

THE BUYERS NETWORK

MARCH 2007 - VOL. 17, ISSUE 3

THE BUYERS NETWORK is Published Monthly by the Purchasing Division of the West Virginia Department of Administration to Promote Better Value in Public Purchasing

Use of Security Bonds on Projects Reduces Liability to the State

Bonds are an essential element on contracts issued by the Purchasing Division. Their purpose are to assist in ensuring performance as well as minimizing the financial risks to the state in the event of default.

The bonds or deposits serve as a guarantee that the successful bidder on a contract will provide the work as specified in the bid. While this practice is strictly enforced by the Purchasing Division, it is established by statute.

The *West Virginia Code* dictates the process, but provides for the Purchasing Director to determine whether a bond or deposit should be added to a particular contract. Such a requirement is most often used in

construction contracts; however, it may also be used for any commodity or service if determined to be in the best interest of the state. There are different types of bonds:

The Bid Bond is an insurance agreement in which a third party agrees to be liable to pay a certain amount of money in the event a selected bidder fails to accept the contract as bid. This bond is normally five percent of the project or the estimated cost of the project. But, it could also be for a fixed amount. It must be submitted with the bid.

The Labor and Materials Payment Bond is a valid bond submitted by the apparent successful vendor upon request of the state to ensure payment



of labor and materials purchased or contracted for on behalf of the state in a construction project. It is actually a guarantee to the subcontractors and suppliers more so than the state.

Continued on Page 4

Change in Buyer - Agency Assignments Becomes Effective on March 1st

As reported in last month's issue of *The Buyers Network*, the new buyer - agency assignments within the Acquisition and Contract Administration Section will go into effect on March 1, 2007.

The reasons for the change include providing more consistency among the buyers in terms of the amount of transactions processed; offering a *point of contact* within the Purchasing Division for agency procurement-related transactions;

and to continue to enhance our customer service and processing time within the purchasing process.

The Purchasing Division buying staff has been communicating with their newly assigned agencies during the month of February in preparation of this transition.

For a list of the buyer - agency assignments, please visit our website at: <http://www.state.wv.us/admin/purchase/byassign.htm>

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THE DIRECTOR'S COMMENTS

Handbook to Reflect Changes from Legislative Rule-Making Process

By Dave Tincher
State Purchasing Director

A few inquiries have been received as to when the Purchasing Division Procedures Handbook will be ready for distribution. For those individuals and others who may also be curious, allow me to provide an update on the status of the handbook.

I would like to begin by applauding our agency procurement partners for taking time out of their busy schedules to review the draft handbook and provide comments and suggestions. These suggestions were received, reviewed and appropriate modifications made.

With more than 200 suggestions offered by agency purchasing agents,

the handbook will offer more completeness and clarity as a result of this feedback. Department of Administration's General Counsel Jim Kirby also reviewed the handbook and offered his comments, for which he graciously provided.

The current status of the handbook is that the Purchasing Division is awaiting any final changes to the proposed Legislative Rule from the Legislative Rule-Making Committee, which is being addressed during the Regular Session. I have been requested to attend several legislative meetings to explain various aspects of the proposed Rule.

Once the Rule is approved by the Legislature, final changes will be made to the draft handbook and notification will be sent to all agency procurement officers for one last opportunity to review and offer *specific* changes.

Our goal when modifying the procedures handbook was to provide accurate, clear information to our agency purchasing agents so they may have a better understanding of the statutory requirements relating to state procurement and the guidelines established to process purchasing transactions.

While awaiting the approval of the proposed Rule and, thus, the procedures handbook, it is important for agency purchasing personnel to have a full understanding of the **West Virginia Code**, §5A-3, which outlines the requirements for the procurement of goods and services in West Virginia state government. The law will always prevail over the procedures handbook; the purpose of the handbook is to explain what is required in the **West Virginia Code** and Rule.



SURPLUS PROPERTY PUBLIC AUCTION

The West Virginia State Agency for Surplus Property (WVSASP) will conduct its next absolute auction on Saturday, March 17, 2007, at 2700 Charles Avenue in Dunbar.

