



WEST VIRGINIA SECRETARY OF STATE

MAC WARNER

ADMINISTRATIVE LAW DIVISION

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Office of West Virginia
Secretary Of State

**NOTICE OF AGENCY APPROVAL OF A PROPOSED RULE AND FILING WITH THE LEGISLATIVE RULE-
MAKING REVIEW COMMITTEE**

AGENCY: Municipal Pensions Oversight Board TITLE-SERIES: 211-02
RULE TYPE: Legislative Amendment to Existing Rule: Yes Repeal of existing rule: No
RULE NAME: 211-02 Exempt Purchasing

PRIMARY CONTACT

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CITE STATUTORY AUTHORITY: 8-22-18a(g) and 5A-1-12

EXPLANATION OF THE STATUTORY AUTHORITY FOR THE LEGISLATIVE RULE, INCLUDING A DETAILED SUMMARY OF THE EFFECT OF EACH PROVISION OF THE LEGISLATIVE RULE WITH CITATION TO THE SPECIFIC STATUTORY PROVISION WHICH EMPOWERS THE AGENCY TO ENACT SUCH RULE PROVISION:

This Legislative Rule is an explanation and clarification of operative procedures for the purchase of actuarial services and an independent reviewing actuary exempt from the WV Purchasing Division, §5A-3 et seq of the W. Va. Code pursuant to W. Va. Code §8-22-18a(b)(6) and §8-22-20(a).

IS THIS FILING SOLELY FOR THE SUNSET PROVISION REQUIREMENTS IN W. VA. CODE §29A-3-19(e)? Yes

IF YES, DO YOU CERTIFY THAT THE ONLY CHANGES TO THE RULE ARE THE FILING DATE, EFFECTIVE DATE AND AN EXTENSION OF THE SUNSET DATE? Yes

DATE eFiled FOR NOTICE OF HEARING OR PUBLIC COMMENT PERIOD:

DATE OF PUBLIC HEARING(S) OR PUBLIC COMMENT PERIOD ENDED:

COMMENTS RECEIVED:

(IF YES, PLEASE UPLOAD IN THE COMMENTS RECEIVED FIELD COMMENTS RECEIVED AND RESPONSES TO COMMENTS)

PUBLIC HEARING:

(IF YES, PLEASE UPLOAD IN THE PUBLIC HEARING FIELD PERSONS WHO APPEARED AT THE HEARING(S) AND TRANSCRIPTS)

RELEVANT FEDERAL STATUTES OR REGULATIONS:

WHAT OTHER NOTICE, INCLUDING ADVERTISING, DID YOU GIVE OF THE HEARING?

SUMMARY OF THE CONTENT OF THE LEGISLATIVE RULE, AND A DETAILED DESCRIPTION OF THE RULE'S PURPOSE AND ALL PROPOSED CHANGES TO THE RULE:

This Legislative Rule is an explanation and clarification of operative procedures for the purchase of actuarial services and an independent reviewing actuary exempt from the WV Purchasing Division, §5A-3 et seq of the W. Va. Code pursuant to W. Va. Code §8-22-18a(b)(6) and §8-22-20(a). The proposed changes are only to extend the sunset provision from April 5, 2026 to August 1, 2031.

STATEMENT OF CIRCUMSTANCES WHICH REQUIRE THE RULE:

This Legislative Rule is an explanation and clarification of operative procedures for the purchase of actuarial services and an independent reviewing actuary required by the provisions of §8-22-20(a) for the Municipal Pensions Oversight Board to provide municipalities with policemen's pension funds and firemen's pension funds with an annual actuarial valuation report. §8-22-20a also requires the oversight board to hire a reviewing actuary at least once every seven years. Both of these procurements are exempt from 5A-3 of the Code and are required to be formalized by 5A-1-12 of the Code.

SUMMARIZE IN A CLEAR AND CONCISE MANNER THE OVERALL ECONOMIC IMPACT OF THE PROPOSED LEGISLATIVE RULE:

A. ECONOMIC IMPACT ON REVENUES OF STATE GOVERNMENT:

There is no economic impact on the revenues of state government.

B. ECONOMIC IMPACT ON SPECIAL REVENUE ACCOUNTS:

There is no economic impact on special revenue accounts.

C. ECONOMIC IMPACT OF THE LEGISLATIVE RULE ON THE STATE OR ITS RESIDENTS:

The provision to provide actuarial valuation reports to each municipal policemen's and firemen's pension fund can best be procured by the oversight board instead of each municipal plan separately which is why §8-22-20a requires the oversight board to provide them. It is more cost efficient to procure the reports from one vendor using the same actuarial assumptions to give the Pensions Committee an apples to apples comparison of all of the reports. The oversight board annually provides this

information to the Joint Committee on Pensions and Retirement as required by Code.

D. FISCAL NOTE DETAIL:

Effect of Proposal	Fiscal Year		
	2024 Increase/Decrease (use "-")	2025 Increase/Decrease (use "-")	Fiscal Year (Upon Full Implementation)
1. Estimated Total Cost	-	-	-
Personal Services	-	-	-
Current Expenses	-	-	-
Repairs and Alterations	-	-	-
Assets	-	-	-
Other	-	-	-
2. Estimated Total Revenues	-	-	-

E. EXPLANATION OF ABOVE ESTIMATES (INCLUDING LONG-RANGE EFFECT):

There is no general revenue or special revenue economic impact on the revenues or expenses of state government.

BY CHOOSING 'YES', I ATTEST THAT THE PREVIOUS STATEMENT IS TRUE AND CORRECT.

Yes

Blair M Taylor -- By my signature, I certify that I am the person authorized to file legislative rules, in accordance with West Virginia Code §29A-3-11 and §39A-3-2.

