

# THE BUYERS NETWORK

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



## Purchasing Reform Legislation Passes

Legislation addressing changes to state procurement regulations (House Bill 4031) passed during the Regular Session of the State Legislature. According to the legislation, once the Governor signs it into law, it will be effective 90 days from its March 10, 2006 passage.

The changes, referred to as *purchasing reform*, increases the limit for the formal bid process from \$10,000 to \$25,000. Also, it increases the amount from \$1,000 to \$2,500 for which a spending unit can purchase without required bids. Guidance for agency delegated authority limits will be established in Legislative Rule.

The vendor registration fee will increase from \$45 to \$125, for which the additional funds will be used to revive the inspection program which was dissolved several years ago due to lack of funding.

The legislation will eliminate the requirement for vendors to provide a duplicate bid to the State Auditor's Office prior to the bid opening date. Best value purchasing was addressed, allowing the Purchasing Director to determine use of competitive sealed best value bidding. The revised Code will also allow for competitive negotiations with the lowest bidder when

bids exceed available funds.

In addition, other changes to be implemented as a result of this legislation include:

- Cooperative purchasing with agencies of federal government, other states, or public bodies will be allowed, if financially advantageous;
- the addition of definitions for "electronic" and "electronic transmission," allowing for e-procurement;
- codifying *sole source* purchases;
- increasing the amount from \$1,000 to \$2,500 for which a spending unit can purchase without required bids; and,
- prohibiting stringing of requisitions to circumvent the \$25,000 threshold to avoid the formal bid process.

## Surplus Property Gains the Authority to Use Internet for Disposing Property

As part of House Bill 4031, **West Virginia Code**, §5A-3-45, was modified, relating to the disposition of surplus state property.

Along with the exclusive power and authority to make disposition of property owned by the state, the Surplus Property Unit may now sell the commodities to the highest bidder by means of an internet auction site approved by the director.

According to Ken Frye, Assistant Purchasing Director of Program Services, this legislative change will open the doors of the State Surplus

Property Program to the world. Surplus Property always attempts to offer property to eligible organizations, such as public agencies and certain non-profit groups; however, some items, especially those unusual in nature, are often more difficult to sell.

With the authority to utilize internet auction sites, the state will be able to expedite the process. According to Frye, not all surplus property would lend itself to this type of sale, but it is a great benefit and will provide an exciting new way to market surplus property.

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# THE PURCHASING DIRECTOR'S COMMENTS

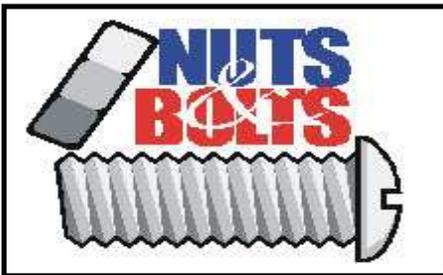


## Changes Underway Soon to Address Reform

By Dave Tincher  
State Purchasing Director

The legislative process has concluded...may the purchasing reform process begin!

*Where do we go from here?* Several steps must be taken now that this legislation has passed. Our staff will review and revise the current **Legislative Rule** in order to assist spending units in abiding by



- ◆ Valuable information is included in the Purchasing Division's monthly newsletter, **The Buyers Network**. Past issues of this publication are available online at <http://www.state.wv.us/admin/purchase/BN/bnlist.htm>.
- ◆ Have you ever wanted to put a face with a name after spending weeks, months or years talking to the staff at the Purchasing Division? Visit the division's "Staff Photo Gallery" at <http://www.state.wv.us/admin/purchase/Gallery.htm>.
- ◆ The 61st Annual Forum and Products Exposition, sponsored by the National Institute of Governmental Purchasing (NIGP), is scheduled for August 5-9 at the Tampa Convention Center in Florida. Online registration is now available at <http://www.nigp.org/events/Forum.htm>.

the intent of the law.

In addition to the Rule, the Purchasing Division will need to incorporate the new changes into the Purchasing Division Policies and Procedures Handbook, along with looking at possible training opportunities.

