

# 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



## Contract Management Procedures Currently Being Developed to Assist State Agencies

Contracts for commodities and services expected to exceed \$25,000 are awarded through the Purchasing Division, but, in many cases, the oversight of these contracts has been limited in the past due to the lack of specific authority granted to the division for such services. As a result of the purchasing reform initiative last year, contract management was addressed to provide the necessary assurance that the state is receiving the services and commodities which meet the specific requirements prior to rendering payment. Construction contracts are excluded by law.

In accordance with **West Virginia Code**, §5A-3-4, the Purchasing Director shall prescribe contract management procedures for all state contracts, except government construction contracts, including, but not limited to, those set forth in article twenty-two, chapter five of the code,

which is referred to as the "West Virginia Fairness In Competitive Bidding Act."

The **Legislative Rule and Regulation, 148CSR1**, outlines the guidelines by which state agencies and the Purchasing Division must manage contracts entered into on behalf of the state of West Virginia. The Rule distinguishes different procedures based on the dollar amount.

For contracts for commodities and services in the amount of \$1 million or less, the Purchasing Director may

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## 2007 Agency Purchasing Conference Registration to Begin July 1



Plans for the 2007 Agency Purchasing Conference are progressing, as the conference registration for this event is scheduled to begin July 1.

The conference will be conducted, beginning on Tuesday, Oct. 9 through 12 at Stonewall Jackson Resort. Lodging arrangements may be made directly with Stonewall Jackson Resort by calling 304-269-7400 or toll-free 1-888-278-8150.

Small workshop sessions presented by our division staff will address a variety of topics, including vendor registration, statewide contracts, requests for quotations, requests for proposals, construction purchases and basic purchasing. In addition, several new procurement initiatives resulting from purchasing reform will be presented: sole source process, piggybacking contracts, contract management and inspection. Some of the other new workshops this year will be construction contracts and writing.

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# THE DIRECTOR'S COMMENTS

## Taking a Look Back Over Past 10 Years as Director

By Dave Tincher  
State Purchasing Director

This year marks my 10th anniversary as director of the West Virginia Purchasing Division. Prior to being appointed to this position, I worked for nearly 20 years as a buyer and, thereafter, as assistant director.

Throughout the years, public procurement has gone through many changes, some resulting from technological advancements. These transitions have allowed the Purchasing Division to continuously evaluate the processes which have been in place to ensure that efficiency remains in focus.

In the early 1990s, the Purchasing Division automated our paper process when we welcomed the TEAM system to state government. Since

that time, we have also implemented ReqTrak, a requisition tracking system which enables our buying staff to monitor transactions throughout the purchasing process. We hope in the near future to replace these systems with newer technology.

Our buying staff has grown to more adequately address the needs of the state agencies for which we procure goods and services. This growth allows us to be more customer-oriented and responsive.

In 2006, House Bill 4031 was passed resulting in purchasing reform. Several changes occurred from this legislation, including increasing the formal bid process limit from \$10,000 to \$25,000; increasing the small dollar threshold from \$1,000 to \$2,500; increasing the vendor registration fee from \$45 to \$125 to assist with e-procurement initiatives; eliminating the dual bid receipt which had required a

duplicate bid to be sent to the State Auditor's Office; piggy-backing other federal, state and public organization's contracts; implementing contract management; allowing for multiple awards; permitting negotiation when all bids exceed available funds; and enabling discussion and final offers.

As history continues to prove, change occurs to reflect that moment in time. The state procurement process has transitioned similarly by being flexible to adjust to factors that directly and indirectly impact our responsibilities.

It has been not only a pleasure but a privilege to serve you for the past 10 years and I look forward to continuing our productive work relationship in the future.



## SURPLUS PROPERTY PUBLIC AUCTION

The West Virginia State Agency for Surplus Property (WVSASP) will conduct its next absolute auction on Saturday, June 23, 2007, at 2700 Charles Avenue in Dunbar.

Gates open at 9 a.m., with the auction beginning at 10 a.m.

For additional information and a list of merchandise to be sold, please contact WVSASP at (304) 766-2626 or toll-free at 1-800-576-7587.

Please note that property will not be awarded through the weekly sealed bid process the week immediately preceding the public auction. Specific merchandise advertised for this public auction will not be available for sealed bids. There are no minimum bids at the auction.

