

Senate Bill No. 565

(By Senator Snyder (By Request))

[Introduced March 19, 2013; referred to the Committee on
Government Organizaation.]

10 A BILL to amend the Code of West Virginia, 1931, as amended, by
11 adding thereto a new section, designated §5A-3-10d, relating
12 to the creation of a reverse auction pilot program for
13 purchasing office supplies; outlining criteria for the
14 Director of the Purchasing Division to consider in determining
15 whether use of the reverse auction pilot program is
16 appropriate; defining "reverse auction"; permitting third-
17 party vendors to administer reverse auctions; affording the
18 Director of the Purchasing Division rule-making authority to
19 implement the reverse auction pilot program; and providing
20 that the reverse auction pilot program expires on July 1,
21 2017.

22 *Be it enacted by the Legislature of West Virginia:*

23 That the Code of West Virginia, 1931, as amended, be amended
24 by adding thereto a new section, designated §5A-3-10d, to read as

1 follows:

2 **ARTICLE 3. PURCHASING DIVISION.**

3 **§5A-3-10d. Reverse auction pilot program.**

4 (a) Notwithstanding any other provision of this code, the
5 director is hereby authorized to initiate a reverse auction pilot
6 program to procure office supplies. The director may not use the
7 pilot program for the procurement of services under any
8 circumstances.

9 (b) The reverse auction pilot program may be utilized if the
10 director determines the use of a reverse auction would be fair,
11 economical and in the best interests of the state, and the office
12 supplies to be procured:

13 (1) Are subject to low price volatility;

14 (2) Have specifications that are common and not complex;

15 (3) Vary little between suppliers;

16 (4) Are sourced primarily on price, with limited ancillary
17 considerations;

18 (5) Require little collaboration from suppliers; and

19 (6) Are sold by a large, competitive supply base.

20 (c) For purposes of this section, "reverse auction" means a
21 process by which bidders compete to provide office supplies in an
22 open and interactive market, including but not limited to, the
23 Internet. Reverse auction bids are opened and made public upon
24 receipt by the director, and then bidders are given the opportunity

1 to submit revised bids until the bidding process is complete. The
2 contract is awarded to the lowest responsible bidder.

3 (d) The director may contract with qualified, industry-
4 recognized third-party vendors to conduct reverse auctions on
5 behalf of the director.

6 (e) The director shall propose rules for legislative approval
7 in accordance with the provisions of article three, chapter twenty-
8 nine-a of this code to establish the procedures for conducting
9 reverse auctions under the pilot program authorized by this
10 section. The rules shall include procedures for contracting with
11 qualified, industry-recognized third-party vendors.

12 (f) This section shall expire and be of no further force and
13 effect on and after July 1, 2017.

NOTE: The purpose of this bill is to authorize a reverse
auction pilot program for purposes of purchasing office supplies in
limited circumstances.

This section is new; therefore, strike-throughs and
underscoring have been omitted.