The Purchasing Division staff is pleased with the modification made to the state procurement process in West Virginia and anticipate a more efficient and expedient system in place.

The Purchasing Division is also looking forward to enhancing our technologies with the use of an e-procurement system. Although this change will not occur immediately,

it is encouraging to have the statutory authority to pursue such a venture.

Because of the volume of changes which will be occurring within the next several months, we ask for your patience, cooperation and support .

We must remember that the state procurement process has ownership in all state agencies. To ensure a smooth transition, the assistance of agency procurement officials will be vital to the success of our purchasing reform.

## What's State Government Buying?

*(This information is compiled from the West Virginia Purchasing Bulletin. The purpose is to provide an awareness of the variety of products and services being procured in state government. Only a small sample of solicitations are listed.)*

- ◆ **Division of Natural Resources**  
Request to publish 20,000 copies of the West Virginia Wildlife Calendar, with possible re-prints.
- ◆ **Department of Environmental Protection**  
Request to provide waste tire collection services at all Division of Highways sites.
- ◆ **Division of Highways**  
Request to perform maintenance painting on various bridges throughout the state.
- ◆ **Division of Forestry**  
Request to perform appraisals of two properties for the forest legacy program, in accordance with federal appraisal standards.
- ◆ **Division of Rehabilitation Services**  
Request to provide drop ceiling material for a dormitory renovation project.
- ◆ **All State Agencies**  
Request to furnish computer data cable (copper/fiber) and fittings for all state agencies and participating political subdivisions.

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# Fiscal Year-End Processing Procedures for Purchase Orders Outlined for State Agencies

To facilitate a smooth transition for encumbrance document processing between fiscal year 2006 and 2007, the Department of Administration in conjunction with the State Auditor's Office has formulated a plan for the fiscal year-end processing of purchase orders on the West Virginia Financial Information Management System (WVFIMS).

Agencies are recommended to process encumbrance documents as usual for non-appropriated and reappropriated accounts through June 9, 2006. However, priority should be given to those transactions that are non-appropriated and should be processed by June 30, 2006.

Documents containing the complete year-end processing plan and time lines are available online at [www.wvfinance.state.wv.us/wvfimsmain.htm](http://www.wvfinance.state.wv.us/wvfimsmain.htm).

**A 2006 Fiscal Year-End Seminar will be conducted on April 12, 2006, from 1:30 p.m. to 3:30 p.m. in the main auditorium of the Cultural Center.** The forum will include representatives from the Department of Administration's Office of Technology, Finance Division and Purchasing Division as well as the State Auditor's Office, State Treasurer's Office and State Budget office.

To assist the Purchasing Division and the State Auditor's Office in processing expiring fund encumbrance transactions, please distinguish these transactions by using an expiring funds stamp with red ink on the face of the document beginning Monday, April 10, 2006.

The State Auditor's Office must receive all encumbrance related transactions for processing by 4:00

p.m. on both June 30, 2006 and July 31, 2006. The State Auditor's Office will not be responsible for any transaction mailed for processing that is not received by these dates and times. Below is the time line for each agency processing purchase orders:

## Budgetary Accounts and Transaction Processing Issues

### Expiring Accounts

*Appropriated General/Special/Federal Revenue*

These accounts follow a year end time line that allows for a 31 day close out period for payment of transactions, but Purchase Orders must be encumbered by June 30, 2005. These accounts will be closed out on July 31, 2006.

### Purchasing Division Time Line

**May 1:** Last day Purchasing Requisitions (WV-35's) for bid referencing expiring funds may be submitted to the Purchasing Division's Acquisition & Contract Section for processing. All pre-approvals (CTO, IS&C, Attorney General, etc., if applicable) must be obtained prior to submitting the expiring funds Requisitions to the Purchasing Division.

