



West Virginia Division of Highways Policy:

Materials Purchasing; Contract Management

Issued by the Commissioner of Highways

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1.0 PURPOSE

The purpose of this policy is to provide procedures for the administration of Master Agreement contracts for maintenance materials by District personnel.

2.0 SCOPE

This policy affects the administration of Master Agreement contracts for maintenance materials by district-level personnel.

3.0 DEFINITIONS

- 3.1 **Agency:** means any authority, bureau, commission, or Division or similar cabinet subpart of the Department of Transportation.
- 3.2 **Agency Head:** means the chief executive officer of an agency.
- 3.3 **District Manager:** means the administrative head of the District regardless of whether the person is an engineer or another classification.
- 3.4 **Division Director:** means the administrative head of a WVDOT Division.
- 3.5 **Employee:** means a person who lawfully occupies a position in a WVDOT agency and who is paid a wage or salary and who has not severed the employee-employer relationship.
- 3.6 **Master Agreement:** means an open ended, multiple bidder purchase option formerly known as a purchase order contract. It is a document that establishes a price agreement for use by WVDOT with a vendor or vendors for supplying specific goods and services at specific unit prices during a specified time period. It does not place an order for goods and services.
- 3.7 **REMIS:** means the Remote Entry Management Information System that was developed as an in-house system to gather detailed information in the areas of payroll, equipment, inventory, accounts payable and accounting. The data is accessible for various reports to assist in decision making. Several REMIS functions have migrated to other programs as REMIS is phased out.

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- 3.8 **WVDOH:** means the West Virginia Division of Highways.
- 3.9 **WVDOT:** means the West Virginia Department of Transportation.
- 3.10 **wvOASIS:** means the Enterprise Resource System, the statewide computer system designed to manage the state's business functions Financial Management, Procurement, Asset Management, Personnel Administration, Payroll, Time Reporting, and Benefits Administration.

4.0 DUTIES AND RESPONSIBILITIES

The WVDOH has the responsibility of writing clear, concise specifications and purchase requisitions, and administering specifications and purchase order contracts, also known as Master Agreement contracts, in a fair and equitable manner. The field administration of material purchases from statewide and District-wide Master Agreement contracts is the responsibility of the District.

4.1 HIGHWAY OPERATIONS DIVISION RESPONSIBILITIES

- A. In cooperation with the WVDOT Budget & Procurement Division, to provide training to District personnel in the interpretation of Master Agreement contracts and the proper implementation of these Procedures.
- B. Work with Transportation Auditing Division, Procedures Compliance Section, and WVDOT Budget & Procurement Division to monitor field activities relative to Materials Purchasing – Contract Management.

4.2 DISTRICT RESPONSIBILITIES

- A. The District Manager has the ultimate responsibility for field activities relative to the procurement of highway maintenance materials and the field administration of Master Agreement contracts for highway maintenance materials.
- B. The District Manager shall designate the Deputy District Manager to act on his or her behalf to perform the day-to-day management functions that are necessary to assure that materials purchasing and the administration of Master Agreement contracts are performed in a proper and prescribed manner.
- C. The Assistant District Administrator shall designate the appropriate person or position to act on his or her behalf to perform the day-to-day functions

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that are essential to Materials Purchasing – Contract Management. These functions shall include the following:

1. Create Agency Delivery Orders from OASIS to secure maintenance materials from statewide and District-wide Master Agreement contracts;
 2. Evaluate bid information to determine low bidder for multiple award contracts.
 3. Perform other functions necessary to the acquisition of maintenance materials and the field administration of statewide and District-wide Master Agreement contracts.
- D. The designated person shall attend training sessions relative to Materials Purchasing – Contract Management at the time and place designated by Highway Operations Division. The Deputy District Manager may also attend the training sessions at his or her option.
- E. The District Manager shall direct the District Comptroller to make available to the appropriate employees, on a regular basis, all materials inventory data considered by the District Manager to be necessary to maintain materials purchasing in a current status.

4.3 CONTRACT NON-CONFORMANCE

Within any Master Agreement contract, if materials, equipment, or workmanship fail to conform to contract provisions or the governing specifications, the nonconformance(s) should be reported in writing via the Vendor Non-Performance Notification Form, WV-82, to the following organizations:

<https://www.state.wv.us/admin/purchase/Documents/WV-82.pdf>

- A. Highway Operations Division,
- B. WVDOT Budget & Procurement Division
- C. Materials Control Soil and Testing Division

5.0 STONE AND AGGREGATES

5.1 READING THE CONTRACT DOCUMENT

Reading a material's Master Agreement contract and its associated specifications carefully is important to administering the contract and understanding the responsibilities of both the contractor and the WVDOH. The contractor is responsible for supplying a service to the WVDOH involving materials, labor, and

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equipment at the time, place and location, and under the conditions set out in the contract document and the governing specifications. The WVDOH's primary responsibility is to guarantee that the foregoing is accomplished in a specified manner.

