

# Public Procurement Basics

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*2022 Agency Purchasing Conference*





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# Objectives

- Introduce you to the Purchasing Division and its role and responsibility in state government
- Review some terms that are used in the public procurement process
- Discuss the purchasing decision path, which is the path an agency takes from the time it determines a need to the award of a contract or purchase order and beyond

# Mission

## Introduction

- Responsible for the timely, responsive and efficient procurement of goods and services for state government
- Administer various statewide programs, including Inventory Management, Surplus Property, and Travel Management programs

## Mission

- To provide prudent and fair spending practices in procuring quality goods and services at the lowest cost to state taxpayers by maximizing efficiencies and offering guidance to our customers



# How We Buy

- West Virginia Code § 5A-3
- West Virginia Code of State Rules § 148 CSR I
- *Purchasing Division Procedures Handbook*
- Related laws and rules
  - West Virginia Code § 5G-1-1 – Architectural and Engineering Services
  - West Virginia Code § 5A-22 – Construction
  - West Virginia Code § 28-5B-4 – Correctional Industries
  - West Virginia Code § 5A-3-10 – State Use Program
  - Others



# Exemptions

The following entities are exempt from the state purchasing process:

- Legislative Branch
- Judicial Branch
- Higher Education
- Division of Highways – Road Construction
- 48 other full or partial exemptions
  - The Purchasing Division Procedures Handbook details other commodities and services exempted from the state purchasing process

# Six Procurement States



## Requisition

Goods and/or services needed are entered within a requisition document



## Solicitation Response

Bid or proposals are received by vendors to a solicitation



## Award

Award documents are entered into WV OASIS to reflect the actual purchase of goods or services



## Solicitation

Goods and/or services needed by agencies are advertised using the West Virginia Purchasing Bulletin



## Evaluation

Bid tabulations are completed



## Post Award

Invoices and receiver transactions are issued

# Role of the Agency Procurement Officer

- All purchases must be approved by the secretary or head of the spending unit, or a designee, whose name must be filed with the Director, in accordance with the W.Va. Code of State Rules § 148 C.S.R. 1-3.
- The person(s) named, recognized as the agency designated procurement officer, must take at least 10 hours each fiscal year of available purchasing training.
- Each spending unit must process all purchases through this person(s), who should review all specifications and documentation for compliance prior to submitting to the Purchasing Division.



# Role of the Agency Procurement Officer

**The agency designated procurement officer is responsible for the following:**

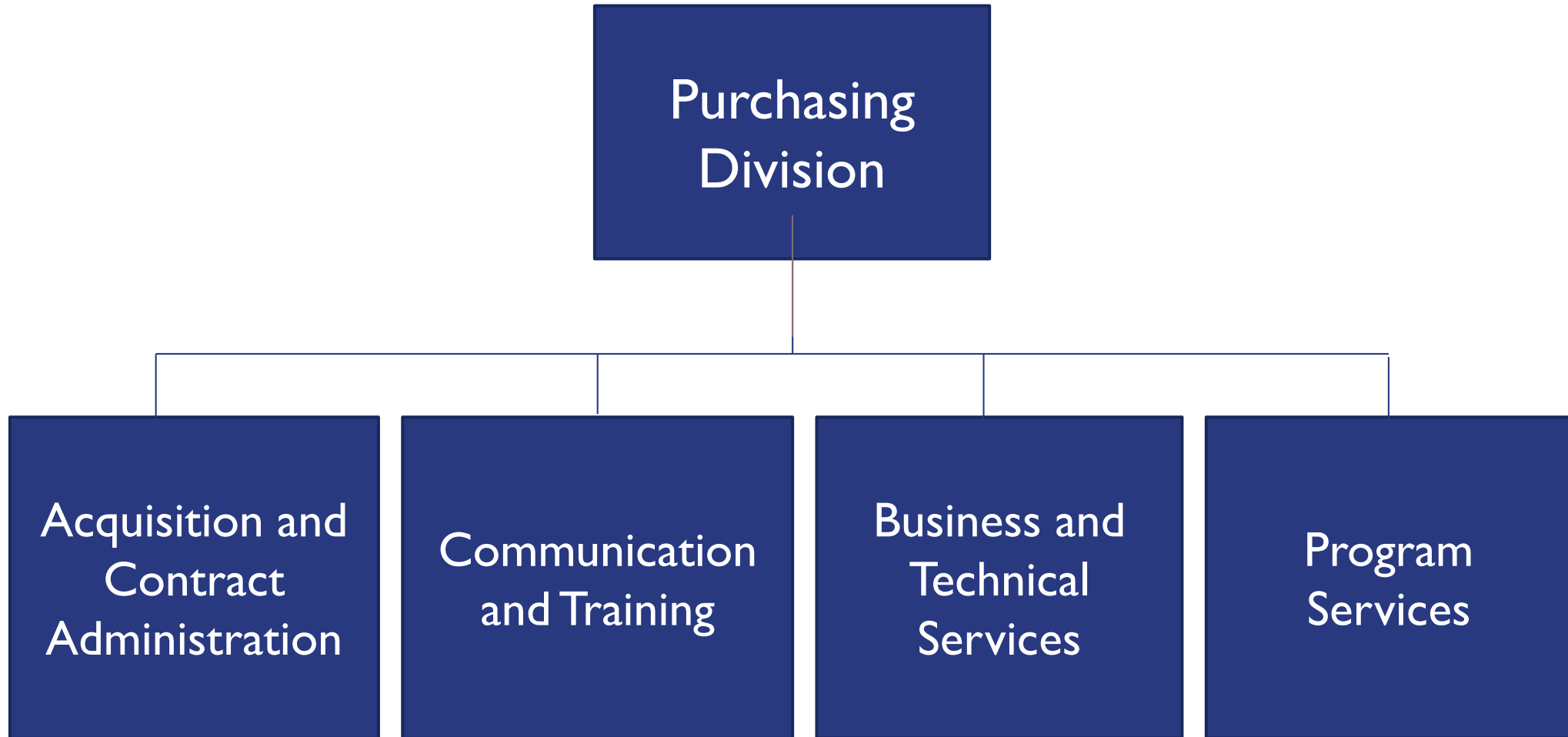
- Keep apprised of the current statutory and regulatory requirements for state purchasing through training opportunities offered by the Purchasing Division, in accordance with the West Virginia Code of State Rules;
- Serve as the first point of contact to provide guidance to internal agency staff regarding purchasing issues;
- Coordinate communication and serve as the point of contact between the agency and the Purchasing Division;
- Review and approve specifications prior to submitting requisitions to the Purchasing Division;

