

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

The Importance of Competition

The state purchasing process is based on the foundation of competition. Emphasized in the **West Virginia Code** and the **Legislative Rule**, competitive bidding is the process by which individuals and/or firms compete for an opportunity to supply specified commodities and services by submitting an offer in response to a solicitation.

The Purchasing Division utilizes the **West Virginia Purchasing Bulletin** to advertise Requests for Quotations and Proposals (RFQs and RFPs) expected to exceed \$10,000. This form of advertisement enables paid, registered vendors to view bidding opportunities electronically at the Purchasing Division's website for commodities or services their business can supply.

Several sections contained within the **West Virginia Code** clarifies the requirements of competitive bidding:

West Virginia Code, §5A-3-3

- "Ensures that the purchase of or contract for commodities and printing shall be based, whenever possible, on competitive bid."
- "Assures that specification and commodity descriptions in all 'requests for quotations' are prepared so as to permit all potential suppliers-

vendors who can meet the requirements of the state an opportunity to bid and to assure that the specifications and descriptions do not favor a particular brand or vendor."

West Virginia Code, §5A-3-10

- "The director shall solicit sealed bids for the purchase of commodities and printing which is estimated to exceed ten thousand dollars."

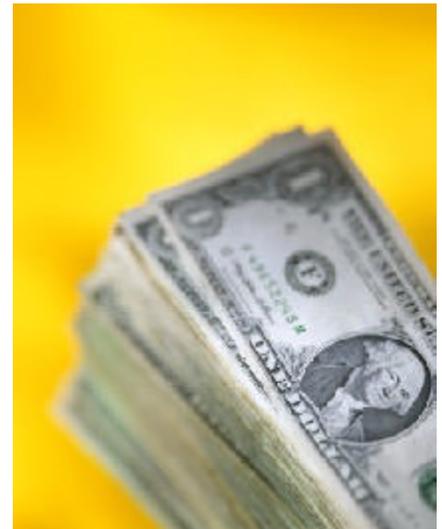
The only area of the **West Virginia Code**, §5A-3-12, that addresses sole source directly relates explicitly to vendor registration requirements.

The **Legislative Rule, §148-1**, also addresses the requirement of competitive bidding by stating in §148-1-4 that purchases and contracts for commodities and printing are

based on competitive bid whenever possible and that specifications and descriptions do not favor a particular brand or vendor. **Legislative Rule, §148-1-7.11**, explains specifications are written

to maximize and encourage competition.

As a public purchaser, it is crucial to obtain ample competition in the purchase of commodities and services needed by your organization. Not only does it enable you to get the best value – quality, service, and price, for your needs, but it protects against profiteering



and favoritism at the taxpayer's expense. It also promotes the interests of qualified bidders by allowing equal opportunities to compete for state business.

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THE DIRECTOR'S COMMENTS

Cooperative Spirit Vital in Positive Changes to Purchasing Process

By Dave Tincher
State Purchasing Director

The Purchasing Division has been pleased to recently introduce several new initiatives that have resulted in improved service, more efficient processes and, in many cases, substantial monetary savings to the state.

In last month's issue of *The Buyers Network*, we announced the inclusion of statewide contracts on our website. In our email notification, we encouraged your feedback and graciously you complied. Thank you for your comments. The overwhelmingly positive responses assured us that these steps we were taking were welcomed by our customers.

The only concern expressed by our agency purchasers related to a mechanism needed by which state agencies would be aware of any changes made to the



Need to know if changes were made to a statewide contract? We've made it easy! On the main page for the statewide contract page, just click on the link for "recent updates" at: www.state.wv.us/admin/purchase/swc

statewide contracts. This would alleviate the agency purchaser to have to check each contract prior to use. Good idea!

As a result, we have included on the main webpage

of the statewide contracts a link for

any recent changes to contracts. By accessing this page, you will be informed if any new contracts that have been awarded or change orders approved on existing contracts. The changes to the contract will be included on the "updates" page for a 30-day period.

Therefore, if you have not used a statewide contract during the 30-day period, it would be prudent to go directly to the link for that statewide contract to verify the most current contract available.