The agency is responsible for all pre-approvals. Requisitions should be clearly marked "Expiring Funds" in RED ink beginning April 10, 2006. Requisitions received in the Purchasing Division not clearly marked "Expiring Funds" will be processed in the normal manner. Agencies should closely monitor all expiring requisitions being processed in the Purchasing Division and should

not assume the buyer is aware that the requisition is expiring.

**June 9:** Last day that non-bid requisitions, (eg. change orders, direct purchase orders, emergency purchase orders, and/or equipment contract orders) referencing expiring funds may be submitted to the Purchasing Division's Acquisition and Contract Section for processing. After June 9, 2006, agencies may walk through expiring requisitions up to 1:00 p.m. by June 30, 2006.

Please note that the Attorney General's approval may be required for processing. After Purchasing has executed the purchase order, your agency is responsible for obtaining all necessary signatures and having all paperwork in order and returned to the Purchasing Division by 3:00 p.m. for encumbrance to occur by June 30, 2006. Agencies must deliver all paperwork to the Auditor's Office by 4:00 p.m. in order to complete the transaction by close of business.

**June 9:** First day fiscal year 2007 Encumbrance documents may be entered into WVFIMS. These transactions can only be approved to the Purchasing Division, Org. 0200. The Purchasing Division may not be able to electronically approve these transactions to the State Auditor's Office until July 3, 2006.

**July 3** First day the Purchasing Division will be able to encumber and electronically approve fiscal year 2007 encumbrance documents to the State Auditor's Office.

### Auditor's Office Time Line

**June 16:** Last day to submit encumbrance documents (Purchase Orders and Purchase Order Adjustments) that reference expiring accounts.

**Continued on Page 4**

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## **Fiscal Year-End Procedures**

Continued from Page 3

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### **Non-Expiring Accounts**

*Non-appropriated Special Revenue  
Re-appropriated Accounts*

These accounts follow a June 30, 2006, year end time line for close out. These accounts will no longer be valid after June 30, 2006, for process fiscal year 2006. After this date, non-appropriated Special Revenue account transactions with a fiscal year of 2006 on the split screen will not be accepted.

Non-appropriated Special Revenue accounts will be processed with a fiscal year of 2007 on the split screen after this date. If the account has been re-appropriated to fiscal year 2007, prior fiscal years will be accepted on the split screen for process fiscal year 2007.

### **Purchasing Division Time Line**

**June 9:** Last day to submit fiscal year 2006 Encumbrance (purchase order) documents to Purchasing for Non-appropriated Special Revenue and/or Re-appropriated Special Revenue accounts. Any document not processed in fiscal year 2006 will be processed in fiscal year 2007. These documents are not to be walked through as expiring requisitions. It is the responsibility of the agency to obtain all required signatures prior to submitting them to the Purchasing Division for processing.

**June 16:** All encumbrance transactions (WVFIMS purchase orders and purchase order adjustments) that were unable to be processed by the Purchasing Division by this date will be rejected to the agency of origin. In the case of a rejected WVFIMS purchase order, if you elect to resubmit this transaction for fiscal year 2007, do not delete the "P" document, rather modify it to be funded by fiscal year 2007 accounts

and reapprove it to Org. 0200. In the case of a rejected PO adjustment, even if the WVFIMS purchase order it references has been flagged for rollover, a rollover document will not be created for the referenced WVFIMS PO. Any WVFIMS PO flagged for rollover will not have a rollover document created if there is a pending PO adjustment, i.e. the status of the PO adjustment is UAP, UPP, REJ, or REA.

In the case of a rejected Purchase Order Adjustment, if the WVFIMS Purchase Order it references has been flagged for rollover, the Purchase Order Adjustment (X Document) **MUST** be deleted for the rollover process to proceed for that Purchase Order. If the agency chooses not to delete the rejected AX@ document, it would be necessary for the agency to modify the existing purchase order adjustment after the completion of Year End processing to manually rollover the WVFIMS Purchase Order.