## 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 Culture and History**  
Request to provide fabrication and installation of metal hand railings in the north and south gardens.
- ◆ **Division of Motor Vehicles**  
Request to provide various motor vehicle titles.
- ◆ **Department of Transportation**  
Request to design and print 2,000 books titled, "Crossings: Bridge Building in West Virginia."
- ◆ **West Virginia State Police**  
Request to provide a maintenance contract for existing equipment located at the WV State Police Forensic Lab.
- ◆ **Division of Juvenile Services**  
Request to provide architectural and engineering services for the Industrial Home for Youth (miscellaneous renovations and construction).
- ◆ **Division of Corrections**  
Request to install security fencing at Martinsburg Correctional Center.

## Statewide Contract Spotlight...

# Charleston-Based Pile Hardware Focuses on Customer Service

Pile Hardware, which is a locally-owned hardware store located in Charleston, is the supplier for the statewide contract for litter grabbers (LITTER07).

A family business that was established 75 years ago, Pile Hardware has remained in the same family since its inception. "My grandfather first started the business in 1932," said Bill Pile, owner and general manager. "When he died, my father came to run the business and then I took over when he died in 1982."

Since that time, Pile Hardware has been doing business with the state of West Virginia and is thankful for its business. Even moreso, Pile is appreciative of the changes that have taken place through the use of the State Purchasing Card.

The State Purchasing Card is the state's credit card which Pile said has eliminated a great amount of



Owner and General Manager Bill Pile of Pile Hardware attributes his faith, wife and hard-working employees to the success of his three-generation hardware business. Pile Hardware has been doing business with the state since 1982 when he first took over the family business. They are the only statewide vendor for litter grabbers (LITTER07).

"red tape" for vendors as well as the state employee. "It used to be if an employee was purchasing a \$5 dollar key chain, we had to send five invoices to five different places in order to get paid. That's not the case now and employees don't have to wait on someone to create an order," he said.

Recently awarded *Business of the Year* from Main Street for the Better of the West Side, Pile Hardware is more interested in focusing on customer service, helping people on a one-on-one basis.

To ensure the focus of maintaining the cleanliness of the state, Pile explained that the litter grabbers are being purchased mostly through the Department of Transportation; however, some agencies are using them to cleanup around their facilities as well as the state parks.

Highway Storekeeper for District 1 Frank Carter said, "We have been doing business with Pile Hardware here at District 1 for I'd say 20 years. They go out of their way to do anything to help you."

When asked what he attributes his success, Pile applauded his faith, wife and hard working employees. "Two-thirds of the people you are going to see when you come into our store won't be a Pile (family). They are the employees working here, who are really conscientious. If you like Pile Hardware, it might not have anything to do with a Pile," he said.

There's truth in what he says because apart from his family, one employee has worked for him 37 years and another for more than 26. Nothing takes the place of good hard work and conscientious employees.

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.**

"My dad's outlook was, 'I don't care where it is, when somebody comes in the door, I want to be able to have what they want.' And, that's been my philosophy as well," Pile said.

Should you have any questions regarding Pile Hardware's services or products offered on the LITTER07 statewide contract, please contact:

Bill Pile

Pile Hardware

1625 Washington Street, West

Charleston, West Virginia

(304) 343-7578

(304) 343-7570 (fax)

This contract is available on the purchasing website at: **[www.state.wv.us/admin/purchase/swc/LITTER07.htm](http://www.state.wv.us/admin/purchase/swc/LITTER07.htm)**.

Prior to using any statewide contract issued by the Purchasing Division, agencies are strongly encouraged to check the website for contract provisions that may apply.

## Contract Management

Continued from Page 1

prescribe contract management procedures for all state contracts, except government construction contracts. These procedures may include, but are not limited to:

- (a) establishing payment benchmarks to assure the state receives value prior to remitting payment;
- (b) conducting regular meetings between spending unit and vendor to assess contract performance;
- (c) training spending unit personnel to manage contracts; or,
- (d) using the Office of Technology Project Manager for its projects.

The Purchasing Division is currently developing guidelines for the management of contracts within this monetary threshold.

For contracts for commodities and services in an amount exceeding \$1 million, the following contract management procedures apply:

### • Post-Award Conferences

The agency administrator responsible for administering the contract shall hold a post-award conference with the contractor to ensure a clear and mutual understanding of all contract terms and conditions, and the respective responsibilities of all parties.