Gates open at 9:00 a.m., with the auction beginning at 10:00 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 Corrections**
Request to provide inmate winter jackets.
- ♦ **Division of Protective Services**
Request to provide uniformed security personnel at the State Capitol Complex.
- ♦ **Department of Health and Human Resources**
Request to upgrade and paint the 250,000 gallon water tower at William R. Sharpe, Jr. Hospital.
- ♦ **Auditor's Office**
Request to provide products and services to replace current check printing system.
- ♦ **Division of Motor Vehicles**
Request to provide services for the coordination and conduct of the West Virginia Motorcycle Safety Program.
- ♦ **West Virginia Development Office**
Request to provide historical preservation for training, technical assistance and support for the West Virginia Main Street Program.

Statewide Contract Spotlight...

Unisys Serves as One of 22 Vendors for the Statewide ITECH06 Contract

Last year, the Purchasing Division chose 22 preferred vendors for ITECH06, a statewide contract that provides temporary information technology staffing and project services for government offices across the state.

ITECH06 is a more flexible version of its predecessor, ITEMP98. Unlike the previous contract that offered no provision for temporary project services, ITECH06 provides for project-based services. Now, with projects up to two million dollars and lasting no longer than 24 months, state agencies may solicit bids from the ITECH06 vendors.

The ITECH06 contract limits temporary workers to 1,000 hours during any 12-month period, a provision that will force offices to re-bid longer jobs and will minimize dependence on a single temporary worker.

Unisys Corporation is one of the 22 preferred vendors chosen to provide services under this contract. It is a worldwide technology services and solutions company whose consultants apply Unisys expertise in systems integration, outsourcing, infrastructure, and server technology to help their clients achieve secure business operations.

Their secure business operations include services, software, and hardware that help their clients drive exceptional performance, control costs, attain competitive advantage, and effectively manage risks. Unisys integrates many elements to work seamlessly together so their clients can adapt quickly to ever-changing market demands. As

a result, their operations are reliable in periods of extreme growth and resilient during times of severe disruption.

Unisys Corp. has approximately 100 employees currently working in the Charleston area who process and pay claims from health care providers for the State's Medicaid program.

It leverages its global experience in building large-scale government citizen services solutions that offer accurate and reliable authentication of individuals who request or receive secure documents, services and benefits.

Portfolio Sales Executive David Williams said that Unisys has benefited as a result of its work with the state of West Virginia and appreciates the positive business relationship it has with the state agencies.

"We are always impressed by the professionalism of the staff in the state agencies as well as their desire to be the very best they can in all they do," said Williams.

For additional information or if you have questions concerning the services offered by Unisys Corporation under this statewide contract, please contact:

David Williams
Portfolio Sales Executive
Unisys Corporation
Box 2349
Charleston, WV 25328

(304) 397-2825
Fax: (215) 986-9235

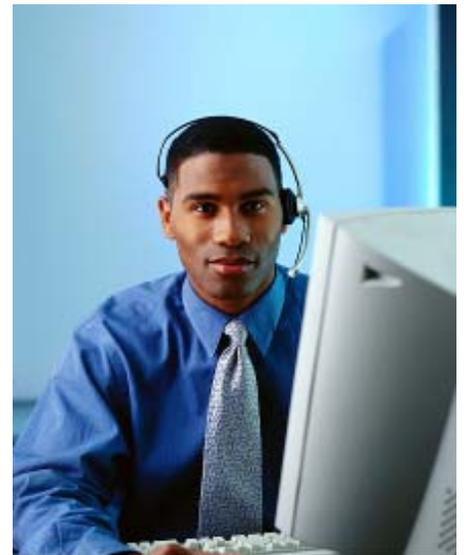
This contract is available on the purchasing web site at:

*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.

www.state.wv.us/admin/purchase/swc/ITECH06.htm

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



Unisys is one of the 22 preferred vendors selected for the statewide contract for technical temporary personnel. For a complete list of preferred vendors visit www.state.wv.us/admin/purchase/swc/ITECH.htm

Know Your Numbers...

Correctly Identify Requirements in Specifications

Let's talk numbers! When preparing specifications or evaluating a bid proposal, a good understanding of the use of numbers is extremely important. Inadvertently moving the decimal point one digit space in an amount definitely makes a difference.

Another important factor relating to numbers is in measurements. Do we know the difference between the metric and United States equivalents? Do we understand the proper way to write measurements?

