

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 Division's In-House Training Initiative Begins with Workshop Series: The Beginner's Track

The Purchasing Division has kicked off its series of in-house training sessions. Classes are planned throughout 2009, and are designed to keep agency procurement officers and their staff apprised of the most recent laws, rules and procedures pertaining to the purchasing process.

For a complete list of classes offered throughout the year with dates, times and course description, or to register for a class, visit:

www.state.wv.us/admin/purchase/training/inhouse.htm

You may also contact the Purchasing Division's Staff Development Specialist Brian Holmes at 304-558-7022 or by e-mail at Brian.J.Holmes@wv.gov.



Technical Services Manager Dan Miller speaks to attendees of the Beginner's Track training session held at the West Virginia State Training Center. The Purchasing Division is planning a series of in-house training sessions throughout the year, in addition to its annual Agency Purchasing Conference.

2009 Agency Purchasing Conference Set for Sept. 29 - Oct. 2 at Canaan Valley

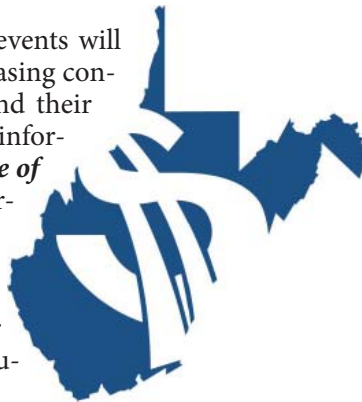
Mark your calendars...for the 2009 Agency Purchasing Conference!

The 2009 Agency Purchasing Conference is scheduled for Tuesday, September 29 to Friday, October 2, at Canaan Valley Resort and Conference Center, in Davis, West Virginia.

Information on room reservations, classes and events will be announced later this summer. The annual purchasing conference offers state agency procurement officers and their respective staff the opportunity to learn and discuss information relating to the *West Virginia Code*, the *Code of State Rules* and procedures as it relates to state purchasing requirements.

In an upcoming issue of *The Buyers Network*, the Purchasing Division will include a questionnaire about this annual conference to solicit your comments and suggestions. We encourage your valuable input!

For additional information or questions relating to the 2009 Agency Purchasing Conference, please contact our Staff Development Specialist **Brian Holmes** at (304) 558-7022 (Brian.J.Holmes@wv.gov), or Assistant Purchasing Director **Diane Holley** at (304) 558-0661 (Diane.M.Holley@wv.gov).



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THE DIRECTOR'S COMMENTS

Statewide Contracts Benefit All Agencies throughout West Virginia

By Purchasing Director Dave Tincher

The Purchasing Division issues nearly 100 statewide contracts which are *ready to use* by state agencies. These contracts have been competitively bid, with terms and conditions in compliance and approved. A wide range of products may be acquired using these contracts, including computers, vehicles, office supplies, furniture and light bulbs.

The reason for awarding these statewide contracts is to fulfill the needs of specific commodities and/or services on behalf of all state agencies. These contracts cover the needs of all state agencies for the entire year, *regardless of location and/or quantities*.

In return for this commitment, vendors offer the state the best possible price for the commodities and/or services required. These volume purchases result in overall savings to the state. Occasionally, an agency procurement officer may find an item at a better price; however, it is the goal of the Purchasing Division to find the best price for all state agencies as a volume purchasing customer. To allow agencies to bypass these state contracts for an occasional better price at one time for one loca-

tion would ultimately cause prices to rise for other state agencies in this or future contracts. Statewide contracts are addressed in law (*West Virginia Code* §5A-3-5) and in the *Code of State Rules* §148-1-7.4.

The Purchasing Division does recognize the appropriate economics of scale when utilizing statewide contracts. For example, the statewide contract for office supplies, currently serviced by OfficeMax, has no minimum order. Agencies may make an emergency purchase of less than \$100 at any location and the OfficeMax store may match the contract price. But, please note that these must be the *exception* and not the normal purchasing procedures. Questions regarding any of our statewide contracts may be directed to Jo Ann Adkins, our Senior Buyer for Statewide Contracts, at (304) 558-8802 or by e-mail at Jo.A.Adkins@wv.gov.

There are several ways to become aware of current activity on these *ready to use* contracts, which have been competitively bid. All statewide contracts and



subsequent change orders are posted on the Purchasing Division's Web site at <http://www.state.wv.us/admin/purchase/swc>.

If you do not have the time to peruse through the entire list of statewide contracts, we provide our customers with a quick access site for recent update to our statewide contract activity,

which is located at <http://www.state.wv.us/admin/purchase/swc/RecentUploads.pdf>.

