

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 Introduced in Both the House of Delegates and State Senate

Legislation has been introduced in both the House and Senate pursuing reform for procurement in West Virginia state government. Sponsored by Gov. Joe Manchin, **House Bill 4031** and **Senate Bill 182** seek changes to many aspects of how goods and services are obtained for and by state agencies.

Some of the changes in the Governor's bills are highlighted below:

- Adds definitions for "electronic," "electronic transmission," and "record". Many of these clarifications are in preparation for electronic procurement, a.k.a., E-Procurement, which many states have already implemented to expedite the acquisition of goods and services. Allows for the submission of bids by electronic transmission in lieu of sealed bids. Allows bids to be solicited by public notice or by electronic transmission.
- Increases the vendor registration fee from \$45 to \$125 per fiscal year. The excess funds will assist the Purchasing Division in implementing several programs including contract management and inspection services.
- Eliminates the dual bid receipt with the State Auditor.
- Requires buyers to be a graduate of college or university and have four

years of experience in purchasing.

- Mandates that bids not submitted by specified date and time shall be rejected.
- Deletes language regarding facsimile transmission.
- Increases the amount from \$10,000 to \$25,000 for sealed bids that come through the Purchasing Division. Requires three competitive bids for purchases under \$25,000 in the open market. Increases the amount a spending unit may purchase from \$1,000 to \$2,500, without competitive bids.
- Prohibits stringing of requisitions to circumvent the \$25,000 threshold to avoid the sealed bid process.
- Requires all spending units which award multiple contracts for same or similar commodity or service over a 12-month period which exceeds \$25,000, to file copies of all contracts awarded to the Purchasing Director and a statement explaining how the contracts do not circumvent the threshold.
- The Purchasing Director may review any spending unit to ensure compliance with the laws and complete a report summarizing his/her findings and submit a report to the spending unit.

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THE PURCHASING DIRECTOR'S COMMENTS

Strong Ethics Necessary in State Procurement

By Dave Tincher
State Purchasing Director

In recent months, situations throughout state government have occurred regarding the 'stringing' of purchase orders. According to our Purchasing Division Policies and Procedures Handbook, "stringing" is defined as issuing a series of requisitions or purchase orders to circumvent competitive bidding or to defeat the State Purchasing Card transaction or delegated purchasing limit.

In this issue of *The Buyers Network*, Robin Rickard, CPPO, of the National Institute of Governmental Purchasing, Inc. explains that

the rise in ethical misconduct is not isolated to our state, but can be found throughout the nation. Knowing that this conduct reaches far beyond West Virginia should most definitely not relieve our minds, but cause us, as government purchasing professionals, great concern.

As procurement officers, the taxpayers of our state are placing a great responsibility in our hands. It is our duty, one which we all should take with serious intent, to do the right thing.

Laws, regulations and procedures are put into place not to restrict us, but to provide the defined boundaries within which we are to perform our jobs. With the current proactive push for purchasing reform, many of our laws will be clarified to eliminate any

uncertainty or vagueness. Increased funds from the vendor registration fees will allow the Purchasing

Division to resurrect the inspection program. This valuable program allows the division to review, but more importantly, educate state agencies on proper purchasing practices and procedures.

The future of state procurement is promising, with appropriate changes to the State Code and the use of technology to expedite the procurement process. However, at all times, let us not forget the public's trust which has been placed in our hands.



- ◆ The 61st Annual Forum and Products Exposition, sponsored by the National Institute of Governmental Purchasing, Inc., 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 newly revised Certification of Non-Conflict of Interest is available at the Purchasing Division's Intranet site at <http://intranet.state.wv.us/form/results.cfm>. The newly revised form must be used.

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.)

◆ WorkForce WV

Request to provide customer satisfaction survey research services for the Workforce Investment Act of 1998 and the Governor's Guaranteed Workforce Program.

◆ State Police

Request to provide an open-end contract for the purchase of firearms ammunition for the WV State Police.

◆ Division of Culture and History

Request to restore and repair the chimney at WV Independence Hall in Wheeling.

◆ Department of Health and Human Resources

Request to provide an open-end contract for fresh bread and bakery products for Lakin Hospital.

◆ Division of Juvenile Services

Request to provide and install an automated time and attendance system at five juvenile facilities.