Let's take a step back to English 101:

- It is grammatically correct to

abbreviate measures and weights if the numeral is used, e.g. 15 cu. ft.; however, if the unit of measure or weight is spelled out in full, the number should also be expressed in words.

- If a specification consists of a series of monetary units, both mixed and even-dollar amounts, the number should include the decimal point plus two digits, e.g. The price of the book rose from \$7.95 in 1970 to \$8.00 in 1971 and to \$8.50 in 1972.
- Except for catalog or contract

numbers, the use of **no.** or **#** should be avoided.

- The use of the percentage symbol (%) is usually not used in running text, but may be appropriate in tabulations, e.g. We reported a 55 percent drop in sales. The figures show the results: Commodity A ([-] 23%); Commodity B ([-] 7%); and Commodity C ([-] 11%).
- Round numbers and approximations are usually expressed in words.
- Never begin a sentence with a numeral.

(Source: The American Heritage Dictionary).

Bond Requirement Continued from Page 1

A Maintenance Bond is a valid bond provided as a warranty of normally two years, and is required on all roofing projects.

Lastly, the Performance Bond is an insurance agreement where a valid surety agrees to be liable to pay a certain amount of money in the event a vendor fails to perform a contract as bid. This bond is usually for the full amount of the contract.

Should a company default on a project, the Purchasing Division will solicit the Department of Administration's legal counsel to ensure the state's interest is protected. According to Buyer Supervisor Ron Price, there has been very few occasions for which a company has defaulted on a project. "Generally speaking, vendors who can provide a bond have built a very reputable business and are well established. When a default occurs, it is usually as a result of extenuating circumstances," said Price.

While the Purchasing Director has the authority to determine if bonds are necessary, an agency may occasionally request that a bond be included in the requirement if concern exists that a significant loss may be possible on a project. The amount of that bond can range from a fixed amount up to 100% of the project.

If the security requirement is under \$100,000, bonds can be provided as an irrevocable line of credit and the form of payment may be a cashier's check or certificate of deposit, which is held in the Treasurer's Office until the project is completed.

Once the project is completed, the Purchasing Division must receive an application from the agency stating the project is complete, along with a certification from the vendor stating that all their suppliers have been paid.

"Bonds are mandatory on all construction projects that exceed \$25,000," said Price. "A five percent bond is most often required with the bid. On other projects, a bond is not

mandatory. It usually depends upon whether the state stands to suffer some sort of loss should the contract not be performed."

The law states the Purchasing Director determines the applicability and amount of bonds and/or deposit required of a vendor at any time, if, in his opinion, he feels the security is necessary to safeguard the state from undue risk.

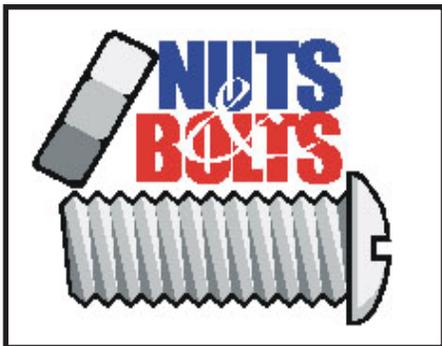
The Director may require the vendor to submit a certified check, certificate of deposit, performance bond, litigation bond or any other security he feels is acceptable payment to the state of West Virginia. Personal or company checks are not acceptable. Provision for these requirements is usually incorporated into the RFQ (Request for Quotation) and purchase order.

Upon satisfactory completion of the contract on which a surety bond or other deposit has been previously submitted, the spending unit notifies the Purchasing Division in writing. Once notification is received, the Purchasing Division returns the check or deposit to the vendor.

Senior Buyer Betty Francisco Retires, Effective March 1

The Purchasing Division experienced a bittersweet farewell to valuable asset, Senior Buyer Betty Francisco, who exclusively managed all statewide contracts for frequently used commodities and services.

While she only worked for the Purchasing Division five years, she made great strides in the way statewide contracts were managed. She also supported the initiative of placing all statewide contracts on the division's Internet site, resulting in more than \$50,000 of savings to the state.