Further, all WVFIMS purchase orders and the purchase order Adjustments must be modified to be funded by fiscal year 2007 accounts and reapproved to Org. 0200 with a status of UPP before the Purchasing Division can encumber the purchase order. purchase orders and change orders will be held in the Purchasing Division until the agency approves the WVFIMS document to Org. 0200.

**July 3:** Agencies may modify any encumbrance document that was rejected to their agency due to year end processing to reflect the correct fiscal year on the split screen. Agencies may also begin approving fiscal year 2007 transactions. This is dependent upon approved expenditure schedules being filed with the State Budget Office.

### **Auditor's Office Time Line**

**June 16:** Last day to submit fiscal

year 2006 Encumbrance (Purchase Order) documents. Please note that fiscal year 2007 transactions may be entered into WVFIMS as early as June 5, 2006; however, the Purchasing Division may not be permitted to approve these transactions until July 3, 2006.

### **General Time line**

**July 3:** Agencies may modify any encumbrance document that was rejected to their agency due to year end processing to reflect the correct fiscal year on the split screen. Agencies may also begin approving fiscal year 2007 transactions. This is dependent upon approved expenditure schedules being filed with the State Budget Office.

### **Procurements with Start Dates of July 1, 2006**

Any encumbrance document (purchase order) processed that contains a start date of July 1, 2006 clause will be held by the Purchasing Division until the funds associated with the contract can be encumbered on WVFIMS for fiscal year 2007.

The scheduled date for encumbrance of these funds is July 3, 2006. All P (purchase order) documents and X (purchase order adjustment) documents must have the correct fiscal year accounting information before the Purchasing Division can encumber these transactions. The Purchasing Division will execute these documents as soon as possible, so the vendor will have an encumbered purchase order to begin work.

### **Questions?**

Any specific questions concerning this policy should be directed to Dan Miller (Purchasing Division at 558-2314) or David Sull (State Auditor's Office at 558-2261, ext 2103) or other appropriate agency personnel at the central organizations.

## Sesco Has Experienced a Positive Business Relationship with the State

*In each issue of **The Buyers Network**, the Purchasing Division will highlight one of our statewide contracts. Providing information on the company and the products offered on the statewide contract, this feature will help familiarize our agency purchasers with our business partners.*

**West Virginia Code, §5A-3-5**, authorizes the Purchasing Director to promulgate and adopt standard specifications based on scientific and technical data for appropriate commodities and services. This establishes the quality to which commodities and services to be contracted for by the state must conform. These standard specifications are used to establish statewide contracts for commodities needed on a repetitive basis. **No agency may be exempt from using statewide contracts without prior written approval from the Purchasing Director.**

For the past six years, SESCO Data/Com has serviced the statewide contract for coaxial cable (CABLE02) with the state of West Virginia. The contract, originally developed for the Information Systems Services Division (IS&C) of the Department of Administration for voice data and cabling materials, includes all data voice and video cabling.

A division of State Electric, SESCO was founded in 1952 by Art Weisberg of Huntington, West Virginia. Weisberg built his company with the idea that providing the customer with just a product was not enough. Beyond quality products and competitive prices, he decided the variant that would separate his company from others was service.

"What State Electric did about 20 years ago," said Branch Manager

Dan Vandegrift, "was that they opened up a data com branch which is us, SESCO Data Com, to handle all the data voice and video products in the



**Branch Manager Dan Vandegrift said SESCO, a division of State Electric, provides nearly 300 items on the statewide contract for cable (CABLE02).**

state. I think SESCO is one of the best kept secrets within the state. Our materials are very sound, very unique, but very specific."

Vandegrift indicated that their contract with the state includes nearly 300 items for any state agency or political subdivision, such as county, municipality, or school board of education.

"Items range anywhere from Cat 5e to cabling to jacks, faceplates and raceway. That jack you plug your computer into, we probably provided the material to make that happen," said Vandegrift. "And, in Charleston, where the contract was issued, agencies get a commitment for delivery within two hours for any orders under \$1,000."

Vandegrift said he feels the contract has been a positive business venture for SESCO. "It has opened doors to other opportunities within the state that we normally would not have had, such as other agencies or any new branches of government."

