

WEST VIRGINIA PURCHASING DIVISION

FISCAL YEAR 2016 ANNUAL REPORT

STATE OF WEST VIRGINIA

DEPARTMENT OF ADMINISTRATION



WVPurchasing.gov
An EEO Employer

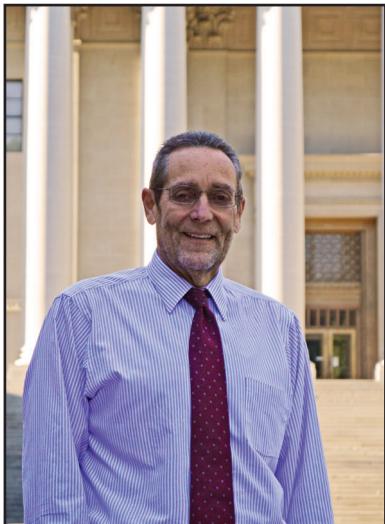
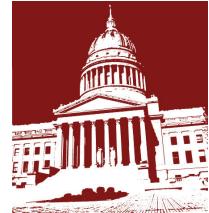
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Director's Message



June 30, 2016

To the Citizens of West Virginia:

Fiscal Year 2016 brought about progress within the Purchasing Division, with the construction of the new office and warehouse at the West Virginia State Agency for Surplus Property. Since 2006, this program has had the authority to open its doors on a daily basis to the public, while providing eligible organizations the first chance at property that will benefit their organizations.

The Surplus Property facility had served its purpose for decades, but the structures were aging to the point that safety was beginning to be a concern. The new warehouse facility offers a secure environment to store and display property that is no longer needed by state agencies,

but may be re-used by other public organizations at a discounted price that would meet their budgeted dollars.

In addition to the physical changes that have taken place at the West Virginia State Agency for Surplus Property, the Purchasing Division continued to realize efficiencies in how we make procurements on behalf of state agencies that fall under our authority. We focus a great deal on the customer services we offer to our agency procurement officers and our vendor partners. From the new state office building in Fairmont to aquariums for the Department of Environmental Protection to canines used by the West Virginia State Police, the Purchasing Division plays an instrumental role in keeping state government operating.

Our hard work was recognized yet again by the National Procurement Institute with the Achievement of Excellence in Procurement award for the third consecutive year. This honor not only demonstrates the efficient management practices that are currently in place, but also recognizes the outstanding product that our staff offers the state taxpayers.

The Purchasing Division does not settle for status quo but continues to establish high benchmarks for its staff to meet. It is with great pleasure and pride that I share with you our Annual Report for Fiscal Year 2016. This report showcases some of our achievements for this past year. Thank you for all of the support offered to the Purchasing Division.

Sincerely,

A handwritten signature in black ink that reads "Dave Tincher".

Dave Tincher, CPPO, Director
West Virginia Purchasing Division

General Information



Contact Information:

Contact information relating to our staff is available on the West Virginia Purchasing Division's website at WVPurchasing.gov. Biographical information for the senior management team, the division's organizational chart and detailed contact information for staff is accessible at the "Contact Us" button on the homepage. The address, telephone and FAX number for our agency is noted below:

West Virginia Purchasing Division
2019 Washington Street, East
Charleston, WV 25305

Telephone: (304) 558-2306
FAX: (304) 558-4115

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 through the *wvOASIS* Vendor Self Service portal; a monthly online newsletter for state procurement officers, *The Buyers Network*; our quarterly Surplus Property newsletter, *The Property Connection*; e-mail correspondence to our designated state agency purchasing liaisons; various training programs; and our website (*WVPurchasing.gov*) and intranet site to state employees. In an effort to provide our customers with the best possible service, the Purchasing Division looks for ways to network effectively 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*.

Prior Year Comparison Limitation:

Most of the data presented in this report is based upon the *wvOASIS* enterprise resource planning system that was implemented on July 8, 2014. This system includes different reporting functionality from prior systems. In addition to the differing reporting capabilities, some metrics, such as a contracts estimated value, are no longer included in the system, and other metrics are now available.

For these and various other reasons associated with the change from legacy systems to *wvOASIS*, any comparison between this annual report and prior annual reports is subject to significant variation and should be considered of limited or no value.

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: Acquisitions and Contract Administration, Communication and Technical Services, and Program Services.

Acquisitions and Contract Administration Section

The Acquisitions 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 excellent customer service to agencies and vendors by buying the best quality commodities and services 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, and vendor registration and relations, as well as administrative functions, including records imaging and retention, purchase order encumbrance, and bid receipt.

The Communication and Professional Development Unit provides information and training services related to the division and the individual programs which are administered by the division. Confer-

ences, online resource training modules, in-house workshop sessions, webinars and the West Virginia Procurement Certification Program are offered throughout the year to provide guidance and opportunities to our agency procurement officers.

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 vendor registration and relations program. The Support Services Unit oversees the administrative functions outlined above.

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.

The Staff of the West Virginia Purchasing Division



Pictured back row (l-r), Mark Atkins, Catherine DeMarco, Guy Nisbet, Mark Totten, Diane Holley-Brown, Shane Hall, Elizabeth Perdue, Anthony Cooper;

3rd row (l-r), Samantha Knapp, Katrina Dufourny, Charles Barnette, Jimmy Meadows, Mitzie Howard, Dave Tincher, Jessica Riley, Wil-Iadean Fisher, Junior Blount, Tara Lyle, Melissa Pettrey, April Battle;

2nd row (l-r), Jorden Parsons, Mike Sheets, Frank Whittaker, Beverly Toler, Debbie Watkins, Crystal Rink, Misty Delong, Linda Harper;

Front row (l-r), Gail Montantez, Sheila Hannah, Stephanie Mosley, Beth Collins, LuAnne Cottrill, Alisha Pettit and Michelle Childers.

The Purchasing Division staff, pictured above in a June 2016 photo, works closely with our designated agency procurement officers and the many vendors that provide the commodities and services needed to maintain and operate state programs and services. We are always pleased to serve you!

Contact Reference Guide



Director's Office

David Tincher, Purchasing Director
James Meadows, General Counsel
Debbie Watkins, Administrative Secretary

Telephone No.

(304) 558-2538
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Location

Main Office
Main Office
Main Office

Acquisitions and Contract Administration Section

Mike Sheets, Assistant Director

(304) 558-0492

Main Office

Acquisitions Unit

Tara Lyle, Buyer Supervisor
Frank Whittaker, Buyer Supervisor
Guy Nisbet, Buyer Supervisor
Mark Atkins, Senior Buyer
April Battle, Senior Buyer
Jessica S. Chambers, Senior Buyer
Misty Delong, Senior Buyer
Stephanie Gale, Senior Buyer
Linda Harper, Senior Buyer
Melissa Pettrey, Senior Buyer
Crystal Rink, Senior Buyer
Charles Barnette, Buyer
Michelle Childers, Buyer

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Main Office
Main Office

Contract Management Unit

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Shane Hall, Inspector III
Junior Blount, Inspector III
Mitzie Howard, Inspector II

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Main Office
Main Office
Main Office
Main Office

Communication and Technical Services Section

Diane Holley-Brown, Assistant Director

(304) 558-0661

Main Office

Communication and Professional Development Unit

Samantha Knapp, Manager
Jessica L. Chambers, Public Information Specialist

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Main Office
Main Office

Technical Services Unit

Mark Totten, Manager
Alisha Pettit, Programmer

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Main Office
Main Office

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Beverly Toler, Supervisor

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Main Office

Program Services Section

Elizabeth Perdue, Assistant Director

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Dunbar

Fixed Assets Management Unit

Sherry Fewell, Fixed Assets Coordinator

(304) 766-2626

Dunbar

Surplus Property Unit

Elizabeth Perdue, Manager
Anthony Cooper, Assistant Manager

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(304) 766-2626

Dunbar
Dunbar

Travel Management

Catherine DeMarco, State Travel Manager

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Main Office

Purchasing Highlights



Big Changes Made During Fiscal Year 2016 at the West Virginia State Agency for Surplus Property



Progress continued during Fiscal Year 2016 on the new office and warehouse structure at the West Virginia State Agency for Surplus Property in Dunbar, West Virginia. The new building replaced the previous facility that was built in the 1950s.

Beginning in September of 2015, signs of change were becoming more apparent at the West Virginia State Agency for Surplus Property (WVSASP) in Dunbar. Extensive work was starting to unfold as the agency began to upgrade the appearance and convenience of the agency's office and state warehouse.

The auction room, the federal warehouse, and the main office building were all demolished in order to create an all-inclusive building that combined both the administrative offices and the warehouse space. Ad-

ditionally, to address the need for more security, the design plan includes an enclosed parking area.

In mid-October, the new building, a modular metal construct, was delivered after the former auction building was demolished, and the setup of the new building began. The new building totals more than 19,000 square feet, with nearly 15,000 square feet of storage space, and more than 4,000 square feet of office space. Additionally, there is approximately 5,000 square feet of detached outdoor storage space.

To avoid flooding and other storm repercussions, the new building was built above the flood plain. The unusually mild December weather had construction at Surplus Property moving full steam ahead.

The vehicle lot was moved to the south side of the property, while construction of the new warehouse and administrative building began on the old lot.

According to the WVSASP's manager Elizabeth Perdue, the remaining months of winter were productive, despite the unruly weather. Perdue stated, "From the heavy snows of Winter Storm Jonas to bright and beautiful 60 degree days, construction continued to progress at the West Virginia State



The first building to be demolished was the former "auction room," which was previously used by the state carpenter in the 1980s.



Early signs of development were visible in the spring of 2016.

Agency for Surplus Property. Good employees are the foundation of any business and provide the framework for positive customer service. The new office and warehouse facility now reflects these characteristics too!"

WVSASP employees moved into the new administrative building in July of 2016. The demolition of the existing administrative building was one of the last components of this project. The construction was completed during the summer of 2016.

Purchasing Division Staff Benefits Greatly from National Procurement Conference Attendance

Last year, several Purchasing Division staff members traveled to Williamsburg, Virginia, to attend the National Association of State Procurement Officials (NASPO) Southern Region Meeting. The three-day conference provided many beneficial opportunities for attendees to learn more about purchasing processes, and procedures from field experts, as well as trends in the profession.

As laws and rules change, procurement officers must be aware of these changes from a national perspective and how they affect the market. During this conference, attendees also networked with other state procurement officials to discuss common issues and possible solutions.

