

WEST VIRGINIA DEPARTMENT OF TRANSPORTATION
ADMINISTRATIVE PROCEDURES
VOLUME VI, CHAPTER 8

SUBJECT: PURCHASING
CHAPTER TITLE: PURCHASES OVER \$10,000

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I. **INTRODUCTION**

Effective: 5/1/2003

Except for certain kinds of purchases made by the Division of Highways (see next paragraph), all requisitions for products and services over \$10,000 must be submitted to (Department of Administration) Purchasing Division. Within the Department of Transportation (DOT), this submission is made through Transportation Finance Division, Procurement Section, using the processes detailed in this chapter.

The Commissioner of Highways has specific State Code authority (§17-2A-8 and related sections) to make certain purchases of over \$10,000 independent of the Department of Administration Purchasing Division. The following purchase codes have been established to accommodate Division of Highways purchases made under this specific authority, and should not be used by other members of the DOT: CON - construction contracts, voucher estimates, and finals; PAG - professional services and consultant agreements; RPR - real property rentals; RUR - railroad and utility relocations, and RWI - right-of-way invoices. More information on these purchase codes is available in the DOH Administrative Operating Procedures.



II. **POLICIES: PURCHASE TYPES OVER \$10,000**

Within the DOT, purchases of over \$10,000 may be in any of the following purchase types: RPO (one-time, single purchases of products or services), EPO (Emergency Purchase

Orders), DPO (Direct Purchase Order), Equipment Rental (outside Highways' Equipment Division), SCO (Statewide Contract Order), Professional Service Agreements, and Leases and Lease Purchases. The SCO purchase type (as well Professional Service Agreements, Lease and Lease Purchases, and Equipment Rental when a statewide or agency contract is being pursued) is covered in Chapter 6 of this volume, and therefore those processes will not be explained in this chapter.



A. RPO (ONE-TIME PURCHASES)

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The RPO purchase type is used for non-repetitive purchases of commodities and services (may include Professional Service Agreements, Lease and Lease Purchases, and Equipment Rental) which are competitive in specification, not allowed under small purchase authorizations (or of too high a value to be a "small purchase"), and not available from any SCO (Statewide or Agency Contract). This may include **single** (not statewide or agency agreements against which a Blanket Release can be issued) purchases that may involve multiple payments.

The RPO purchase type may also be used in the Request for Proposals (RFP) scenario. This method of purchasing is used to obtain a certain level of performance from a product or service when sufficient knowledge or expertise does not exist within the initiating organization to fully specify what is needed. RFPs are primarily used on high-dollar projects requiring a high level of expertise on the part of the vendor. It is not recommended for purchases estimated to be less than \$100,000. In order to pursue an RFP, one or more of the following circumstances should apply.

- The project has critical services and/or technical requirements that can be defined, but require a bidder-proposed solution for evaluation.
- There are multiple options and solutions within the defined standard and budget that require evaluation to determine the best overall solution; for example, how easily the equipment can be upgraded, the impact of proposed goods on the agency's current installed equipment and/or business operation, etc.

Price is not the only element that requires evaluation and consideration; the RFP can allow evaluation of various proposed solutions to a problem, the bidder's ability to perform, enhanced equipment features or services, etc. The application of an extensive evaluation process can define how desirable items will be evaluated and how an assignment of points (to grade the proposals) will be made.



B. EPO (EMERGENCY PURCHASES)

Effective: 5/1/2003

Emergency procurement procedures will only be used when a DOT agency experiences an unforeseen need which is required to protect human life and/or prevent economic loss to government facilities. Hardship situations created by improper planning or neglect will not be considered as eligible for an emergency procurement.

When an emergency situation is encountered, prior approval of the purchase by the Director of Purchasing, Department of Administration, is required. DOT organizations needing to secure this approval will contact Transportation Finance Division, Procurement Section.



C. DPO (DIRECT PURCHASE)

Effective: 5/1/2003

The Direct Purchase Order method is used only when the item requisitioned is unique and possesses specific characteristics that can only be supplied by one source. Prior to purchase, written justification of "Sole Source" must be furnished by the Organization manager. The following criteria will be used by the Purchasing Division to determine the validity of the request:

1. requested vendor is the only known source, or
2. the items are of a unique or special nature, and
3. the request is not an attempt to circumvent the normal bidding procedures.



III. PROCESSES FOR PURCHASES OVER \$10,000

Any DOT organization with a purchasing need may be the point of origination for a Purchase Requisition. The procurement cycle begins with the submission of a form (communicating the need for a purchase) to appropriate management personnel, and with the establishment of the proper REMIS records.



