

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 Division Goes 'On the Road' with Informational Meetings for Local Govs. and Vendors

The Purchasing Division hosted two seminars this summer to help vendors and local governments become aware of the programs and services it offers.

The Division conducted the outreach to give local government entities (including counties, municipalities, boards of education, and fire departments) information on statewide contracts bid and maintained by the Purchasing Division that are available to them. The seminars also covered the programs and services offered by the West Virginia State Agency for Surplus Property (WVSASP), including the Federal Surplus Property Program.

The vendor portion of each meeting provided attendees with information on how to expand



West Virginia State Agency for Surplus Property Manager Elizabeth Cooper presented along with other Purchasing Division staff to vendors and local governments during recent seminars around the state.

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Cooperative Contracts Not Meant to Circumvent Bids

Cooperative purchasing continues to be a topic of discussion within state and even local procurement circles. In fact, cooperative purchasing seems to be growing in popularity nationwide. Groups such as NASPO, NJPA, MMCAP, US Communities, and others continuously compete for limited government spending in this increasingly crowded space. Though they have different names, their basic premise is the same: leverage aggregated spend of multiple entities across political boundaries for greater discounts. If the discussion stopped there, this article probably would too.

Unfortunately, other perceived benefits are often the driving force that compels agencies to pursue a cooperative contract. This article outlines two examples. First, a cooperative contract allows the agency to avoid the front-end work of competitive bidding. When another entity takes the lead on bidding, the agency saves time and effort by avoiding market research, preparing specifications, and reviewing bids. Second, the perceived ability

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Division Adjusts Direction with New Authority to Raise Limits, Announces Blanket Increase

With the start of the new fiscal year, I want to make you aware of some changes that are happening at the Purchasing Division. Many of those changes, effective July 1, 2022, were shared in a recent eblast. They included changes to the *Purchasing Division Procedures Handbook*, including Section 9 - Impossible to Bid additions, and terms and conditions. While many of these may affect the way our state agency partners process their transactions, please know that we are here to assist you however we can and are available to answer your questions as they arise.

During the 2022 Legislative Session, House Bill 4499 gave express authority to the Purchasing Director to increase an agency's delegated spending authority up to \$100,000. While many of your agencies have been anticipating an increase for years, others have indicated that they prefer to see increased bidding thresholds at the no bid and verbal bid limits while keeping their central threshold the same. This led us to consider compromises that could meet both preferences.

Initially, our plan was to require agencies to request an increase, and approval of that increase would be based on an agency's demonstration of understanding of the state purchasing process (based on their agency's most recent inspection grade) and their ability to take on the additional processing load. We've talked to many agencies since announcing that plan, and we've learned there are many other factors at play. For example, would an agency's increased limit be based on an individual spending unit's inspection scores? Would they all need to obtain a score of 80% or better (a "B" grade) for any one unit within a department to obtain an increase? How would increases be tracked, both at the delegated and central levels? How would it affect inspections moving forward?

These questions and more led us to reevaluate our plan and ultimately determine that was not the best course of action, and like any effective change, we needed to address those concerns. Therefore, we decided that it would be in the state's best interest to increase the current spending limits uniformly. Effective July 1, 2022, the new limits are as follows:

- \$0.00-\$5,000 — *bids not required*
- \$5,000.01-\$20,000 — *verbal bids required*
- \$20,000.01-\$50,000 — *delegated wvOASIS solicitation*
- \$50,000.01+ — *processed by the Purchasing Division*

Though the caps for no bids and verbal bids will remain fixed for all agencies, those agencies that believe it is in the best interest of the state may still submit a request for their formal bid threshold to be increased to \$100,000.

For those of you who still have concerns about increased limits, we are looking into initiatives that will allow us to more effectively communicate with and provide guidance to agencies regarding their delegated processes. We hope to announce more on those initiatives in the near future. Additionally, we always welcome suggestions. Please let us know how we can best serve you during this transitional period.