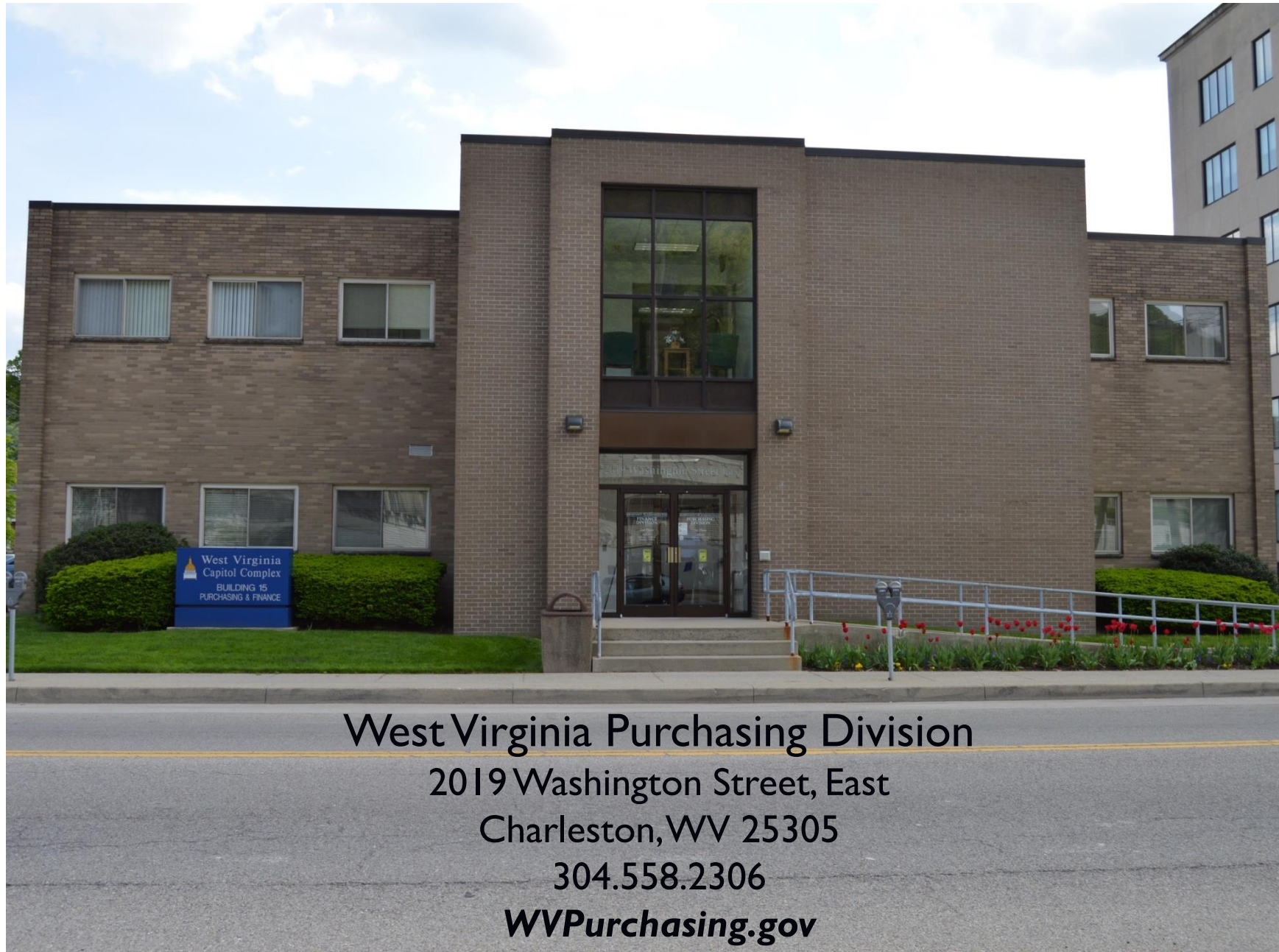
# Role of the Agency Procurement Officer