We also include a brief listing of changes to our statewide contracts in the Purchasing Division's monthly newsletter, which may be accessed at <http://www.state.wv.us/admin/purchase/BN/bnlist.htm>. This publication may be valuable to you as well in providing information and clarification about the purchasing process and the programs which we administer.

As always, if you have questions relating to any purchasing-related issue, your assigned buyer at the Purchasing Division is ready to assist you with information.

Protest Rate for Purchase Orders Issued by the Purchasing Division Remain at Low Level for FY08

In accordance with the recent Annual Report prepared by the Purchasing Division, a total of 26 protests were filed during fiscal year 2008 against awards issued or specifications written, which were processed by the Purchasing Division.

Of the 1,235 purchase orders issued during this fiscal year, 2.11 percent resulted in a protest, which is a small number in comparison to the amount of purchase orders/contracts processed.

There were no protests filed on any direct purchases, special equipment contract orders (ECO), piggyback release, expression of interest, cancel/re-award or emergency purchases during this time frame.

"As there are hundreds of purchase orders issued by the Purchasing Division during a specific fiscal year, this percentage of protests against specifications or awards is not substantial, considering that with every award we have usually one successful vendor and many unsuccessful," said Purchasing Director Dave Tincher. "Our staff continually strives to great levels of efficiency in communication to businesses on state law, regulations and procedures guiding the competitive bid process within state government."

The protest procedures are outlined in the Purchasing Division's *Code of State Rules* (148 CSR 1). This rule provides participating vendors with the right to protest

specifications and purchase order awards.

As part of the 2008 Agency Purchasing Conference, a class was offered on how to prevent protests. Entitled "Preventing Protests: Can't We All Get Along?" the class was presented by Senior Buyer Krista Ferrell. Detailed in the class were the two types of protests: protest of specification and protest of award.

A protest of specification must meet the following guidelines: Specifications are thought to be unfair or non-competitive. These protests must be filed no less than five days prior to the bid open-

Please see PROTESTS, Page 4

Procurement Officer Profile... Mike Withrow Finds Life Often Follows Its Own Rhythms

Mike Withrow is a firm believer that life does not travel along a straight path, but rather it is often a circuitous journey. His own has been one with a few twists and turns, leading to his current position as assistant controller for Office of the State Auditor, and all of that suits him fine.

Born in Charleston, Withrow said his father was a millwright, traveling to mills throughout the country to perform maintenance work, which meant Withrow spent much of his early life moving. Family circumstances brought him back to South Charleston, where he graduated from South Charleston High School in 1980.

Withrow worked for several local companies before joining Hecks Department Store in 1987 in the corporate office. The Charleston-based chain of department stores was in the throes of financial difficulty, and Withrow remained with the business until its final closure in 1991.

Coming into the Division of Transportation in 1992, Withrow began working in finance and office services. He moved to the Office of the State Auditor in 1997, and became assistant controller in 1998.

Working with a smaller agency brings on multiple responsibilities, Withrow said, involving him in not only purchasing, but inventory coordination and fleet management. "For us in the Office of the State Auditor, you wear several different hats," he said.

Withrow said approximately 80 percent of office purchasing involves technology. "By and large, the transactions we do are pointed towards information technology," he said, due in large part because of the more than 40 individuals in the Chief Inspector Division, as well as for training throughout the state for state and local government employees, including the annual Auditor's Conference, held annually at Snowshoe Mountain Resort in Pocahontas County.

Among recent IT-based expendi-



Mike Withrow worked with several private industry businesses and non-profit organizations before joining with the state in 1992. He has been with the Office of the State Auditor since 1998.

tures has been a disaster recovery site, based in Clarksburg, which offers real-time recovery in case of a data loss of office reports and information. Withrow said the site replaced a previous site hosted by a third-party company.

Because of the nature of the Office of

the Auditor, Withrow said the office is thorough in how it approaches transactions. "We have to be very deliberate and careful that we can back up that transaction as best we can," he said. "We like to say that the documentation tell a transaction story."

State Reimbursement Rate for Privately-Owned Vehicles Reduced to 44.5 Cents per Mile

The state reimbursement rate for the use of employees' privately-owned vehicles was reduced to 44.5 cents per mile, effective January 20, 2009. This rate will be in effect until the next review scheduled for July 2009.

The State Travel Management Office, under the Department of Administration, has notified the respective agency travel coordinators regarding this change. In accordance with a March 2007 memorandum by Cabinet Secretary Robert Ferguson, a review will be conducted bi-annually, each January and July, of the reimbursement rate. The state is not required by law to match the federal government's reimbursement rate.