Reminder: Annual Inventory Certifications Due in July

Each year, state agencies are required to submit their annual inventory certifications to the Purchasing Division. In accordance with W. Va. Code § 5A-3-35, the head of each spending unit must file an inventory of all real and personal property, equipment, supplies and commodities in its possession as of the end of the fiscal year on or before July 15 of each year. Once every three years, a physical inventory is also required.

Agencies must complete the *Inventory Management Certification Cover Sheet* and submit it to the West Virginia State Agency for Surplus Property (WVSASP) no later than July 15, 2022. A copy of the *Certification Cover Sheet* can be found on-

line at www.state.wv.us/admin/purchase/surplus/forms/AssetMgmtCertification-CoverSheet.pdf.

The Certification Cover Sheet should include:

- The date the last physical inventory was taken of all reportable assets under the agency head's authority;
- Certification that the agency has entered all real property and all reportable assets in its possession for the current fiscal year into the wvOASIS Fixed Assets System;
- Certifications that all outdated assets under the agency head's administration were retired in accordance with WVSASP policy, procedures, and

guidelines; and

- Certification that the information contained in the wvOASIS Fixed Assets System is to serve as the required inventory report that must be filed with WVSASP.
- Agencies are also reminded to check for asset shell documents which should be completed, or the event type changed to "FA14," which will remove the shell document.

Any agency that is exempt from WVSASP must still complete the *Vehicle Inventory Certification Cover Sheet*, as

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Purchasing Division Creates Hybrid Training Plan for its Second Semester Schedule for 2022

The Purchasing Division has moved to a hybrid approach with its second semester training schedule, now offering a mix of webinars and in-person training.

A day-long, fully in-person training session will be offered on July 27, 2022, in the Capitol Room of Building 7. Attendance for this session will be limited. A popular webinar previously conducted in March, *wvOASIS Tips and Tricks*, will also be offered as an in-person session this October.

No training will be offered in Au-

gust, as the Purchasing Division will be hosting its annual conference at The Resort at Glade Springs Aug. 23-26, 2022.

To register for these training sessions, visit www.onlinelearning.wv.gov and log in with your User ID (i.e. your A, B, or E number) and password. Once logged in, click on the Course Catalog tab and search for the courses that begin with the ID “PUR” or simply type the Catalog ID for the course you’re interested in into the Catalog ID field. If you have not logged into CourseMill

previously, your password should be “password.” You will be prompted to change it once logging in. If you cannot remember your password, simply click on the “Forgot your User ID or Password?” button and you will receive an email to reset your password. Regardless of the session format (in-person or webinar), participants will need to register via CourseMill.

Questions regarding the training program should be directed to Purchasing.Training@wv.gov. A copy of the schedule may be viewed below.

DATE	WEBINAR TITLE	CATALOG ID	TIME	METHOD
July 13	Agency Delegated Purchasing	PUR218W	10:00 a.m. – 11:00 a.m.	Webinar
July 27	An Intro to WV Purchasing	PUR102	9:00 a.m. – 4:00 p.m.	In person
Sept. 28	Statewide Contracts/Inspection Services	PUR114	9:00 a.m. – 11:00 a.m.	In person
Oct. 12	Preparing and Evaluating Requests for Proposals	PUR303W	9:00 a.m. – 11:30 a.m.	Webinar
Oct. 26	<i>wvOASIS Tips and Tricks</i>	PUR120	10:00 a.m. – 11:00 a.m.	In person
Nov. 9	<i>wvOASIS Procurement</i>	PUR208W	9:00 a.m. – 11:00 a.m.	Webinar
Nov. 30	Developing Specifications and Contracting	PUR113	9:00 a.m. – 11:00 a.m.	In person
Dec. 14	Fixed Assets and Surplus Property	PUR110W	10:00 a.m. – 11:30 a.m.	Webinar

Purchasing Recognizes Latest Certification Recipient

The Purchasing Division is pleased to announce Nancy Kinder is the latest recipient in its West Virginia Procurement: Basic Certification program.