Misty Delong, a Senior Buyer with the Purchasing Division, attended the NASPO meeting for the first time. "The biggest benefit of attending this meeting was networking with people from other states. If I have procurement related questions in the future, I now have somebody I can call for advice or guidance," said Delong.

Delong said the information she received in several breakout sessions was extremely useful in her day-to-



Senior Buyer Misty Delong joined other Purchasing Division staff, who attended the NASPO Southern Regional Conference last year. The NASPO conferences, which are paid for by their national procurement organization, allow purchasing professionals from throughout the United States to network and learn from one another.

day job responsibilities. One class in particular focused on presentations and training tools.

Since the West Virginia Purchasing Division conducts so many training workshops for agency purchasers and the vendor community, this session was particularly helpful. Participants in that workshop shared different activities they use during presentations. The NASPO meeting was a “good opportunity to see how other states do things and use it as a comparison to what West Virginia does,” said Delong. “West Virginia’s laws are stricter. I feel good about our laws and processes.”

Purchasing Director Dave Tincher, Technical Services Manager Mark Totten, Buyer Supervisor Guy Nisbet, and Buyer Melissa Pettrey also attended the NASPO Southern Regional Meeting last year. The staff who attends is rotated each year to provide many in our organization with the opportunity to gain ideas and information on a variety of purchasing-related issues.

The Purchasing Division staff participates in several national conferences throughout the year that are sponsored by the National Institute of Governmental Purchasing, Inc. (NASPO) and the National Procurement Institute. As a member of NASPO, the Purchasing Division may send staff members to conferences and training at no charge to the state.

Purchasing Division Participates in Minority Business Expo to Share Information on Bid Opportunities

The Charleston Civic Center hosted the 2015 Minority Business Expo on October 1, 2015, which was co-sponsored by the Herbert Henderson Office of Minority Affairs, Toyota, and the Martin Luther King Jr. State Holiday Commission. The West Virginia Purchasing Division was pleased to participate as an exhibitor during this outreach opportunity.

The theme for the Expo was “Living the Dream Through Entrepreneurship,” and it featured exhibits and special presentations by small business owners from across West Virginia. In addition, the Expo provided minority entrepreneurs and business owners with the opportunity to network with a wide variety of state agencies and private organizations, as well as to identify tools and resources available to assist them in building their businesses.



Buyer Supervisor Frank Whittaker (standing) and Technical Services Manager Mark Totten explain to participants of the Minority Business Expo about the process of doing business with the state of West Virginia.

The Purchasing Division provided attendees with information on how to do business with the state of

West Virginia, including how to register with the state as a vendor. Buyer Supervisor Frank Whittaker and Technical Services Manager Mark Totten attended on behalf of the Purchasing Division.

One of the resources shared during the Expo was the Small, Women-, and Minority-Owned (SWAM) Business Certification, which may be requested as part of a vendor's record with the Purchasing Division. The SWAM certification, governed by *West Virginia Code §5A-3-59*, provides non-resident vendors who fall within the business categories of small, women-, or minority-owned the opportunity to request vendor preference.

The Tradition Continues...March Proclaimed as "Purchasing Month" by Gov. Earl Ray Tomblin



In keeping with tradition, Gov. Earl Ray Tomblin proclaimed that March 2016 be recognized as "Purchasing Month" in the state of West Virginia. The Purchasing Division is pleased to be part of the initiative for this annual national proclamation, which began in our state in March 2011.

The Proclamation highlights the initiatives which develop, support and promote public procurement practitioners through educational and research programs. Public purchasers perform a vital function in the operation of state government. The integrity and professionalism of state purchasers are valued by the public, who entrusts the spending of its tax dollars. Purchasers work diligently to ensure high value procurements for government agencies are processed efficiently and ethically, while remaining conscious of monetary resources. The official proclamation is on

display at the Purchasing Division office.

Achievement of Excellence Award by National Procurement Institute Given to Purchasing for 3rd Consecutive Year

For the third consecutive year, the Purchasing Division was awarded the Achievement of Excellence in Procurement Award from the National Procurement Institute (NPI). The Purchasing Division is the only governmental agency in West Virginia and one of only 17 state agencies in the United States to receive the award during 2015.

"This award encompasses a variety of facets relating to our procurement operation within West Virginia state government, including experience, professional development and certification, processing strategies, technology and training. These are all extremely important components, which make up the West Virginia Purchasing Division. I am pleased to be part of such a well-respected organization," said



Purchasing Director Dave Tincher. “Our staff works tirelessly with tremendous dedication to ensure that our state dollars are being used in an ethical and efficient manner.”

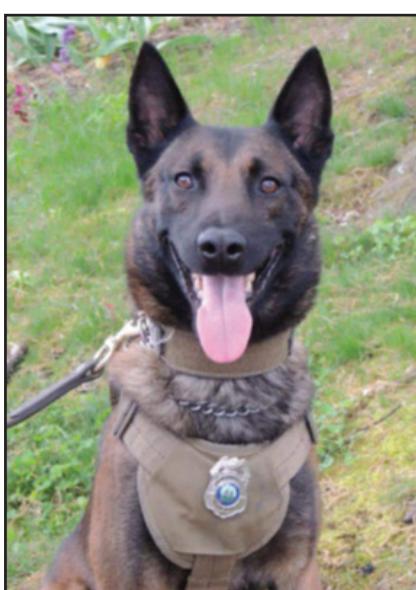
Each year, the NPI acknowledges public and nonprofit organizations which demonstrate excellence in public procurement. Well-established judging criteria are designed to measure innovation, professionalism, e-procurement, productivity and leadership attributes of the procurement function. “The Purchasing Division continues to exemplify the professionalism and high standards needed to carry out its responsibilities on behalf of state government and its agencies,” said former Administration Secretary Jason Pizatella. “As stewards of the public trust, it is critical that we adhere to the statutory requirements for procuring the necessary commodities and services for our state at the lowest possible price.”

Founded in 1968, NPI forms cooperative relationships among its members and establishes efficient purchasing practices in the areas of governmental, educational, and institutional procurement. The mission of NPI is to facilitate the educational and professional development of its members.

From Canines to Aquariums...

A Constant Variety of Unique Purchases Make their Way through the West Virginia Purchasing Division

The West Virginia Purchasing Division buyers are constantly learning about how state government operates. In accordance with *West Virginia Code §5A-3*, the West Virginia Purchasing Division is responsible for procuring commodities and services on behalf of all state agencies. In many cases, these purchases are quite common.



Pictured above is a Patrol K9, which conducts regular inspections of the property at his home correctional facility.

However, not all of the purchases are for commonly-used items, such as paper, office supplies, tools, and technology equipment. Many of the state programs and services are unique, and as such, so are these agencies' procurement needs.

Below is a sample of some of the purchases that were made during Fiscal Year 2016 that are not for your average items. For this reason, the Purchasing Division buyers must work closely with the agency procurement officers to ensure potential bidders have a full understanding of what the state needs.

Canines Serve Critical Role in WV Correctional Facilities

A purchase made in late 2015 by the West Virginia Division of Corrections (DOC) validates that dogs are not just family pets. With the right training and conditioning, these dogs are a huge asset to law enforcement.

Last year, the DOC purchased a mix of Shepherd, Retriever/Labrador, and Bloodhound dogs to serve three primary functions at its

correctional facilities throughout the state. General purpose canines were purchased to patrol facilities, including regular inspections of the property and grounds. Controlled/dangerous substance canines were purchased to search for drugs and other illegal items, and tracking canines were purchased to detain runaways.

“Until we had these contracts in place, we had put hiring new K9 handlers on hold,” said Jamie Jones, agency procurement officer for the Division of Corrections. “This contract has allowed us to fulfill a need within the Division, and help with staffing needs.”

Trained canines are hand selected by the Captain of the various K9 Units. Prior to the DOC taking possession, the Captain inspects each dog as it completes a series of exercises to demonstrate its competency. After successfully completing the exercises, the canine completes an additional month of training with its assigned handler at Huttonsville Correctional Center before advancing with the officer to its home facility. The canine resides with its assigned officer. However, the DOC also retains self-contained portable kennels for shelter.

The canines work on a set schedule but are utilized for specific activities when needed. “While this purchase was somewhat unusual, it has been interesting to see our hard work put to good use,” Jones said.

DEP Showcases the Importance of Water Quality for Aquatic Life

In late 2015, the West Virginia Department of Environmental Protection purchased a 1,700 gallon, six-foot deep freshwater “fish tank” utilized to teach people about water habitat and water quality.

This mobile aquarium, which weighs more than 25,000 pounds when full, features a chiller to keep the water cool at all times, two-inch-thick reinforced glass walls, a dechlorinator, and a net covering to prevent fish from jumping out.

Despite its heavy weight, according to Jamie Adkins, who served as the procurement officer for DEP at the time of this purchase, “This aquarium can be transported to events throughout the state, as well as to schools and civic activities, and can be used as a learning tool about the importance of clean, safe water.”

The aquarium’s use as an educational tool was conducted in partnership with the Division of Natural Resources (DNR), whose logo and website also appear on the back of the tank. DNR provides fish from its hatcheries to utilize during events. After each event, the aquarium is drained and cleaned



The 1,700-gallon, six-foot deep freshwater mobile aquarium purchased by the West Virginia Department of Environmental Protection allows the agency to teach about water habitats and water quality.

and the fish return to the stream or hatchery from which they came.

"We feel this is an excellent tool to help teach the public about water habitat and the water quality necessary to maintain aquatic life," Adkins said.



Fairmont State Office Building Provides One-Stop State Services in One Location

On July 15, 2015, state and local officials along with Marion County residents joined together for a ribbon cutting and dedication ceremony in celebration of a new state office building, which houses approximately 180 state employees.

Governor Earl Ray Tomblin and former Department of Administration Secretary Jason Pizatella participated in the event. Fairmont Mayor Ronald Straight and Marion County Commission President Randy Elliot were also in attendance.

Marion County residents now have a one-stop state location for many state programs and services they may need. The state agencies which now reside in this building include:

- Workforce West Virginia
- Division of Rehabilitation Services
- General Services Division
- Department of Health and Human Resources:
 - Bureau for Children and Families
 - Office of the Inspector General
 - Training Center
 - Bureau for Child Support Enforcement
 - Office of Environmental Health Services
 - Regional Office
- Offices of the Insurance Commissioner
- Secretary of State

The 70,742 square foot building is five stories tall. It was designed by Omni Associates of Fairmont and constructed by PH Dick, Inc., of Pittsburgh, Pennsylvania.

The West Virginia Purchasing Division processed the contracts for the General Services Division to design and construct this new state office complex.