For questions regarding this reimbursement rate or any other travel-related issues, please contact State Travel Manager Catherine DeMarco at (304) 558-2613 or Catherine.A.DeMarco@wv.gov.

Inventory System Targeted at Automating Asset Tracking For Surplus Property Unit

A new inventory system for the West Virginia State Agency for Surplus Property is expected to open the door on how the agency keeps track of state surplus property. Ken Frye, Assistant Purchasing Director and Surplus Property Manager, said the agency has worked with the Office of Technology to develop an inventory system.

Frye said the need for an inventory system came following Legislative audits, which suggested that Surplus Property develop a mechanism of tracking property electronically.

However, following the work by the Office of Technology, the new inventory system will create what Frye calls a "cradle-to-grave way to track assets." Frye said the system will track items that meet the Purchasing Division criteria for reportable property: any items more than \$1,000, any computers more



The West Virginia State Agency for Surplus Property has begun using an inventory tracking system for items at its Dunbar location. Surplus Property Manager Ken Frye said the new system gives a "cradle-to-grave way to track assets."

than \$500 and any weapons. "If an agency buys something new and tracks it on its inventory, when it is declared surplus, we will be able to retrieve the information."

Frye said the information will be downloaded from existing inventory records. "One thing that will make it better for us is that we will not be doing data entry," he said. "We will be downloading

medical equipment and kitchen equipment.

Frye said the inventory tracking system will be a helpful tool for state agencies. "This system will allow us to answer questions more easily from our customers," he said. "Rather than calling out to someone to see if we have an item, we can call it up on the computer."

from the WV FIMS Fixed Assets System."

Because of the state regulations on reportable property, this means Surplus Property will not be tracking every chair or desk that comes to the division site, but rather focus on the higher-ticket items. "As far as volume goes, we will be tracking 20 percent of our items," he said. "As far as value goes, we will be tracking 90 percent." He said that includes vehicles, farm equipment,

PROTESTS

Continued from Page 2

ing date and must contain the name and address of the protestor, the requisition number, a statement of the grounds for the protest, and the resolution or relief sought by the vendor.

A protest of award is an award thought to be unfair or inaccurate. It must be filed by the vendor no more than five business days after the award. The vendor is responsible for knowing the award date, which is the day that the purchase order is encumbered and mailed. The time frame begins the day after the vendor receives a faxed unsuccessful vendor letter

A protest of award must contain the name and address of the protestor; purchase order number; statement of the grounds for the protest; supporting documentation (if necessary); resolution or relief that the vendor is seeking; and a request for an administrative hearing (if applicable)

By following the *West Virginia Code*, the *Code of State Rules*,

and the Purchasing Division's Procedures Handbook, and making sure your procurement staff understand and are properly trained in purchasing procedures, many protests can be prevented.

For additional information on protests procedures, visit Section 7 (Formal Acquisition Procedures) of the Purchasing Division's Procedures Handbook at:

<http://www.state.wv.us/admin/purchase/Handbook/2007R5/hand7.htm>

Should you have any questions relating to the protests procedures or how your agency can prevent protests against the specifications or awards of your agency's purchase orders, please discuss with your agency procurement officer or your assigned buyer within the Purchasing Division. For a list of agency buyer assignments within the Purchasing Division, visit:

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

Komax Business Rated Among the Elite, According to Business Magazine's Ranking

Businesses, particularly small businesses, know it takes more than a good set of products to be successful. It also takes good customer relations to keep the doors open.

Komax Business Systems of South Charleston certainly knows this and much more. Komax is the first and only West Virginia company to be awarded "Elite Dealer" status by *Office Dealer Magazine*. *Office Dealer* recognizes a few "Elite Dealers" based on exemplary sales and service performance, as well as their performance as corporate citizens in giving back to the community.

Such distinction bodes well for state agencies as Komax Business Systems is a vendor on the statewide contract for digital copiers (DIGCOP09), which provides high and low volume digital copier equipment. Komax has been doing business with the state on statewide contracts since 2004. Komax opened its door in 1999 with four business partners, all of whom are still with the

*In each issue of **The Buyers Network**, the Purchasing Division will highlight one of our statewide contractors. Providing information about 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.

company.

"We are proud to be considered the 'best of the best' in the office products reseller community," said David Humphrey, government specialist and solutions manager for Komax. "We offer one of the most experienced and successful office equipment teams in southern West Virginia. Perhaps it is because we approach our mission as a consultative practice rather than to merely sell office equipment. We understand that the proper office equipment is vital to your business and we are committed to providing total solutions."