It is the agency's responsibility to ensure that when purchasing from a statewide contract, you verify the appropriate contract is being used. The web address for the online statewide contracts is:

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

The Purchasing Division is appreciative of the continued support in the state purchasing process from our agency purchasers.

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 Public Transit**
Request for a development of a safety and security handbook and/or kit which will contain a safety and security plan for public transit operators.
- ◆ **State Police**
Request for an open-end contract for decals for the State Police.
- ◆ **Adjutant General's Office**
Request for an open-end contract to provide on-site medical support for cadets at the Mountaineer Challenge Academy at Camp Dawson in Kingwood, WV.
- ◆ **Division of Natural Resources**
Request to provide a contractor to print brochures for the Division of Natural Resources, Parks and Recreation Section.
- ◆ **All State Agencies**
Request to supply, transport and deliver liquid caustic soda (sodium hydroxide) to various mine reclamation sites in West Virginia.

MARK YOUR CALENDARS!

2005 Agency Purchasing Conference

Mountaineer Race Track and Gaming Center
October 24-28, 2005

Additional Information will be included in this publication!

State Agencies Encouraged to Expedite Bid Evaluations

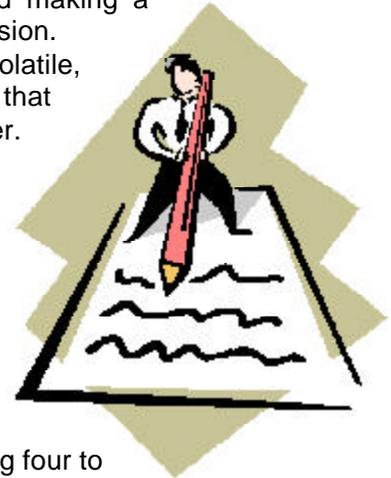
The Purchasing Division's Requisition Tracking System, which has been in place since February 2002, offers accountability of the time within the state purchasing process. The system-generated reports provide tangible information to determine where improvements may be made.

As a result of this information, the Purchasing Division has been able to monitor the steps within the process. Purchasing and non-Purchasing time is distinguished as part of the data that is entered.

Purchasing transactions that are reviewed on a weekly basis include monitoring outstanding agency bid evaluations. According to Assistant Director Karen Byrd of the Acquisitions and Contract Administration Section, excessive time has passed with some state

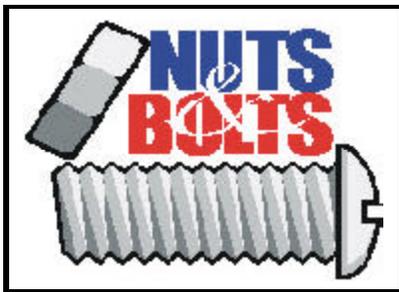
agencies in evaluating their bids and making a recommendation to the Purchasing Division.

In today's market, prices are quite volatile, Byrd said; therefore, it is imperative that awards are made in a timely manner. Agencies are required to complete and return their bid evaluations within seven business days. Obviously, requests for proposals and expressions of interest require a longer turnaround time; thus, no established time frame have been set for these types of purchasing transactions.



"We take into consideration the size and complexity of the project, but taking four to five months for an agency evaluation appears to be excessive," she said. "I would recommend that on an average, ideally, the Purchasing Division should have RFP and EOI evaluations returned in no more than 60 days, if possible."

To address this problem, Byrd explained that her staff will be contacting state agency procurement officers to check on the status of outstanding transactions. "It is my hope that working together will expedite the purchasing process at all levels," she added.



♦ The Purchasing Division recently was notified that an authorized Goodyear dealer ~~under the~~ **NTIRES05** statewide contract for new tires has been offering other brands of tires not included on the statewide contract to state agencies. State employees are being told that the dealer does not have the Goodyear tire in stock, but can substitute a different brand. Please note that the substitute brand is NOT covered under the contract. Goodyear has

been informed of this problem and the dealer has received notification to stop this practice; however, all state employees need to be aware of the importance of acquiring only the approved products when utilizing any statewide contract.