♦ **DIGCOP04:** Please note that in accordance with the statewide contract for digital copiers (DIGCOP04), all supplies and the shipment of supplies, with the exception of paper, are included within this contract. The vendor is responsible for these costs. Should a contract vendor request the agency to pay for the supplies or for the shipping costs on the supplies, please contact Senior Buyer Jo Adkins at (304) 8802.

♦ **NIGP Forum 2007:** The National Institute of Governmental Purchasing Forum 2007 will be held August 4-8 at the Connecticut Convention Center. For more information, visit www.nigp.org/forum or call 800-367-6447, ext. 227.

In 2006, Francisco was named the **Employee of the Year** by her peers for the Department of Administration.

When asked what words of wisdom would she like to leave her successor, Francisco replied: "Try not to get overwhelmed. And, don't ever forget that no matter how many hours you work today, there will be more to be done tomorrow."

Known for her spirit of excellence, dedication and high work ethics, Francisco will be greatly missed by her co-workers, agency representatives and vendors with whom she assisted.

"My successor, JoAnn Adkins is a bright woman and a hard worker," said Francisco. "I know she will do very well in this position." JoAnn Adkins may be reached at 558-8802 or via email at joadkins@wvadmin.gov.

Best wishes to Betty on a happy retirement!



Senior Buyer JoAnn Adkins (l) will take over processing the statewide contracts from Betty Francisco (r). Francisco, who retired on March 1st, was selected as the Department of Administration's 2006 Employee of the Year.

MoneyWise...

Tips for the Thrifty

Many Homes Underinsured

Two situations have left many homeowners insured for less than their homes are currently worth.

Homes today are priced at higher levels than they were just a few years ago. In addition, homeowners have poured a great deal of money into their homes for everything from backyard decks to new kitchens and bathrooms.

People who have not updated their insurance policies could be in for a nasty surprise if they have to make a claim. A survey by Marshall & Swift/Boeckh, shows that 60 percent of homes are undervalued for insurance purposes. The average homeowner could rebuild about 80 percent of his or her home. The study shows that most homeowners experience problems if they have not had their policies reviewed for more than five years, especially if they have completed substantial remodeling projects.

The amount of coverage is dependent upon the personal property which is in the residence.

Current Statewide Contract Update

(As of February 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. For more information, please contact Senior Buyer JoAnn Adkins at (304) 558-8802 or via e-mail at joadkins@wvadmin.gov.

Contracts Awarded

<u>Contract</u>	<u>Description</u>	<u>Vendors</u>	<u>Effective Date</u>
PHOTO	Photographic Film and Supplies	Camera Boutique	02/01/07

Contracts Under Evaluation

<u>Contract</u>	<u>Description</u>	<u>Bid Opening</u>	<u>Under Evaluation</u>
OFFICE07	Office Supplies	01/2507	Yes
ERCYCL07	Electronic Recycling	02/15/07	Yes

Contracts Out for Bid

<u>Contract</u>	<u>Description</u>	<u>Pre-Bid Meeting</u>	<u>Bid Opening</u>
SELECT07	Large Account Reseller Contract for Microsoft	None	03/01/07
DEBT07	Debt Collection Services	02/08/07	03/01/07
RTIRE07	Retread Tires	02/07/07	03/01/07
TEMP07	Temporary Personnel	02/22/07	03/15/07
RECMGT07	Records Management	02/14/07	03/07/07

Contracts Extended

<u>Contract</u>	<u>Description</u>	<u>Vendor</u>	<u>Extension Date</u>
CRENTAL04	Car Rental Rent-a-Car	Enterprise	09/30/07
DEBT04 [A-C,DD]	Debt Collection	[A] GC Services; [B] Municipal Services; [C] OSI Collection; [DD] NCO Financial Systems	04/14/07
ORACLE01	License Agreement	Oracle Corp.	02/28/07

Contracts Renewed

<u>Contract</u>	<u>Description</u>	<u>Vendor</u>	<u>Expiration Date</u>
TRAVEL04	Travel Management	National Travel Services	09/30/07
MOTL06	Hotel/Motel Accommodations	Various	12/31/07
CPIPE05	Corrugated Pipe	Contech Construction	03/31/08

