

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

Agencies Encouraged to Review New Statewide Contract for Motor Vehicles Prior to Placing Orders

When preparing orders from the new statewide contract for motor vehicles (MV08), state agencies are encouraged to note important changes, which went into effect in October of 2007, according to Senior Buyer Jo Ann Adkins.

New vehicles in their respective classes on this year's contract include the Ford Focus (Class 1), Ford Fusion (Class 2) and the Pontiac G6 (Class 31).

A new class has been added to this year's contract for station wagons; the Class 2A vehicle for station wagons is the Pontiac Vibe.

Adkins explains that two more classes were added to the MVO8 contract: the Class 6-auto alternate vehicle, the Chevrolet Trail Blazer, and the Class 34-auto alternative, the Jeep Liberty Sport model.

Both these models are to be ordered only if tow hooks and skid plates are required, which is typical for agencies which have a need due to their line of work for driving in off-road and rough conditions.

The successful vendors for this statewide contract and their contact information are as follows.

- Bill Kelley, Inc.
Contact: Jason Matthews
304-472-2200

- Country Club Chrysler
Contact: Don McNemar
800-424-7611
- General Truck Sales
Contact: Kevin Wiseman
304-744-1321
- Glen Dale Motors
Contact: Brian Long
304-845-5070
- Matheny Motors
Contact: Randy Terrell
304-485-4410
- Stephens Auto Center
Contact: Richard Stephens
304-369-2411
- Hurricane Chevrolet
Contact: David Hull
304-562-3005

It is important that state agencies select the *lowest* class vehicle at the *lowest* cost possible to meet their operational needs. Prior to placing an order, Adkins advises agency procurement officers to review the statewide contract for motor vehicles online at <http://www.state.wv.us/admin/purchase/swc/MV08> for the latest updates and changes to this contract.

This site also includes a vehicle order form and a contract synopsis with line item award listings and vehicle prices. It also lists estimated

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THE DIRECTOR'S COMMENTS

Beginning a New Year with Positive Changes Ahead

By Dave Tincher
State Purchasing Director

Making resolutions is just part of welcoming in the new year. Of course, we often make *promises* to ourselves which we tend to break. But this year, let's try to make some *professional* resolutions that we plan to keep.

Topping our list, let's resolve to take that extra effort to seek as much competition as possible with every purchase we make, keeping in mind that quality is equally

necessary.

We must also promise to continue to improve our skills and knowledge of public procurement. Training is vital as is an on-going understanding of the commodities and services we use and the market fluctuations of those purchases.

The Purchasing Division is hoping to enhance its educational offerings to agency procurement officers and their support staff in order to expand their knowledge of the procedures and guidelines by which they must follow.

Our ethical foundation must continue to be strong and stable. In our jobs, we may encounter individuals



and situations which may test our strength and performance.

Finally, let us strive to maintain the cooperative relationships

which we have developed and maintained throughout the years between state agencies and the Purchasing Division.

Working together to enhance the purchasing process just makes good sense.

These New Year's resolutions focus on necessities: competition, professional development, ethics and networking. May you have a happy and prosperous New Year!

Percentage of Protests Remain Minimal for All Contracts

In accordance with a recent report prepared by the Purchasing Division, a total of 22 protests were filed during fiscal year 2007 against awards issued or specifications written, which were processed by the Purchasing Division.

Of the 1,401 purchase orders issued during this fiscal year, 1.57 percent resulted in a protest, which is a small number in comparison to the amount of purchase orders/contracts processed. Below is a breakdown of the protests filed:

Type	Number of Protests	Percentage Filed in FY07	Total POs by Type in FY07
Agency Blanket	13	59%	546
Construction	1	5%	39
Request for Proposal	1	5%	6
Regular	7	31%	215

There were no protests filed on any statewide contracts, direct purchases, special equipment contract orders (ECO), piggyback release, expression of interest, cancel / re-award, or emergency purchases during this time frame.

"When taking into account the number of total purchase orders that are issued by the Purchasing Division during a specific fiscal year, this percentage of protests against specifications or awards is acceptable," said Purchasing Director Dave Tincher. "This low percentage of protests shows the level of efficiency which our staff is demonstrating in communicating with businesses on the state law, regulations and procedures guiding the competitive bid process within state government."