Governor Earl Ray Tomblin, center, and former Department of Administration Secretary Jason Pizatella, immediate right, participated along with local officials in a ribbon cutting ceremony for the new State Office Building in Fairmont.

WV State Police Cruiser Wins National Award During Fiscal Year 2016

It's not every day that you see a state police cruiser as nice as West Virginia's driving around! The American Association of State Troopers (AAST) announced on its website in late 2015 that West Virginia State Police took 1st place in the *Best Looking Cruiser Contest*.

In 2014, the Mountain State's blue-and-gold cruiser placed second in this national event, trailing behind Ohio, which finished second behind West Virginia in the 2015 contest.

The West Virginia State Police was presented with the "Best Looking Cruiser Award" and was featured on the cover of the AAST's "America's Best Looking Trooper Cruisers 2016 Wall Calendar."

The cruisers were purchased through the Purchasing Division's statewide contract for police cruisers (SWC PC). To view the current statewide contract for police cruisers, please visit www.state.wv.us/admin/purchase/swc/PC.htm.



Program Accomplishments



Acquisitions and Contract Administration Section

The Acquisitions 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. Additionally, this Section oversees the Contract Management Unit, which includes Inspection Services.

New Statewide Contract with Small Package Carrier

As a result of an expressed need by state agencies under its authority, the Purchasing Division issued a new statewide contract for small package delivery services, which is available on the Purchasing Division's website. The vendor for this contract is FedEx. As noted in the contract, small packages are defined as ranging in weight from 1 lb. to 150 lbs.

The first step agencies must take when utilizing this contract is to create an account with FedEx to ensure the account is associated with state government pricing. Once the account is created, agencies must log onto *FedEx.com* to create shipments and manage billing. Agencies are encouraged to manage all shipments and billing online and discouraged from using Airbills for fraud purposes.



Agency coordinators receive an e-mail alert when their bill is ready. Billing is weekly, per package and per invoice. Payment terms are net 30 days. Agency coordinators can pay their bills online and print receipts for reconciliation purposes. Purchasing Division Senior Buyer Misty Delong processed this statewide contract.

For a direct link to the FedEx contract as well as the usage summary, visit www.state.wv.us/admin/purchase/swc/PKGSVS.htm. Agency coordinators are encouraged to read the usage summary before utilizing the contract. For additional information on all statewide contracts, visit www.state.wv.us/admin/purchase/swc.

Official Change Order No Longer Required for Contract Accounting Adjustments

The change order process allows state agency procurement officers to make changes to contracts

when it is necessary, including those which affect the payment provision, time for completion of the work, and/or scope of the work.

Typically, both the vendor and the State (bilateral change) are required to approve the changes and document them through the official change order process. In accordance with the *Purchasing Division Procedures Handbook*, change orders are used when it becomes necessary to amend, clarify, or cancel purchasing documents.

Sometimes, however, it becomes necessary to make a change that does not reflect on the face of the contract. In other words, the change does not require vendor input of any sort. This type of change, which only involves one of the parties, is known as a unilateral change.

One common unilateral change often made by our state agencies is the contract's source of funding, or the pool of money from which the state agency intends to pay for the product or service. This change is strictly accounting in nature and does not require central procurement workflow approval.

All other changes to procurement documents must be submitted into central workflow approval as a formal change order request. Please note the issuance of a Notice to Proceed is not considered to be an accounting adjustment because it impacts effective dates of the work performed.

"Accounting adjustments, such as those which change the Object Code on a contract, are unilateral contract changes to chart of account elements not seen by the vendor," said Assistant Purchasing Director Mike Sheets. "Therefore, to process these adjustments as a change order would cause unnecessary confusion and misunderstanding by the vendor. Instead, the *wvOASIS* Finance Team can assist agencies with these changes, without involving unnecessary parties, to ensure accurate and complete information in the contract file."

When an agency is required to make a unilateral contract change, such as an accounting adjustment, the agency may work directly with the *wvOASIS* Finance Team. This will ensure that changes are made consistently and carefully.

Changes Implemented During Fiscal Year 2016 Relating to Inspection Services Procedures

New Inspection Grading System Introduced

A new grading system was developed and put into effect on July 1, 2015, by the West Virginia Purchasing Division's Contract Management Unit to utilize during its inspection of agency delegated transactions. The new system opened the opportunity for the Purchasing Division to better evaluate an agency's conformance to purchasing policies and procedures, as governed by *West Virginia Code*, the *West Virginia Code of State Rules*, and the *Purchasing Division Procedures Handbook*.

The new system was created to assess the compliance of agencies under the procurement authority of the Purchasing Division and those individuals directly responsible for agency procurement related transactions. The system identifies areas which are deficient and places a value for each type of finding.

The following provides an explanation of some of the terms used in the new grading system:

- “Transactions Reviewed” refers to the number of transactions under examination for the given fiscal year.
- “Non-Conformance Rate” as found in the draft and final report summary pages refers to the overall agency error rate, provided as a percentage, in which the agency is not in compliance with purchasing policies and procedures. This figure is determined by adding the number of problem transactions and dividing that total by the number of transactions under review.
- “Conformance Rate” is the percentage of overall agency transactions in compliance with purchasing policies and procedures.
- “Finding Summary” is the collection of issues (i.e. “findings”) discovered during the inspection of agency transactions. The Findings Categories utilize a weighted points system. In other words, findings deemed to be more serious are allotted a larger point deduction than those of a more administrative nature. Deductions are based on the percentage of findings in relation to the number of transactions reviewed. For example, if under the finding category of “Stringing,” the number of findings was six and the number of transactions reviewed was 635, then the finding percentage would be 94%. This percentage would yield a point deduction of -6, meaning six points would be reduced from the “Points Possible” column.
- “Overall Agency Score” is the total number of points received in the findings summary averaged with the non-conformance rate as determined by the following equation: (“Findings Summary – Points Received” column + “Non-conformance Rate”) / 200.
- “Overall Letter Grade” is the global result of the inspection report. It is the Purchasing Division’s goal to encourage positive communication and feedback to and from state agencies regarding their delegated purchasing procedures.

(Agency) FY2016 Statistics				
Transactions Reviewed				635
Non-Conformance Rate (See Summary Page)				10.0%
Conformance Rate				90.00%
Findings Summary				
Finding Category	Number of Findings	Finding Percentage	Points possible	Points Received
Stringing	2	0.31%	30	24
Statewide Contract	1	0.16%	15	12
Internal Resources	1	0.16%	15	12
Bid Documentation	1	0.16%	15	12
Vendor Registration	1	0.16%	5	4
Unemployment/Workers’ Compensation	1	0.16%	5	4
Affidavit	1	0.16%	5	4
Purchase Order Issued	1	0.16%	3	2.4
Asset Tag/Number	1	0.16%	3	2.4
Certification of Non-Conflict of Interest	1	0.16%	3	2.4
Miscellaneous Issue	1	0.16%	1	0.8
Total	12		100	80
Overall Agency Score				
Non-Conformance & Findings Average				Overall Letter Grade
85.0%				B
91.66 -- 100 = A 83.33 -- 91.65 = B 75 -- 83.32 = C 66.66 -- 74.99 = D <66.66 = F				

The grading system provides a clear and accurate depiction of the agency’s compliance for that inspection period and allows opportunities for improvement for future inspections.

Corrective Action Plan Implemented to Address Findings



The Purchasing Division's Contract Management Unit implemented a new component to the inspection process during Fiscal Year 2016. This change was initiated as a result of recommendations offered by the Legislative Auditor's Office following its audit of the Purchasing Division.

The purpose of the Corrective Action Plan is to address the findings that are noted during the inspection of agency delegated purchases, such as stringing, the product or service's availability through state-wide contracts, and bid documentation. Following an inspection, the Contract Management Unit issues a report to the agency. The agency then has an opportunity to submit its own comments regarding the findings.

The Contract Management Unit submits to the agency a final report, and should issues be found during the inspection, a Corrective Action Plan. The agency has 60 days from the date of the final report to submit a response to the Purchasing Division.

"The Corrective Action Plan was implemented in response to the identification of potential sources of non-conformity for spending unit procurements during a previous legislative audit," said Greg Clay, manager of the Contract Management Unit. "The Purchasing Division saw value in adding this component to the process. The purpose of the plan is to monitor and improve upon the processes used to eliminate the recurrence of issues and findings in the agency inspection report and to ensure conformance with state purchasing rules and regulations."

The Contract Management Unit will maintain the Corrective Action Plan in the agency's file. The inspectors will follow up on agency-delegated transactions in *wvOASIS* utilizing Business Intelligence to observe whether an agency is following purchasing guidelines and procedures. In addition to keeping the Corrective Action Plan in the agency's file, the Contract Management Unit will also refer to it during the next inspection to determine whether an agency has adhered to the plan.

"The main focus of the Contract Management Unit is to make an agency aware of a finding or issue so that the agency can identify ways to prevent it from recurring. Ultimately, we want to help agencies follow the procedures in the *Purchasing Division Procedures Handbook* to ensure that they procure goods and services in accordance with *West Virginia Code*," concluded Clay.

Fiscal Year Inspection Statistics

During this fiscal year, the Inspection Services Unit opened and completed **30** individual inspections of various state agencies and related programs. This encompassed more than **60,679** transactions from which **2,910** (approximately **4.8** percent) were closely scrutinized. Of these transactions reviewed more closely, **581** were determined to have a negative finding (approximately **20** percent).

On the following page are percentages based on the total number of transactions for all inspections during Fiscal Year 2016:

Finding	Percentage of Inspected Transactions
Stringing	.79%
Failure to use Statewide Contracts	2.1%
Failure to use Internal Resources	.07%
Bids not documented	8.42%
Failure to check/retain vendor registration	.65%
Failure to verify Unemployment Compensation and Workers' Compensation	5.3%
Failure to obtain Purchasing Affidavit	5.8%
Failure to issue a purchase order	1.9%
Failure to affix an asset identification tag	.38%
Failure to include the Non-Conflict of Interest form	1.24%
Travel findings	0.00%
Miscellaneous findings	.07%

Purchasing Reports to Legislature on Stringing, Sole Source Purchases and Other Functions

Every January and July, the Purchasing Division is required to electronically submit a semi-annual Stringing Report to the West Virginia Legislature, in accordance with *West Virginia Code §5A-3-10(b)*, through the Legislature's database to the Joint Committee on Government and Finance. Additionally, the division is required to submit to the Legislature an annual report on all sole source purchases, a semi-annual report on eligible organization purchases of surplus property, and an annual report of the procurement of recycled products.