The conference agenda shall include, at a minimum, the introduction of all participants and identification of agency and contractor key personnel, and discussion of the following items:

- (1) The scope of the contract, including specifications of what the agency is buying;
- (2) The contract terms and conditions, particularly any special contract provisions;
- (3) The technical and reporting requirements of the contract;
- (4) The contract administration procedures, including contract monitoring and progress measurement;

(5) The rights and obligations of both parties and the contractor performance evaluation procedures;

(6) An explanation that the contractor will be evaluated on its performance both during and at the conclusion of the contract and that such information may be considered in the selection of future contracts;

(7) Potential contract problem areas and possible solutions;

(8) Invoicing requirements and payment procedures, with particular attention to whether payment will be made according to milestones achieved by the contractor;

(9) An explanation of the limits of authority for the personnel of both the agency and the contractor.

### • Monitoring

The agency shall develop a comprehensive and objective monitoring checklist which:

- (1) Measures outcomes;
- (2) Monitors compliance with contract requirements; and
- (3) Assesses contractor performance.

### • Reports

The agency shall make the following reports to the Director, on a schedule established by the Director, but not less frequently than

once a year:

(1) Status Reports: Status reports describe the progress of the work; track the organizational structure of the statement of work in terms of phases, segments, deliverables and products; and describe what work is complete and what work is pending and contrast that status against the contract schedule. If there are any unresolved issues that the agency is contractually obligated to resolve, those issues should be included in the status report and a resolution should be requested.

(2) Activity Reports: Activity reports describe all activity on the project, regardless of whether substantial progress has been made toward completion of the project. If payment is based on the number of completed transactions, these activities must be specifically set out in the report.

Additional information is forthcoming to assist agency procurement officers with these contract management guidelines. Questions regarding contract management procedures may be directed to Mike Sheets, Contract Manager, at (304) 558-5780 or via e-mail at ***msheets@wvadmin.gov***.

## Purchasing Handbook Offered to Agency Procurement Personnel for Final Review

The latest version of the Purchasing Division Procedures Handbook is scheduled to become effective on July 1. The Purchasing Division staff has been busy reviewing the final draft, which incorporated the suggested changes made by agency personnel previously offered. The final draft was released to agency procurement officers recently via electronic mail.

Should agency personnel find incorrect or unclear information, they are encouraged to print out the respective pages and make the specific changes in red. Any corrected pages may be sent to Diane Holley (***dholley@wvadmin.gov***) or Tony O'Leary (***toleary@wvadmin.gov***) at the Purchasing Division, 2019 Washington Street East, PO Box 50130, Charleston, WV 25305 or send electronically to the e-mail addresses listed above. The deadline for specific changes is June 8.

## PO Encumbrance Year-End Timeline

To facilitate a smooth transition for encumbrance document processing between fiscal year 2007 and 2008, the Department of Administration in conjunction with the State Auditor's Office has formulated a plan for the fiscal year-end processing of encumbrance documents on the West Virginia Financial Information Management System (WVFIMS).

The primary objectives for year-end processing are to prevent a backlog of transactions in the Purchasing Division and State Auditor's Office and to ensure the timely processing of agency transactions. The key to accomplishing this goal is the cooperation of each agency in adhering to the year-end processing plan.

The timeline is available on the Division of Finance's website at:

<http://www.wvfinance.state.wv.us/FORMS/fy07yrend/POYR07.DOC>

The timeline provides guidelines

for each agency, so that year-end processing will be a success for all state agencies. General instructions are offered to assist agencies in achieving the primary objectives for year-end processing of transactions. Agency personnel should monitor the morning message screen on WVFIMS, in case the system is available for encumbrance related transaction processing and electronic approvals prior to July 2, 2007.

It is recommended that agencies process encumbrance documents as usual for non-appropriated and reappropriated accounts through June 8, 2007. However, priority should be given to those transactions that are non-appropriated and should be processed by June 29, 2007.

The State Auditor's Office must receive all encumbrance related transactions for processing by 4 p.m. on both June 29, 2007 and July 31, 2007.

## Purchasing Division Recognition Programs ... Who Would YOU Want to Nominate?

The Purchasing Division will continue the tradition of the annual award programs for Agency Procurement Officer of the Year and Partner in Purchasing.