Headlines of Recent Newspapers Nationwide Cause Great Concern

Robin J. Rickard, CPPO
National Institute of Governmental
Purchasing, Inc. (NIGP)

HEADLINES FROM RECENT NEWSPAPERS NATIONWIDE

"Gifts, lies endanger official;"
"[Blank] will pay \$25,000 to cap ethics inquiry";
"City Hall bribe charges balloon to \$450,000";
"Embezzled \$233,000 buys prison term"
"Consulting deal costs [Blank] \$1.1 million"
"Audit serves as a wake-up call"
"[Blank] probes contract award"
"Man guilty of stealing from county"
"Transit official indicted in ethics case"
"Public corruption: State takes aim at graft ring"
"Transportation official under investigation"
"Fire Bureau Manager in Hot Seat – City probes 27 contracts awarded to manager's son."

These titles are taken from local and national newspapers. A few are about elected officials, but most refer to career professionals who had involvement with the procurement function. It's kind of overwhelming, isn't it?

A story in *Time* magazine observed: "Many of the stories that appear in our magazine get their beginnings with a simple compromise of personal ethics." Few of the people in the stories under the above headlines started with major

transgressions. Most began, as *Time* suggested, with small indiscretions. These small indiscretions can confront us in many seemingly innocent ways. We need to be ever diligent to recognize them and refuse to get trapped by them.

Let me share a summary of a few of the more egregious indiscretions. My point is to focus our thinking on what took place and how we can assure it does not happen to us or to our agency. I add that in my more than 22 years in public procurement, the purchasing professionals I have worked with never have been the center of ethical issues as described above.

"There was little doubt that a hot tub and cathedral ceiling would spruce up the cottage on the lake. The problem was that...allowed state employees and a politically connected contractor to pay for or perform the work...then lied about how he financed the improvements." He has since resigned a very promising political career in disgrace. You might think, "I don't own a summer cabin; that wouldn't happen to *me*."

"Former state official...settled with the Ethics Commission by agreeing to pay \$25,000 to avoid trial on 1,433 alleged ethics violations." This story addressed misuse of a state-owned vehicle, cell phone and other state resources.

"..., a former state employee, who embezzled nearly \$233,000 in public funds, was sentenced to 44 months in prison. This person forged 127 checks over five years from her agency. The sentencing judge said

the funds were embezzled because the person was greedy and wanted to live an opulent lifestyle. The funds were spent on a tummy tuck, corrective vision surgery, jewels, new clothes, gifts, trips to Hawaii and Disneyland, and much more. An eight-year old child will live with the father and stepmother during the time the sentence is being served."

"The Oregon State Police and Ethics Commission are investigating whether...employee rented heavy equipment from members of his family. Over an 18-month period this person rented equipment from three equipment rental companies owned and operated by members of his family.

Over that period of time almost \$250,000 worth of business was diverted to these three companies. In some cases the equipment did not appear to be used during the rental period. The employee 'justified' his actions by saying that he saved his agency money." A 29-year career was ended. A retirement party and gold watch were not in his picture.

Wow! Overwhelming isn't it? Yet each time a public official is identified in an indiscretion like any of these, it affects the way the average citizen views public officials like you and me. Fortunately for each of us, our personal values system, NIGP, our local purchasing chapters, and our state and local government ethics laws and policies all give us excellent guidance and support to conduct our actions in the highest honest, ethical fashion.

After reading this article, there is a valuable message to learn. Hopefully, it will cause each of our readers to "reflect and refresh" on the reasons why, as public purchasing professionals, we hold ourselves to such high standards of conduct.

Purchasing Reform

Continued from Page 1

- Changes the wording for Workers' Compensation debt to "Workers' Compensation Old Fund or Uninsured Fund"
- Adds a section for best value procurement that allows the Purchasing Director to determine use of competitive sealed best value bidding. Best Value awards shall be based on criteria in solicitation. Award is based on highest scoring and most advantageous to the state.
- Adds new section for special purchases that allow the Purchasing Director, with public notice, to purchase commodities or services under unique situations without

Senior Buyer Mike Sheets Accepts Position with PSC



Mike Sheets has recently accepted a position with the Public Service Commission, effective January 16, 2006. Mike has served as a senior buyer for the Purchasing Division under the Acquisition and Contract Administration Section.

The Purchasing Division extends our best wishes to Mike in his future endeavors.

competitive bidding when contrary to public interest.

- Adds new section for negotiation when all bids exceed available funds. Requires competitive negotiations with up to three bidders. When only one bidder, a non-competitive negotiated award may be made.
- Adds new section on discussion and final offer which allows discussions with bidders for the purpose of clarification to assure full understanding of solicitation requirements. Bidders must be afforded fair and equal treatment with respect to discussions. Discussions shall not disclose any information derived from proposals submitted.
- Allows for a section on multiple awards which allows the Purchasing Director to award a contract to one or more bidders if the director determines the award to a single bidder would be insufficient and not in the best interest of the state.

