

From: **Atkins, Mark A** <mark.a.atkins@wv.gov>
Date: Mon, Jun 6, 2022 at 9:04 AM
Subject: Emergency Contract for Envelopes
To: Lore, Andrew C <andrew.c.lore@wv.gov>
Cc: Jessica L Hovanec <jessica.l.hovanec@wv.gov>, Mark L Totten <mark.l.totten@wv.gov>

Andrew,

Your request for an emergency contract to procure envelopes for the various state agency mailings WVOT oversees is approved. This emergency approval is for the estimated 6 month period requested or a not to exceed amount of \$1,216,500.00. This approval is not an endorsement for any brand, model, manufacturer, or vendor.

Please follow all emergency procedures outlined in the Purchasing Division Procedures Handbook and return all documentation to the Purchasing Division buyer for processing within 30 days of this approval.
Sincerely,

Mark A. Atkins, CPPB

Buyer Supervisor, Statewide Contracts
West Virginia Department of Administration
Purchasing Division
2019 Washington Street, East
POB 50130
Charleston, WV 25305-0130

Phone: 304.558.2307

Email: Mark.A.Atkins@wv.gov

"Tell me and I will Forget, Show me and I may remember, Involve me and I will understand"

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APPROVED
[Signature]
6/6/22

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
OFFICE OF TECHNOLOGY
State Capitol
Charleston, West Virginia 25305

Mark D. Scott
Cabinet Secretary

Joshua D. Spence
Chief Information Officer

TO: Jessica Hovanec, Senior Buyer
WV Purchasing Division

FROM: Meghan Shears, Chief Financial Officer *[Signature]*
West Virginia Office of Technology (WVOT)

DATE: June 3, 2022

SUBJECT: Approval of an Emergency Contract for Envelopes

The West Virginia Office of Technology (WVOT) is requesting an Emergency Contract be made to Champion Industries (VCUST #000000207725) for the purchase of envelopes for the various agency mailings the WVOT oversees. As with many things during the COVID-19 pandemic, envelopes have become increasingly impossible to source. Rising paper costs, disruptions to the supply chain, and increased freight charges have all combined to put the State in a difficult position.

The WVOT had an envelope contract (CMA ISC19*04), but the Vendor chose not to renew because of the price increases in the market and because of its inability to show those increases to the State's satisfaction to substantiate a contract increase. As such, the WVOT began the rebid process, but was unsuccessful – CRFQ ISC22*12. In the sole bidder's response, several exceptions were taken to the State 'firm-fixed price' requirement. Specifically, the Vendor proposed a \$1,500 one-time fee to be paid prior to the first order, which was not accounted for in its bid cost, and the Vendor proposed negotiating the renewal years' pricing at the time of renewal. Because of these exceptions, the WVOT was unable to award the solicitation.

In an effort to increase competition for this Emergency Contract, the WVOT did reach-out to four (4) Vendors who are capable of supplying or who have supplied envelopes in the past (attached are the correspondence for your reference). Of the Vendors, only Champion Industries returned a viable bid. And, while the price of the Emergency Contract is relatively high in comparison to past spend, the market's volatility is the direct cause.

Due to serious supply chain issues, the WVOT is unable to successfully rebid the failed solicitation; however, because of mandated mailings and tight deadlines, the WVOT cannot wait for the full solicitation process. For the next six months, the WVOT needs approximately 7,000,000 envelopes – this includes already-spoken-for envelopes, as well as a buffer. In its request to the Vendor community, the WVOT sought 7,500,000 envelopes. All of this to say, the WVOT has not exaggerated its current need for this Emergency Contract; we are simply caring for the interim period between contracts.

Because of the work the WVOT's Print Shop and Central Mail Office does, these envelopes will be used for other agencies' mailings – with many being used for mandated mailings that come with penalties to the State if certain timeframes are not met. The WVOT has received calls from other agencies, as well as the Governor's Office, expressing concerns about missing these deadlines. While the WVOT has been able to avoid missing deadlines so far, the need is too great at this point to attempt the solicitation process and meet all of the time constraints.

The total cost for this one-time purchase is \$1,216,500 to be paid in installments as the shipments are received.

Should you have any questions, or need further explanation, do not hesitate to contact me.