According to the *Purchasing Division Procedures Handbook*, stringing is defined as “issuing a series of requisitions or dividing or planning procurements to circumvent the twenty-five thousand dollar threshold or otherwise avoid the use of sealed bids.”

During the year, Purchasing Division inspection staff travels throughout the state to review purchasing records, primarily for agency delegated purchasing transactions to ensure those transactions are completed in accordance with the Purchasing Division’s procedures. Based on their inspections and findings, incidents of stringing occurred in .79% of inspected transactions during Fiscal Year 2016.

“While conducting an inspection, we discover that most findings of stringing are not done intentionally to circumvent the \$25,000 threshold within any 12 month period,” said State Purchasing Contracts Manager Greg Clay, who oversees the Contract Management Unit. “Most state agencies have a procurement officer, who is responsible and knowledgeable in state purchasing guidelines as well as their own agency procedures.” He added that having this internal procurement expert on staff is extremely helpful in avoiding possible stringing violations.

State agencies are strongly encouraged to continuously monitor their expenditures with vendors to ensure that the total amount spent with a given vendor, in any 12 month period, of same or similar commodities or services does not exceed a bid threshold without the proper level of documentation and bidding.

The Purchasing Division encourages state agencies to procure open-ended contracts for commodities or services that are used often to eliminate the potential for stringing.

A report is also required each July that provides a list of all solicitations that were submitted for sole source commodities or services, noting the outcome of the transaction. This requirement is in accordance with *West Virginia Code* §5A-3-10(c).

The semi-annual report of all commodities sold to eligible organizations through the West Virginia State Agency for Surplus Property is due twice annually, in accordance with *West Virginia Code* §5A-3-45.

The comprehensive procurement of recycled products program and its annual report is due at the end of January of each year, in accordance with *West Virginia Code* §22-15A-21.

All of the reports required to be submitted to the Legislature may be found on the Legislature's website under the Audits/Reports section in the State Agency Reports subsection. To view these reports, visit www.legis.state.wv.us.

State Agencies Required to Use Purchasing-Designed Templates for Specifications

In providing standardization among the specifications submitted to the Purchasing Division for formal acquisitions, state agency partners are provided with various specification templates that are available to them. The templates have been available for optional use for several years, but within this fiscal year, became mandatory. This requirement was included in recent changes to the *Purchasing Division Procedures Handbook*.

Specification templates for one-time and open-ended purchases, catalog discount RFQs, service purchases, construction, and elevator and HVAC maintenance may be found on the Purchasing Division's intranet at <http://intranet.state.wv.us/admin/purchase/procedures.html>, with plans to add more templates in the future.

"These templates are an attempt to capture a variety of information so agency procurement officers can consistently find it in the same place each time," said Purchasing Division's General Counsel Jimmy Meadows.

REQUEST FOR QUOTATION [Construction Services being sought]	
<hr/>	
GENERAL CONSTRUCTION SPECIFICATIONS	
<hr/>	
<p>1. PURPOSE AND SCOPE: The West Virginia Purchasing Division is soliciting bids on behalf of [insert agency name] to establish a contract for [insert construction services being sought].</p> <p>2. DEFINITIONS: The terms listed below shall have the meanings assigned to them below. Additional definitions can be found in section 2 of the General Terms and Conditions and in the Specification's Manual as defined below.</p> <p>2.1 "Construction Services" means [insert general description of construction services that will be performed under this contract] as more fully described in these specifications and the Specifications/Project Manual.</p> <p>2.2 "Pricing Page" means the pages contained in wvOASIS, attached hereto, or included in the Specifications/Project Manual upon which Vendor should list its proposed price for the Construction Services.</p> <p>2.3 "Solicitation" means the official notice of an opportunity to supply the State with Construction Services that is published by the Purchasing Division.</p> <p>2.4 "Specifications/Project Manual" means the American Institute of Architects forms, specifications, plans, drawings, and related documents developed by the architect, engineer, or Agency that provide detailed instructions on how the Construction Services are to be performed along with any American Institute of Architects documents ("AIA documents") attached thereto.</p>	

Each of the templates was developed with the proper language and structured with the appropriate space for relevant information for specific types of commodities and services required. However, the templates offer a level of customization to reflect each bid's unique requirements while still maintaining the standard format.

"The standard formats provide an opportunity for better quality bids," explained Assistant Purchasing Director Mike Sheets. "For example, with bid specifications all in one place, vendors will be less likely to overlook requirements. Fewer vendor mistakes mean better quality bids."

Sheets said he believes that having all of the relevant information in one place will make the procurement process easier for all parties involved. Many agencies have already been utilizing the templates, so most will not be affected by the new mandatory requirement. However, if the format does not represent a need, an agency can seek permission to deviate from the standard format. "We will continue to look for opportunities to develop more standard specification formats," added Meadows.

The specification templates are located on the Purchasing Divisions intranet page under the Processes and Procedures link and are also available on the forms page. Agency purchasers may visit the intranet site at <http://intranet.state.wv.us/admin/purchase>, available on the state's network, for more information and to access the templates.

Protests Decrease During Fiscal Year 2016

West Virginia Code of State Rules 148 CSR 1-8 addresses the process by which a vendor may file a protest. There are two types of protests: protests of specifications, which must be filed with the Purchasing Division at least five business days before the scheduled bid opening; and protests of contract award, which must be filed within five days of the date of contract award. All protests, regardless if related to transactions processed by the Purchasing Division or by agencies under their delegated authority, must be submitted to the Purchasing Division.

During Fiscal Year 2016, **19** protests relating to central purchasing transactions 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 19 protests filed, only **7** resulted in a change to the award of the contract.

Based on the number of transactions processed by the Purchasing Division and the number of protests filed, the Purchasing Division has a **2.09%** rate of protests. This statistic reflects the percentage of purchase orders and contracts for which a protest of any type is filed for the fiscal year. The action taken on protests filed may be to modify specifications, deny the relief requested, or change the award decision. In only **0.77%** of the total transactions processed was the award decision changed. Stated another way, the award decision made by the Purchasing Division prevailed in **99.23%** of all transactions.

Communication and Technical Services Section

The Communication and Technical Services Section is responsible for a variety of programs and services offered to agency purchasers, the business community and the general public. It focuses on technology, communication, training, professional development and administrative functions, such as vendor registration, records imaging, purchase order encumbrance, bid receipt and bid package distribution. The Communication and Professional Development Unit oversees communication, professional development and a variety of training formats targeting agency purchasers and vendors. The Technical Services Unit maintains various automated applications, networking services and the Division's website. The Support Services Unit manages the administrative functions mentioned above.

West Virginia Purchasing Bulletin

The *West Virginia Purchasing Bulletin*, which contains bid opportunities for solicitations exceeding \$5,000, is posted on the Vendor Self Service (VSS) portal of *wvOASIS* at wvOASIS.gov. Vendors may create an account through the VSS or may use the public view access to view and, if desired, download the solicitations through this portal.

Additionally, vendors may request the Purchasing Division to mail solicitations directly to them, although the requests are becoming fewer due to the ability for vendors to download the solicitations online. During Fiscal Year 2016, the Purchasing Division received **36** requests for solicitation packages.

Vendor Registration

The Purchasing Division's vendor registration program, which is heavily connected to the functionality within the *wvOASIS* system, continues to streamline the tools within the system for the benefit of the vendor community and state agencies. More options are available than ever for vendors pursuing business with the state and for state agency procurement employees contributing to the process. In Fiscal Year 2016, the Purchasing Division created a total of **170** Vendor / Customer Creation (VCC) documents and **6,430** Vendor / Customer Maintenance (VCM) documents in *wvOASIS*. These documents totals do not count for the additional documents that are reviewed by the Purchasing Division through system workflow from vendors using the Vendor Self Service (VSS) portal within *wvOASIS*. A total of **1,174** *Vendor Registration and Disclosure Statement and Small, Women-, and Minority-owned Business Certification* documents, the paper registration method for vendors not self-registering online, were processed during Fiscal Year 2016.

A total of **4,331** paid registrations were received through multiple payment methods during Fiscal Year 2016, with revenue generating **\$541,375.00**. 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 Business (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 Rules* §148-2-1. During Fiscal Year

2016, a total of **1,024** vendors were certified or updated their certification through the Purchasing Division as a SWAM business.

Online Vendor Registration Fee Payments Increase

Every part of how the state of West Virginia procures commodities and services has been affected for the past two years due to the transition to *wvOASIS*, Vendor Registration being one of the most significantly affected. The Purchasing Division processes registrations for vendors wishing to do business with and receive purchase orders from the state. Vendors receiving orders for goods or services must register with the program before receiving contract awards. Vendors receiving awards greater than \$2,500 (aggregated across all state agencies in a year) must pay the \$125 registration fee.

Prior to the implementation of *wvOASIS* in 2014, vendors could only register with the Purchasing Division by completing a paper registration form, and if applicable, pay their fee by cash, check, money order or credit card. With the implementation of *wvOASIS*, however, vendors may now utilize the online Vendor Self-Service (VSS) vendor portal to register and pay the fee.

During the first quarter of calendar year 2015, vendor registration payment methods were divided nearly evenly between check/money order, credit card, and online payments via the VSS vendor portal. However, during the first quarter of calendar year 2016, the number of online payments significantly increased (i.e. **81%** of vendor registration fee payments were paid through the VSS) while the number of fees paid by check, money order, and credit card decreased proportionally.

This shift in payment methods not only reduces the man hours required by the Purchasing Division to process the payments, but it also shifts the responsibility to vendors to ensure their vendor registration records are current and accurate.

For more details on vendor registration requirements, please visit www.state.wv.us/admin/purchase/VendorReg.html. Additional information is available to state purchasers on the Purchasing Division's intranet vendor registration page at intranet.state.wv.us/admin/purchase/VendorReg.html.

Purchase Order Encumbrance

All purchase orders and subsequent change orders with a fixed amount are placed in the Purchase Order Encumbrance system. A total of **2,227** purchase orders, including open-end contracts and change orders, were encumbered by the Purchasing Division during Fiscal Year 2016.

Records and Imaging

All documents, beginning with Fiscal Year 2016 transactions, were scanned and managed with the division's imaging system. Total number of pages scanned for the Purchasing Division, which contained purchase orders, change orders, vendor registration forms and all supporting documentation, was **291,732** for Fiscal Year 2016.

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.

The Communication and Technical Services Section oversees the requests for records through the Freedom of Information Act (FOIA) process. During Fiscal Year 2016, the Purchasing Division responded to a total of 114 FOIA requests.

