

WEST VIRGINIA DEPARTMENT OF TRANSPORTATION
ADMINISTRATIVE PROCEDURES
VOLUME VI, CHAPTER 1

SUBJECT: PURCHASING
CHAPTER TITLE: INTRODUCTION

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I. **PREFACE**

Effective: 1/15/2000

This volume is for reference by DOT employees who regularly make purchases for the Department. It also will supply basic guidance to employees who are new to purchasing and to the DOT's system.

All employees who make purchases must read and follow the procedures in this volume. This includes the Department of Administration (DOA) Purchasing Division's *Agency Purchasing Procedures Manual*. While the *Agency Purchasing Procedures Manual* gives the statewide rules, DOT employees should not rely completely upon it. The DOT has its own controls and processes (mostly included in the REMIS computer system). Furthermore, the DOT has its own forms for processing. Therefore, DOT personnel must use the DOA rules *and* the DOT procedures.

Employees who follow these procedures will satisfy the purchasing rules, which are based upon the West Virginia State Code. Violators of these rules, however, may be disciplined and/or criminally indicted. To check for compliance, inspectors from the Department of Administration, Purchasing Division, and internal auditors from Transportation Auditing Division visit each organization to review the purchases made.

DOT purchasing policies have been established to ensure that the Department gets the best value for the tax dollar. Employees are to make purchases for the DOT with the same concerns for economy and value that they

would have in making personal purchases. Employees, the DOT, and the general citizenry of West Virginia benefit from this approach.

Undeniably, the cost of making purchases can be far more than the actual purchase prices paid if the necessary paperwork must repeatedly be returned to the purchasers for correction and explanation. Therefore, the purchase processes expressed in this volume, including instructions for completion of paperwork and computer entries, must be followed throughout the DOT. This uniformity and attention to detail promotes efficiency in the accounting and management systems, and will provide savings to the state and prompt payment to the vendors.

II. STRUCTURE OF THE PURCHASING VOLUME

Effective: 1/15/2000

This volume has been structured in a process-oriented manner. The goal is that readers desiring to learn about a particular part of the purchasing system, or about the process steps to use in making a particular kind of purchase, will be able to find a chapter title addressing that concern. While this method should work well for employees with a basic grasp of the DOT's purchasing system, employees who are new to purchasing should also review (at least) the chapters entitled General Policies, REMIS Purchase Types, Purchase Decision Making, Purchases \$10,000 And Under, and Purchases Over \$10,000. The nature of the system is such that the information in these chapters, to some extent, applies to all kinds of purchases.

Following, is a brief description of the remainder of this volume.

- A. **CHAPTER 2: REVISION COVER LETTERS**
- B. **CHAPTER 3: GENERAL POLICIES**

This chapter contains the basic policies and process parts of state purchasing (as explained in the DOA Purchasing Division's *Agency Purchasing Manual*) as they apply to the DOT.

- C. **CHAPTER 4: REMIS PURCHASE TYPES AND PURCHASE DECISION MAKING**

Included are the purchase types recognized by the REMIS computer entry system and other REMIS concepts, such as Purchase Masters, Line Item Masters, Purchase Receipts, invoice processing, etc. Here, also, purchasing guidance is presented for the buyer, based upon what he or she intends to buy.

- D. **CHAPTER 5: STATE PURCHASING CARD PROGRAM**

The rules governing the Purchasing Card are given here, including the commodities/services for which it may be used, the applicable spending limits, the documentation required and the process steps as defined by the DOT.

- E. **CHAPTER 6: STATEWIDE & AGENCY CONTRACTS**

Many often-used commodities are purchased through these "blanket" contracts, for economic and convenience reasons. This chapter explains how these contracts are established and the rules for purchasing items under them.

- F. **CHAPTER 7: PURCHASES \$10,000 AND UNDER**

State Code permits purchases in this range to be made by individual agencies, without going through the DOA Purchasing Division for approval. This chapter explains how this is accomplished and what rules apply.

- G. **CHAPTER 8: PURCHASES OVER \$10,000**

Purchases for these amounts must be done through the DOA Purchasing Division, with only two exceptions. Explained here, is the procedure for working through

Purchasing Division, the exceptions to this policy, and the applicable rules for both the "Purchases over \$10,000" policy and the exceptions to this policy.

H. CHAPTER 9: SPECIALTY PAYABLES

There are a variety of payables that do not fit well into any of the preceding categories. These include Inter-Government Transfers (IGT's), Turnpike Credit Card, Oil Companies' Credit Cards, AT&T Telephone E.Q. Rental, Bond Servicing, DAIN/Phone Charge, Legal Claims Against the WVDOT, and Purolator Charges. This chapter explains the processes involved in each of these. (Note: Chapter 10 is a future issue. Please refer to Volume VIII of Highways' Administrative Operating Procedures.)

I. CHAPTER 10: INVOICE PROCESSING AND CORRECTING RECEIPT ERRORS

The instructions for invoice processing in this chapter include guidance on the most common mistakes in this area and how to avoid them. Mistakes also occur in entering receipts into REMIS; when they do, they can be complicated to correct because the error affects inventory balances. This chapter, while it cannot enable employees to correct every possible receipt mistake scenario, can offer help with the most common types.