A. PURCHASING CYCLE FOR RPO, EPO, AND DPO

1. RPO (except when used to pursue an RFP: Request for Proposals), EPO, and DPO requisitions all begin with the preparation of an agency/organization prescribed internal approval form (Form DOT-35, Purchase Requisition and Code Sheet may be used for this purpose). This document fulfills two significant functions.
 - a. It provides a means of communicating a purchase need to the appropriate management level and of requesting the appropriate

- management review and approval.
 - b. It serves to collect all the elements of descriptive data necessary to establish (and eventually, complete) the REMIS Purchase System's Order/Line Item Master Record.
2. The employee who prepares the internal approval form will submit it to the organization's chief financial officer. This individual is responsible for ensuring that the purchase requisitioned meets performance requirements, that there is applicable and properly documented justification for the purpose, and that the expenditure required is within budgetary controls (when applicable). The chief financial officer must also consider the following, when reviewing the internal approval form.
- a. Any repair (whether in-house, vendor, or a combination) to a unit of E.D. numbered equipment, costing \$3,000 or more (labor and materials, from inventory or purchased) must be coordinated with the Director of the DOH Equipment Division (or designee). If the purchase of parts or services is required, the storekeeper must be given evidence of this coordination before recommending approval of the purchase request and establishing a Purchase Master.
 - i. This coordination ensures that the expected cost/benefit ratio, based on future planning (replacement schedules, contemplated sale or junking, etc.) justifies the expenditure.
 - ii. In these cases, the Equipment Division representative will record the details of these purchases and file the record by E.D. number for reference.
 - iii. Purchasing organizations will also note on the internal approval form that this coordination and approval has occurred, to support the purchase approval process.
 - b. Purchases for telephone equipment, maintenance, and services require the submission of a Telecommunications Change Request Form to the Department of Administration (see Chapter 4 of this volume).
3. Once the chief financial officer's review is complete, the internal approval form will be submitted to the organization manager for approval. A copy of the form will remain at the initiating organization, another will remain at the point of procurement document preparation (if different), and the original will accompany the procurement documents as they are routed through channels for approval.
4. Upon the organization manager's approval, and prior to forwarding the internal approval form to Transportation Finance Division, Procurement Section, organization headquarters will establish a Purchase Order Master and appropriate Line Item Masters in the REMIS Purchase System, including "DATE SENT TO BF."
- a. The storekeeper at organization headquarters will enter a requisition number on the internal approval form. This number is also used in completing the REMIS entries. Requisition numbers entered on this form (and later, Form WV-35) will be assigned from and logged on Form DOT-3, Purchase Order Control Log. The DOT-3 will be maintained at the organization headquarters level. Requisition numbers may be "blocked," to facilitate separate logs by designees authorized to process specific procurements (i.e.,

- equipment parts, "P.M.S." items, etc.).
- b. Using the information on the internal approval form, organization headquarters will complete a Form WV-35 (the document required by the DOA Purchasing Division for these kinds of purchases. The internal approval form and WV-35 make up the Requisition Package.
 - c. In the case of a Request for Proposals (RFP) and EPO and DPO, a Certification of Non-Conflict of Interest must also be completed and signed by all employees involved in the bid evaluation process and included in the Requisition Package.
 - d. The Requisition Package is then submitted to Transportation Finance Division, Procurement Section.
5. Procurement Section enters the "DATE RECV'D BY BF" into the REMIS Purchase System and reviews the Requisition Package, ensuring the following:
- a. the accounting data is correct,
 - b. the signature is properly affixed,
 - c. bids, if submitted, are signed,
 - d. a completed, signed Certification of Non-Conflict of Interest is included,
 - e. the submission format is correct,
 - f. and that the vendors, when determined, are registered to conduct business with the State of West Virginia.
6. After Procurement Section's review, the Requisition Package is forwarded to the Business Manager for review. Procurement enters the "DATE SENT TO CB" into the Purchase Tracking System.
7. If the purchase, as defined by the Requisition Package, is determined to be in the best interest of the DOT and is within budgetary limits, the Business Manager will approve the purchase by signing the documents. The package is then returned to Transportation Finance Division, Procurement Section.
8. Procurement will enter the "DATE RET'D BY CB" into the Purchase Tracking System and transmit the Requisition Package to Purchasing Division (DOA). The "DATE SENT TO F&A" is now entered into the Purchase Tracking System by Procurement Section.
9. Purchasing Division (DOA) reviews the Requisition Package and solicits bids, if necessary.
10. Upon receipt of responses to Request for Proposals or bids for complex Request for Quotations, Purchasing Division will return them to the DOT Procurement Section. Procurement will forward the responses or bids to the Agency Evaluation Committee.
11. The Agency Evaluation Committee evaluates the responses or bids, documents the assignment of points and submits a written award recommendation to Procurement Section, who processes the recommendation to Purchasing (Department of Administration).
- In the case of a Request for Quotations (RFQ), a Certification of Non-Conflict of Interest must also be completed and signed by all employees involved in the bid

evaluation process and included with the written award recommendation.