- ♦ The **National Institute of Governmental Purchasing (NIGP)** has scheduled its 60th Annual Forum and Products Exposition at the Anaheim Convention Center in Anaheim, California, on July 30-August 3, 2005. For more information, contact NIGP at www.nigp.org or 1-800-FOR-NIGP.
- ♦ **Miscellaneous Contract Update:**
 - TEMP04F** [Temporary Services]: Contract with Kelly Temporary Services cancelled.
 - WVARF04** [WVARF Services]: Add smooth orange waterless handsoap to contract.
 - LAN04 A-H** [Local Area Network]: Clarified ordering procedures - all orders in excess of \$10,000 shall be issued through the Purchasing Division.
 - MV05** [Motor Vehicles]: Chenoweth Ford [A] - add class 6 to contract; Hurricane Chevrolet [E] - remove class 6 from contract; and Stephens Auto Center [G] - Clarify pump mounting types and delete item 27.
 - DIGCOP04A** [Digital Copiers]: Contract with Sharp Electronics Corporation. Manufacturer replaced some machines.

Legislation Passed Affecting the Purchasing Division

During the 2005 Regular Session of the West Virginia Legislature, two bills were passed affecting programs and procedures of the Purchasing Division: **Senate Bill 728**, affecting the cannibalization of state property, and **House Bill 2592**, offering more authority to the Design-Build Board.

Senate Bill 728 – Cannibalization of State Property

West Virginia Code, §5A-3-45, related to the disposition of state surplus property, allowing cannibalization of commodities under certain circumstances and the disposal of commodities as waste under certain circumstances.

According to the legislation, the Purchasing Director shall propose for promulgation legislative rules to establish procedures that permit the cannibalization of a commodity when it is in the best interests of the state. Prior approval of the Director will be required. State agencies will be required to submit a form, in writing or electronically, that elicits specific information about the commodity to be cannibalized.

If the agency has immediate plans to use the cannibalized parts, the form solicits information about the commodity that will receive the cannibalized part or parts. If the agency intends to retain the



Computers are just one example of property that could be cannibalized for parts.



Gov. Joe Manchin is pictured signing House Bill 2592 which addresses the Design-Build Board.

cannibalized parts for future use, it shall provide information justifying its request.

Also as part of this legislation, the Purchasing Director shall propose for promulgation legislative rules to establish procedures that allow state agencies to dispose of commodities in a landfill, or by other lawful means of waste disposal, if the value of the commodity is less than the benefit that may be realized by the state using another disposal method.

If the Surplus Property Unit determines, within fifteen days of receiving a commodity, that disposing of the commodity in a landfill or by other lawful means of waste disposal would be more beneficial to the state than another disposal method, the cost of the disposal is the responsibility of the agency retiring the commodity.

House Bill 2592 - Design-Build Article

The Design-Build Board was created in 1999 within the Department of Administration to allow for an advantageous method of construction. The single duty of the board at that time

was to approve or reject projects that are constructed and owned by a state, county or city government agency where the design-build method of construction is to be used.

This method of construction places the single responsibility on the design and construction of a project within one entity, as opposed to a separate design-bid-build method. This translates into cost and time savings.

During the 2005 Legislative session, House Bill 2592 passed which greatly affects the Design-Build Procurement Act. The bill provides more oversight authority to the Board to assure the rules are met following approval; offers more openness in the process; and, allows for a more level playing field.

Specific changes in the law now allow for a two-step process as design builders will now have to pre-qualify. It requires the technical review committee to have the required

Continued on Page 9

Statewide Contract Spotlight...

Fastenal Company Focuses on Customer Service

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

Fastenal Company, a leading distributor of industrial and construction supplies, has maintained the statewide contract for fasteners and fastening devices, such as nuts, bolts, washers, korkers, rivets and toggles, since 1999.

Founded in 1967 by company chairman Bob Kierlin, Fastenal has expanded to become one of the fastest growing full-line industrial distributors and the largest fastener distributor in the nation. Its service-oriented business network currently includes over 1,500 store locations, a strategic system of distribution centers and an in-house manufacturing and support service division.