- Adds a section on multi-year contracts which allows that contracts be entered into for any period of time deemed to be in the best interest of the state, provided the terms are included in the solicitation. Payment and performance obligations for succeeding fiscal years are subject to availability and appropriation of funds.
- Allows cooperative purchasing with agencies of the federal government, other state agencies, or public bodies, if financially advantageous. Allow for an administrative fee to participate in such cooperative purchasing.
- Allows the selling of commodities to the highest bidder by means of Internet auction sites approved by the Purchasing Director.

To track this or any legislation currently being introduced during the Regular Session, please visit the State Legislature's website at <http://www.legis.state.wv.us>. Updates will be provided in upcoming issues of **The Buyers Network**.

MoneyWise...

Tips for the Thrifty

Keep from Getting Snagged by Phishers

Below are some ideas for keeping yourself safe from Internet phishing, according to Kiplinger's recommendations:

- ◆ **Never click on a link in e-mail.** Even if it looks official, it could be a phisher trying to steal your personal information.
- ◆ **Make sure you have anti-virus, anti-spyware and firewall software.** This will prevent phishers from launching keystroke loggers and other harmful programs on your computer.
- ◆ **Use various passwords.** Don't use the same passwords for every site.
- ◆ **Don't use your social security as a log-in.**
- ◆ **If you're going to throw out an old computer, make sure you overwrite all the files on the hard disk.** Otherwise your personal information could get into the wrong hands.

C.I. Thornburg Company Offers the State Extensive Line of Water Treatment Chemicals

*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.*

The C.I. Thornburg Company (CITCO) was founded in 1931 as a small sprinkler contractor in Huntington, West Virginia. Over the last seven decades, the company has expanded steadily, constantly stepping up to the demands of an ever-changing market.

Today, the C.I. Thornburg Company is the most complete water and wastewater supply distributor in the region. In addition, they have been awarded the statewide

contract for water treatment chemicals (WATERT03A).

"We work with agencies like the Huttonsville Correctional Facility for their water treatment plant as well as some of the West Virginia state parks that have swimming pools," said Jody Eddins, Marketing Manager for the company. "Stonewall Jackson Resort has a water processing plant on their site, so they are not dependent on water treatment plants in their region. Canaan Valley is the same way. Each park has an operator, licensed through the State of West Virginia who decides which chemicals will produce the best water for their facility."

With corporate headquarters in Huntington and a branch in Bridgeport, West Virginia, C.I. Thornburg

is able to service the chemical needs of any facility throughout West Virginia. The company currently has 90 employees who exhibit the highest level of integrity and honesty which help maintain a stable and pleasant workplace from which to serve their customers.

Company owners, President Ed Morrison and Vice-President Alan Morrison, P.E. have served in their capacities for over 30 years. Both credit their customers, manufacturers, vendors, employees and industry friends for the growth and prosperity of the company.

Lester Pritt, Chief Water Treatment Plant Operator for the Huttonsville Correctional Center said he has dealt with C.I. Thornburg for the last seven years. "Their service is excellent. They are a very reputable company," he said. "If they don't have an answer right off, they'll get me one. I really enjoy dealing with them."

C.I. Thornburg now serves all of West Virginia, Kentucky and Southern Ohio. For more information concerning this company, please feel free to contact:

Jody Eddins, Marketing Manager
4034 Altizer Avenue
P.O. Box 2163
Huntington, WV 25722

Cell (800) 999-3484
Fax (304) 523-0510

www.cithornburg.com

This contract is available on the Purchasing Division's website at <http://www.state.wv.us/admin/purchase/swc/TEMP.htm>. Prior to using any statewide contract, state agencies are strongly encouraged to check the website for the most current version of the contract and to learn of any provisions that may apply.



C.I. Thornburg Company is the most complete water and wastewater supply distributor in the region. They serve as the statewide vendor for water treatment chemicals (WATERT03A), offering an extensive line of products to the state.

Current Statewide Contract Update

(As of January 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. For more information, please contact Senior Buyer Betty Francisco at (304) 558-0468 or via e-mail at bfrancisco@wvadmin.gov.

