procurement professionals. The program includes formal education training, work-related training, an application process, functional management experience, and public purchasing experience.

“These Purchasing Division employees join a growing list of our buying staff who have earned these prestigious certifications,” said Purchasing Director Dave Tincher. Other accredited Purchasing Division employees include Buyer Supervisor Shelly Murray (CPPB), Buyer Supervisor Roberta Wagner (CPPO), Krista Ferrell (CPPO) and Purchasing Director Dave Tincher (CPPO).

In addition to the UPPCC certification, three employees of our Contract Management Unit within the ACA Section received their National Certified Inspector Training (NCIT) certification. They included Contract Manager Alan Cummings, Inspector Shane Hall, and Inspector Junior Blount.



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 *West Virginia Code* and preserve the integrity in buying the best quality commodities at the lowest cost to taxpayers.

Reporting Procedures for Contract Management

Purchasing Director Dave Tincher reminded agency-designated procurement officers this fiscal year on the required contract management procedures and reports, in accordance with the **Purchasing Division Procedures Handbook**, *West Virginia Code* §5A-3-4, and *West Virginia Code of State Rules* 148-1-7.13. A three-step contract management reporting procedure is required for non-construction-related contracts greater than \$1 million in order to ensure that contract requirements are met.

The first step takes place before work actually begins with the agency administrator conducting a post-award conference with the contractor to make certain there is an explicit and shared understanding of each party's obligations and the terms and conditions. Nine points should be documented at the end of the meeting and submitted to the Purchasing Division within the week following. These points include the introduction of all key personnel, the terms and conditions, the scope of the contract, technical requirements, administration procedures, the rights and responsibilities of both parties, an explanation of the evaluation process, payment procedures and invoicing requirements, and an explanation of the limits of authority of both agency and contractor personnel.

Next, the agencies are obligated to submit status reports on any progress that has been made, as well as notification of any new activity on the project. These should be submitted at least every other month and within two weeks of contract closeout and final acceptance to the Purchasing Division. Lastly, the agency must submit a final report that assesses the outcome, noting compliance with contract requirements and evaluation of contractor performance. For more information, contact Contract Manager Alan Cummings at Alan.W.Cummings@wv.gov or (304) 558-5780.

Change to Business Associate Addendum Assists in Protecting Health Information

As of July 1, 2013, the State Privacy Office mandated a new Business Associate Addendum (BAA) be used in connection with all contracts concerning Protected Health Information (PHI). In order to accommodate for the new PHI identification procedure associated with the new BAA, the Agency Delegated Terms and Conditions and the Purchasing Division's General Terms and Conditions have been changed by eliminating the HIPAA sections. The new BAA document can be found at www.state.wv.us/admin/purchase/vrc/WvBaaAgEffectiveJun2013.pdf.

Any questions concerning the new BAA form or associated procedures should be directed to Sallie Milan of the State Privacy Office by phone at (304) 558-7000 or toll-free at (888) 558-7002 or by e-mail at SMilam@hcawv.org.

Inspection Services Expands Staffing to Better Serve State

During Fiscal Year 2014, the Purchasing Division's Inspection Services Unit expanded its staffing from two inspectors to three, with the addition of Mitzie Howard as an Inspector 1. She joins Junior Blount and Shane Hall, who are classified as Inspector 3 positions.

Throughout the year, the Purchasing Division inspection staff travels throughout the state to review purchasing records primarily for agency delegated purchasing transactions, those purchases costing \$25,000 or less. With the various requirements and documentation necessary, the inspectors ensure that the records are complete and consistent with the Purchasing Division's procedures. For additional information on the Inspection Services Unit, please visit www.state.wv.us/admin/purchase/inspection.

Fiscal Year Inspection Statistics

During this fiscal year, the Inspection Services Unit opened and completed 27 individual inspections of various state agencies and related programs. This encompassed more than 64,730 transactions from which 2,788 (approximately 4.3 percent) were closely scrutinized. Of these transactions reviewed more closely, 436 were determined to have a negative finding (approximately 15.6 percent).

The breakdown of findings from these inspections are as follows:

Finding	Percentage of Inspected Transactions
Stringing	0.50%
Failure to use Statewide Contracts	1.10%
Failure to use Internal Resources	0.29%
Bids not documented	5.30%
Failure to check/retain vendor registration	2.40%
Failure to verify Unemployment Compensation and Workers' Compensation	3.20%
Failure to obtain Purchasing Affidavit	3.60%
Failure to issue a purchase order	0.54%
Failure to affix an asset identification tag	0.14%
Failure to include the Non-Conflict of Interest form	0.72%
Travel findings	0.00%
Miscellaneous findings	0.07%

Utilization of Recycled Products Continues to be Stressed to Agencies

According to *West Virginia Code* §22-15A-21, the state must utilize recycled products to the maximum extent possible due to their reduced effect on the environment, improved efficiencies, and cost-saving results. This policy

has become an increasingly vital part of the public procurement process in recent years. The Purchasing Division has developed a complete procurement program for recycled goods so as to follow the statute and increase awareness.



Below is a list of some of the most important guidelines which have been shared with our agency purchasers to follow:

- Remove or revise language in procurement procedures and bid specifications that discriminates against recycled products
- Prioritize products that are made of recycled materials and have the highest percent of post-consumer content
- Eliminate, to the greatest extent possible, the use of disposable or single-use products
- Use compost in all land maintenance and landscaping activities; provided that the use of composted or deep-stacked poultry litter products, certified by the Commissioner of Agriculture as being free from organisms that are not found in poultry litter produced in this state, have priority unless proven to be economically impossible by the agency or instrumentality

This information is included in Section 4: Acquisition Planning under “Other Considerations” (subsection 4.6.1.5) in the **Purchasing Division Procedures Handbook** and may be viewed by accessing www.state.wv.us/admin/purchase/Handbook.