The Agency Procurement Officer program targets excellence in state procurement principles and performance. Individuals who are employed by a West Virginia state agency and are presently working primarily in the purchasing field are eligible for this recognition. The nominee may be a co-worker within your agency or a purchasing officer from a different agency. The Purchasing Division staff is not eligible for this award. This marks the 11<sup>th</sup> year of this program.

The Partner in Purchasing program was initiated to recognize individuals who work closely with the various programs which are administered by the Purchasing Division: Fleet Management, Fixed Assets, Surplus Property, TEAM and Travel Management.

The purpose of this program is to recognize the time, effort and dedication which state employees extend to these programs. This program has been honoring our partners in purchasing for the past seven years.

Nomination forms will be available later this summer, but begin now contemplating on who you would like to see honored for their excellence in job performance and dedication.

For a list of past recipients of the **Agency Procurement Officer of the Year** and **Partner in Purchasing** awards, visit the Purchasing Division's intranet site at:

<http://intranet.state.wv.us/admin/purchase/Recognition/default.html>

## Purchasing Division Welcomes Public Information Specialist Tony O'Leary

The Purchasing Division is pleased to welcome a new face to its Communications and Technical Section.

Tony O'Leary, a Public Information Specialist, will be assisting with the production of various publications and press releases as well as other public information needs for the Department of Administration.

Tony has nine years experience working with the Division of Tourism, predominantly with travel media and doing consumer shows as well as 10 years experience working with daily newspapers, mostly as a sports-writer. He graduated from Nitro High School and the University of Dayton where he obtained his degree in communications.



Tony O'Leary joins the Purchasing staff as a Public Information Specialist for the Communication and Technical Services Section. He will be assisting with the writing of newsletters and press releases as well as assisting with other public information needs for the Department of Administration.

# Current Statewide Contract Update

(As of May 15, 2007)

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 JoAnn Adkins at (304) 558-8802 or via e-mail at [joadkins@wvadmin.gov](mailto:joadkins@wvadmin.gov).

## Contracts Awarded

Contract	Description	Vendors	Effective Date
RTIRE07	Retread Tires	Kings Tire Service	05/01/07
TEMP07 [A-F]	Temporary Personnel Services	[A] WVARF; [B] Express Services; [C] Snelling Personnel Services; [D] Saunders Personnel; [E] Temporary Employment Services; [F] Winans Sanitary Supply Co.	05/01/07
CABLE07	Cable Accessories	Sesco Electronics	06/01/07
SELECT07	Software License	Software House International	07/01/07

## Contracts Under Evaluation

Contract	Description	Bid Opening	Under Evaluation
DEBT07	Debt Collection Service	03/15/07	Yes
CANLINE07	Can Liners	03/28/07	Yes
RECMGT07	Records Management Services	03/28/07	Yes

## Contracts Out for Bid

Contract	Description	Pre-Bid Meeting	Bid Opening
SUPFOOD07	Supplemental Food	05/08/07	06/05/07
SAT07	Satellite Transponder	---	05/08/07
RSHEET07	Reflective Sheeting	---	06/19/07
LGLOVE07	Latex Gloves	---	06/14/07

## Contracts Renewed

Contract	Description	Vendor	Expiration Date
WELD06A	Welding Supplies	Mabscott Supply Co.	06/30/08
FUEL05 [A-C]	Fuel	[A] Bruceton Petroleum; [B] Guttman Oil; [C] Tri-State Petroleum	06/30/08
FILTER07	Filters	Vehicle Maintenance Program	06/30/08
MA035SW05	Master Agreement	Novell, Inc.	06/30/08

## Miscellaneous Action

Contract	Description	Vendor	Comment
CANLINE06A	Can Liners	AllAmericanPoly	Contract cancelled
ABATMNT07 [B]	Asbestos Removal	AMI	Contract cancelled
RTIRE07	Tire Retread	King Tire Service	Change contract Information
SELECT04	Software License	Software House Int'l	Pricing change
SYSFURN07 [F-G]	Office Furniture	[F] GF Office Furniture; [G] Kimball Int'l Marketing	New contract
CEREAL05	Breakfast Foods	US Foods	Add two new items
ENTPRZ05	Microsoft Products	Software House Int'l	Add 11/06 pricing
CPHONE07D	Cell Phones	Cellular One	Add applicable fees
PAPER06C	Paper	XPEDX	Pricing change
WVARF	Linen Rental	WVARF	Add additional items
ERCYCL07	Electronic Recycling	PC Renewal	Add PCB and Non-PCB Ballast
IP06	Information Processing	Lenovo	Update parts and pricing
DIGCOP04I	Copy Machines	Oce Imagistics	Price change

## Contracts Reviewed

Statewide contracts are reviewed approximately three months prior to the actual expiration date.