Also, the WVDOH is responsible for the fair and equitable administration of the contract. See the current Master Agreement Contract documents for governing specifications.

5.2 PURCHASE REQUIREMENTS

The Master Agreement contract for stone and aggregates is an open-end, multiple award contract. District personnel must issue an Agency Delivery Order from OASIS for specific quantities of materials based on each project's requirements. The Agency Delivery Order must be created in OASIS and approved to "Final", prior to placing the order with the vendor. In the event the vendor denies an order or if there are changes to an Agency Delivery Order, the District must process a change order to the approved Agency Delivery Order issued from OASIS.

The District is responsible for creating the Agency Delivery Order in OASIS and is required to submit the order directly to the vendor via email or fax. Verbal communication with the vendor is not considered an official order.

5.3 DETERMINING DELIVERY ORDER QUANTITIES

Delivery Orders will be written to satisfy two basic requirements:

- A. Contractors have bid firm prices to deliver materials to established and non-established locations. Field organizations must create an Agency Delivery Order in OASIS for specific quantities to be delivered to established locations bid (haul included in bid price), or to non-established locations bid (haul charged per ton-mile). These Delivery Orders should be created as soon as a project requirement is determined Master Agreement. This allows better scheduling opportunities in the production process and lowers the contractor's production cost. It also improves the delivery schedule of ordered materials. Changes to approved Agency Delivery Orders must be processed as a change order which must be submitted through the OASIS approval process. The District is required to provide the vendor an approved copy of the Agency Delivery Order in writing.
- B. Contractors have also bid firm prices for materials for Pick Up by Agency from the contractor's storage site as well as a ton-mile haul cost. Under this contract provision, field organizations MUST initiate an Agency Delivery Order at any time prior to the contract's expiration to meet specific needs.

5.4 DETERMINING LOW BID (CONTRACTOR DELIVERY)

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For materials to be purchased FOB (Free On Board) contractor's storage site and delivered by contractor, field personnel must determine low bid for each Agency Delivery Order that is issued for specific quantities to be delivered to a specified site. Low bid is based on the lowest unit cost per ton to secure and deliver the materials to the specified site. Lowest unit cost can be conveniently determined on Form SM-102, Aggregate – Low Bid Computation (see Forms Section).

The computations to be performed on Form SM-102 to derive unit costs are self-explanatory. Unit bid prices are inserted in columns (3), (6), and (7). Type of material is inserted in column (4). The above information, as well as that required in columns (1) and (2), is contained in the Master Agreement Contract and may be placed on Form SM-102 as soon as the contracts are received in the field. When a Delivery Order is created for a specific quantity of material to be delivered to a designated site, then the contract item can be inserted in column (4), the haul distance will be measured and inserted in column (8) and the "Tons Per Cubic Yard Factor" can be taken from the Master Agreement. Contract and inserted in column (5). The values to be inserted in columns (9) and (10) are computed values and the formula for each computation is shown on the Form. When all computations are complete, the contractor with the lowest unit cost in column (10) should be awarded the Delivery Order, FOB the designated delivery site.

Form SM-102 should be distributed as follows:

- A. The original will accompany the Delivery Order to the DOT Budget & Procurement Division
- B. A copy will be retained at the District Office.

5.5 DETERMINING LOW BID (DOH PICK UP)

For materials to be purchased FOB contractor's storage site and delivered by the DOH, field personnel must determine low bid for each Agency Delivery Order that is issued for specific quantities to be picked up at contractor's storage site and delivered by the DOH to a specified site. Low bid is still based on the lowest unit cost per ton to secure and deliver the material to the specified site. In this instance, however, the DOH will use its haul cost for the first ton-mile and each additional ton mile in columns (6) and (7) instead of contractor's bid values. When all computations are complete, the contractor with the lowest unit cost in column (10) should be awarded the Agency Delivery Order for material only, FOB contractor's storage site.

Form SM-102 should be distributed as follows:

- A. The original will accompany the Agency Delivery Order to the DOT Budget & Procurement Division, and

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- B. A copy will be retained at the District Office.

5.6 AWARDING THE DELIVERY ORDER

As noted in Section 4.4 or 4.5 the contractor with the lowest cost determined by the SM-102 for each project should be awarded the Agency Delivery Order. In determining the project cost, however, the haul distance from the contractor's storage site to the designated delivery site is measured and used in the unit cost computation. Prior to awarding the Agency Delivery Order the contractor should agree with the haul distance used in the computations and should then use it as the basis for invoicing haul costs.