Kinder, a procurement specialist for the Division of Rehabilitation, has worked for the state for four years.

“This certification is a great accomplishment for me. It made me study and prepare genuinely for something I wanted to do for myself, so I could be a more powerful instrument for my agency,” Kinder said. “It allows me to do my

job with more confidence and reassurance to know that the Purchasing Handbook is more than just words, it is fact, and it will ensure I do my transactions correctly.”

State agency procurement officers interested in participating in the Basic and/or Advanced Certification Programs may review the requirements at www.state.wv.us/admin/purchase/training/Certification. Any questions regarding the certification program may be directed to Courtney Johnson at Courtney.S.Johnson@wv.gov or 304.558.4213.

Revised Purchasing Division Procedures Handbook, Terms and Conditions Now In Effect

The Purchasing Division recently announced updates to its *Purchasing Division Procedures Handbook* and Purchasing Master Terms and Conditions, effective July 1, 2022. Periodically, the Purchasing Division reviews and updates its publications as a way to ensure accuracy of the information.

The most recent changes include the following:

- *Changes language regarding increased delegated spending thresholds*: Doubles all agency spending thresholds, with agencies granted authority to request an additional increase to the delegated written bidding threshold up to \$100,000 if they can show that the increase would be in the best interest of the spending unit and the State.
- *Adds Subsection 5.3.1.7. Direct Buy if Bids Too High*: Allows a spending unit to reject all bids and cancel a solicitation, subsequently purchasing the commodity or service directly

from a non-bidding entity if all bids received are priced higher than the publicly posted price of the non-bidding entity. The direct purchase from the non-bidding entity must be made at the publicly posted price or less and must be of equal quality to the specifications that were bid.

- *Adds items to the Section 9: Impossible to Bid List*: Adds automobiles, livestock genetic material, and towing services to this list.

Additionally, language highlighting the timing of construction/project oversight was added to the Purchasing Master Terms and Conditions.

To view the *Purchasing Division Procedures Handbook*, visit www.state.wv.us/admin/purchase/Handbook/2022/handbook.pdf. To view the Purchasing Master Terms and Conditions, visit www.state.wv.us/admin/purchase/TCP.pdf.

COOPERATIVE CONTRACTS

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to simply pick who you want is hard to ignore. In fact, some agencies may select a cooperative contract on the sole basis of the ability to find the vendor it wants on contract.

Cooperative contracts can unintentionally make this problem worse by awarding a contract to nearly every vendor that bids. This practice erodes the downward force on prices that true competition can generate. When there is little to no risk of being excluded from a contract award, the incentive to provide discounts commensurate with the aggregated spend is greatly reduced. The Purchasing Division has seen an increased desire among cooperative vendors to forgo deeper discounts and simply rely on sales and marketing staff to bridge the gap between any price differences with competitors. Vendors are also reluctant to provide deeper discounts because they are aware that the aggregated spend will be split among all of the contract holders. The “award to all” approach of cooperative contracts perpetuates the desire to pick the favored vendor without any real due diligence.

As part of their marketing efforts, the Purchasing Division has experienced vendors pitching cooperative contracting as a way to contract directly with the vendor. In some instances, agencies will “cooperative shop” to find a cooperative that has offered the favored vendor a contract. And with the “award to all” mentality, the agencies do not need to cooperative shop for long.

Given these trends and changes to the Code of State Rules, it is imperative that agencies understand the appropriate and proper use of cooperative contracts. The West Virginia Code and the Code of State Rules requires that a cooperative contract be from a public entity, and be “valid, properly awarded, financially advantageous, and comparable to what can be obtained through competitive bidding.” The Code of State Rules then clarifies that a contract created from a competitive procurement method can satisfy the “comparable to competitive bidding” requirement. Those are not the only laws that must be considered, however.