Expiring Contract Report Distribution Changes

The Purchasing Division changed its distribution methods for the expiring contract report that is shared with agency procurement officers on a monthly basis. This report contains a list of open-end contracts scheduled to expire within 60 days.

Previously, a hard copy of the report was sent out by the Purchasing Division’s Contract Management Unit. A change was made during this fiscal year to e-mail a link to the report that can either be viewed or downloaded. All open-end contracts are included in this report.

Protest Procedures Outlined for Participating 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 2014, 23 protests were filed with the Purchasing Division. Every possible effort is made by the Purchasing Division to ensure that the bid and contract award processes are conducted in strict accordance with *West Virginia Code* and the *Code of State Rules* to ensure fair and consistent treatment of vendors. Of those 23 protests filed, only 6 resulted in a change to the original award decision.

Based on the number of transactions processed by the Purchasing Division and the number of protests filed, the Purchasing Division has a 1.95% rate of protests. This statistic reflects the percentage of purchase orders and

contracts for which a protest is filed for the fiscal year. The action taken on protests filed may be to grant or deny the relief requested in the protest. In only **0.51%** of the total transactions processed is the relief requested in the protest granted. Stated another way, the award decision made by the Purchasing Division prevailed in **99.49%** of all transactions.

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 various automated applications, 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, was published weekly and posted on the Purchasing Division's website during Fiscal Year 2014. The publication was available on a secured website, which required vendors to have a vendor number and password provided by the Purchasing Division in order to access. Hyperlinks to solicitations were available on the online version of the **West Virginia Purchasing Bulletin** for potential bidders to download. Additionally, we received **479** requests for solicitation packages to be sent to requestors during this Fiscal Year.

The **West Virginia Purchasing Bulletin** includes sole source determination notices and periodic bid opportunities from exempt agencies. With the implementation of the *wvOASIS* Enterprise Resource Planning system, the **West Virginia Purchasing Bulletin** is now accessible to the public through the Vendor Self-Service, which can be accessed at the *wvOASIS.gov* website.

As of June 30, 2014, a total of **5,671** vendors had access to this online publication.

Vendor Registration

A total of **8,429** Vendor Registration and Disclosure Statement and Small, Women-, and Minority-owned Business Certification forms, renewal notices and vendor updates were received for processing during the Fiscal Year 2014. Revenue generated from vendor registration fees during Fiscal Year 2014 was **\$692,250**. The vendor registration annual fee is **\$125**.

Small-, Women-, and Minority-Owned Business Certification

The West Virginia Purchasing Division incorporates the Small, Women-, and Minority-Owned Businesses (SWAM) Certification Application as part of the Vendor Registration and Disclosure Statement, in accordance with *West Virginia Code* §5A-3-9 and the *Code of State Rule* §148-2-1. During Fiscal Year 2014, a total of **891** vendors were certified by the Purchasing Division as SWAM businesses.

Purchase Order Encumbrance and Distribution

All purchase orders and subsequent change orders with a fixed amount are placed in the Purchase Order Encumbrance system. A total of 2,302 purchase orders, including open-end contracts and change orders, were encumbered by the Purchasing Division for Fiscal Year 2014.

Records and Imaging

All documents beginning with Fiscal Year 2014 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 391,493 for Fiscal Year 2014.

Accessibility to Public Records

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

All records of the Purchasing Division are available to be reviewed at no charge and/or copied during normal business hours, Monday through Friday, 8:15 a.m. to 4:30 p.m., holidays and weekends excluded. A 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 Freedom of Information Act (FOIA) process. During Fiscal Year 2014, the Purchasing Division responded to a total of 164 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 2,638 incoming sealed bids for Fiscal Year 2014.

Governor's Internship Program Participation

The Purchasing Division was pleased to continue its tradition of participating in the Governor's Internship Program, as we have since the program's inception. Shannon Kelsh joined our division in the summer of 2014 as a communication and technical services intern. Currently a sophomore studying Marketing and Computer Science at Fordham University in New York, Shannon is a first-year participant of the Governor's Internship Program, which seeks to place high-achieving students in meaningful internships in an area of interest. Government agencies, non-profit organizations, and private businesses all give students the opportunity to explore their academic interests in a professional setting through this program. The program first began in 1989 and has given hundreds of students summer work experience.



Shannon Kelsh worked at the Purchasing Division during the summer of 2014 as an intern through the Governor's Internship Program.

Professional Development and Training

Genero Crenshaw once stated, “It’s the little details that are vital. Little things make big things happen.” The West Virginia Purchasing Division couldn’t agree more. State agencies procure commodities and services one step at a time. The end result is a purchase that can cost a few hundred dollars or a few hundred thousand dollars. Taxpayers’ dollars, that is...

West Virginia Code §5A-3 lays the foundation for the state purchasing process and the *West Virginia Code of State Rules* 148, Series 1 further defines the requirements set forth, but it is the ever-changing day-to-day processes in the Purchasing Division Procedures Handbook that tie these references together and definitively shapes the way our state agency purchasers complete their jobs. The Purchasing Division knows the importance of all three references and their impact on agencies required to procure under the Purchasing Division’s authority.

To ensure that state agency and Purchasing Division procurement personnel remain knowledgeable of the laws, rules, and procedures that shape the state purchasing process, the Purchasing Division’s Training Program conveniently relays this information through a variety of platforms, including online training initiatives and face-to-face workshops.

Below are some of the on-going improvements and happenings the Purchasing Division encountered during this fiscal year to meet the needs of agencies, vendors, and its staff:

Statewide Training Promotional Video



During Fiscal Year 2014, the West Virginia Purchasing Division developed a promotional video highlighting its comprehensive training program. The video, approximately 4 minutes in length, includes a 40-second introduction by Gov. Earl Ray Tomblin.

