

WEST VIRGINIA PURCHASING

ANNOUNCEMENT

October 22, 2021

The Purchasing Division has published the following supplemental material to provide agency procurement officers more information regarding operations.

Supply Chain Disruptions Update: Worker Shortages Likely Contribute to Delayed Shipments and Less Competition for State Projects

It is safe to say that we had all hoped that COVID-related disruptions would have been resolved by now, but that is not the case. The micro-chip shortage shows no signs of abating, the automobile industry is struggling to keep production up, aluminum prices remain at historic highs, and now it seems we can add labor shortages to that list. Notable national examples include truck drivers, pilots, retail service staff, and many others. Some of the labor shortages have been caused by increasing demand and others by industry changes implemented to deal with prior COVID shutdowns.

Whatever the causes, the labor shortages are also occurring at the local level and affecting state procurements. According to Assistant Purchasing Director Frank Whittaker, “we are seeing a decline in the number of bids being submitted for solicitations issued by the State. In some cases, we are getting single bids or even no bids.

“Moving forward, agency procurement officers need to continue thinking about how supply shortages, vendor backlog, volatile markets, and now labor shortages may affect solicitations and other attempts to fulfill their agency’s procurement needs,” Whittaker shared. “We continue to recommend shorter term contracts and spot purchases where possible to help with price volatility. We also recently published price adjustment language that can be utilized when necessary.”

To help mitigate any risks of decreased competition, the Purchasing Division also takes steps to try to increase vendor partic-

WHAT ARE SOME EXAMPLES OF SUPPLY ISSUES?

Example 1: Construction Contractors

Construction contractors are having a hard time finding qualified people to work in both skilled trade and management roles, which reduces their capacity to bid on and perform state work.

What does this mean for you? Generally, as contractor capacity decreases, the state sees less bids on construction work and higher prices on the bids it does receive. Increasing awareness of bidding opportunities with market research and utilizing the WV-FIN-VN-010 Business Intelligence report could help.

Example 2: Truck Drivers and Pilots

Truck drivers and pilots are in short supply both of which play a significant role in delivery of goods and even services.

What does this mean for you? Specifications need to be realistic with delivery timeframes and performance deadlines. Specifications with delivery and performance deadlines that were reasonable in the past may be very unrealistic in the current market environment. Market research should help to identify this issue and allow specification adjustments prior to soliciting bids.

Example 3: Automobile Industry

The Automobile industry continues to experience production problems due to multiple and varied problems.

What does this mean for you? The Statewide automobile contracts will likely have very short buildout date/order deadlines and longer than normal delivery times. Agencies may be forced to hold on to that used vehicle a little longer.

ipation in the procurement process at the central level. These same steps can be undertaken by the agency for agency-delegated purchases. They include utilizing the Vendor by Commodity Code (WV-FIN-VN-010) Business Intelligence report within *wvOASIS*. The report was developed by the Purchasing Division, in conjunction with *wvOASIS*, to identify, and subsequently notify, all potential vendors of the opportunity to bid on the goods and services for which they have indicated they provide.

Agencies can also help to increase vendor participation through market research to identify potential supply/performance problems in advance, notifying the Purchasing Division of all known vendors, and changing specifications where possible to address any issues identified.

"A solicitation that receives one or no bids is a flashing light signaling there is a problem," Whittaker said. "In the past, the problem was almost always some flaw in the specifications or a lack of notice to interested vendors. In today's market, that problem may simply be lack of supply in the market or lack of

labor capacity. When a central solicitation receives no bids, we really want to encourage agency procurement officers to discuss the issue with us so we can help come up with a solution."

If you have questions related to specific vendor or supply issues, please contact your assigned Purchasing Division buyer.



PURCHASING DIVISION BUYER ASSIGNMENTS

Below is a list of Purchasing Division buyers assigned to specific state agencies.

BUYER TEAM 1

Tara Lyle – Supervisor

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Mark Atkins **Mark.A.Atkins@wv.gov**

Assigned Agencies: All Statewide Contracts

John Estep **John.W.Estep@wv.gov**

Assigned Agencies: Division of Highways

Jessica Hovanec **Jessica.L.Hovanec@wv.gov**

Assigned Agencies: Office of Technology, Department of Transportation (Excluding Highways); Bureau of Senior Services; Miscellaneous Boards and Commissions

David Pauline **David.H.Pauline@wv.gov**

Assigned Agencies: Division of Highways, Department of Homeland Security; Department of Veterans Assistance

Melissa Pettrey **Melissa.K.Pettrey@wv.gov**

Assigned Agencies: Department of Administration (Excluding WVOT)

BUYER TEAM 2

Linda Harper – Supervisor

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Josh Hager **Joseph.E.Hageriii@wv.gov**

Assigned Agencies: Department of Revenue; Library Commission, Department of Environmental Protection; Division of Natural Resources; Department of Education (non-instructional only)

Crystal Hustead **Crystal.G.Hustead@wv.gov**

Assigned Agencies: Department of Health and Human Resources; Elected Officials for the Department of Agriculture

Toby Welch **Toby.L.Welch@wv.gov**

Assigned Agencies: Department of Arts, Culture and History; Department of Commerce; Aeronautics Commission; Educational Broadcasting Authority, Elected Officials (Excluding Department of Agriculture); ERP Board; Lottery Commission

While this list is accurate at the time of publication, please reference the most recently published list of buyer assignments at www.state.wv.us/admin/purchase/byrassign.pdf.