W. Va. Code § 5A-3-3(10) prohibits favoring a brand or vendor, and still other sections require awards to the lowest responsible

bidder (in the case of an RFQ) or the highest scoring bidder (in the case of an RFP). In short, the Code requires that all procurement processes be fair to all vendors. Those same requirements are attributable to the use of a cooperative contract.

Not stated directly in the Code, but certainly implied, is the requirement that a cooperative contract an agency intends to use be created from a solicitation that had competition and a clear winner. Additionally, the contract an agency desires to use needs to be with the winner. In the request to use a cooperative, the agency should show that the contract holder was either the lowest responsible bidder (if the cooperative used an RFQ solicitation), or the highest scoring vendor (if the cooperative utilized an RFP). The “award to all” approach used by many cooperative contracts, combined with the “pick who you want” mentality runs counter to this.

Admittedly, there are circumstances where an exception is in order. For example, a cooperative contracting entity soliciting bids at the national level may allow regional firms to compete. It is also possible that one of those regional firms submitted the lowest bid or received the highest score and yet cannot service West Virginia. In cases like this, the Purchasing Division would expect the agency to find and recommend a contract with the lowest cost/highest scoring vendor that does extend service to the state. There are also circumstances where one vendor would be unable to provide coverage to the whole state. In those instances, it can be appropriate to request a multiple award by submitting the WV-70 form for approval.

The conclusion to draw from this article is that the cooperative procurement mechanism is not to be treated as a means to circumvent competitive bidding. It is a supplemental method of procurement that still must adhere to the basic requirements of Chapter 5A, Article 3 of the West Virginia Code, those requirements being fairness in contract award and competition in the bidding process.

Longtime Purchasing Division Employee Retires

Following nearly 16 years of service to the state of West Virginia, Linda Harper retired last month from the Purchasing Division. Harper served as a buyer supervisor within the Acquisitions and Contract Administration Section.

Harper began working at the Purchasing Division in 2015 as a senior buyer before transferring to her final position. Prior to joining the Purchasing Division, Harper worked for the Division of Natural Resources and the Office of Technology.



"I'm so appreciative of the state of West Virginia and all the opportunities I've had in my years of employment," Harper said. "I feel very thankful and blessed!"

With her newly acquired free time, Harper looks forward to traveling and spending time with friends.

The Purchasing Division thanks Linda for her hard work over the years and wishes her the best of luck in retirement.

After numerous years of service in state government, with many of those years in the Purchasing Division, former Buyer Supervisor Linda Harper retired in June.

INVENTORY

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required by the W. Va. Code § 5A-12-7. This document, which must also be submitted by July 15 of each year, certifies the following:

- All vehicles and equipment requiring a state license plate, including vehicles with a rating of more than one ton, requiring a commercial driver's license to operate, and all-terrain vehicles, have been entered into the *wv*OASIS Fixed Assets System.
- All exempt agencies that own state vehicles shall annually affirm to the State Agency for Surplus Property that the vehicles and equipment reported in the *wv*OASIS Fixed Assets System are accurate and current.

The *Vehicle Inventory Certification Cover Sheet* is online at www.state.wv.us/admin/purchase/surplus/InventoryMgt/VehicleInventory_AssetMgmtCertificationCoverSheet.pdf.

Because the July 15 deadline is set by West Virginia Code, no extensions will be granted. For information regarding inventory management policies and procedures, visit www.state.wv.us/admin/purchase/surplus/InventoryMgt.

Additional questions regarding the reconciliation of fixed assets may be directed to Elizabeth Cooper at 304.766.2626 or Elizabeth.J.Cooper@wv.gov.

ROAD SHOWS

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their customer base, view state solicitations in the Vendor Self-Service portal, and register as a vendor with the West Virginia Purchasing Division. The vendor portion also included information on statewide contracts, requirements for successful vendors, and programs offered by the WVSASP.

"The presentation slides were very detailed, the presenters were top notch, and the material was self explanatory as well. Kudos team," said a vendor who was surveyed following one of the events.