Gov. Tomblin states that he understands the importance of being a “good steward of the people’s money.” He also notes that the training offered by the Purchasing Division outlines the requirements of the competitive bid process and other purchasing procedures required by *West Virginia Code* §5A-3. He leaves viewers with a challenge to ensure that every dollar is spent with the proper oversight to achieve the best value and return on the state’s investment.

The video also includes commentary from Purchasing Director Dave Tincher, the Division’s Training Coordinator Samantha Knapp, and various state agency purchasers who have benefited from taking advantage of the variety of training opportunities.

The video incorporates film footage from the Purchasing Division’s annual Agency Purchasing Conference and various In-House Training Program workshops. To view this video, visit www.state.wv.us/admin/purchase/training.

Vendor Training Initiatives

In recent years, the West Virginia Purchasing Division has placed much of its training efforts on state agencies required to procure under its authority, with just a couple of webinars and educational events aimed at vendors. However, the Purchasing Division realized the need for ongoing vendor education and the potential impact it could have on vendors, prospective or otherwise, conducting business with the state of West Virginia.



The existence of the West Virginia Vendor Procurement Guide has perhaps been the Purchasing Division's best resource for vendors hoping to learn the laws, rules, and procedures of the state purchasing process. To make it easier for vendors to acquire the necessary information, the Purchasing Division adapted the information into a new format during Fiscal Year 2014, one in which vendors could pick and choose to review only the sections of the Guide that were applicable to them or in which they needed refreshed. The format categorized the information into topics convenient for the vendor's review, from vendor registration to purchasing methods to vendor bid opportunities and more. The result was eight vendor resource modules posted on the Purchasing Division's Vendor Resource Center at www.state.wv.us/admin/purchase/vrc. These modules are self-paced, free of charge, and may be viewed by any vendor at any time.

To further educate vendors on the state purchasing process, the Purchasing Division also conducted three webinars, two of which incorporated information regarding the Vendor Self Service, the state's new vendor portal which went into effect on June 16, 2014. These webinars reached approximately 100 vendors.

Dual Agency Purchasing Conferences

During the last two annual Agency Purchasing Conferences, attendance soared to record numbers. To plan effectively for what could be its greatest year yet, the West Virginia Purchasing Division decided to conduct two conferences at two separate locations in the state, with the same agenda. The capacity of each facility would allow for the maximum number of participants to attend the two conferences to ensure that all agency purchasers who needed training could attend.



Agency procurement officers learned a wide variety of information at the 2013 Agency Purchasing Conferences.

The first conference was conducted at Pipestem Resort State Park in Pipestem from October 22-24, 2013, and the second took place the following week at Stonewall Resort State Park in Roanoke from October 30-November 1, 2013. A total of 325 state agency purchasers attended, which was an increase of more than 60 from the previous year.



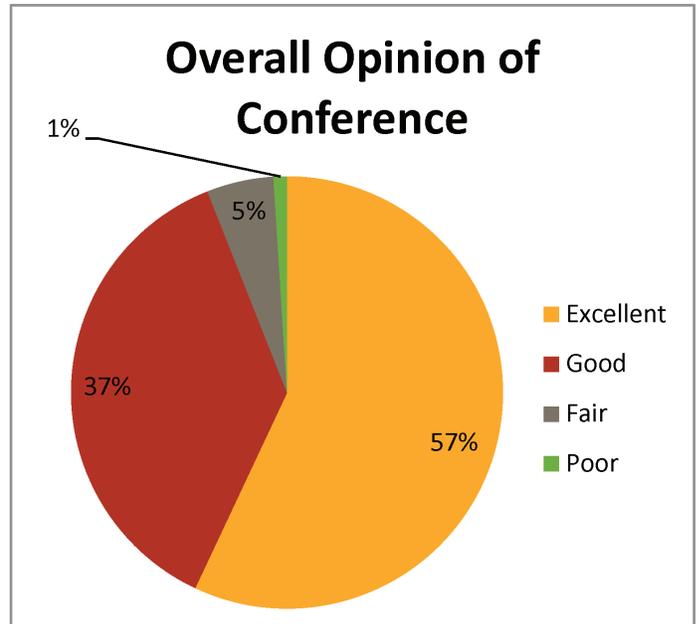
Purchasing Director Dave Tincher welcomed 325 agency purchasers at the annual conferences in two different locations.

As a result of the split conferences, the agenda was condensed into two days instead of three, with time allotted for travel. The agenda offered more general sessions than years past, including the Question and Answer and Speed Roundtable sessions, which were previously offered as part of the Advanced Track. Furthermore, the Beginner and Advanced Tracks were excluded from the agenda. However, the sessions included as part of those tracks were still offered individually.

To further advance the quality of the conference, the sessions incorporated more hands-on activities, including demonstrations and high-energy games. Participants were more engaged than ever before, from writing detailed instructions that would later be used to make a peanut butter and jelly sandwich step-by-step to drawing a stick-figure image

using ambiguous specifications from the presenter without knowing what the final image would be to jumping up and down and running around the room with a ball between their legs as part of a relay race. Of course, these were all just added bonuses to an otherwise educational and informative conference schedule.

Of the 161 respondents to the conference’s electronic evaluation, 96% said they believed they would be able to use the information learned at the conference as part of their daily jobs. More than 99% indicated that they found the learning environment to be engaging and as many felt that the atmosphere for learning was conducive. The statistics of the overall opinion of the conference illustrates that the participants viewed this training event in a positive way.



In-House Training Curriculum



After the successful pilot test of three half-day in-house training workshops during the previous fiscal year, the Purchasing Division decided to further expand some of its additional training sessions from one-hour to include two- and three-hour sessions. The feedback from our agency procurement officers regarding these expanded training sessions was very favorable.