"We have branches throughout West Virginia that are located in Parkersburg, Huntington, Charleston, Beckley, Quincy, Princeton, Martinsburg, Wheeling, Morgantown,



Pictured above is the future home of Fastenal's Charleston office in Institute, West Virginia.



Pictured (l-r) are the employees of the Fastenal's Charleston branch: Jared Chapman, General Manager Jamie Rice, Ben Boggs, Matt Harper, Ralph Bush and Ben Lemarier.

Fairmont and Elkins," said General Manager Jamie Rice. Because of their statewide presence, the Division of Highways has been one of their best customers. "The contract has been very good for Fastenal and we are committed to keeping it. If an agency needs a product and we are out of stock in their area, we make sure they get it even if we have to personally pick it up and deliver it to them. Customer service is our bread and butter... That's our focus."

Rice contends the company motto of "Growth through Customer Service" has helped it achieve the continued yearly success they are committed to sustaining. Considering that Kierlin first started the business by selling nuts and bolts in vending machines, Fastenal now has branches in 48 states, Puerto Rico, Canada and will soon have a branch in China. It appears the concept of his company motto definitely works.

The company also places attention to detail. Unless the customer receives the product correctly packaged, shipped and on-time,

Fastenal does not consider the sale complete.

The first week of June, Fastenal Company's Charleston office will be moving to a new facility in Institute, West Virginia. "We're going to have a whole new set up," said Rice. "Everything in our current showroom is basically going to be replaced with all new products and displays. When people come in, they'll understand why we made the move."

Division of Highways supervisor Ray Higginbotham of the Traffic Engineering Section, is a regular customer of Fastenal. When asked if the company is fast at getting the products his division needs, Higginbotham said, "I'll say they're fast. They always follow the specifications. We do smaller signs and have to have our bolts specially coated so they won't rust. We can place our orders on Monday and we get them on Wednesday or Thursday. If there's ever a mistake, it is corrected with no questions asked."

For more information on the Fastenal Company, please contact Jamie Rice, General Manager at (304) 345-0145.

Current Statewide Contract Update

(As of April 15, 2005)

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. If you need additional information, please contact the respective state buyer of the Acquisition & Contract Administration Section. The names and telephone numbers of our buying staff are listed below.

Contracts Awarded

<u>Contract</u>	<u>Description</u>	<u>Vendors</u>	<u>Effective Date</u>
SANPAP05	Sanitary Paper Supplies	Liberty Distributors	04/01/05
CLRM05	Classroom Furniture	Tom Sexton & Associates	04/01/05
CEREAL05	Dry Cereal	US Foodservice	04/01/05
CPIPE05	Corrugated Pipe	Contech Construction Products	04/01/05

Contracts Under Evaluation

<u>Contract</u>	<u>Description</u>	<u>Bid Opening</u>	<u>Under Evaluation</u>
CANLINE05	Plastic Can Liners	03/17/05	Yes
SUPFD05	Supplemental Food	02/08/05	Yes

Contracts To Be Renewed

<u>Contract</u>	<u>Description</u>	<u>Bid Opening</u>	<u>Expiration Date</u>
LGLOVES	Gloves	Glove USA, Inc.	05/31/06

Contracts To Be Renewed

<u>Contract</u>	<u>Description</u>	<u>Bid Opening</u>	<u>Expiration Date</u>
LOFFICE02	Office Supplies	Office Max	02/28/06
DEBT04 [A, B, D]	Debit Collection	GC Services Ltd; Municipal Services Bureau; Risk Management Alternatives	02/14/06
MOTEL04 [SS, ZZ]	Motel Rooms	Knights Inn [Bluefield]; KG Hotel Partners LLC [Weirton]	12/31/05

Contracts To Be Extended

<u>Contract</u>	<u>Description</u>	<u>Vendor</u>	<u>Extended Date</u>
CABLE02	Cable Products	SESCO Electronics	08/31/05

Contracts to be 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.

MAY

SYSFURN

Modular Systems Furniture

SAT

Satellite Transponder Time

ORACLE

Oracle Software and Services

LS

Chemical / Glassware

DCBATT

Dry Cell Batteries

DIGCOP

Digital Copiers

DWASH

Dishwashing Materials

IP

Information Processing Equipment

JUNE

WVARF04

WV Association of Rehabilitative Facilities Mandated Services

FORMORE INFORMATION...