"Aside from the information itself, which I think is extremely helpful, I most enjoyed the welcoming nature of the hosts and speakers," said another vendor.

These seminars were held in Point Pleasant and Elkins. The Purchasing Division is planning a third seminar in Morgantown later this year.

THE BUYERS NETWORK

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WEST VIRGINIA PURCHASING DIVISION

**SURPLUS INVENTORY
MANAGEMENT**



Current Statewide Contract Update

(As of June 15, 2022)

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 the buyer assigned to statewide contracts.

New Contracts

Contract	Vendor	Commodity	Effective Date
CANLINER22	Calico Packaging LLC	Trash bags	06/01/22 -05/31/23
LDPHONE22	Touchtone Communications	Long distance telephone	08/17/22 -08/16/23

Contract Renewals

Contract	Vendor	Commodity	Effective Date
ABATMNT21	Custom Services Industries LLC	Asbestos removal or encapsulation	07/01/22 -06/30/23
LAR20	SHI International	Software	06/30/22 -09/30/22
TRAVEL21	Natl Travel	Travel agencies	07/01/22 -06/30/23

Customer Appreciation Day a Success for WVSASP

Each June, the West Virginia State Agency for Surplus Property (WVSASP) hosts its annual Customer Appreciation Day event. This event, which includes a special after-hours reception, allows WVSASP staff to celebrate their customers with light refreshments and extended shopping hours.

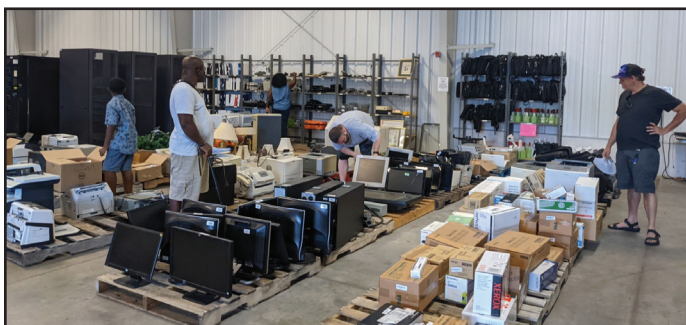
“As a self-funded entity, WVSASP is very grateful to its customers. This event always allows us to recognize our customers while giving them an opportunity to take advantage of the extended hours we only offer once a year,” said WVSASP Manager Elizabeth Cooper.

More than 25 individuals attended the reception on June 14, 2022, and shopped for items such as furniture, electronics, and vehicles.

“WVSASP was also pleased to welcome several new customers to the warehouse,” added Cooper. “It is always exciting to see new people experiencing the warehouse for the first time.”

State employees, except for Purchasing Division employees, may acquire property from WVSASP for personal use as long as they purchase as a member of the public.

To learn more, visit WVSurplus.gov or call 304.766.2626. WVSASP also maintains a Facebook page at www.facebook/wvsurplus.



Miscellaneous Updates

Contract	Vendor	Commodity	Effective Date
OIL22	Pugh Lubricants	Lubricants and Oils and Greases	To add the invoice and shipping information

FOR MORE INFORMATION

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

BUYER	E-MAIL	PHONE
<u>Supervisors</u>		
Tara Lyle	Tara.L.Lyle@wv.gov	558-2544
Mark Atkins	Mark.A.Atkins@wv.gov	558-2307
<u>Senior Buyers</u>		
Josh Hager	Joseph.E.Hageriii@wv.gov	558-8801
Jessica Hovanec	Jessica.L.Hovanec@wv.gov	558-2314
Crystal Hustead	Crystal.G.Hustead@wv.gov	558-2402
Melissa Pettrey	Melissa.K.Pettrey@wv.gov	558-0094
David Pauline	David.H.Pauline@wv.gov	558-0067
Toby Welch	Toby.L.Welch@wv.gov	558-8802
<u>Buyer</u>		
John Estep	John.W.Estep@wv.gov	558-2566