Miscellaneous Action

<u>Contract</u>	<u>Description</u>	<u>Vendor</u>	<u>Comment</u>
WELD06A	Welding Supplies	Mabscott Supply	Price changes effective 01/15/07
DIGCOP04F	Digital Copiers	Kyocera Mita	Five model changes
INKCRT07	Ink Cartridges	Pomeroy Computer Resources	Add terms and change of a stock number
PAINT07	Paint/Supplies	Pittsburgh Paints	New contact info
MV07 [D, H]	Motor Vehicles	[D] Glen Dale Motors [H] Stephens Auto Center	[D]Add options to Class 6A [H] Add options to Class 14, 21 and 24
SANPAP05A	Sanitary Supplies	Liberty Distribution	Reduce price of item #12; Change item packaging
DIGCOP04 [B-I]	Digital Copier	[B] Lanier Worldwide [I] Oce Imagistics	[B] Seven model changes; [C] One model change
LIGHT07	Lighting/Bulbs	WV Electric Supply	Add specs to contract
WVARF04	State Use Law	WVARF	Add laundry service
DATA05 [A, B]	Data Circuits	[A] Verizon WV [B] Frontier Communications	[A, B] Correct C/O #4; One renewal remain
ITECH060	IT Temporary Personnel	Mantech Enterprises	Update contact info
SELECT04	Software	Software House International	New price list
IP06	Information Processing	Lenovo	New contact info

Contracts Reviewed

MARCH

EBATT *Automotive and Equipment Batteries*
 FRMTIR *Farm and Backhoe Tires*
 FUEL *Motor and Heating Fuel*
 MA03SW05 *Novell Master Agreement*
 WELD *Welding Supplies*

APRIL

CABLE *Coaxial Cable*
 CANELINE *Trash Can Liners*
 ENTPRZ *Microsoft Enterprise Products*

PURCHASING CONNECTION

Governor Proclaims the Month of March as Purchasing Month to Honor Procurement Officials

The month of March is officially proclaimed as "Purchasing Month." Many governmental procurement agencies throughout the nation select this month to honor individuals who serve in the purchasing profession.

Join other purchasing agents in state government in celebrating the difference you have made in governmental efficiency and effectiveness. Each of you have offered substantial accomplishments and contributions to your organizations...your efforts have not gone unnoticed.

Gov. Joe Manchin recently signed a Proclamation establishing the month of March as Purchasing Month. The Proclamation reads:



"...the purchasing and materials management professional play a significant role in the efficiency and effectiveness of both government and business; and, whereas, purchasing and materials management professionals, through their combined purchasing power, spend billions of dollars every year and as a result have significant influence on economic conditions throughout the world..."

Congratulations to all of our state purchasing officials in West Virginia for a job well done!

2007 Agency Purchasing Conference

The 2007 Agency Purchasing Conference for agency purchasing personnel is scheduled for October 9-12 at Stonewall Jackson Resort.

Thank you for completing the conference questionnaire in an earlier issue of this publication. Your input is greatly appreciated. Additional information will be made available as the date approaches in terms of lodging arrangements and timelines.

Mark your calendars now for this statewide event!



Solicitation Timeline for Inclusion in the Purchasing Bulletin

The **West Virginia Purchasing Bulletin** is made available on a weekly basis on the Purchasing Division's website at www.state.wv.us/admin/purchase.

Although the cut-off period for the Purchasing Division's buying staff is 10:00 a.m. each Thursday, there is a misconception that this deadline relates to agency submissions of requisitions. Please note that all requisitions submitted to the Purchasing Division are reviewed for completeness and clarity by the respective buyer for the agency. Should additional information be necessary, the buyer will communicate with the agency procurement officer directly.

Once the requisition is considered complete by the Purchasing Division buyer, appropriate steps will be made for the solicitation to be included in the **West Virginia Purchasing Bulletin**.

The time for which it takes to review the requisition prior to inclusion in this publication is dependent upon various factors, including the complexity of the commodities or services being procured and the completeness of the information submitted to the Purchasing Division. The Purchasing Division's buying staff works closely with their assigned agencies to expedite the preparation of the solicitation; however, accuracy and completeness are essential in the state procurement process.

Should you have any questions regarding the status of your solicitations, please refer to the weekly status information which is emailed to all procurement officers. If you do not receive this information and would like to be on our mailing list, please visit <http://intranet.state.wv.us/admin/purchase/Subscribe.htm>.

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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