Receipt of Incoming Sealed Bids

The Support Services Unit is responsible for receiving paper sealed bids from vendors who are participating in the competitive bid process. During Fiscal Year 2016, there were **1,052** paper bids received by the Purchasing Division. Through *wvOASIS*, vendors may also submit electronic bids to the Purchasing Division. There was a total of **959** electronic bids received through *wvOASIS* during this fiscal year. The total number of all incoming paper and electronic sealed bids for Fiscal Year 2016 was **2,011**.

Purchasing Division Continues its Participation in the Governor's Internship Program

The Purchasing Division continued its support and participation in the Governor's Internship Program by mentoring two college students during Fiscal Year 2016. Since the inception of the Governor's Internship Program in 1989, the Purchasing Division has participated in this valuable program and has helped nurture some of the brightest students in West Virginia. During Fiscal

Year 2016, the Purchasing Division was fortunate to welcome Chedli Ben Hassine and Hannah King.



Chedli Ben Hassine



Hannah King

Hannah King, a junior at West Virginia Wesleyan College in Buckhannon, returned for her second year as an intern working in the Communication and Technical Services (CTS) Section, assisting with communication projects. These projects included gathering information for the Purchasing Division's Annual Report, writing articles for various newsletters, and assisting with preparation for the 2016 Agency Purchasing Conference.

A resident of Charleston and a graduate of Herbert Hoover High School, King

is working toward her bachelor's degree in political science with a minor in English and plans to pursue a law degree after graduation.

Chedli Ben Hassine, a senior at West Virginia University Institute of Technology, is a first-year intern at the Purchasing Division, working under the Technical Services Unit within the CTS Section. Chedli assists with technical projects, procurement applications, as well as researching upcoming technological advances to share with the staff.

A resident of Paris, France, Ben Hassine is working towards a bachelor's degree in information systems with a minor in computer science. He plans to work in the United States after graduation to gain some additional experience.

Through the Governor's Internship Program, government agencies, nonprofit organizations and private businesses give students the opportunity to explore their academic interests in a professional setting. The Purchasing Division is proud to participate in this program, which has offered valuable summer employment experience to hundreds of students throughout the years.

Professional Development and Training

The importance of spending taxpayer dollars efficiently and effectively is undeniable. Our state agency purchasers have a duty to the citizens of West Virginia to spend every dollar efficiently and ethically. To ensure every dollar is spent in accordance with the laws and rules which govern our state, the West Virginia Purchasing Division manages a variety of training platforms to meet the various needs of our procurement professionals statewide, many of which are free and easily accessible.

From in-house training workshops and webinars to online agency resource modules and conferences, the

Purchasing Division provides ample opportunities for state employees to obtain the information needed to perform the procurement function for their agencies. These offerings allow participants who are required to procure under the West Virginia Purchasing Division's authority to learn the procurement laws and rules governed in *West Virginia Code §5A-3; Title 148, Series 1 of the Code of State Rules*; and the *Purchasing Division Procedures Handbook*.

Below are some of the ongoing improvements and activities the Purchasing Division achieved during this fiscal year to meet the needs of agencies, vendors, and its staff.



Purchasing Division General Counsel James Meadows speaks to a class on contract drafting during the 2015 Agency Purchasing Conference.

Agency Purchasing Conference

During October 13-16, 2015, more than **275** agency purchasers gathered at Canaan Valley Resort for the 2015 Agency Purchasing Conference. As part of this three-day conference, the Purchasing Division offered **55** different sessions highlighting more than **25** purchasing-related topics, ranging from best value procurement and contract drafting to vendor registration and evaluating and awarding contracts.

Nearly one-third of attendees were first-time participants, prompting the Purchasing Division to once again offer the Beginner's Track, as well as the Advanced Track for seasoned designated procurement officials.

Attendees provided excellent feedback as part of the online evaluation, which was e-mailed following the conference. With a response rate of more than **40%**, the conference participants rated various categories on a four-scale survey, with excellent being the highest. Respondents rated the following categories as "good" or "excellent:" **95%** for the overall opinion of the conference; **98%** for conference registration; **97%** for the organization of the conference; **95%** for the learning environment to be engaging; **98%** for the atmosphere being conducive to learning; and **98%** for the overall quality of the conference sessions being professional and effective.

Receiving especially high praise was the knowledge of the subject matter experts, who presented the material. "The instructors were very knowledgeable, helpful and had a strong command of the subject matter," noted one attendee. Another participant stated that the presenters were "always willing to talk about issues outside of the training topic and were all very personable."

According to Purchasing Director Dave Tincher, the positive feedback from this year's conference indicates that the Division's training efforts are highly valued and recognized by our state agency purchasers. "I'm extremely proud of our comprehensive training program. Our staff and presenters work tirelessly to ensure that our attendees receive the most from the purchasing conference and their time spent away from the office," he said. "We are very pleased with the feedback and will continue to strive to meet the training needs of our state agency purchasers."

"Year after year, the conference proves to be an important source of training for our agency partners. As a proponent of professional development, it excites me to see state agency purchasers become engaged in the learning process, absorbing as much as they can about the laws, rules and procedures which govern West Virginia procurement," Tincher added.



Senior Buyer Crystal Rink addressed the class during an in-house workshop session.

Vendor Training Initiatives

The West Virginia Purchasing Division continued to offer its free webinars to current and prospective vendors during Fiscal Year 2016. On January 8 and May 11, 2016, approximately **25** vendors participated in a webinar administered by the Purchasing Division. During the 90 minute presentation, participants listened intently to Purchasing Division personnel discuss how they could maximize their opportunity to bid and perform work for West Virginia state government. These webinars were designed to educate vendors about the state procurement process. Some of the topics addressed included:

- Marketing their commodities and services to West Virginia state agencies;
- Registering as a vendor with the Purchasing Division and;
- Submitting bids/proposals;

It has been the Division's stance to foster open and fair competition in the state procurement process at all times. By continuing to offer free informational webinars to vendors, the Division is doing its part to ensure that vendors understand the competitive bidding procedures and participate in this process to the fullest extent possible.

Webinars

Due to ongoing requests from agency purchasers statewide, the West Virginia Purchasing Division decided to increase its quarterly webinar offerings this fiscal year. Beginning in January of 2016, the Division began offering these trainings every other month, increasing the number of webinars this year from four to six.

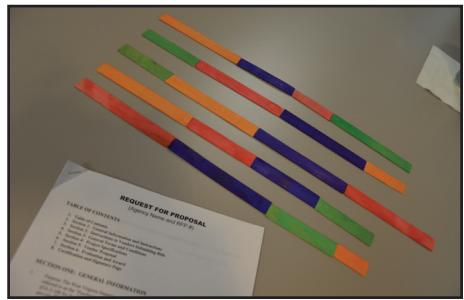
Webinars provide a practical training solution to agency purchasers who are unable to travel to Charleston for training or whose schedules conflict with the scheduled In-House Training Program dates and times. The webinars offered during Fiscal Year 2016 covered basic topics applicable to most agency purchasers, regardless of location, and included Public Procurement Basics (presented twice), Inspection Services and Contract Administration, Statewide Contracts, and Vendor Registration Procedures and Vendor/Customer Creation and Maintenance. More than **100** individuals participated in these free webinars.

In-House Training Curriculum

The West Virginia Purchasing Division continues to expand and improve its In-House Training Program. The Division offered **20** face-to-face in-house training sessions this fiscal year, an increase of three over last fiscal year, and introduced several hands-on activities in the process. Sessions ranged from one to six hours in length and meshed a variety of topics into twelve sessions, with many of the sessions being offered at least twice during the year.

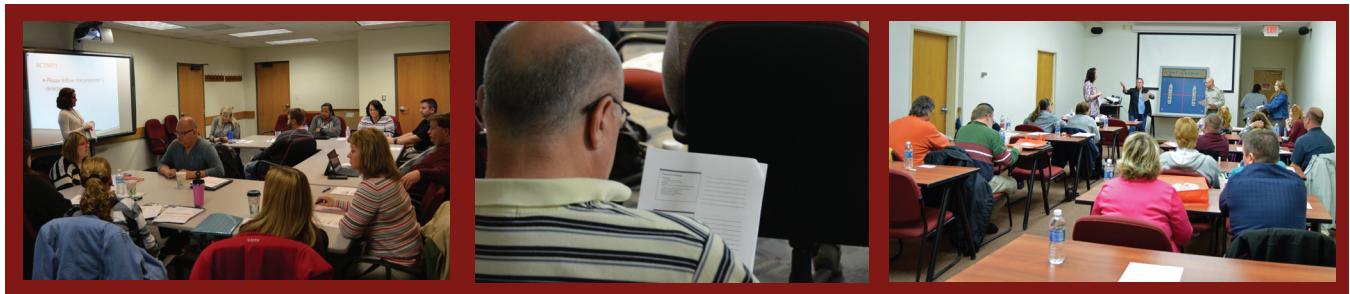
Two new topics were added to this year's agenda. The first focused on construction purchases and highlighted the laws and rules which govern such purchases. The second highlighted procurement as it relates to *wvOASIS*, the state's Enterprise Resource Planning system. The Purchasing Division also utilized a more hands-on approach in its In-House Training Program this year by introducing

multiple activities that engaged training participants while reinforcing the lessons and information learned during each session. For example, during the Preparing and Evaluating a Request for Proposals session, presenters demonstrated using colored popsicle sticks how a technical score paired with a cost proposal can measure up to change the award of a contract and how the vendor with the lowest cost proposal does not always receive the award. *See photograph to the right.*



In another session, this one on Developing Specifications, participants were divided into three groups and given puzzles that had one missing puzzle piece each. Once the teams assembled the puzzles, they had to work together to draft specifications for the missing piece, including the shape, width, and size. The teams were given a puzzle piece from a pile of pieces based on the specifications they wrote. If the specifications were written clearly and concisely, the team was given the correct piece to complete its puzzle. *See photograph to the left.*

The Purchasing Division understands the benefits of these hands-on activities and strives to provide participants with the opportunity to practice and apply their newly-acquired knowledge. Below are some images from the In-House Training Program.



Agency Resource Modules

State agency purchasers continue to utilize the Purchasing Division's online agency resource modules. The Purchasing Division strives to maintain current and accurate training content, and as such, updates these modules when necessary.

During Fiscal Year 2016, the Purchasing Division revised the Request for Proposals (RFP) agency resource module. The revisions included updated content but also modified the previously recorded audio and PowerPoint format to a more hands-on approach, allowing trainees to click on the various learning elements throughout the presentation while also receiving valuable information related to RFPs.