State agencies must purchase from the state contract all of their networking and cabling needs. Many agencies utilize the State Purchasing Card Program to make the purchases and request the merchandise to be shipped to them by UPS, he said.

For more information on this statewide contract, please contact:

Doug Cadle, Inside Sales Rep.  
SESCO Data/Com  
405 - 12th Street  
Dunbar, WV 25064  
(304) 768-3600 phone  
(304) 768-3698 fax

This contract is available on the purchasing website at <http://www.state.wv.us/admin/purchase/swc>. Prior to using any statewide contract, agencies are strongly encouraged to check the website for contract provisions that may apply.

# Current Statewide Contract Update

(As of March 15, 2006)

This page includes a listing of current changes made to statewide contracts issued by the Purchasing Division. Information and dates listed in this **Current Statewide Contract Update** are subject to change. All statewide contracts are available online at [www.state.wv.us/admin/purchase/swc](http://www.state.wv.us/admin/purchase/swc). For more information, please contact Senior Buyer Betty Francisco at (304) 558-0468 or via e-mail at [bfrancisco@wvadmin.gov](mailto:bfrancisco@wvadmin.gov).

## Contracts Awarded

Contract	Description	Vendors	Effective Date
MOTL06III	Lodging Accommodations	Holiday Inn Express	01/01/06

## Contracts Under Evaluation

Contract	Description	Bid Opening	Under Evaluation
TCARD	Travel Card Services	10/20/05	Yes
CABLE06A	Computer Cabling	03/09/06	Yes

## Contracts Out for Bid

Contract	Description	Pre-Bid Meeting	Bid Opening
ITECH06	IT Temporary Employees	02/16/06	03/14/06
CABLE06A	Computer Cabling	None	02/28/06
CELPHON06	Cellular Telephones	02/28/06	03/22/06
LABSUP06A	Laboratory Supplies	03/14/06	03/28/06

## Contracts Renewed

Contract	Description	Vendor	Expiration Date
CRENTAL04	Car Rental	Enterprise	03/31/07
DEBT04 [A-C]	Debt Collection	GC Services, Municipal Services Bureau, OSI Collection Services	02/14/07
SANPAP05A	Sanitary Paper Products	Liberty Distributors	03/31/07
SELECT04	Software	Software House International	03/04/07

## Contracts Extended

Contract	Description	Vendor	Extension Date
CABLE02	Cabling	Sesco	05/31/06
FLRCOV03	Floor Covering	Family Carpets	06/30/06
OFFICE02	Office Supplies	Office Max	05/31/06
TCARD	Travel Charge Card	United Bank	05/31/06
PAINT03	Paint and Products	Pittsburgh Paints	12/31/06

## Contracts Reviewed

Statewide contracts are reviewed approximately three months prior to the actual expiration date. During this review process, the state buyer examines the specifications and the products included in each contract.

### APRIL

AEBATT ..... Automotive and Equipment Batteries  
 DATA ..... Data Circuits  
 FUEL ..... Motor and Heating Fuel  
 SAFETY ..... Safety Supplies  
 SELECT ..... Microsoft Products  
 TAG ..... ID Tags

### MAY

LAWN ..... Lawn Equipment  
 XRAY ..... X-Ray Film and Supplies

## Miscellaneous Action on Statewide Contracts

Contract	Description	Vendor	Comment
FOOD04A	Staple Food	JA Wendling	Cancel and re-award contract
PAPER06C	Paper	XPEDX	Remove items
IP06	Information Processing Equipment	Lenovo	Change part numbers
PC06A	Police Cruisers	Country Club Chrysler	Add options to vehicle
RECMT00A	Records Management	Nova Records	Cancel and re-award
OIL05	Oil	Harris Oil Co.	Change pricing
LAWN06B	Lawn Equipment	Moore's Tractor	Change model numbers/pricing

# PURCHASING CONNECTION

## Purchasing Welcomes Two New Senior Buyers to the ACA Section



**John Abbott brings a combination of 16 years of purchasing experience while working for a mining company as well as the Charleston Housing Authority.**

The Purchasing Division is pleased to welcome two new faces to the Acquisition and Contract Administration Section staff: John Abbott and Michael Austin. Selected as senior buyers, they are currently in training and will eventually be assigned specific agencies.