5.7 ADJUSTING SCALE WEIGHTS FOR EXCESS MOISTURE

In the event visual inspection of aggregates upon delivery indicates excess or unusual moisture beyond that normally expected, field personnel should sample and test the aggregate for excess moisture content (see Materials Control Soil and Testing Division's Materials Procedure MP700.00.22 for test method). The contractor will be notified when the sampling is performed. A moisture sample will represent all materials delivered on the date of sampling that appears to have excess or unusual moisture. Scale weights will be adjusted by removing excess moisture to determine pay quantities.

A test report will be developed by the District, which will show the following information as a minimum:

- A. Date of sampling,
- B. Place of sampling,
- C. Master Agreement Contract number and Delivery Order number,
- D. Percent of excess moisture,
- E. Quantity of material shipped that appeared to have excess or unusual moisture and is represented by the test result reported in "D.", above.

The original test report will be retained at the District Office and a copy of the report will be provided to the contractor prior to his or her preparation of an invoice involving the affected materials. When the invoice and supporting weight tickets are received in the District Office, they shall be carefully reviewed to ascertain that they did, in fact, invoice for adjusted scale weights as specified in the Master Agreement Contract.

6.0 HOT-MIX BITUMINOUS ASPHALT

6.1 READING THE CONTRACT DOCUMENT

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Reading the Master Agreement contracts for Hot-Mix Bituminous Asphalt carefully is important to administering them and clarifying the responsibilities of contractors and DOH, and determine which contractor is the most cost effective for the specific application.

The contractor is responsible for supplying a service to the DOH involving materials, labor, and equipment at the time, place, and location, under the conditions set out in the contract document and the governing specifications. The DOH's primary responsibility is of assuring that the foregoing is accomplished in the specified manner. Also, the DOH is responsible for administering the contract in a fair and equitable manner. See the Master Agreement Contract document for governing specifications.

6.2 PURCHASING REQUIREMENTS

The Master Agreement contract for Hot-Mix Bituminous Asphalt is an open-end Master Agreement contract. based on an estimated quantity of materials District personnel must issue Agency Delivery Orders from OASIS for specific quantities of materials based on each job's requirement.

6.3 DETERMINING DELIVERY ORDER QUANTITIES (CONTRACTOR LAYDOWN)

Each job requiring a large quantity of Hot-Mix Bituminous Asphalt will normally be secured with one Agency Delivery Order. When several small jobs are to be performed in the same vicinity, they should be accumulated into a single project and secured with one Agency Delivery Order. This practice will eliminate many mobilization charges that would otherwise unfairly accrue to the DOH.

Hot-Laid Bituminous Asphalt Project Cost (Form SM-100) is designed for use along with the Master Agreement in determining the most cost-effective contractor. (An example of Form SM-100 is included at the end of this chapter.) All contractors holding valid Master Agreements for the District should be listed on the Form SM-100. In addition to the SM-100, district personnel may utilize asphalt project cost estimator tools for Master Agreement Asphalt Laydown and Asphalt Pick Up contracts, available on the Operations Division's, Maintenance website.

6.4 DETERMINING LOW BID (CONTRACTOR LAYDOWN)

Bid evaluation is based on the total cost to perform the work specified in the Agency Delivery Order from OASIS. Total cost includes the following cost elements.

A. Materials

B. Haul

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- C. Laydown
- D. Cleaning and Sweeping (if required)
- E. Bituminous Material for Tack or Prime (if required)
- F. Mobilization (if applicable)
- G. Off Season Opening (if required)

The total Agency Delivery Order (or project) cost can be conveniently determined by utilizing the Laydown Project Price Estimator tool on the Highways Operations Division website. Specific instructions for use are included within the tool itself.

An alternate means of low-cost determination can be determined using Form SM-100 (Hot-Mix Bituminous Asphalt Project Cost). Form SM-100 should be completed as follows: Unit bid values are inserted in spaces indicated by (a) on the example Form SM-100. This can be accomplished as soon as the Master Agreement contracts are received. When an Agency Delivery Order is being prepared for a specific project, the desired quantity figures should be inserted into the applicable spaces indicated by (b) on the example Form SM-100 and the haul distance should be measured and inserted into the space indicated by (c). Project costs for Items A through E and G through M, as applicable, are calculated and inserted into spaces indicated by (d) on the example Form SM-100. The Project Delivery Order Total for each contractor should be computed and inserted into spaces indicated by (e) on the example Form SM-100.

- A. The quantities to be used for Item G and Item H shall be the total of all HMBA material included in Item A through E on the project.
- B. The additional haul mileage (c) used in Item G shall be the actual measured haul distance to the center of the project from the contractor's plant minus one mile.