The protest procedures are outlined in the Purchasing Division's Legislative Rule (148 CSR 1). This rule provides participating vendors with the right to protest specifications and purchase order awards.



For additional information on the protest procedures, please refer to section 7.8 (Formal Acquisition Procedures) of the **Purchasing Division Procedures Handbook**, which may be found online at:

<http://www.state.wv.us/admin/purchase/Handbook/2007R2/hand7.htm>.

Statewide Contract Spotlight...

Discount Industrial Supply 'Covering' our State Government in Safety

Discount Industrial Supply has many of our state employees covered...Covered, that is, in rain wear, gloves, hard hats, safety glasses and a host of related safety gear.

Discount Industrial Supply, which is headquartered in Huntington, West Virginia, has been a statewide contract supplier of safety items since 1995. This year, Discount Industrial Supply is the sole safety item supplier for the statewide contract for safety equipment, **SAFETY 07**.

"The contract is streamlined this year and I think it is a lot more convenient for the customers," said Tom Mason, founder and president of Discount Industrial Supply. "In previous years, the core contract was divided among several different vendors and customers had to search out their products from

several sources. That's not the case now, which I think it's working out much better."

Mason said the most sought item from the contract is work gloves. Safety glasses, ear plugs, rain wear, hard hats, disposable coveralls and fire extinguishers are also popular items available on this contract.

The Division of Highways and Department of Environmental Protection are two agencies that Mason deals with most frequently. He said his company is driven to supply more than just quality products.

"We strive to do exactly what we say we are going to do. When orders are placed, we get them to a vendor in as short as time as possible," Mason said.

Harold Logsdon, Highways Storekeeper at the Division of Highways office in Triadelphia concurs.

"Discount Industrial is very good to work with. They get our orders to us in no time," Logsdon said. "And they keep in touch with us. Tom will call us and ask us if we need anything and most of the time, we do need something. We have had great success working with Discount Industrial Supply."

Mason's philosophy continues to pay dividends for Discount Industrial Supply. Mason founded Discount Industrial Supply in 1991 and has since opened stores in Clarksburg, Fairmont and Lexington, KY. Mason said

Discount Industrial Supply currently has 10 full-time employees.

"The state agencies and the people we have interacted with all these years with the various state contracts have been fantastic people to work with, all very professional," Mason said. "I wish all of our customers were like those who work at the state agencies."

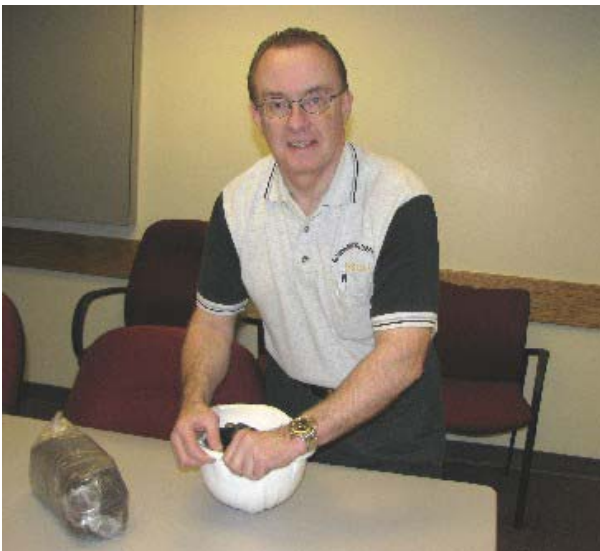
For more information about Discount Industrial Supply, contact:

Tom Mason
912 Fifth Street West
Huntington, WV 25701
800-941-4498
304-522-1083 (fax)
www.disco-2000.com

This contract is available on the Purchasing Division's web site at: www.state.wv.us/admin/purchase/swc/SAFETY07. Prior to using any statewide contract, agencies are encouraged to check the web site for contract provisions that may apply.