With this recent addition to the section, Karen Byrd, Assistant Purchasing Director for ACA, said the buyers will be able to continue their focus on customer service to the agencies and vendors.

**John Abbott's** experience includes working for a local mining company for which he served for eight years as a purchasing and maintenance coordinator. In addition, he worked for six years as a procurement and contract administrator with the Charleston Housing Authority. "As a consumer," he said "we would use the state contract quite often. We would also use the purchasing guidelines and procedures as a model

for the Housing Authority."

A life-long resident of Madison, West Virginia, Abbott graduated from Scott High School and later earned a bachelors degree in business management from West Virginia State College.

Another life-long resident of West Virginia, **Michael Austin** joins us after spending 16 years in management for a local manufacturing company. Previously, he worked in the company's purchasing division for 18 months. He also worked for AIG, American General, as an insurance agent.

Austin first attended West Virginia University, then transferred to Concord College where he obtained a bachelors degree in Business Administration with a concentration in management.

Originally from Raleigh County, Austin now resides in St. Albans.

Abbott and Austin both indicated that they are looking forward to their new positions. Please join us in welcoming both John and Michael to the Purchasing Division.



**Michael Austin joined the Purchasing Division after working 16 years in management for a local manufacturing company.**

## Earth Day: April 22 Good Reminder to Recycle

Waste disposal is a critical issue for communities across the country since there is no easy way to dispose the garbage consumed.



Recycling is one way to solve this dilemma. It is a process by which materials that are otherwise considered trash or waste are collected and reused. April 22 is Earth Day...and saving the earth is a big project, but not one to ignore. If every state employee does his/her part in the office, it can make a huge difference.

First implemented in 1997, the Office Paper Recycling Program, under the Department of Environmental Protection, is responsible for the recycling efforts of state agencies. Overseen by State Recycling Program Manager Jim Hill, program participation in a recycling program is a requirement whether it be your own program or the program of another entity. "Each agency assigns an individual to be their office paper recycling coordinator," he said. "It is that coordinator's job to convey to everyone his/her responsibility relating to the program."

Hill added that every agency should have a conveniently located blue paper recycling bin. The paper does not have to be separated, but it must be clean and free of any substance like food, etc. Once the bin is full, the custodian empties it into a larger, rollout container. Cardboard boxes are kept in separate bins and shredded paper is stored in plastic bags.

Contractually, the service provider records the volume of paper collected. Hill said in fiscal year 2005, the program collected 604 tons.

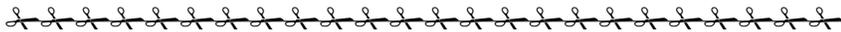
If your agency is not currently participating in the paper recycling program, contact Hill at [jhill@wvdep.org](mailto:jhill@wvdep.org) or at (304) 926-0499, extension 1359.

# Questions?...Just Ask Us!

Are you unsure of certain purchasing procedures? Do you need information on the current state travel regulations? Do you have a question regarding travel requests? Would you want to know what surplus property is available?

If you need additional information concerning any function within the Purchasing Division, complete the form below and return to the address below. You also may forward your request via e-mail.

**Diane Holley**, Assistant Director  
Communication and Technical Services Section  
West Virginia Purchasing Division  
State Capitol Complex  
2019 Washington Street, East  
P.O. Box 50130  
Charleston, WV 25305-0130  
E-Mail Address: dholley@wvadmin.gov



Name \_\_\_\_\_  
Organization \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone Number \_\_\_\_\_  
E-Mail Address \_\_\_\_\_  
Need Information about \_\_\_\_\_  
\_\_\_\_\_

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