- Review bids and concur with agency recommendation for award prior to submission to the Purchasing Division;
- Maintain proper documentation and files for public record;
- Ensure that his or her agency's procurement staff receives proper training, both internally and externally, for agency-delegated processes as well as those for formal procurements; and,
- Perform other related procurement duties as needed.



# Organizational Structure





## West Virginia Purchasing Division

2019 Washington Street, East

Charleston, WV 25305

304.558.2306

***WVPurchasing.gov***

# Overview

## Fiscal Year 2021 Statistics

- 39,101 New Purchasing Award Transactions and Delivery Orders
  - West Virginia businesses awarded 50.55% of these awards/delivery orders
- Value exceeded - \$504,600,000
- Average Contract Value (excluding delivery orders) - \$149,752.39

# Benefits of the Purchasing Division

- Consistency of laws and rules
- Transparency of processes and information
- Lowest price for best quality
- Training opportunities for agencies and vendors

# Definitions

## Procurement

- The buying, purchasing, renting, leasing or otherwise obtaining of commodities or services

## Competitive Bidding

- The process by which individuals or firms compete for an opportunity to supply specified commodities and services by submitting an offer in response to a solicitation

# Definitions

## Commodity

- Supplies, materials, equipment and any other articles or things used by or furnished to a department, agency or institution of state government

## Service

- The furnishing of labor, time, expertise or effort, not involving the delivery of a specific end commodity or product other than one that may be incidental to the required performance



# Definitions

## Request for Quotation

- Document, which contains specifications or scope of work and all contractual terms and conditions, that is used to solicit written bids. Conformity to specifications and price are the only factors used in the evaluation process
- Specifications
  - Detailed description of a commodity or service included in a solicitation or bid or an awarded contract
- General Terms and Conditions
  - Standard clauses and requirements developed by the Purchasing Division and incorporated into solicitations and resulting contracts

# Definitions

## Mandatory Terms

- All terms and conditions in a written specification which are absolute and the compliance with which cannot be waived. A vendor who fails to comply with one or more mandatory specifications will be disqualified. Mandatory specifications are indicated by the use of the terms shall, will, or must

# Definitions

## Non-Mandatory Terms

- All terms and conditions in the written specification which are not absolute. Non-mandatory terms are indicated by the use of the terms may, should, preferred or could, and are understood to be permissive and shall not be used to disqualify any vendor

# Definitions

## Pre-Bid Conference

- A meeting between vendors and agency personnel which offers an opportunity to emphasize and clarify critical aspects of a solicitation, eliminates misunderstanding and allows for vendor questions. Vendor attendance may be mandatory or voluntary as specified in the bid document

# Definitions

## Bid/Solicitation Response

- Anything that a vendor submits in response to a solicitation that constitutes an offer to the State

## Bid Opening

- A firmly established date and time for the public opening of responses to a solicitation

# Definitions

## Agency/Centralized Master Agreement (AMA/CMA)

- Agency open-end contract for frequently used commodities or services
- Helps avoid stringing
- Stringing:
  - Issuing a series of requisitions or dividing or planning procurements to circumvent the \$25,000 threshold or otherwise avoid the use of sealed bids.