These modules are self-paced and available to our state agency procurement officers free of charge. Agency procurement officers may view these modules on the Purchasing Division's training website from their workplace, at home, or while on the go. There are **10** modules covering varying topics, from Requests for Proposals and Change Orders and Addenda to Emergency and

Sole Source Purchases and Vendor Remedies. During Fiscal Year 2016, agency purchasers self-reportedly viewed the modules nearly **150** times.

High-Level Officials Purchasing Procedures and P-Card Training

The West Virginia Purchasing Division continues to offer in-person training twice per year on the state's purchasing procedures and purchasing card rules to the state's high-level officials. The training, which is required by *West Virginia Code* §5A-3-60, is co-presented by the Purchasing Division and the State Auditor's Office and requires all "executive department secretaries, commissioners, deputy commissioners, assistant commissioners, directors, deputy directors, assistant directors, department heads, deputy department heads, and assistant department heads" to annually complete two hours of training on purchasing procedures and purchasing card rules each year.



Purchasing Director Dave Tincher presents information to the state's high level officials on purchasing procedures.

During Fiscal Year 2016, this mandatory training was offered on November 16, 2015, and April 29, 2016. The fall training was recorded and posted on the State Auditor's Office's website for online viewing for any individual who was unable to attend the face-to-face training. Nearly **250** high-level state officials attended or viewed this training this fiscal year.

Purchasing Division Procurement Certification Program

During Fiscal Year 2016, the West Virginia Division of Personnel officially approved the West Virginia Procurement: Basic and Advanced Certification Programs as acceptable certifications for Pay Plan Implementation eligibility. These certification programs provide recognition to procurement officers who exhibit excellence in the procurement function within state government.

The Purchasing Division continues to certify agency purchasers through this Procurement Certification Program. During Fiscal Year 2016, **10** agency purchasers successfully completed the Basic Certification Program, bringing the total number of recipients to **52**. In addition, three candidates successfully met the steps for re-certification of their basic certification, which are required 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 twenty 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.

A complete list of certified individuals, their dates of certification/re-certification, and their applicable expiration dates may be found on the Purchasing Division's website. For a direct link, visit www.state.wv.us/admin/purchase/training/Certification. This webpage also contains the requirements to successfully complete the basic and advanced-level certifications.

National Certification through Universal Public Procurement Certification Council

The West Virginia Purchasing Director understands the importance of continuing education and professional development. This fiscal year, he made it a goal to ensure that eligible Purchasing Division staff worked toward meeting the requirements of national certifications through the Universal Public Procurement Certification Council (UPPCC).

The two certifications, the Certified Professional Public Buyer (CPPB) and Certified Public Procurement Officer (CPPO), signify that the designated individual has reached a specific level of education and experience and has demonstrated an established level of knowledge necessary to competently perform the work of a public procurement officer or buyer.

During Fiscal Year 2016, Assistant Director Diane Holley-Brown obtained her CPPB designation and General Counsel James Meadows obtained his CPPO.

Purchasing Division Training Summary

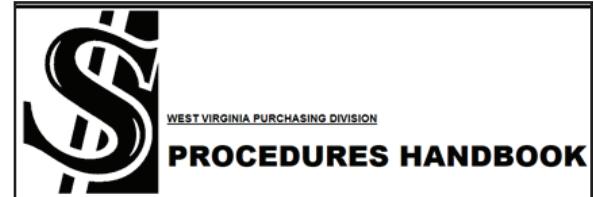
The Purchasing Division's comprehensive training program affects many state employees throughout the year. Below is a summary of the training formats and the attendance for Fiscal Year 2016:

Description	Statistics
Total Number of State Employees Trained through the Purchasing Division's Training Program	421
Number of High Level State Officials Trained on Purchasing Procedures and Purchasing Card Program	248
Number of In-House Training Sessions	21 sessions; 48.5 hours
Number of Agency Webinars	5 sessions; 6.5 hours
Number of Total Attendance at In-House Sessions	322
Number of Participants on Agency Webinars	105
Number of Agency Conference Participants	250
Number of Online Training Modules	10
Number of Online Modules Viewed and Certified	175
Number of Individuals Attaining the WV Procurement: Basic Certification	10
Number of Individuals Attaining the WV Procurement: Advanced Certification	0
Number of Individuals Attaining Re-Certification	6

Purchasing Division Procedures Handbook

The *Purchasing Division Procedures Handbook*, which serves as the “instructional manual” for our state agency procurement officers, is a vital resource in learning more about law, rules, and procedures that guide the state purchasing process.

As of July 1, 2015, the new *Purchasing Division Procedures Handbook* went into effect, providing agency procurement officers with current and detailed information that they may follow when purchasing commodities and services for their state agencies.



Due to the numerous changes to purchasing procedures as a result of recent legislation; the subsequent new *Code of State Rules*, Title 148; recommendations issued during the Purchasing Division’s 2014 legislative audit; and the implementation of the state’s new enterprise resource planning system, *wvOASIS*, the Purchasing Division took this opportunity to reorganize and update its *Purchasing Division Procedures Handbook* so that it would be more current and applicable, as well as more user-friendly and easier to navigate.

“Our goal was to incorporate all of the new requirements and purchasing procedures in a clearer, more concise manner,” said Assistant Purchasing Director Diane Holley-Brown. “While incorporating the new and/or revised procedures, we were able to better organize this valuable procurement resource to make information easier for our agency purchasers to find. Because so much information has changed, we are encouraging agency purchasers to take the time necessary to read the handbook cover-to-cover to make sure they are knowledgeable of all of the requirements.”

Throughout the year, the Purchasing Division offers this resource available online on its website to allow for more readily-made updates when revisions are necessary to ensure that this resource is current, accurate and comprehensive.

During this fiscal year, three revisions to the *Purchasing Division Procedures Handbook* were made, effective *August 1, 2015, February 16, 2016 and May 4, 2016*.

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.

Revised Vendor Procurement Guide Address Changes

Modeled from the *Purchasing Division Procedures Handbook*, the *Vendor Procurement Guide* is used as a technical resource by agency procurement officers throughout West Virginia state government. Due to changes in state law and rules, the *Vendor Procurement Guide* resource was revised during Fiscal Year 2016 to provide current and accurate information relating to how vendors may participate in the state competitive purchasing process.

The *Vendor Procurement Guide*, which is available on the Purchasing Division’s website, serves as a procedures guide to current and potential suppliers to the state of West Virginia. Despite the differ-

ent target audiences of these two publications, the Purchasing Division strives to maintain consistent information, while also focusing on the processes and procedures relevant to the user.

"The Purchasing Division makes this Guide available in order to provide clear and concise information to our vendor community," said Assistant Purchasing Director Diane Holley-Brown. "We encourage agency procurement officers to direct businesses who wish to learn more on how to do business with our state government to this informational resource."

Several changes to the *Vendor Procurement Guide* related to the implementation of *wvOASIS*, which replaced the use of some of our legacy systems, such as the TEAM automated purchasing system and the West Virginia Financial Information Management System (WVFIMS). For a direct link to the *Vendor Procurement Guide*, please visit www.state.wv.us/admin/purchase/vrc/VPG.

Purchasing's 9th Annual Open House a Success

The Purchasing Division continued the tradition with the 9th annual Open House on Tuesday, May 3, from 10 a.m. to 2 p.m. The free event was open to all state agency purchasers who procure commodities and services under the statutory authority of the Purchasing Division, *West Virginia Code §5A-3*.

The Open House took place at the Purchasing Division office located at 2019 Washington Street, East, in Charleston. More than **80** agency purchasers were in attendance! The Open House event provides agency purchasers with the opportunity to network with their peers, discuss ongoing procurement transactions with Purchasing Division personnel, and learn more about the purchasing process through educational sessions.

"I'm always glad to see such a great turnout for our Open House event," said Purchasing Director Dave Tincher. "The participation of agencies and Purchasing Division staff validates our continued efforts to maintain open lines of communication and to share the latest information on purchasing laws, rules and procedures."



This year, Open House attendees (above) viewed the online recording of the Purchasing Procedures and Purchasing Card Training offered to high-level officials.

The Purchasing Division modified this year's agenda to include two hour-long sessions in which participants were able to watch video recordings from the previous fall training for the state's high-level officials on purchasing procedures and the Purchasing Card Program.

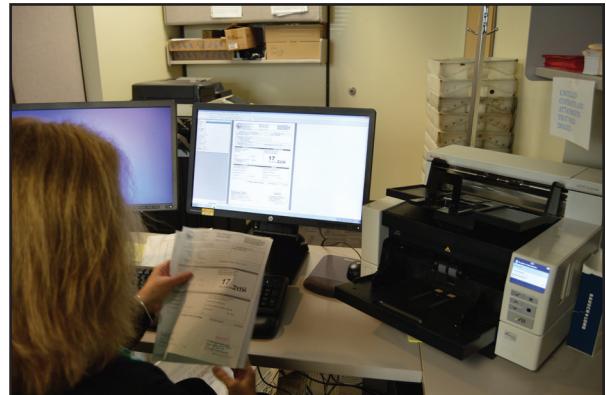
"The annual Open House is a great opportunity for new and seasoned procurement professionals alike," said Purchasing Director Dave Tincher. "We always seek ways in which we can improve our customer service and working relations with our state agencies. The Open House allows us to cultivate those relationships further by allowing us to put a face with a name."

Technological Initiatives

The Purchasing Division is pleased to make continuous technical improvements to our programs and services. The Technical Services Unit was instrumental in many accomplishments realized during Fiscal Year 2016 that are outlined below:

Imaging System Hardware Upgrade

During this fiscal year, the Purchasing Division performed an upgrade to its imaging system by installing new scanning hardware that permanently creates digital files of contracts for record keeping purposes. The Purchasing Division is required to maintain all purchasing records for which it processes. This imaging system, which has been in place since 2005, provides quick and convenient accessibility.



Surplus Property IT Planning

Due to major building changes to the West Virginia State Agency for Surplus Property (WVSASP), a new network was designed and built for the renovated site in order to provide connectivity. This project included telephones, fax, network capabilities, and wireless connectivity.

Surplus Property Inventory/Invoicing System

WVSASP was in need of a new inventory system to track state and federal property, as well as provide invoicing and report capability. The new and advanced inventory system includes barcoding/scanning hardware that scans directly into the system.