Technical Services Unit Manager Mark Totten discussed vendor registration during the 2013 Agency Purchasing Conference.



Pictured above (left) is a classroom setting in the Caperton Training Center, with Contract Manager Alan Cummings presenting information on Inspection Services. (Right) Pictured is Senior Buyer Evelyn Melton in the Purchasing Division's conference room that also serves as a training location for our in-house training sessions.

More complex topics were allotted additional time, allowing subject matter experts more time to present the material and agency purchasers the time to ask questions and work through hands-on activities. The Beginner's Track remained as a 6-hour course but was renamed to encompass the nature of the class, An Introduction to the West Virginia State Purchasing Process.

Professional Staff Development Training

The West Virginia Purchasing Division understands the importance of educating its own professional staff on the state's purchasing requirements, as governed by *West Virginia Code* §5A-3. To ensure that Purchasing Division personnel possess adequate knowledge about the requirements, Jimmy Meadows, the Purchasing Division Staff Attorney, conducted a State Code and Legislative Rule Review, which spanned over multiple months during Fiscal Year 2014. Each week during the Division's staff meeting, a different section of the *West Virginia Code* and *Code of State Rules* were highlighted that affect the Purchasing Division and its programs. The lecture and discussion format allowed Purchasing Division personnel to obtain the necessary knowledge while asking questions to better understand the requirements.

Purchasing Division Procurement Certification Program

The West Virginia Purchasing Division continues to certify agency purchasers through its Procurement Certification Program. This program provides recognition to procurement officers who exhibit excellence in the procurement function within state government.

During Fiscal Year 2014, nine agency purchasers successfully completed the Basic Certification Program, bringing the total number of recipients to 39. In addition, five candidates successfully completed the Advanced Certification Program, bringing the number of recipients to 12.

To maintain their certification, recipients must meet re-certification requirements every three years. These requirements include:

- Attending two of the next three Agency Purchasing Conferences, from the date of the recipient's certification/re-certification.
- Attending a minimum of 20 hours of classes, learning sessions, or Purchasing Certified Events in the three year period from the date of the recipient's certification/re-certification.

- Submitting a verification form for re-certification with the appropriate signature from the recipient's immediate supervisor and agency head, and if applicable, approval from the department's designated procurement officer.

As of June 30, 2014, five individuals surpassed their certification expiration dates and successfully met the steps for re-certification. A complete list of certified individuals, their dates of certification/re-certification, and their applicable expiration dates can be found on the Purchasing Division's website by visiting www.state.wv.us/admin/purchase/training/Certification. This webpage also contains the requirements to successfully complete the basic and advanced-level certifications.

Purchasing Division Training Program Summary

Description	Statistics
Total Number of State Employees Trained through the Purchasing Division's Training Program	470
Number of In-House Training Sessions	12
Number of Agency Webinars	4
Number of Total Attendance at In-House Sessions	217
Number of Participants on Agency Webinars	117
Number of Agency Conference Participants	325
Number of Online Training Modules	12
Number of Online Modules Viewed and Certified	493
Number of WV Procurement: Basic Certified	9
Number of WV Procurement: Advanced Certified	5
Number of Certification Recipients Re-Certified	5

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, two revisions to the **Purchasing Division Procedures Handbook** were made, effective *July 22, 2013* and *March 17, 2014*. The current **Purchasing Division Procedures Handbook**, along with archived editions, is available online at the Purchasing Division's website at www.state.wv.us/admin/purchase/Handbook.

SWAM Reporting Tool Assists in Tracking Certified Businesses

West Virginia Code §5A-3-59(b) states that agencies are required to submit annual progress reports on Small, Women-, and Minority-owned (SWAM) business procurements to the Purchasing Division at the end of each fiscal year. The SWAM Reporting Tool can be found on the Purchasing Division's intranet site under "Processes

and Procedures” at <http://intranet.state.wv.us/admin/purchase/procedures.html>. The excel spreadsheet must be completed at the end of each fiscal year by state agencies, noting all purchase orders or contracts issued to SWAM vendors, of all dollar thresholds.

Those processed under agency-delegated authority as well as those processed through the formal acquisition process with the Purchasing Division are to be included on the report. This report should be submitted electronically to the Purchasing Division through e-mailing the purchasing.requisitions@wv.gov account. Any questions regarding this requirement should be directed to your agency-designated procurement officer or the assigned Purchasing Division buyer.

Success Continues with 7th Annual Purchasing Division Open House



Agency purchasing representatives tested their knowledge with an interactive training module, created by Staff Development Specialist Samantha Knapp. The questions related to various purchasing processes.

The Purchasing Division welcomed many agency procurement officers at its 7th Annual Open House that occurred at the purchasing offices on May 6, 2014. The event went from 10 a.m. to 2 p.m., during which time participants were able to attend three different informational sessions, meet with Purchasing Division employees and enjoy refreshments.

The three sessions were: “I’m New to Purchasing, Where do I Begin?” led by Public Information Specialist Tony O’Leary and Staff Development Specialist Samantha Knapp; “What to Expect When You’re Inspected” led by members of the Contract Management Unit; and “Know the Rules... They’re Changing” led by Staff Attorney James Meadows and Purchasing Director Dave Tinchler.

So many people signed up for “Know the Rules... They’re Changing” that a second session had to be added. Tinchler believes this heightened interest in purchasing regulations is because of changes brought about by the signing of Senate Bill 356 by Gov. Earl Ray Tomblin. This new legislation is aimed at making clarifications and additions to current statutory authority relating to procurement practices in the state of West Virginia. High informational session attendance “speaks highly to the dedication that state procurement officers have in their jobs,” said Tinchler.