# Definitions

## Agency Delivery Orders (ADOs)/Centralized Delivery Orders (CDOs)

- A written order to the contractor authorizing quantities of commodities and/or services to be delivered all in accordance with the terms, conditions, and prices stipulated in the original contract

# Definitions

## Purchase Order

- A document issued by the Purchasing Division used to execute a purchase transaction with a vendor. It serves as notice to a vendor that an award has been made.



# Definitions

## Addenda

- Used to facilitate a change to a solicitation after issuance for bid in the West Virginia Purchasing Bulletin
- Necessary to: add, delete or change specifications or attachments, provide a copy of the pre-bid attendee list; answer technical questions, requests for clarification, or requests for product substitutions; extend or alter bid schedule dates/times; or any other such change to the issued bidding documents

# Definitions

## Change Order

- Process used when it becomes necessary to amend, clarify, change or cancel purchasing documents issued by the Purchasing Division

# Purchasing Decision Path

## Step One:

- Agency procurement officer receives request from agency employee for good or service.

# Purchasing Decision Path

## Step Two:

- Determine procurement method, type, and spend threshold.

# Purchasing Decision Path

## Step Three:

- Develop procurement documents, if required based on spending threshold.

# Purchasing Decision Path

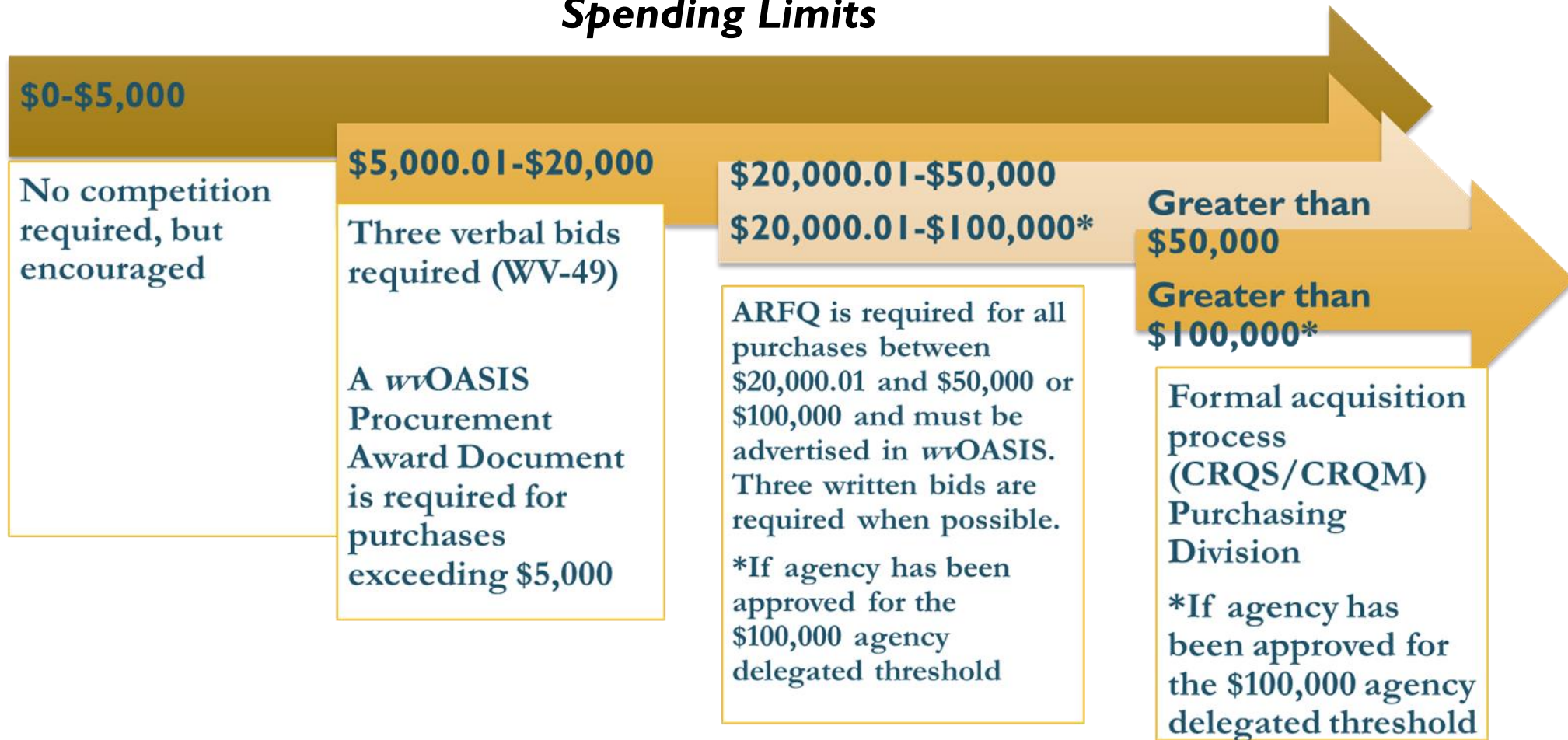
## Step Four:

- Advertise solicitation, evaluate bids, and/or award contract.