*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.*



Tom Mason, founder and president of Discount Industrial Supplies, is pictured assembling a hard hat, which is one of many items his company supplies on the statewide contract for safety items, Safety07. Mason said the top item his company supplies on the statewide contract is gloves.

Which Purchasing Method is More Appropriate?

Criteria Differs Between the Use of a Request for Quotation and a Request for Proposal

When a need arises in your agency for a particular product or service...which purchasing method should you use? A Request for Proposal or a Request for Quotation?

Although the names of these purchasing methods may look similar, their meanings are vastly different.

When your agency has the need to acquire a product or service, it may be helpful to keep the information contained in this article at your disposal to ensure that the proper purchasing method is being used. It is important to initially note that the preferred purchasing method of the Purchasing Division is to issue a Request for Quotation (RFQ).

When the RFQ process is issued, the following applies:

- The agency knows what it needs.
- It is primarily used to acquire goods.
- It is based on objective criteria.
- The contract will be issued after an evaluation process.
- The contract goes to lowest cost meeting bid specifications.

Contrast to the criteria listed above, when the Request for Proposal (RFP) process is issued, the following applies.

- The agency is not exactly sure what it needs.
- It is primarily used for professional service contracts.
- The proposal is based on subjective and objective criteria.
- The contract will be issued after an evaluation process by a committee.
- The contract does not always go to lowest cost. The bid is first scored on its technical merits; and, then it is scored on its cost. The highest combined score is awarded the contract.

There are other issues to keep in mind when deciding between the RFP and RFQ processes.

The Request for Proposal is a subjective process which contracts are awarded based on decision-making process by a committee. This makes it more likely that a RFP will be protested by an unsuccessful bidder. The lowest cost does not guarantee a bidder wins a contract. Cost comprises of only 30 percent of the evaluation in a RFP while the technical portion makes up the other 70 percent.

If an agency has a project valued in excess of \$250,000 and wishes to use the RFP process, it must first be in contact with the Purchasing Division to ensure a mutual understanding about the terms and conditions which is all documented. All terms, conditions and subsequent addendums must



Senior Buyer Shelley Murray (pictured) joined Senior Buyer Chuck Bowman in offering a presentation on the use of Requests for Quotation during the 2007 Agency Purchasing Conference at Stonewall Resort.

be in writing. Agencies are advised to not change any written specifications without first contacting the Purchasing Division. Doing so will lead to delays in the process once this is discovered.

In accordance with **West Virginia Code, Code of State Rules** and the Purchasing Handbook, there are many defined steps that must be taken after vendors respond to RFPs. For the process to be as trouble-free and expedient as possible, it is essential for agencies to maintain a constant line of communication with the Purchasing Division.

For additional information on the Request for Quotation and Request for Proposal processes, please check out the workshop presentations offered at the 2007 Agency Purchasing Conference on our website at:

www.state.wv.us/admin/purchase/training/

Always Check for Internal Sources Available

Within Section 4: Acquisition Planning of the **Purchasing Division Procedures Handbook**, information is offered on internal sources that are mandatory for agencies as part of the planning process for acquiring products and services.

There are three internal sources that are required: Surplus Property Program, Correctional Industries and

the State Use Program, which is currently administered by the West Virginia Association of Rehabilitative Facilities.

The West Virginia State Agency for Surplus Property operates a state and federal surplus property program. It consists of property no longer needed within state government agencies which is made available to eligible public and nonprofit organizations. The property may also be made available to the general public through competitive public auctions and sealed bids. State agencies are encouraged to refer to the West Virginia Surplus Property Program Reference Manual on its web site at www.state.wv.us/admin/purchase/surplus.



Correctional Industries offer a wide variety of products and services to state agencies. In addition to being the preferred contractor for wooden furniture, it also provides other types of furniture, Braille, welding, engraved signs, printing and quick copy services, mattresses, custom signs, tags, janitorial supplies, linens, seating, detergents, inmate clothing, upholstery and decals. These commodities and services must meet certain quality and price standards which are comparable to open-market sources.

This internal source is described in more detail in the **West Virginia Code** §28-5B-4. It is important to note that these commodities and services must meet certain quality and price standards which are comparable to open market sources. Use of Correctional Industries does not require bidding.