Responses on a post-event survey were overall very positive, with the accessibility of the staff, informational presentations, and answering procurement questions receiving the most favorable reviews.

Purchasing Division Intranet Maintains Archive of Agency Designated Informational E-mails

The Purchasing Division’s internet site has a wealth of information, but what about the resources offered on the intranet site? “The intranet site is as valuable to state agency procurement officers as our internet site, *WVPurchasing.gov*,” said Technical Services Unit Manager Mark Totten.

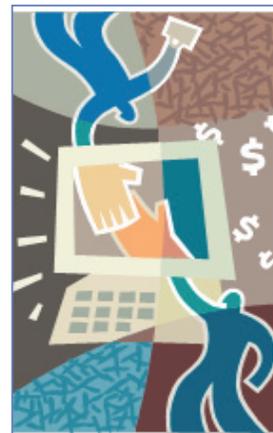
The information featured on the intranet site is geared exclusively towards state-agency purchasers. One of these features, added in January 2014, is an archive of important e-mail notifications that dates back to January 2012.

A description and date is provided for each e-mail on the site, so procurement officers do not have to fret over that important message from the Purchasing Division that was deleted on accident. The intranet site can be found at *intranet.state.wv.us/admin/purchase*.

Minority Business Link Available on the Purchasing Division's Website

In February 2014, the Purchasing Division added information pertaining to topics such as vendor registration, bidding opportunities, training opportunities, and Small, Women-, and Minority-owned business certification (SWAM) on its website.

The page is specifically dedicated to assisting minority-owned businesses that want to do business with the State of West Virginia. Created in collaboration with the Herbert Henderson Office of Minority Affairs, the Minority Business Information page serves as a one-stop informational resource.



To view the Minority Business Information page, please visit *www.state.wv.us/admin/purchase/minority.html*.

Technological Initiatives

The Purchasing Division strives to stay current with today's technology in an attempt to make our processes and procedures more accessible and efficient. The Technical Services Unit manages all system applications administered by the division, the Purchasing Division's Internet and intranet sites, along with various technological initiatives and projects.

The Technical Services Unit plays an integral role in many of the accomplishments that are outlined within this Annual Report.

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 Fiscal Year 2014 statistics, as noted below, pertain to the Purchasing Division's website, *WVPurchasing.gov* and the division's intranet:

Purchasing Division's Internet Site Statistics:

Total Hits:	13,742,524
Unique Visitors:	174,870
Visitor Sessions:	875,582
Average Visitors Per Hour:	19.96

Purchasing Division's Intranet Site Statistics:

Total Hits:	395,269
Unique Visitors:	3,419
Visitor Sessions:	37,244
Average Visitors Per Hour:	0.39

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 Management Program

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

Agencies are required to report their fixed assets with an acquisition value of \$1,000 or more into the *wvOASIS* enterprise resource planning system and retire obsolete equipment in accordance with policy and procedure. In preparation of transitioning information into the *wvOASIS* system, state agencies were provided an opportunity to correct their inventories in order to establish accurate and current data regarding their fixed assets.

During this timeframe, agencies were allowed to identify fixed assets with corrective information using a Data Change Request form; remove fixed assets below the program's guidelines (property with an original value exceeding \$1,000, computers and laptops with an original value over \$500, and all firearms); and retire lost fixed assets with a Fixed Asset Reconciliation Approval Statement, which required the signatures of the agency director and the agency cabinet secretary.

As a result of this effort, there was an increase of retirement documents and data change requests for this fiscal year. There were 5,866 retirement documents (assets removed) processed in Fiscal Year 2014 for a total dollar amount of \$207,077,156.

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 necessary. During Fiscal Year 2014, the



State Surplus Property Supervisor Anthony Cooper is pictured entering fixed assets data for state agencies. The Purchasing Division is responsible for all inventories in state government.

Surplus Property Unit processed 2,079 Data Change Requests.

The total dollar amount of assets entered into the *wv*OASIS system for Fiscal Year 2014 was \$190,931,696. The total dollar amount of assets currently in the system is \$2,190,562,185.

Surplus Property Program

Fiscal Year 2014 Statistics

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

Federal Property Service Charge	\$24,175
State Property Service Charge	265,593
Public Auctions	0
Public Daily Sales	1,188,256
Statewide Sealed Bids	0
Online Auction	401,540
Scrap	<u>37,998</u>
Total Revenue	\$1,917,561

State Vehicles

Approximately 401 vehicles were sold during Fiscal Year 2014. Below is a breakdown of the method by which they were sold:

Public Auction	0	\$0
Public Daily Sales	293	1,014,990
Online Sales	87	339,598
Negotiated Sales	<u>32</u>	<u>221,275</u>
Totals	415	\$1,575,863

Online Sales

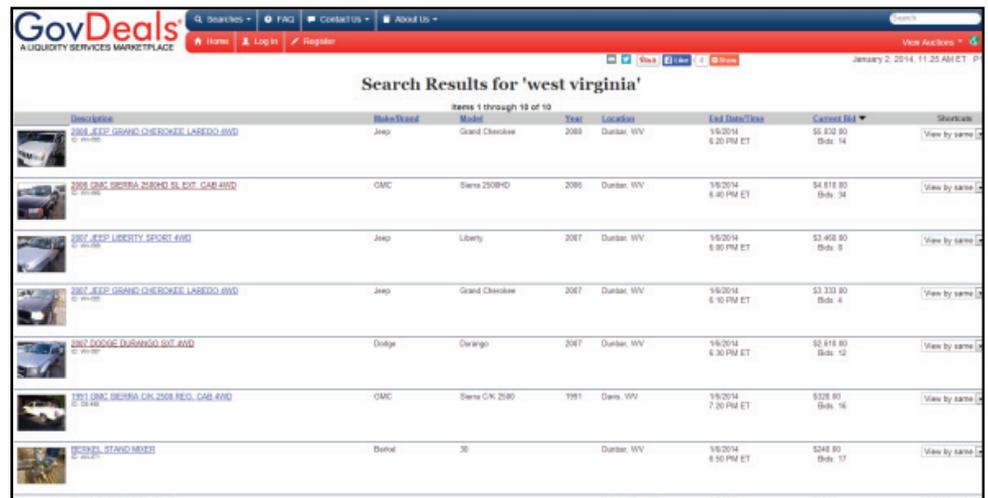
Since 2009, the West Virginia State Agency for Surplus Property (WVSASP) has utilized the online auction process to retire property that is not easily transportable to the Dunbar location; located too far from Charleston for it to be reasonably picked up; unusual; or has been warehoused at WVSASP for an extended period of time.