# Purchasing Decision Path

## Agency Delegated Purchasing Procedures (\$50,000.00 or less)

### Spending Limits



# Purchasing Decision Path

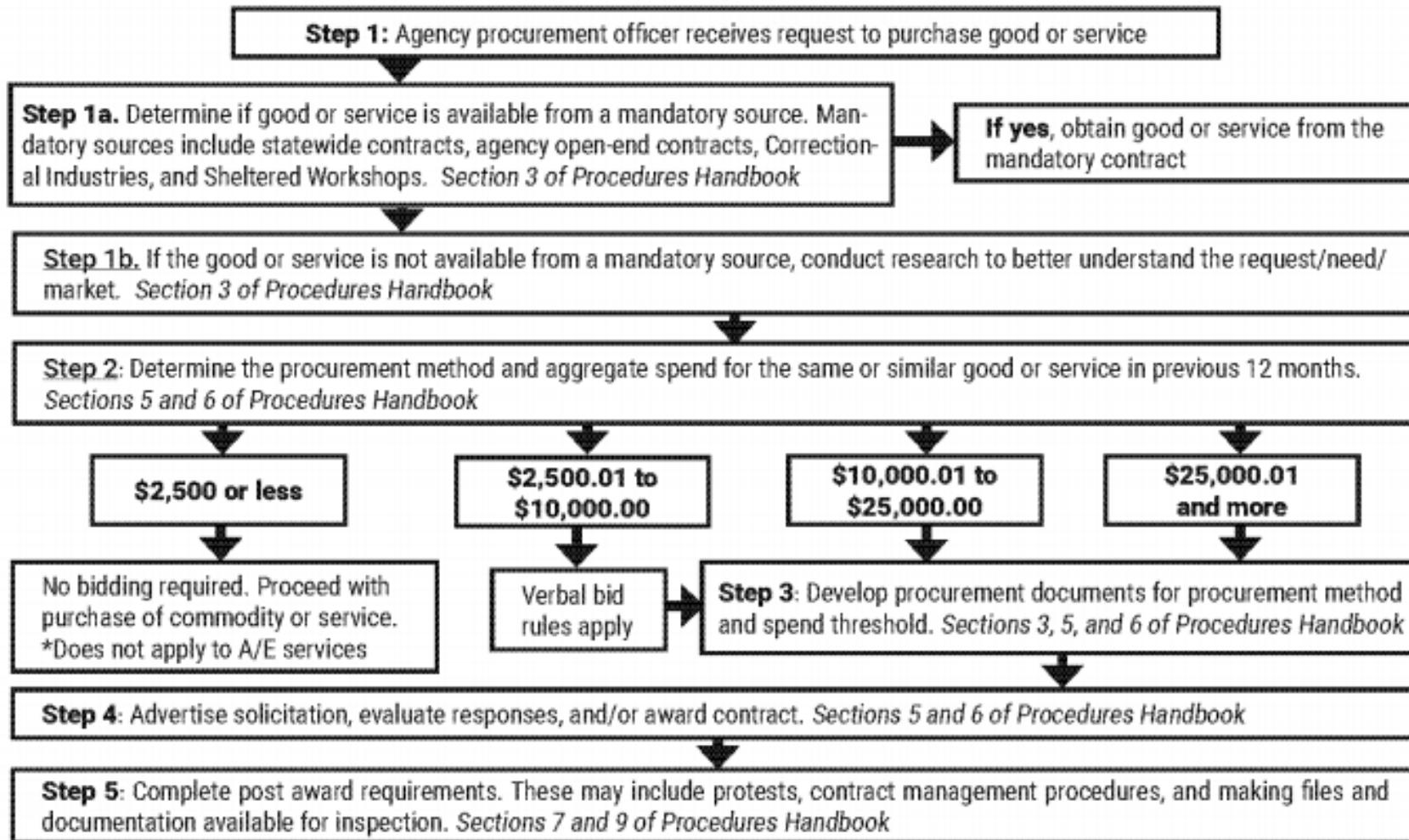
## Step Five:

- Complete post award requirements.



# Purchasing Decision Path

## Step-by-Step Procurement Flow Chart





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