News Page Rebuild on *WVPurchasing.gov*

In an effort for users to access information more quickly and easily, the Technical Services Unit redesigned the Purchasing Division's News Page on its website. The News Page was reformatted from a vertical listing of news, events, and job opportunities to a horizontal accordion tab style. Now visitors to the Purchasing Division's website can easily find information on news, events or job postings by clicking the appropriate tab. The most recent updates are listed at the top of each tab's page. Therefore, visitors will no longer need to scroll down the page to find the latest information under each section. To view the Division's redesigned News Page, visit www.state.wv.us/admin/purchase/news.html.

Transparency page launch on *WVPurchasing.gov*

A section focusing on transparency in the state procurement process was added to the Purchasing Division website at *WVPurchasing.gov*. The Transparency page contains data, reports, and publications related to procurements made under the Purchasing Division's authority, as outlined in *West Virginia Code*, the *West Virginia Code of State Rules*, and the *Purchasing Division Procedures Handbook*. The information organized on this website reflects the Purchasing Division's goal of providing transparency to

the citizens of West Virginia, other state agencies, the vendor community and the general public.

One of the features on the Transparency page is the Notice of Centralized Award Report. This report, which is generated weekly, includes information related to the award of contracts processed through the Purchasing Division's formal purchasing process. The Notice of Centralized Award Report does not constitute an official purchase order, but instead serves to inform vendors who regularly participate in the state's competitive bid process.

Other sections of the Transparency page include a form to request a solicitation package by U.S. Mail; a link to the West Virginia Purchasing Bulletin at wvOASIS.gov; a link to view vendor responses to solicitations that have been opened by the Purchasing Division; the Purchasing Division's annual reports; a link to the West Virginia State Budget Office; and West Virginia Purchasing Bulletin Archives, which allow visitors to reference solicitations that were out for bid from 2006-2014. For more information, visit the Transparency page at www.state.wv.us/admin/purchase/transparency.html.

Poll Everywhere Activity Incorporated into Training Sessions

The Poll Everywhere application was utilized in many of the Purchasing Division training sessions, beginning in Fiscal Year 2016. This app, which may be downloaded on participants' cell phones or tablets, allow the audience to take quizzes during the workshops, which were created in advance. Excellent feedback was provided by participants during the training sessions as a result of this new activity.

What is the preferred method for a vendor to become registered with the Purchasing Division?

Response recorded

<input type="checkbox"/> Call Gail Montanez
<input type="checkbox"/> Complete a WV-1 or WV-1A paper form
<input checked="" type="checkbox"/> Register and pay electronically through the Vendor Self-Service portal

Clear response

Fee Exempt Process Changes from Vendors to Transactions

In the past, vendors have been designated as "Fee Exempt," often perpetually. But since the launch of wvOASIS in 2014, the capability has been available to provide vendor registration fee-exemption codes for use in award documents that do not require the vendor to pay the \$125 fee for various reasons, which include a dollar threshold or exemption to *West Virginia Code §5A-3*. A new procedure was introduced that uses the VNREGEX system function to enforce that specific transactions and awards, not the vendors themselves, be fee exempt. This change should also improve statewide processing efficiency for these fee-exempt transactions.

In order to streamline the fee-exempt procedure for Purchasing Division staff, state agencies, and to more accurately comply with *West Virginia Code §5A-3-12*, each Department Code on VNREGEX screen now has fee-exemption codes that are applicable to other fee-exempt transactions, such as sole-source determinations and Section 9-based exemptions.

Vendor Registration Intranet

Due to an increase in state agency roles and responsibilities relating to the vendor registration process with the wvOASIS Enterprise Resource Planning system, a Vendor Registration Intranet Page was unveiled during Fiscal Year 2016. Included on this site is a procedures section, offering written documents that state agency purchasers may use as reference when processing vendor registrations.

Technical Services Manager Mark Totten said the new section features frequently-asked questions related to vendor registration, which is being updated regularly as additional feedback is received from agency purchasing officers.

Purchasing Website Statistics

The Purchasing Division maintains an Internet website, ***WVPurchasing.gov***, and an intranet site. Information is regularly updated to accommodate changes in procedures.

The Fiscal Year 2016 statistics are as noted below:

Purchasing Division's Internet Site Statistics:

Total Hits:	16,037,245
Unique Visitors:	172,555
Visitor Sessions:	1,257,899
Average Visitors Per Hour:	19.65
Files Downloaded:	47,859

Purchasing Division's Intranet Site Statistics:

Total Hits:	318,910
Unique Visitors:	2,659
Visitor Sessions:	18,437
Average Visitors Per Hour:	0.30

Program Services Section

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

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.

Surplus Property Program

The West Virginia State Agency for Surplus Property (WVSASP) has assisted thousands of eligible organizations for more than 70 years by offering quality, usable property at a substantially reduced price. WVSASP is authorized to market state property to the general public if eligible organizations do not express a need.

Additionally, WVSASP works closely with the U.S. General Services Administration in administering the federal surplus property program for eligible organizations.

Fiscal Year 2016 Statistics

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

Federal Property Service Charge	\$69,707.97
State Property Service Charge	193,981.43
Public Auctions	111,500.00
Public Daily Sales	1,114,393.10
Statewide Sealed Bids	849.59
Online Auction	280,094.10
Scrap	<u>\$22,352.05</u>
Total Revenue	\$1,792,878.24

State Vehicles

There were 413 vehicles sold during Fiscal Year 2016. Below is a breakdown of the method by which they were sold:

Public Auction	50	\$111,450.00
Public Daily Sales	238	998,457.12
Online Sales	100	262,885.71
Negotiated Sales	<u>25</u>	<u>177,380.00</u>
Totals	413	\$1,550,172.83

Online Sales

The West Virginia State Agency for Surplus Property (WVSASP) has utilized the online auction process since 2009 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.

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 govern-

ment sellers and allows for greater accountability for WVSASP.

WVSASP sold **166** items through the online sales site during Fiscal Year 2016 for a total amount of **\$280,094.10**. Items sold through online sales included **100** vehicles, a box crusher, a United Aircraft Tractor/Tugger, a Henny Penny food warmer, a barbecue cooker/smoker, and a groundwater and soil vapor extraction system with water treatment.

Daily Public Retail Sales

The West Virginia State Agency for Surplus Property has had the authority to sell state property to the public through its daily retail sales since June of 2008. 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, **\$1,114,393.10** was generated in revenue during Fiscal Year 2016.

State Vehicle Auction Successful in Fiscal Year 2016

During the summer of 2015, the seemingly constant rain stopped momentarily just in time for the West Virginia State Agency for Surplus Property (WVSASP) vehicle auction, conducted on July 8, 2015, at 2700 Charles Avenue in Dunbar. The **50** state surplus vehicles that were available for public sale were sold in approximately one hour.

Assistant Purchasing Director and WVSASP Manager Elizabeth Perdue said that due to the great success of a similar vehicle auction that was offered in 2012, WVSASP determined that the timing was perfect to offer another auction focusing on vehicles to help clear the lot in preparation of its large scale construction project that began in late spring of 2016.



“Conducting this vehicle auction at this time gave us the opportunity to clear out much of the inventory on our lot to open up space for the construction work to begin,” said Perdue. She added that the auction offered everything from retired state police vehicles to Jeep Grand Cherokees.

“We were extremely pleased with the turnout for this event,” she said. “Purchasers were enthusiastic in bidding, and we had an extremely diverse crowd, from those looking for personal vehicles to businesses adding to their fleet.” For information about WVSASP public sales, visit ***WVSurplus.gov***.

Surplus Property Operations Guide Revised

Changes were made by the West Virginia State Agency for Surplus Property (WVSASP) to its Surplus Property Operations Manual in September of 2015.

Most of the changes made to the manual resulted from the implementation of Phase C of *wvOASIS*, which affected the state's managing of its assets.

The previous version of the manual had many references to the former system, the West Virginia Financial Information Management System (WVFIMS), which was discontinued following the implementation of *wvOASIS*. In addition to the changes made concerning *wvOASIS*, some procedural changes were also included in the updated manual.

Other notable changes include:

- Multiple items can no longer be retired on the same retirement document. A separate Fixed Assets Disposition (FD) document must be created for each item being retired.
- Data Change Requests no longer exist. Changes to assets must be made using the Fixed Asset Modification (FM) document.
- When an agency wishes to conduct a sale on-site to another agency, that agency may no longer retire the item with the sale on-site disposition method. The agency must enter a Fixed Asset Interfund Transfer (FAIT) document in *wvOASIS* instead.

The Surplus Property Operations Manual may be found as Appendix G of the *Purchasing Division Procedures Handbook* and is also posted on the WVSASP website at www.state.wv.us/admin/purchase/surplus/surplus_operations_manual.pdf.

Surplus Property Enhances its Website and Social Media Presence



Several years ago, the West Virginia State Agency for Surplus Property (WVSASP) created a Facebook account in attempt to reach out to more potential customers. During Fiscal Year 2016, extra attention was given enhancing the information and offerings using this social media outlet.

From including videos of the ongoing construction project to providing more details on special sales to engaging customers in looking “outside the box” when it comes to property they acquire by offering our “Work With It Wednesday” promotional campaign, WVSASP’s Facebook followers exceeded 3,000 during this year.

As an example of the “Work with It Wednesday” campaign, a simple piece of property will be shown, along with a sample of what that property could look like with minimal effort and time.

These types of suggestions will enable those who visit the Surplus Property facility to fully see the potential of each item that may be available to their organization.

Join the thousands of others who are following the West Virginia State Agency for Surplus Property on Facebook! It's simple, either search for "WV Surplus Property" or just click on the link at the bottom of WVSASP's website at WVSurplus.gov.

Surplus Property Assists in Making Technology Equipment Available to Organizations

The West Virginia State Agency for Surplus Property (WVSASP) began providing affordable technology equipment to eligible organizations on a first-come, first-serve basis. Due to legislative changes several years ago, the West Virginia Office of Technology (WVOT) was responsible for acquiring such equipment that was no longer needed by state agencies. However, during this fiscal year, collaboration between WVOT and the West Virginia State Agency for Surplus Property was made to jointly assist in the distribution of technology equipment to an even larger variety of potential users.

The equipment ranges from desktop computer systems and monitors to copiers and printers. Assistant Surplus Property Manager Anthony Cooper said prices vary on computer equipment, based on the system's processor speed and whether a hard drive is installed. The equipment is also available for public sale after a five-day waiting period to market first to our eligible organizations. For more information, visit WVSurplus.gov.



Desktop computers, laptops, printers and more are available at the West Virginia State Agency for Surplus Property.