Jordan Kirk, an Administrative Services Manager with WVSASP, said that agencies retiring property to be sold online should submit “clear, high-resolution pictures focused on the item to be sold” and a detailed description of the item. Agencies are required to obtain approval for the disposition of all state property through WVSASP, unless statutorily exempt. Online sale sites, such as GovDeals, allow users to browse items for sale according to category, auction closing time, and state; the site is specifically designed for government sellers and allows for greater accountability for WVSASP.

WVSASP sold 160 items through the online sales site during Fiscal Year 2014 for a total amount of \$401,540.

Items sold through online sales included a 87 vehicles, a snowmobile, a road grader, and theater seating.

For additional information on Surplus Property's online sales and how you or your organization may participate, please visit WV-Surplus.gov or contact this agency at (304) 766-2626 or toll-free (800) 576-7587.



The screenshot shows the GovDeals website interface. At the top, there is a navigation bar with 'GovDeals' logo and 'AUQUIRY SERVICES MARKETPLACE'. Below the navigation bar, there is a search bar and a 'Search Results for 'west virginia'' heading. The results are displayed in a table with columns for 'Description', 'Make/Brand', 'Model', 'Year', 'Location', 'End Date/Time', 'Current Bid', and 'Shortcode'. The table lists several vehicles for sale, including a 2008 Jeep Grand Cherokee, a 2008 GMC Sierra 2500HD, a 2007 Jeep Liberty Sport, a 2007 Jeep Grand Cherokee, a 2007 Dodge Durango, a 1991 GMC Durma, and a 2008 Ford F350 Super Duty.

Description	Make/Brand	Model	Year	Location	End Date/Time	Current Bid	Shortcode
2008 JEEP GRAND CHEROKEE LAREDO 4WD	Jeep	Grand Cherokee	2008	Dunbar, WV	1/9/2014 6:20 PM ET	\$6,832.80 Bids: 14	View by name
2008 GMC SIERRA 2500HD SL EXT. CAR 4WD	GMC	Sierra 2500HD	2008	Dunbar, WV	1/9/2014 6:40 PM ET	\$4,618.80 Bids: 34	View by name
2007 JEEP LIBERTY SPORT 4WD	Jeep	Liberty	2007	Dunbar, WV	1/9/2014 6:30 PM ET	\$3,408.80 Bids: 9	View by name
2007 JEEP GRAND CHEROKEE LAREDO 4WD	Jeep	Grand Cherokee	2007	Dunbar, WV	1/9/2014 6:10 PM ET	\$3,333.80 Bids: 4	View by name
2007 DODGE DURANGO SUT 4WD	Dodge	Durango	2007	Dunbar, WV	1/9/2014 6:35 PM ET	\$2,618.80 Bids: 12	View by name
1991 GMC DURMA CR 2500 REG. CAR 4WD	GMC	Sierra CR 2500	1991	Dunbar, WV	1/9/2014 7:20 PM ET	\$328.80 Bids: 16	View by name
2008 FORD F350 SUPER DUTY	Ford	F350	2008	Dunbar, WV	1/9/2014 6:50 PM ET	\$248.80 Bids: 17	View by name

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, **\$1,188,256** was generated in revenue during **Fiscal Year 2014**.



The West Virginia State Agency for Surplus Property conducted its second annual Customer Appreciation Day on July 25, 2013, with hours extended to 7:30 p.m.

Surplus Property's Second Annual Customer Appreciation Day

On July 15, 2013, the West Virginia State Agency for Surplus Property (WVSASP) offered its second annual Customer Appreciation Day in order to boost sales at the Dunbar location.

The event successfully attracted customers – both new and old – with great deals on quality used goods and a closing time three hours past its ordinary one.

The inventory offered at Surplus Property's Dunbar location was also key in attracting customers, as it ranges from office furniture and televisions to cars and trucks. Cathleen

Salmons attended the event in both 2012 and 2013 in order to purchase furniture and equipment for the University of Charleston. Salmons said the university is a frequent customer, in large part because “the deals are so good... we are always sure to come to Surplus first.”

The first time this event was conducted in 2012, it was a huge success largely because of media coverage and word of mouth, but this year news of the event was also spread through both Facebook and the Surplus Property website. Surplus Property Manager Elizabeth Purdue estimated that sales on that day were roughly 300 percent above typical daily sales at the Dunbar location.

To learn more about WVSASP and special events, please visit WVSurplus.gov or call (304) 766-2626. Additionally, there is a link to WVSASP's Facebook page on the agency's website.

Surplus Property's First Open House Event a Success

The West Virginia State Agency for Surplus Property (WVSASP) in Dunbar held its first Open House in October of 2013, giving eligible organizations the chance to tour the WVSASP warehouses and talk to staff members. Roughly 20 representatives from various eligible organizations attended the event, which Assistant Purchasing Director and WVSASP Manager Elizabeth Perdue said was intended to test the waters and give organizations that are somewhat unfamiliar with WVSASP a chance to check things out.