12. Purchasing awards the purchase to the successful vendor; and notifies the DOT of approval and award by providing copies of an Approved Purchase Order to Transportation Finance Division, Procurement Section.
13. Procurement enters the "DATE APPROVED" into the Purchase Tracking System, distributes copies of the approved purchase order to those affected organizations, and enters the "DATE TO DIST/DIV". Procurement Section will maintain the central purchase order file for the DOT.
14. A computer generated CPO (Confirmation of Purchase Order) will be printed by organization headquarters and provided to the receiving organization(s) to confirm those commodities ordered and approved for receipt.
15. The REMIS Purchase Tracking System provides a means to follow a Purchase Requisition from initiation to final conclusion. The information is available under Purchase Inquiry and provides an up-to-date status. Once the "DATE ENTERED" and "DATE SENT TO BF" are entered by the organization headquarters, all entries from this point are protected and may only be accessed by Procurement Section. Additional purchase tracking dates are available in the REMIS Purchase Tracking System and may or may not be used, depending upon the circumstances of each individual requisition. Those additional dates include the following:
 - a. DATE EVAL RECV'D
 - b. DATE EVAL RET'D
 - c. DATE CANCELED
 - d. DATE CLOSED.
16. Requests for Proposals (RFPs) do not require the initiator to use any certain form. The initiator should, in writing, explain the desired overall result to Transportation Finance Division, Procurement Section, who will submit RFPs to prospective bidders. Necessary terms and conditions must be included in the RFP, along with a pre-established award criteria based on values, or points assigned by the organization. Cost should be 40% or more of the total award criteria. However, the Director of Purchasing (Department of Administration) may grant exceptions on a case by case basis. In answer, vendors will write a Statement of Work proposing their intended approach to the solution. In this answer, vendors must respond in two parts:
 - a. **Technical:** This part will detail the work and/or items that the vendor proposes be used to resolve the problem.
 - b. **Cost:** This section will detail the costs associated with the work and/or items. If possible, these figures will be exact. If the nature of the need prevents the vendor from being able to quote an exact price, estimates (as close as possible) should be given.

An RFP process will normally result in an RPO purchase. Contact Transportation Finance Division, Procurement Section, for further details

regarding the feasibility and mechanics of initiating this type of purchase.



B. RECEIVING ORDERED ITEMS AND SERVICES AND RECORDING PURCHASE RECEIPT

Effective: 5/1/2003

"Authorized Receiver Requirements" apply, if the purchase was made under any of the applicable object codes listed in DOT Volume VI, Chapter 10, Section III (see that chapter for list and details.)

1. Upon delivery/receipt of the ordered goods or services, the authorized receiver (if applicable) or other employee accepting shipment must:
 - a. inspect the delivery for correct model/part/type number, quantity, quality, damage, etc.;
 - b. sign and date the delivery ticket and make any necessary notations;
 - items damaged
 - overweight vehicle - number of axles, license number
 - c. and give the delivery ticket to the organization's accounts payable/storeroom clerk.
2. The accounts payable/storeroom clerk will:
 - a. annotate the delivery ticket with purchase org., purchase no., line item no., inventory units, etc. or complete Form DOT-5;
 - b. assign a five-digit Receipt Document Number from the *Document Control Log*, Form DOT-1 and perform REMIS Purchase Receipt (PR) entry;
 - c. initial and date the delivery ticket/receipt document to signify entry;
 - d. file a copy of the receipt document;
 - e. and send the original receipt document to the organization/agency's storekeeper or designee.



C. PROCESSING INVOICES FOR PAYMENT

Effective: 5/1/2003

1. The organization/agency's storekeeper or designee will:
 - a. print TSO Report #403, *Receipt of Materials/Services - DOT-5* (for each delivery, when authorized receiver is required – see DOT Volume VI, Chapter 10, Section III) on a daily basis or as required for his or her organization(s);
 - b. print the authorized receiver's name as given on the official

- authorized receiver list, when applicable and his or her user ID number (see DOT Volume VI, Chapter 10, Section III);
- c. match the receipt document(s) to the associated Report #403s (making sure the authorized receiver has signed receipt document, when required) as well as any invoices from the vendor and check entries for correctness;
 - d. sign and date the Report #403s, print name under signature, and for any invoices apply the "Payment Stamp," sign and date them;
 - e. and prepare a *Transmittal Letter*, Form DOT-104 and attach the associated Report #403s (original and one copy, when authorized receiver is required), invoices, and a copy of the signed ***No Debt Affidavit***, if required, and forward them to the organization's chief financial officer.
2. The chief financial officer will:
- a. review the documents for accuracy and sign the *Transmittal Letter*;
 - b. retain a copy of all documentation for the organization's files and;
 - c. send the original *Transmittal Letter*, with the original Report #403s (and copies, when required) and the original and one copy of any invoices to Transportation Finance, Accounts Payable.