Subscription to Surplus Property's Mailing List Made Even Easier During Fiscal Year 2016

To keep updated on events, property availability and other sales opportunities provided by the West Virginia State Agency for Surplus Property (WVSASP), eligible organizations and public sales customers may sign up for one or both electronic mailing lists, free of charge, with just a click of their keyboards.

During Fiscal Year 2016, a mechanism was created on the Surplus Property's website to allow individuals to electronically request to be placed on the "West Virginia Surplus Property Mailing List" for general public announcements regarding upcoming public events and special offers at WVSASP. Additionally, a "Surplus Eligible Organization Mailing List" subscription service was also made available, which is targeted to only those individuals who may register as an eligible

organization, such as public agencies and certain nonprofit organizations. Eligible organizations include public agencies and certain non-profit organizations that have completed an Application for Eligibility through WVSASP and may include state agencies, political subdivisions, hospitals, fire departments, churches, and more. WVSASP Manager Elizabeth Perdue said the mailing lists offer members of the general public and eligible organizations the opportunity to receive information on a regular basis from WVSASP, with updates including featured equipment, procedural information, and special events. To sign up for either mailing list, visit: www.state.wv.us/admin/purchase/surplus/Subscribe.html.

State Travel Management Office

Information and statistics related to the State Travel Management Office and the travel-related contracts that are used by state employees are noted below:

Travel Expenditures

The total amount of travel expenditures statewide for Fiscal Year 2016 was **\$55,493,677.38**.

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 a cooperative contract 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 2016 was **72,589**, based on an expenditure of **\$1,927,099.88**, making the average cost of a rental car per day as **\$26.55**. Without a preferred car rental contract, the normal (average) daily rate is **\$75.00** for a savings of **\$3,517,075.12**.

Hertz

The total number of rental days for the Fiscal Year 2016 was **1,786**, based on an expenditure of **\$71,789.00**, making the average cost of a rental car per day **\$40.20**. Without a preferred car rental contract, the normal (average) daily rate is **\$75**, for a savings of **\$62,161.00**.

CDW (Collision Damage Waiver)

The state's rental car contracts include the insurance for collision damage waiver.

The average cost of optional coverage provided by car rental companies is **\$30.00** per day. Based on **72,589** rental days, the state has saved **\$2,177,670.00** on rental insurance.

Statewide Contract for Travel Management Services [National Travel]

Year-end transactions include:

Exchanges	533
Refunds	37
Airline tickets	7,205
Service fees paid	\$171,685.38
Total Transactions	13,416
Cost	\$3,961,689.22
Full Fare	\$10,430,745.00
Savings	\$6,469,055.78

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

The Delta Partnership results in a savings as detailed below:

Tickets:	2,304
Cost:	\$1,306,167.06
Full Fare:	\$3,813,410.00
Savings:	\$2,507,242.95

Mileage Reimbursement Rate

In accordance with the new West Virginia State Travel Rules, the state's mileage reimbursement rates for privately-owned vehicles began adhering to the federal government rate set by the U.S. General Services Administration (GSA), effective July 1, 2015. On that date, the current GSA rate was 57.5 cents per mile.

On January 1, 2016, the rate decreased to 54 cents per mile. The rate covers all operating costs, such as fuel, maintenance, and insurance, and no additional reimbursement will be made for such expenses. The State Travel Management Office notifies state agency travel coordinators regarding this type of change. To view the State Travel Rules, visit: www.state.wv.us/admin/purchase/travel/TravelRule.pdf.

Recognizing Excellence



The Purchasing Division continued its tradition in Fiscal Year 2016 by recognizing excellence in state procurement. With hundreds of employees working in state procurement at the West Virginia government level, many of our hardworking procurement professionals demonstrate noteworthy qualities on a daily basis, with many cost savings results.

Some of their character 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 the 2015 Agency Purchasing Division Conference on October 13-16, 2015, the Purchasing Division presented the *Agency Procurement Officer of the Year* award. This recognition was announced during a special ceremony following the group luncheon.

The criteria for this award includes such qualities as tenure, performance, internal training efforts, communication, cooperation and exerting a positive image.

Agency Procurement Officer of the Year

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

Procurement Officer Angela White Negley West Virginia Division of Natural Resources

The announcement of the *Procurement Officer of the Year* is one of the many highlights of the annual Agency Purchasing Conference. This annual award recognition program, which is offered by the West Virginia Purchasing Division, celebrated its 20th year in Fiscal Year 2016. It is aimed at recognizing individuals who have proven to be exceptional in the field of public procurement.

During the 2015 Agency Purchasing Conference in October, Purchasing Director Dave Tincher was pleased to honor Angela White Negley of the Division of Natural Resources for her outstanding performance, which was acknowledged by her staff and peers who nominated her. Negley, who has more than 25 years of experience



Purchasing Director Dave Tincher, left, and Division of Natural Resources (DNR) Director Bob Fala, right, are pictured with 2015 *Procurement Officer of the Year* award recipient Angela Negley of DNR.

in various capacities within state government, was described by one peer as having “an abundance of knowledge of all purchasing laws, rules and procedures.” Negley was also noted as being a proponent of professional development and is known to work closely and effectively with others in the agency, the Purchasing Division, and the vendor community. She was described as being ethical, conscientious, and always available to answer questions and provide assistance.

During his presentation, Tincher bestowed Negley with an engraved clock. Expressing excitement over her selection, Negley said her job “is to simplify the purchasing process and make it easier for even the most inexperienced purchaser to make legal, moral and ethical decisions.” She added that she enjoys working with her staff to find alternatives to the problems that her agency faces when working through the purchasing process.

The criteria for this award includes such attributes as tenure, performance, communication, internal training, professional development, cost-saving ideas, cooperation with the Purchasing Division and other state agency personnel, creating a positive image for the organization, establishing and following good purchasing practices, and participating in professional purchasing organizations. For a list of past winners, visit the Purchasing Division’s intranet site at <http://intranet.state.wv.us/admin/purchase/Recognition>. The complete list of recipients is noted below:

- 2015:** Angela Negley (Division of Natural Resources)
- 2014:** Bryan Rosen (Department of Health and Human Resources)
- 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 Hodes (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:** Lenden 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 Annual Statistics



FISCAL YEAR 2016 AWARD TRANSACTION SUMMARY

New Award Vendor Analysis

Vendor	Count (#)	Percent (#)
West Virginia Vendors	607	66.78%
Non-West Virginia Vendors	302	33.22%
TOTAL	909*	100%

This statistics above only includes new award transactions and does not reflect the change orders processed during Fiscal Year 2016. That information is noted below.

**Note that West Virginia state government implemented a new enterprise resource planning system in 2014, which has different reporting functionality from past annual reports. See the "Prior Year Comparison Limitation" subheading on Page 3.*

Change Order Analysis

Fiscal Year	Count (#)	Percentage (%)
TOTAL Change Orders Processed During FY16	1,352	100.00%

This statistics above reflects all change orders processed during Fiscal Year 2016 for modification to new contracts processed this year as well as changes to award transactions processed in previous fiscal years.

Dollar Volume Analysis

Fiscal Year 2016	Dollar Amount for Fiscal Year
Total Dollar Amount Processed for Fiscal Year	\$1,885,564,899.12**

***The Purchasing Division processed a contract for managed care organizations on behalf of the Department of Health and Human Resources. This contract was valued at approximately \$1.3 billion and has been included in this statistical data.*

Agency Analysis

Top 10 Agencies	Count (#)	Percent (#)
Administration	161	17.71%
Highways	148	16.28%
Health & Human Resources	138	15.18%
Environmental Protection	93	10.23%
Division of Natural Resources	84	9.24%
Division of Public Transit	33	3.63%
Adjutant General	23	2.53%
Agriculture	23	2.53%
WV State Police	23	2.53%
Division of Corrections	17	1.87%
Other	166	18.27%
TOTAL	909*	100.00%

Legislation Action



The following information reflects the legislative changes that occurred during Fiscal Year 2016, which affected the state procurement process:

House Bill 4005, which repealed the prevailing wage rate, successfully passed both the House and Senate before it was vetoed by the governor. Despite the veto, the bill was passed into law following a simple majority of both houses on February 4, 2016. This law became effective 90 days from passage, which was on May 4, 2016. Prior to this Legislative Session, the Purchasing Division required vendors to be responsible for ensuring compliance with prevailing wage requirements and determining when prevailing wage requirements were applicable. To address this new law, the prevailing wage rate language included in our master terms and conditions as well as in AIA documents and the Purchasing Division Procedures Handbook were removed.

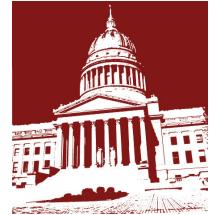
House Bill 4046 modified the *Code of State Rules* 148CSR1, which serves as the legislative rule for the Purchasing Division. This modification adopted the language from the previous emergency rule that was enacted last year. That emergency rule exempted construction purchases from the change order process that was incorporated into the *Code of State Rules* 148CSR1-6.8, which states that a spending unit may not permit vendors to perform work that will be added to a contract through a change order until the change order has been formally approved by the Purchasing Division and the Attorney General's Office, encumbered by the Purchasing Division, and mailed to the vendor. Vendors on a construction contract are bound by terms of the contract which may permit work before a change order has been officially approved by the Purchasing Division in some circumstances.

In addition to these two bills, two other procurement-related bills were passed.

Senate Bill 619 passed during this Session, which amended the Regulatory Reform Act. This Act requires all executive agencies with rule-making authority to review and evaluate all state rules, guidelines, policies and recommendations under their jurisdiction and provide a report to the Legislative Rule-Making Review Committee by July 1, 2020, explaining whether the rule should continue without change or be modified or repealed. Additionally, any new legislative rule promulgated will require an expiration provision terminating the rule after five years, with the option to modify or repeal the rule after the expiration date.

Senate Bill 474 passed, which exempts the Department of Environmental Protection for purchases relating to its construction and reclamation contracts from the Purchasing Division's review and approval. This law was effective on June 8, 2016.

Goals and Objectives



Goal 1:

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

Objective:

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

Objective:

Conduct a minimum of 30 hours of in-person training workshops for agency purchasers on purchasing laws, rules and procedures.

Objective:

Make available on the Purchasing Division's website a minimum of 10 online resource modules for agency purchasers on purchasing laws, rules and procedures.

Objective:

Monitor purchasing training activity on 100% of all agency designated procurement officers and other state employees who conduct purchasing as a primary job function who have been reported to the Purchasing Division.

Goal 2:

Ensure accountability through proactive auditing and documentation review.

Objective:

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