"I think for a first-time event, it was a success," said Perdue, "[interactions] through phone calls and e-mails... [do not give us] the opportunity for face-to-face contact with individuals within the organizations."

"I was very impressed by what WVSASP had to offer," said Roane County Commissioner Ron Berry, who said he had purchased from the agency before but had never seen the facilities in Dunbar. "There are numerous needs that could be met through WVSASP."



Administrative Services Manager Jordan Kirk talks to Roane County Commissioner Ron Berry about many of the benefits of the program during the WVSASP Open House.

Travel Management Office

Travel Expenditures

The total amount of travel expenditures statewide for Fiscal Year 2014 was \$52,195,689.26.

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 2014 was **58,615**, based on an expenditure of **\$1,608,652.10**, making the average cost of a rental car per day as **\$27.44**. Without a preferred car rental contract, the normal (average) daily rate today is **\$60.00**, for a savings of **\$1,908,247.90**.

Hertz

The total number of rental days for the Fiscal Year 2014 was **2,189**, based on an expenditure of **\$86,332.00**, making the average cost of a rental car per day **\$39.44**. Without a preferred car rental contract, the normal (average) daily rate is **\$60.00**, for a savings of **\$45,008.00**.

CDW (Collision Damage Waiver)

The state's new rental car contracts now include the insurance for collision damage waiver. The average cost of optional coverage provided by car rental companies is \$25 per day. Based on 60,804 rental days, the state has saved **\$1,520,100.00** on rental insurance.

Statewide Contract for Travel Management Services [National Travel]

Year-end transactions include:

Exchanges	557
Refunds	27
Airline tickets	7,648
Service fees paid	\$182,286.02
Total Transactions	14,274
Cost	\$4,373,063.10
Full Fare	\$13,785,875.80
Savings	\$9,412,812.70

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

The rebate for .40% of the qualifying annual volume was \$18,123.32.

Delta Partnership Savings

Tickets:	1,997
Cost:	\$1,097,230.79
Full Fare:	\$3,267,763.92
Savings:	\$2,190,533.13

Mileage Reimbursement Rate

In accordance with the Department of Administration's bi-annual review of the state's mileage reimbursement rate for privately owned vehicles, which is determined in January and July of each year, the state's reimbursement rate for the use of employees' privately-owned vehicles remained at 47 cents per mile for the July 2013 and January 2014 review periods.

Cabinet secretaries and bureau chiefs were notified on July 8, 2013 and January 6, 2014. The State Travel Management Office notified all agency travel coordinators regarding the results of this review.



Recognizing Excellence

The tradition continued during Fiscal Year 2014 in recognizing excellence in state procurement. Hundreds of employees work in state procurement at the West Virginia government level. Many of these professionals demonstrate noteworthy qualities each and every day.

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

During Fiscal Year 2014, the Purchasing Division conducted two agency purchasing conferences, and similarly, the division was pleased to share the honor by selecting two *Agency Procurement Officers of the Year*. This recognition was announced during a special ceremony at each of the 2013 Agency Purchasing Conferences located at Stonewall Resort and Pipestem State Park in November of 2013. The criteria for this award includes such qualities as tenure, performance, internal training efforts, communication, cooperation and exerting a positive image.

AGENCY PROCUREMENT OFFICERS OF THE YEAR

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

One of the many 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. This year, the Purchasing Division could not decide on just one person; therefore, there were two individuals selected for this award: **Becky Jones** of the West Virginia Lottery Commission and **Charlyn Miller** of the Division of Rehabilitation Services.

Within this Annual Report, the Purchasing Division would like to highlight these outstanding state government purchasers.

Procurement Officer Becky Jones West Virginia Lottery Commission

At the 2013 Agency Procurement Conference at Pipestem Resort, Becky Jones was named the first co-recipient of the *Agency Procurement Officer of the Year*. With nearly 11 years of experience in state procurement, Jones was described as having “gained great respect by the agency as well as our division for her skills and accomplishments.”

Purchasing Director Dave Tincer presents Becky Jones of the Lottery Commission with an engraved clock following her recognition as Agency Procurement Officer of the Year.



Jones was noted for her hard work and diligent effort during the acquisition of the Lottery headquarters building in Charleston. Jones was directly responsible for the drafted RFP and contracted the required forms that secured the services of the architect, general contractor, subcontractors and technology-based vendors. She is also responsible for the procurement contracts for high technology gaming systems, advertising contracts, and acquisition of agency-based IT systems.

Jones is also responsible for training internal staff on proper purchasing methods. “According to Lottery Commission Director John Musgrave, Jones’ two phrases often spoken are *‘It is a challenge, but we will get through it’* and *‘I love my job,’*” said Purchasing Director Dave Tincher. “What a great attitude!”

John Myers, assistant commissioner of the Lottery Commission, and Jones’ husband, Dave Jones, were also present for the award presentation.



Purchasing Director Dave Tincher is pictured presenting Charlyn Miller of the Division of Rehabilitation Services with an engraved clock following her recognition as Agency Procurement Officer of the Year.

Procurement Officer Charlyn Miller Division of Rehabilitation Services

Charlyn Miller of the Division of Rehabilitation Services was the second of the two honorees. The announcement of her selection came at the Agency Purchasing Conference conducted at Stonewall Resort.

In recognizing Miller, Purchasing Director Dave Tincher said she “is described by her peers as knowledgeable, efficient, ethical and always looking to save the state’s dollars” in her procurement officer role. Miller has worked in state procurement for 20 years, starting as a purchasing assistant with the Purchasing Division.