Who Are You Going to Call?

Below is a list of the Purchasing Division buyers who are assigned specific agencies. Betty Francisco is responsible for all statewide contracts.

File 21	Charlyn Miller (558-2596)
File 22	Marc Roberts (558-0067)
File 23	Chuck Bowman (558-2157)
File 31	Evan Williams (558-2316)
File 32	Mike Sheets (558-2544)
File 33	John Johnston (558-2402)
File 41	Ron Price (558-0492)
File 42	Betty Francisco (558-0468)

PURCHASING CONNECTION

Changes Offer Substantial Savings Purchasing Bulletin Goes Electronic

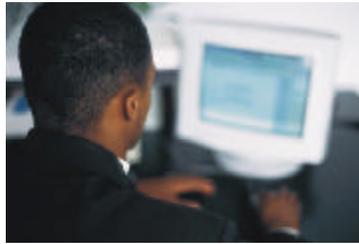
Effective with the June 3, 2005, issue, the **West Virginia Purchasing Bulletin** will be offered ONLY in an electronic format at the Purchasing Division's website at: <http://www.state.wv.us/admin/purchase/newbul.htm>.

The May 27, 2005, issue will be the last printed issue mailed. After this issue, no future copies will be mailed to vendors; however, issues will be updated with new bidding opportunities and available on our division website each Thursday.

Only vendors paying the \$45 annual subscription fee will have access to this electronic version by entering their system generated vendor number, group number (if applicable), and the first nine digits of their check number used in paying the current fee as the password.

Printed copies of the **West Virginia Purchasing Bulletin** will be available at the Purchasing Division's reception area for review.

The Purchasing Division continuously seeks ways to improve our services to state agencies and our valuable business partners.



Importance of Competition Continued from Page 1

Competition exists not only for price, but for service and quality as well. There is competition of technical competence and delivery (service) as well as quality or performance. It is your responsibility to determine the right level needed by the end-user and then strive to receive the optimum level needed from among as many bidders as possible to get the best value for the tax dollar.

All in all, fostering competition is a matter of attitude you have toward your purchasing responsibility as well as for the procedures and requirements. To do this you must:

- 1) Develop and write good specifications, that are accurate, brief and concise.

- 2) Search for new sources to supply your needs for quality, service and price.
- 3) Make bid documents that are simple in their requirements and inviting to a prospective bidder.
- 4) Communicate clearly with end-users of products and services to determine the exact need that is cost-effective and commercially available, if possible.
- 5) Promote good vendor relations. Everyday courteousness to suppliers and contractors encourages participation in supplying your needs.

Fostering competition should always be a goal in your procurement endeavors. It is important to your public purchasing efforts.

Legislation Passed Continued from Page 4

education and experience. Lastly, it prohibits the performance criteria developer from being a state employee on projects over \$1 million dollars to ensure an independent oversight of the projects. Itemized scoring of the technical proposals is required to be made available to the public and the Department of Administration is to provide monthly reports to the Board and an annual report to the Legislature.

Nancy Tonkin, lobbyist for the American Institute of Architects (AIA), was pleased with the passage of this legislation. "We've tried to make sure that some of the shortcomings of the Design Build process have been collected to make it easier for the boards to approve projects and allow additional, what we call, sunlight into the process. It realigns the bidding process. We are very happy and appreciate the work of the legislators on the bill and the cooperative spirit of all of the professionals involved," Tonkin said.

Mike Clowser, Executive Director of the Contractors Association of West Virginia, agreed with Tonkin in support of this bill. "This bill does basically three things to the current Design Build law," he explains. "It provides greater oversight by the Design Build Board of the project that they approve. Under the previous law, the Board would approve the project and then never see it again," he said. "Secondly, it provides more light of day into the Design Build process. All the scores of the Design Build developers are open for inspection by the public. Thirdly, it provides a more level playing field for Design Build proposers."

He added design build is a more subjective measurement of awarding public projects. When utilizing state taxpayers' monies, the process should be from an objective standpoint.

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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