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Michael Austin Dedicated to DOH Purchases

Senior Buyer Michael Austin has been selected to serve as the dedicated buyer for the Division of Highways, upon the retirement of



John Johnston, who handled this agency's purchases for several years.

Austin, who joined the Purchasing Division in February of 2006, was previously assigned to assist with processing the statewide contracts as part of the Purchasing Division's Acquisition and Contract Administration Section.

"John Johnston was helpful in acclimating me to the purchasing process, in regard to the Division of Highways," Austin said. "I look forward to continuing the productive working relationship with the Division of Highways' purchasing officers that has been in place for many years."

An updated list of the Purchasing Division buying staff and the state agencies which they are assigned is available online at www.state.wv.us/admin/purchase/byrassgn.pdf.

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 Natural Resources**
Request to provide engineering study of the Division of Natural Resources Fish Hatcheries (nine hacteries in total).
- ♦ **Department of Health and Human Resources**
Request to provide genetic testing services.
- ♦ **Department of Environmental Protection**
Request to provide a reclamation contract for 15-acre abandoned mine project located near Dola (Harrison County).
- ♦ **Division of Highways**
Request to provide an open end contract for maintenance painting of various bridges throughout the state.
- ♦ **All State Agencies**
Request to provide a statewide contract to provide for the procurement, installation and on-going maintenance of Internet Protocol Voice (VOIP) equipment.

Current Statewide Contract Update

(As of December 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 **Jo Ann Adkins** at (304) 558-8802 or via e-mail at Jo.A.Adkins@wv.gov.

Contracts Awarded

<u>Contract</u>	<u>Description</u>	<u>Vendors</u>	<u>Effective Date</u>
SBUS08 [A-C]	School Buses	[A] Matheny Motor Truck Co.; [B] Blue Bird Bus Sales; [C] Mountain Int'l Trucks	12/01/07
UNIFCOM08	Wide-Area Tele-Communication Service	Verizon Network Integration	12/11/07

Contracts Under Evaluation

<u>Contract</u>	<u>Description</u>	<u>Bid Opening</u>	<u>Under Evaluation</u>
FOOD08	Food Items	10/15/07	Yes
SYMC07	Symantec Products	12/12/07	Yes
ABATMNT08	Asbestos Abatement	11/07/07	Yes
ITECH07	Temporary Staffing IT Services	11/07/07	Yes
LDPHONE08	Long Distance Service	12/13/07	Yes

Contracts Out for Bid

<u>Contract</u>	<u>Description</u>	<u>Pre-Bid Meeting</u>	<u>Bid Opening</u>
NTIRES	New Tires	N/A	01/02/07
ENCRYPT08	Encryption Services	N/A	12/19/07
IPT07	Internet Protocol Voice	N/A	12/18/07
SIP08	Server/Computer Peripherals	N/A	12/18/07

Contracts Renewed

<u>Contract</u>	<u>Description</u>	<u>Vendor</u>	<u>Expiration Date</u>
PAPER [A-C]	Paper	[A] Liberty Distributors; [B] Unisource; [C] Xpedx Int'l Paper Co.	12/31/08
LITTER07	Litter Grabbers	F.M. Pile Hardware	12/31/08
PAINT07	Paint and Supplies	Pittsburgh Paint	01/14/09
SYSFURN07 [A, D]	Systems Furniture	[A] Access Systems; [D] Corporate Express	01/31/09

Contracts Extended

<u>Contract</u>	<u>Description</u>	<u>Vendor</u>	<u>Extension Date</u>
OIL05	Motor Oil and Fluids	Harris Oil Co.	06/30/08
WVARF04	State Use Law	WVARF	03/31/08

Miscellaneous Actions

<u>Contract</u>	<u>Description</u>	<u>Vendor</u>	<u>Comment</u>
CPHONE07 [A-B]	Cellular Telephones and Service	[A] Ntelos Wireless LLC; [B] ATT Mobility	[A] New payment address; [B] Name change
SYSFURN07 [B]	System Furniture	Capitol Business Interiors	Correct Exhibit A
PC08C	Police Cruisers	Country Club Chrysler	Remove 5.7L option
RSHEET07	Reflective Sheeting	3MTCM	Revise item list
MV08D	Motor Vehicles	Glen Dale Motor Co.	Add pricing sheet
PAPER06B	Paper	Unisource	Update price list
SANPAP05A	Sanitary Paper	Liberty Distributors	Change stock number

Contracts Reviewed

Statewide contracts are reviewed approximately three months prior to the actual expiration date.