6.5 **DETERMINING DELIVERY ORDER QUANTITIES (DOH LAYDOWN)**

When the DOH is performing the laydown operation, the paving job will have the same job description that would be provided if a contractor was performing the laydown. The paving may be performed to correct slide damage or flood damage, to do spot paving or continuous paving on a particular segment of highway, or to meet other paving requirements. Each of these paving operations would be considered a project because they use substantial quantities of Hot-Mix Bituminous Asphalt and they would each have well-defined geographic (project) boundaries. These project boundaries shall be clearly stipulated and an Agency Delivery Order initiated to provide the required materials. A completed Hot-Mix Bituminous Asphalt Project Cost (Form SM-100) can be used to determine low bid.

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When the DOH is using minor amounts of Hot-Laid Bituminous Asphalt in one general area, such as for patching, etc., the District Office will initiate an Agency Delivery Order. As additional small quantities of HMBA are required in this general area, they may be obtained, using this Agency Delivery Order, as long as the total quantity obtained does not exceed the Agency Delivery Order quantity. When the quantity for which this Agency Delivery Order was written is reached, the District Office will initiate an Agency Delivery Order.

6.6 DETERMINING LOW BID (DOH LAYDOWN)

The total Agency Delivery Order (or project) cost can be conveniently determined by utilizing the Pickup Project Price Estimator tool on the Highways Operations Division website. Specific instructions for use are included within the tool itself.

An alternate means of low cost for Asphalt Pickup by Agency contracts, low bid can be calculated in the same manner as described in "Section 5.5", except that only material and haul costs are involved. In this calculation, DOH personnel will use the haul cost specified in the Master Agreement contract, used for the low bid calculation purposes only; DOH does not compensate the vendor for haul when DOH picks material up from vendors storage site.

6.7 AWARDING THE AGENCY DELIVERY ORDER FROM OASIS

As noted in "Sections 6.4" and "6.6" the contractor with the lowest total project cost should be awarded the Agency Delivery Order from OASIS. In determining the project cost, however, the haul distance from the contractor's plant to center of project is measured and used in project cost computations. Prior to awarding the Agency Delivery Order the contractor should agree with the haul distance used in the computations and should then use it as the basis for invoicing haul costs.

7.0 RELEVANT MATERIALS/DOCUMENTS

7.1 Form SM-100; Hot-Mix Bituminous Asphalt Project Cost

7.2 Form SM-102; Aggregate - Low Bid Computation

7.3 Form WV-82; Vendor Non-Performance Notification Form

<https://transportation.wv.gov/employees/Pages/DOHForms.aspx>

<https://transportation.wv.gov/employees/Pages/DOTForms.aspx>

<https://transportation.wv.gov/highways/maintenance/Pages/POContractAsphaltPrices.aspx>

<https://transportation.wv.gov/highways/mcst/Pages/WVDOH-Materials-Procedures.aspx>

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<https://transportation.wv.gov/highways/TechnicalSupport/specifications/Pages/default.aspx>

8.0 CHANGE LOG

March 06, 2023 –

- Removed sections on Abrasives and Radio Maintenance as those contracts no longer exist.
- Removed section for Winter Grade Asphaltic Patching Mixture, as this process has been simplified and does not require a special policy to explain how to order.
- Changed the term “Contract Administration” throughout the policy to Contract Management, as there is a Contract Administration Division which is not referenced in this policy.
- Updated references to State Contract Purchase Orders (SCO) throughout to Agency Delivery Orders from OASIS.
- Added Non-Conformance Section.
- Changed Hot-Laid Bituminous Concrete (HLBC) to Hot-Laid Bituminous Asphalt (HLBA) for consistency with contract terminology.
- Added reference to the asphalt estimator tool within the Hot-Laid Bituminous Asphalt section.
- Removed the maximum order quantity of 500 tons from Determining Delivery Order Quantities (DOH Laydown), as this was an outdated requirement.
- Removed outdated material and revised language throughout all sections.
- Added resources in the Relevant Materials/Documents Section.
- Added Secretary’s signature and disclaimer.
- Updated format.

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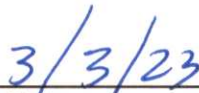
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Approved by:



Jimmy D. Wriston, P.E.
Secretary of
Transportation
Commissioner of
Highways



Date

*The Secretary of the West Virginia Department of Transportation or the Commissioner of Highways may, pursuant to the authority vested with the Secretary and Commissioner in W. Va. Code §5F-2-2, §17-2A-1 *et seq.*, and §17-2-1 *et seq.*, waive the requirements of this policy if the circumstances, in the Secretary or Commissioner's sole discretion, warrant such action.