

From: **Sheets (Purchasing), Mike** <william.m.sheets@wv.gov>
Date: Tue, Mar 8, 2022 at 4:14 PM
Subject: Fwd: FOOD Emergency Contract Request
To: Mark A Atkins <mark.a.atkins@wv.gov>
Cc: Lyle, Tara L <tara.l.lyle@wv.gov>, Whittaker, Frank M <frank.m.whittaker@wv.gov>, Totten, Mark L <mark.l.totten@wv.gov>

Mark,

Your request for establish a three month emergency statewide contract for food, beverages, and food supplies is approved. Please follow emergency purchasing procedures as found in the Handbook and follow up with documentation for award within thirty days.

Regards,
Mike

W. Michael Sheets
Director
WV Purchasing Division
2019 Washington Street, East
Charleston, WV 25305

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MARK D. SCOTT
CABINET SECRETARY

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION

W. MICHAEL SHEETS
DIRECTOR

March 8, 2022

Mr. Mike Sheets, Purchasing Director
2019 Washington Street, East
Charleston, WV 25305

Re: Emergency Statewide Contract for Food, Beverages, and Supplies

Mr. Sheets:

The Purchasing Division is requesting the establishment of an Emergency Replacement Contract for the recently expired FOOD21A and FOOD21B for Food, Beverages, and Food Supplies. This contract is necessary to prevent the interruption of food supplies to various State agencies. Both contracts did have renewals remaining but both vendors chose not to renew due to multiple price increases resulting from the COVID-19 pandemic. Both vendors stated that the market for Food and related items is the most volatile they have ever witnessed and simply cannot renew under the current terms, conditions, and pricing of the contracts. The delay in bidding a new contract to continue offerings was due to the vendors holding their renewal requests until a few days prior to the contract expiring. This created an unforeseen lapse in the contract.

Purchasing Division upon confirmation that the renewal process was not going to be executed, attempted to solicit a new contract under the solicitation number CRFQ SWC2200000010. The bid opening was March 01, 2022. No bids were received. The previous contract holders and one additional potential food supplier was contacted to help determine why they failed to respond to the solicitation. The following responses were the most repeated and are (in no particular order):

1. Due to current market conditions, did not want to commit to a long-term, 1+ year contract.
2. Cannot commit to firm, fixed prices due to the market volatility.
3. Market for food has moved to a cost+ percentage mark-up versus the previous retail – discount percentages to aid in the market fluctuations.
4. Need defined delivery locations to cover logistics of shipping due to increasing fuel prices.

Due to the lack of any bid responses, market conditions, vendor interviews, and the need to establish a statewide contract for agencies to procure these commodities and services, the Purchasing Division is requesting your approval to establish an emergency contract for three (3) months with an additional three (3) month renewal period. This would provide a short-term

contract for State agencies. This emergency contract will allow agencies to do their own market research, create specifications specific to their needs and individual locations, and bid for their agency.

The emergency contract will be based on a “cost-plus mark-up percentage for defined food categories. Each category mark-up percentage will be applied to the vendor’s delivery cost to determine a cost. The emergency contract would also incorporate “Right to Audit” language to ensure that the pricing provided to the agencies can be verified under the emergency. The expectation is that the time provided in the emergency contract will give agencies enough time to secure their own contract. The Purchasing Division will continue to monitor the food market and if events in the future change, reestablish a statewide contract at that time.

Without this emergency contract, many of the State’s agencies will be crippled in their ability to procure food products for their constituents in a timely manner.

Thank you in advance for your consideration of this request. If you have questions, or need additional information prior to making a determination, please do not hesitate to contact me.

Mark A. Atkins, CPPB

Senior Buyer

West Virginia Department of Administration

Purchasing Division

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