JANUARY

CEREAL	Breakfast Foods
CLRM	Classroom Furniture
CPIPE	Corrugated Pipe
CRENTAL	Car Rental Services
DFS	Disposable Food Supplies
ERCYCL07	Recycling of Electronic Equipment
SANPAP	Sanitary Paper Supplies
TRAVEL	Travel Management Services

FEBRUARY

RTIRE	Retread Tires
TEMP	Temporary Employment Services

PURCHASING CONNECTION

PURCHASE ORDER SUMMARY

Fiscal Year 2007

The Purchasing Division recently issued its fiscal year 2007 Annual Report. In next month's issue of *The Buyers Network*, highlights from this report will be included; however, in this issue, a purchase order summary is illustrated below detailing the number of purchase orders, categorized by West Virginia and non-West Virginia vendors. Additionally, a list of our top 10 agencies with their respective purchase order volumes is listed.

Resident Vendor Analysis:

Vendor	Count (#)	Percent (#)	Value (\$)	Percent (\$)
West Virginia	965	68.88%	\$182,724,141.11	57.24%
Non-West Virginia	436	31.12%	\$136,481,043.57	42.76%
TOTAL	1,401	100%	\$319,205,184.68	100%

The average purchase order amount for FY 2007 was \$227,840.96. Please note the agency designated spending limit increased from \$10,000 to \$25,000, effective June 8, 2006.

Agency Analysis

Top 10 Agencies	Count (#)	Percent (#)	Value (\$)	Percent (\$)
Highways	397	28.34%	\$81,570,536.35	25.55%
DHHR	130	9.28%	\$39,804,504.19	12.47%
Administration	142	10.14%	\$32,662,689.98	10.23%
DEP	125	8.92%	\$30,523,960.07	9.56%
Public Transit	18	1.28%	\$11,701,713.50	3.67%
Natural Resources	73	5.21%	\$9,821,840.38	3.08%
Eng. and Facilities	14	1.00%	\$6,081,199.92	1.91%
Education	32	2.28%	\$5,086,805.41	1.59%
Culture and History	4	0.29%	\$4,853,908.00	1.52%
Corrections	26	1.86%	\$4,264,141.10	1.34%
Others	440	31.41%	\$92,833,885.78	29.08%
TOTAL	1,401	100%	\$319,205,184.68	100%

Internal Sources

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The State Use Program is outlined in the *West Virginia Code* §5A-3-10, which requires state agencies to purchase commodities and services from sheltered workshops whenever such commodities and services are available and meet certain quality and price standards which are comparable to open-market sources. Use of sheltered workshops does not require bidding for commodities and services included in the WVARF statewide contract.

Commodities and services not included in the WVARF statewide contract require competitive bidding. For specific information on the sheltered workshops or the available commodities and services, contact WVARF at (304) 766-4894, or visit www.state.wv.us/admin/purchase/swc.

For additional information on these internal sources or other aspects of acquisition planning, visit Section 4 of this online handbook at <http://www.state.wv.us/admin/purchase/Handbook/2007R2/hand4.htm>.

Statewide Vehicle Contract

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city and highway miles per gallon for each vehicle.

The current state policy for the retirement of state vehicles, which was changed in March of 2007, is that the vehicle must be a minimum of four years and have at least 100,000 miles.

Jo Ann Adkins, Senior Buyer in the Purchasing Division who oversees the statewide contracts, may be reached at (304) 558-8802 or via e-mail at Jo.A.Adkins@wv.gov.

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: Diane.M.Holley@wv.gov



Name _____
Organization _____
Address _____
Telephone Number _____
E-Mail Address _____
Need Information about _____

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