Contracts Awarded

Contract	Description	Vendors	Effective Date
LEXNEX06	Online Subscription Service	Lexis-Nexis	01/01/06
PAPER06 [A-C]	Computer Paper, Etc.	Liberty Distributors Unisource XPEDX	01/01/06

Contracts Under Evaluation

Contract	Description	Bid Opening	Under Evaluation
TCARD06	Travel Card Services	09/29/05	Yes

Contracts Renewed

Contract	Description	Vendor	Expiration Date
PPHONE05	Payphone Service	Sprint	12/31/06

Miscellaneous Action on Statewide Contracts

Contract	Description	Vendor	Comment
DIGCOP04D	Copiers/ Printers	Aarons Products Inc.	Model change
WVARF04	State Use Law Products and Services	WVARF	Various updates
MV06B	Motor Vehicles	Country Club Chrysler	Add options to Class 24
ALUM05	Aluminum	Rocal Inc.	Price changes
DEBT04 [D and DD]	Debt Collection	Risk Mgmt. Alternatives [D]	Canceled - Vendor filed bankruptcy
		NCO Financial Systems	Re-award of Contract
PAPER06B/C	Computer Paper	Unisource XPEDX	Corrected Title of Pricing Page
SELECT04	Software	Software House International	Issued price list
OFFICE02	Office Supplies	Office Max	Add 2006 Cat. and Net Pricer

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.

FEBRUARY

CANLINER	Plastic Can Liners
PAINT	Paint and Accessories
PHOTO	Photography Film and Supplies
SUPFD	Supplemental Liquid Food Items
TEMP	Temporary Employment Services
WELD	Welding Supplies

MARCH

ENTERPZ	Microsoft Enterprise Products
FILTER	Oil, Gas and Air Filters
LGLOVES	Latex Gloves

FOR MORE 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.

Unassigned File	Krista Ferrell (558-2596)
Unassigned File	Roberta Wagner (558-0067)
File 23	Chuck Bowman (558-2157)
File 31	Evan Williams (558-2316)
File 32	Vacant
File 33	John Johnston (558-2402)
File 41	Ron Price (558-0492)
File 42	Betty Francisco (558-0468)

PURCHASING CONNECTION

Purchasing Division Pleased to Welcome our New Senior Buyers

Roberta Wagner and Krista Ferrell are the newest members of the Acquisition and Contract Administration Section, both working as senior buyers.

While both buyers have not been assigned specific agencies for which to procure at this time, they are currently being trained on the purchasing practices and procedures, and assisting with the current buying staff for requisitions more than \$10,000.

Wagner moved to West Virginia six months ago from Pennsylvania. "Living in West Virginia was kind of like a childhood dream of mine," she said. "My father was from Virginia and my mother from Maryland. I can remember traveling through here on our way out of town." She has four children, ages 15-20.



Roberta Wagner is the new senior buyer for the Purchasing Division. She is certified in inventory and production management.

Her background includes working for SHIRE Pharmaceutical Company, where she was a buyer in the global procurement department. She also worked in production management for Dentsply International and is certified in Inventory and Production Management (CPIM). Wagner attended York Vocational Technical School in York, Pennsylvania.

A life-long resident of West Virginia, Krista Ferrell is originally from the town of Orgas in Boone County. She attended Marshall University and majored in Clinical Psychology.

Ferrell previously worked in the private sector for more than six years as a sales manager in construction. Her duties included cost estimation, bid preparation, order entry, accounts payable/receivable, customer service and account management as well as

a host of managerial duties.

Both buyers have indicated that they are looking forward to their new positions in the Purchasing Division. We are pleased to welcome Roberta and Krista to our family!



Krista Ferrell was recently hired as a senior buyer. She comes to the Purchasing Division with a degree in clinical psychology. With more than six years of construction sales experience, she has done everything from cost estimation to ordering.

Update on Ron Price's Quadruplet Grandchildren

Many of our readers may remember the exciting news that Buyer Supervisor Ron Price shared with us in 2004. On August 3rd of that year, he welcomed his four grandchildren. They had a difficult battle from the very beginning, but after extensive medical care and hospital stays Hayley (left) was the first to come home in November of 2004. She is now walking on her own. Zoey (center) was next to come home in March of 2005. She is actively crawling around. Kyle (right) was the last to come home in June of 2005. He can now walk while holding on to things. Sadly, Colin passed away shortly after birth. Parents Jon and Beth Grose are still adjusting to the dramatic change in their lives and would like to thank everyone for all the love, support and prayers given to them during their pregnancy, delivery and recovery period. Our best wishes are extended to the Grose family.



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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