“Charlyn works closely and effectively with others in the agency, with the Purchasing Division, and with the vendor community,” Tincher said. “She has always sought the best value for the state by following the most efficient and effective purchasing methods.”

Both Jones and Miller were honored with an engraved clock and a certificate which he signed along with Gov. Earl Ray Tomblin and Cabinet Secretary of the Department of Administration Ross Taylor. They will also receive complimentary lodging and registration to the next Agency Purchasing Conference.

This was the 18th year in which the *Agency Procurement Officer of the Year* award had been 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.

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 throughout the years. These recipients are listed on the next page of this **Annual Report**.

2013: Becky Jones (West Virginia Lottery) and
Charlyn Miller (Division of Rehabilitation Services)

2012: Bruce Blackhurst (Division of Juvenile Services)

2011: Belinda Burdette (Alcohol Beverage Control Administration)

2010: Les Smith (Division of Tourism)

2009: Jamie Adkins (Department of Environmental Protection)

2008: Pam Hodges (Regional Jail Authority)

2007: Karen Lane (Division of Motor Vehicles)

2006: Gloria Anderson (Division of Culture and History)

2005: Diana Joseph (Division of Natural Resources)

2004: Carole Woodyard (West Virginia State Police)

2003: Syble Adkins (Department of Revenue)

2002: Ratha Boggess (Treasurer's Office)

2001: Bev Carte (Division of Natural Resources)

2000: Lendin Conway (Department of Environmental Protection)

1999: Jo Miller Bess (Department of Health and Human Resources)

1998: Lt. Col. Jim Powers (West Virginia State Police)

1997: Susie Teel (Department of Environmental Protection)

1996: Edi Barker (Bureau of Employment Programs)



Financial Statistics

Fiscal Year 2014

NEW PURCHASE ORDER SUMMARY

Resident Vendor Analysis:

Vendor	Count (#)	Percent (#)	Value (\$)	Percent (\$)
West Virginia	830	70.28%	\$249,581,419.78	46.00%
Non-West Virginia	361	30.57%	\$294,414,368.68	54.00%
TOTAL	1,181	100%	\$543,995,788.46	100%

The average purchase order amount for Fiscal Year 2014 was \$460,623.02. This summary does not include within the count statistics the change orders processed during Fiscal Year 2014.

Agency Analysis:

Top 10 Agencies	Count (#)	Percent (#)	Value (\$)	Percent (\$)
Highways	327	27.69%	\$110,124,715.89	20.24%
Administration	205	17.36%	\$93,285,255.06	17.15%
Environmental Protection	99	8.38%	\$47,182,153.26	8.67%
Health & Human Resources	96	8.13%	\$82,050,208.19	15.08%
Div. of Natural Resources	73	6.18%	\$13,038,914.88	2.40%
State Police	44	3.73%	\$7,470,715.99	1.37%
Div. of Corrections	31	2.62%	\$22,804,382.65	4.19%
Div. of Public Transit	27	2.29%	\$25,238,707.00	4.64%
Div. of Eng. and Facilities	26	2.20%	\$18,744,983.82	3.45%
Agriculture	22	1.86%	\$1,160,788.38	0.21%
Other	231	19.56%	\$122,894,963.30	22.59%
TOTAL	1,181	100.00%	\$543,995,788.46	100.00%



Legislative Action

The following information reflects the legislative changes that occurred during Fiscal Year 2014, which affected the state procurement process:

Purchasing Reform

During the 2014 Regular Session of the Legislature, Senate Bill 356 was passed and signed into law by Gov. Earl Ray Tomblin. This legislation makes some clarifications and additions to the current statutory authority relating to state procurement in West Virginia. This legislation provides several purposeful changes to how state agency procurement officers do their jobs and also addresses penalties for those individuals who do not follow the intent of state contracting.

One clarification now noted throughout *West Virginia Code* §5A-3 is the addition of the word ‘services.’ With this change, it is clear that the procurement procedures and requirements include both commodities and services procured on behalf of the state. Additionally, there were several additions and modifications to definitions in West Virginia Code §5A-1-1, such as services, grants, public funds, spending unit and vendor.

Below is a high level overview of some of these changes made by this legislation. In some cases, procedures as noted also require the promulgation of rules.

- Provided the Cabinet Secretary of the Department of Administration authority to issue a notice to cease and desist to any spending unit when the secretary has credible evidence that the spending unit has failed to purchase on competitive basis or use statewide contracts.
- Provided authority to director to issue a notice to cease and desist to a spending unit when the director has credible evidence that a spending unit has violated competitive bidding or other requirements established in this provision and rules promulgated.
- Provided the division with the authority to initiate reverse auctions to procure commodities and establishes a definition for a reverse auction (Requires promulgation of rules).
- Gave the director the authority to permit spending units to procure commodities directly from a pre-approved vendor through a master contract and subsequent direct ordering bid process, if fair, economical and in the best interest of the state (Requires promulgation of rules).
- Language stated that a grant that is awarded by the state is exempt from the competitive bidding requirement, unless the grant is used to procure commodities and services that directly benefit a spending unit.
- Added language to clarify who could be personally charged with responsibility for the purchase or contract contrary to the provision of this article or rules made thereunder.

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- In addition to the spending officer of a spending unit, language was added to include any other individual charged with responsibility for the purchase or contract.
 - Noted that the state must establish evidence that the individual acted knowingly and willfully.
 - Included language to note that it is unlawful for any person to corruptly act alone, along with combine, collude or conspire with one or more other persons with respect to the purchasing or supplying of services, commodities or printing to the state.
 - Added requirement for all executive department leaders as defined to attend two hours of training on purchasing procedures and purchasing cards annually. This training will be offered in concert with the State Auditor.



Goals and Objectives

Objective 1

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

Objective 2

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

Objective 3

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

Objective 4

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