### JUNE

ABATMNT	Asbestos Abatement
DIGCOP	Digital Copiers
DWASH	Dishwashing Materials
FASTEN	Fasteners
FLRCOV	Floor Covering
ITECH	Information Technology Personnel
LABSUP	Laboratory Supplies
LAN	Local Area Networks
LAUNDRY	Laundry Materials
LAWN	Lawn Maintenance Equipment
LDPHONE	Long Distance Telephone Service
TAG	Identification Tags

### JULY

CRENTAL	Car Rental
DCBATT	Dry Cell Batteries
FOOD	Staple Groceries
LADPLAT	Ladder Platforms
TRAVEL	Travel Management Services
WVARF	State Use Program
XRAY	X-Ray Equipment and Supplies

# PURCHASING CONNECTION

## Inventory Certification Deadline Approaching on July 15th

All state agencies directors, or their designees, are reminded this is the time of year that an inventory certification is required to be submitted to the Purchasing Division.



A certifiable inventory is identified as a true and accurate statement from each agency which verifies the following.

1. The date the last physical inventory of all equipment was taken under the jurisdiction of the department head (Note: A physical inventory is required once every three years).
2. All assets under the department head's jurisdiction as of June 30th with an acquisition cost of \$1,000 or more were entered in the WVFIMS Fixed Asset System for the current fiscal year.
3. All obsolete assets under the department head's jurisdiction were retired in accordance with policy, procedures and guidelines.

The deadline to submit the Inventory Certification Cover Sheet is July 15.

Agencies can keep apprised of their assets with physical inventories which are required once every three years and to be completed by June 30<sup>th</sup> of the year the physical inventory was done. The physical inventory shall include reportable property under the agency's jurisdiction with an acquisition cost of \$1,000 and an expected life on one year or more.

It is also recommended that a physical inventory be taken of all assets when a new inventory coordinator is named by the department head and assumes responsibility for the agency's fixed assets and/or when an organizational change occurs affecting the distribution of equipment assigned to a particular location or department.

For information regarding the WVFIMS Fixed Asset system, inventory policy and procedures, etc., contact Ken Frye, Assistant Director of the Purchasing Division, Program Services Section, 2700 Charles Avenue, Dunbar, WV 25064. His telephone number is 304-766-2626; toll-free 1-800-576-7587; Fax: (304) 766-2631.

### Purchasing Conference

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The Purchasing Division is pleased to welcome guest presenters who have offered their expertise in providing information on other issues, including PO Encumbrance (Finance Division's Shawn Carper and State Auditor's Office's David Sull will join Purchasing Division's Dan Miller); Legal Issues (Attorney General's

Office's Dawn Warfield); Technical Contracts (Chief Technology Officer Kyle Schafer); and Payment Process (State Auditor's Office's Lisa Comer).

A special session will be offered to provide the Purchasing Division buyers to meet with representatives of their assigned agencies to discuss topics relating to their processes and procedures.

Additional information will be distributed soon to agency personnel.

## Maximum Budget Amounts Necessary on Requisitions

In accordance with *West Virginia Code*, §5A-3-11a, spending units shall submit a valid maximum budgeted amount for each requisition or Request for Proposal to the Purchasing Division, which cannot be changed after the bid opening. The Purchasing Division will not disclose this information to the bidders at any time.

If all bids meeting requirements exceed this budgeted amount, the Purchasing Division may negotiate a lower price within budget with the lowest bidder. If the negotiation does not lead to the budget amount being met, the Purchasing Director may negotiate a lower price with the next lowest bidder and continue negotiations with participating bidders after negotiation closes with the preceding bidder.

**It is vital that all incoming requisitions state the maximum budgeted amount for the transaction.** This information is requested on the Purchasing Requisition (WV35).

If the agency does not provide its budgeted amount for the requisition prior to the bid opening, the Purchasing Division is unable to negotiate, in accordance with *West Virginia State Code*.

## Happy Birthday West Virginia!

**June 20, 2007...**Celebrating our State's 144th Birthday. Enjoy the day off ... it's an

official state holiday!



# 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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