Komax Business has 37 full-time employees, all located in West Virginia at its South Charleston locale and a second office in Huntington. Komax products include the full line of Konica Minolta Office Systems and solution software along with a multitude of other office equipment supplies as noted on the statewide contract.

"We can provide the ideal combination of office equipment and solution software to make state agencies more productive with the digital copier



needs," Humphrey said, adding the company does a lot of business with the Division of Highways, the Regional Jail and Correctional Facility Authority, Public Service Commission and the Department of Health and Human Resources.

Komax Business Systems is located on D Street in South Charleston near the city's well-known Indian burial mound. Several times a year, the business hosts an artisan reception as Komax displays paintings and murals by local artists.

For more information about Komax Business Systems, contact:

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Komax Business Systems
500 D Street

South Charleston, WV 25303
304-744-7440

dhumphrey@komaxbusinesssystems.com
<http://www.komaxbusinesssystems.com>



David Humphrey is the government specialist and solutions manager for Komax Business Systems, a vendor on the statewide contract for digital copiers since 2004.

Notable Revisions Made to the Purchasing Division Procedures Handbook

Effective January 1, several important changes and corrections were made to the Purchasing Division Procedures Handbook. Prior to these updates, the most recent edition of the Handbook was updated and posted June 2, 2008 on the Purchasing Division Web site at <http://www.state.wv.us/admin/purchase/Handbook/default.htm>. The fifth edition of Procedures Handbook contains the following notable changes.

In Section 4.5.1 of the Handbook regarding Requests for Information, it now states that "RFIs can be processed at the agency delegated level (\$25,000 or less) or by the Purchasing Division for high dollar procurements. RFIs for commodities and services over \$25,000 **must** be advertised by the Purchasing Division. Prior to this change, the Handbook stated RFIs for commodities and services over \$25,000 **should** be advertised by the Purchasing Division.

Another noteworthy change is found in section 4.6.1 Internal Sources, Considerations and Approvals. The new wording clarifies that "**ALL infrastructure purchases, regardless of dollar value, must be reported to, and approved by, the Chief Technology Officer (CTO). All state entities, with the exception of Constitutional Officers, shall request the approval of the CTO for, at a minimum, the purchase of the following: servers, storage devices, routers, hubs, switches, firewalls, video conferencing, telephony equipment, including PBX systems.**

This mandate also includes, but is not limited to, infrastructure software of all types, whether it be e-mail applications, anti-virus software, or any other interoperability applications the CTO deems necessary in the future."

In Section 6 / Agency Delegated Acquisition Procedures, a paragraph now reads, "State agencies are encouraged to use the State Purchasing Card as a payment method for purchases, whenever possible, in accordance with State Purchasing Card guidelines [<http://www.wvsao.gov/pcard/forms/PCardPPManual2006.pdf>]" for purchases made in the amount of \$25,000 or less of certain commodities and services. Prior to the revision, the Purchasing Card was encouraged for purchases only in the amount of \$2,500 or less.

Later, in Section 6.2.3 / Award Process, an **Unemployment / Workers Compensation verification search** has been added as a requirement of items which must be kept on file at an agency for all purchasing transactions. This verification search must be in the agency's file prior to an award and this is also noted in Section 7.2.17 of the Handbook. The Handbook section of the Purchasing Division Web site provides links as resources to Workforce West Virginia to ensure compliance for unemployment compensation and a link to the Insurance Commission to ensure compliance for Workers Compensation coverage.

A new section has been added to Section 8 / Special Acquisitions. In Section 8.15 under Used Property, state agencies may purchase used property through the normal competitive bid process after first checking the item availability with the West Virginia State Agency for Surplus Property. In accordance with

the *Code of State Rules*, 148 CSR 7.5.6, the Purchasing Director shall issue prior approval or disapproval for used equipment to be purchased directly without competitive bids. If disapproved, the Purchasing Director shall return the request to the spending unit and direct another method of purchasing.

Regarding Section 9 which deals with Sole Source Acquisitions, modifications were made to several categories.

For item No. 15 regarding medical fees. Fees for medical services (behavioral and physical) from individual doctors, dentists, clinics, hospitals, **laboratory testing facilities**, audiologists, county medical examiners, physical and occupational therapists, behavioral counseling and evaluations, etc. for individual patients, inmates, students and clients where the state is responsible for payment **for this one-time service**. This does not include inmate health care management, hospital management, consulting services or agreements to provide services for groups of patients, inmates, students or clients, etc. for state agencies. Also included in this exemption is body transportation for **unidentified** corpses and indigent burial expenses **and sole source medical and psychological consultants for the purpose of determining Federal Social Security Administration Disability by the Disability Determination Services of the West Virginia Division of Rehabilitation Services.**

For item No. 23, Software Maintenance was changed to **System** Maintenance. Also in this category, "all non-competitive proprietary software **or bundled hardware/software** system licensing and maintenance must be pre-approved by the Office of Technology. This exemption does not apply to hardware maintenance, where multiple vendors are authorized by the manufacturer to provide service without voiding system warranties."

In the Appendix section, Appendix L: was renamed to **Unemployment / Workers Compensation Default**. The sections was renamed due to changes in State law; previously referred to as "BEP Default Unemployment."

Appendix M was renamed **The Purchasing Decision Path**.

Please see HANDBOOK, Page 7



Current Statewide Contract Update

(As of January 15, 2009)

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 <http://www.state.wv.us/admin/purchase/swc>. For more information, please contact Senior Buyer **Jo Ann Adkins** at (304) 558-8802 or via e-mail at Jo.A.Adkins@wv.gov.

Under Evaluation

Contract	Description	Bid Opening	Under Eval
DATA09	Circuits	01/15/2009	Yes
PAPER09	Various Paper	11/20/2008	Yes
X-RAY09	Xray film, chemicals	11/23/2008	Yes

Contract Renewals

Contract	Vendor	Description	Date
LAN07DA	EBridge Consulting LLC	Local Area Network	12/15/2008 - 12/14/2009
LAN07E	Enterasys Networks Inc.	Local Area Network	12/15/2008 - 12/14/2009
LITTER07	F M Pile Hardware Co.	Litter Grabber	01/01/09 - 12/31/09
NTIRES08	Goodyear Tire & Rubber Co.	New Tires	02/01/09 - 01/31/10
LIGHT07	WV Electric Supply Company	Light, lamps, bulbs, ballasts & related	02/01/2009 - 01/31/2010
FOOD08A	A F Wendling Inc	Canned food & staple groceries	12/01/2008 - 11/30/2009
PAINT07	Pittsburgh Paint	Paint & paint supplies	01/15/2009 - 01/14/2010

Contracts Extended

Contract	Vendor	Description	Date
WVARF04	WV Associate of Rehab Facilities	Workshops	02/01/09 - 06/30/09
TRAVEL04	National Travel Service Inc.	Travel management	01/01/09 - 06/30/09

Miscellaneous Actions

Contract	Vendor	Commodity	Description of Change
WELD06A	Mabscott Supply Co	Weld Supplies	To cancel this contract effective 12/12/08
SUPFOOD07	Grove Medical Inc.	Supplemental Food	To provide update price list
ENTPRZ08	Software House International	Microsoft products	To provide December 2008 price list
LITTER07	F M Pile Hardware Co	Litter Grabber	To provide updated price list

Miscellaneous Actions

Contract	Vendor	Commodity	Description of Change
SELECT07	Software House International	Microsoft Select Agreement	To provide price list for January 2009
ENTPRZ08	Software House International	Microsoft International Agreement	To provide price list for January 2009
OIL09	Apollo Oil	Transmission fluids, diesel & multi-purpose oils	To provide an updated price list effective January 2009

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.

FEBRUARY

RTIRE07	Retread tires and tire repair
SIP2008	Personal computers and peripherals
TEMP07	Temporary services

MARCH

CABLE07	Coaxial cable
CANLINE07	Plastic trash can liners
FRMTIRE06	Farm and backhoe tires
FUEL09	Fuel - gasoline, regular and unleaded, premium
FUELHD09	Fuel - diesel and heating

HANDBOOK

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It was previously referred to as "The Ten Steps of the Purchasing Process." The new appendix also reflects an 11th step entitled **Inspection**. The following wording is part of the added Inspection entry.

Code of State Rules 148 CSR 1-4-16; 1-7-14: The Director shall appoint inspectors to review and audit spending unit requests and purchases and other transactions and performance that fall under authority of the division.

Inspectors may also provide relevant training for agency personnel. Inspectors shall have access at any and all times to personnel, records, reports, and other documents, as needed.

Agency shall inspect all materials, supplies, and equipment upon delivery to ensure compliance with the contract requirements and specifications.

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.

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Name _____
Organization _____
Address _____
Telephone Number _____
E-Mail Address _____
Need Information about _____

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