211CSR02

TITLE 211
LEGISLATIVE RULE
MUNICIPAL PENSIONS OVERSIGHT BOARD

SERIES 2
EXEMPT PURCHASING

§211-2-1 General.

- 1.1. Scope. -- This Legislative Rule is an explanation and clarification of operative procedures for the purchase of actuarial services and an independent reviewing actuary exempt from the WV Purchasing Division, §5A-3 et seq of the W. Va. Code pursuant to W. Va. Code §8-22-18a(b)(6) and §8-22-20(a).
- 1.2. Authority. -- W. Va. Code §8-22-18a(g) and §5A-1-12
- 1.3. Filing Date. -- ~~April 5, 2021~~
- 1.4. Effective Date. -- ~~April 5, 2021~~
- 1.5. Sunset Provision. -- This rule shall terminate and have no further force or effect ~~April 5, 2026~~
August 1, 2031.

§211-2-2 Definitions.

- 2.1 "Bid" means anything that a vendor submits in response to a solicitation that constitutes an offer to the Board and includes, but is not limited to, documents submitted in response to request for quotations or proposals submitted in response to a request for proposals.
- 2.2 "Board" means the Municipal Pensions Oversight Board.
- 2.3 "Competitive Bidding" means the process by which individuals or firms compete for an opportunity to supply specified commodities and services by submitting an offer in response to a solicitation.
- 2.4 "RFP Committee" means a committee established by the Board comprised of 3-5 people of which one person must be a member of the Board and who serves as the Chairperson of the committee.
- 2.5 "RFQ Committee" means a committee established by the Board comprised of 3-5 people of which one person must be a member of the Board and who serves as the Chairperson of the committee.
- 2.6 "Direct Award" means procurement method that allows for the direct purchase of commodities or services when it is believed that only one vendor can supply the needed commodity or service under the circumstances.
- 2.7 "Executive Director" means the Executive Director of the Municipal Pensions Oversight Board.

- 2.8 "Municipal Pensions Oversight Board" refers to the body created in W. Va. Code §8-22-18a.
- 2.9 "Request for Proposals (RFP)" means a best value procurement tool used to acquire professional and other services where the scope of work may not be well defined, and cost is not the sole factor in determining the award. All criteria by which the bidders will be evaluated must be contained within the bid document.
- 2.10 As used in this rule, the following terms have the same meaning as provided in W. Va. Code §5A-1-1 and 5A-3-1 et seq., and as follows:
- 2.11 "Contract" means an agreement between a state spending unit and a vendor relating to the procurement of commodities or services, or both.
- 2.12 "Request for Quotations (RFQ)" means a solicitation for a bid where cost is the primary factor in determining the award.
- 2.13 "Responsible bidder" means a vendor who has the capability to fully perform the contract requirements, and the integrity and reliability which will assure good-faith performance.
- 2.14 "Vendor" means any person or entity that may, through contract or other means, supply the state or its subdivisions with commodities or services, and lessors of real property.
- 2.15 "wvOASIS" refers to the statewide accounting system which is used by vendors and the Board to procure goods and services.

§211-2-3 Bid Evaluation.

- 3.1. From the time a requisition is submitted via wvOASIS for public advertisement until an award is made, evaluators are not permitted to communicate with vendors about the solicitation or any component thereof without prior approval of the Chairperson or Executive Director of the Board.
- 3.2. When the Request for Quotations process is used, competitive bids are received, properly evaluated and an award is made to the lowest responsible bidder meeting specifications.
- 3.3. After a proper evaluation, if an award is made to a responsible bidder other than the lowest responsible bidder, a thorough written justification signed by the evaluator(s) must be inserted into the file and retained for public record and inspection.
- 3.4. When the Request for Proposals process is used, the technical aspect of the bid will be subjectively evaluated by the RFP committee using knowledge and experience. The cost portion of the bid will only be opened if the vendor scores at least 70% of possible points on the technical portion of the bid. The cost portion will be evaluated objectively, similarly to the process for evaluating an RFQ.

- 3.5. Occasionally two or more bids of equal terms and dollar amount are received in response to a solicitation, thus, resulting in a tie bid. If multiple awards are not made, then the tie bid(s) must be resolved. When tie bids are received, the Chairperson of the RFQ Committee shall break the tie by allowing the tied vendors to make a best and final offer, flip of a coin, draw of the cards or any other impartial method considered prudent by the Chairperson.
- 3.6. If an error is discovered by the vendor or the Board, the burden of proof and timely action for request for relief is the vendor's responsibility. The request for relief must be made in writing by the vendor and received by the Chairperson of the RFQ Committee or the RFP Committee within five business days from the bid opening date.
- 3.7. If there is a conflict between the extension (total) price and the unit price in the bid, the unit price prevails.

§211-2-4 Rejection of Bids.

- 4.1. The RFP committee or the RFQ committee has the authority to reject a bid after opening according to the following criteria:
 - 4.1.1. The bid is received after the designated date and time;
 - 4.1.2. The bid is non-responsive; fails to conform to the solicitation in all material respects;
 - 4.1.3. An error was made;
 - 4.1.4. The error materially affected the bid;
 - 4.1.5. Rejection of the bid would not cause a hardship on the Board other than losing an opportunity to receive goods or services at a reduced cost;
 - 4.1.6. Enforcement of the part of the bid in error would be unconscionable.

§211-2-5 Protests.

- 5.1. Any protest based on a bid specification must be submitted no later than 5 working days prior to bid opening. Any protest of a purchase order or contract award must be submitted no later than 5 working days after the award. The vendor is responsible for knowing the bid opening and award dates. Any protest received after these dates may be rejected at the option of the Chairperson of the RFP or the RFQ Committee.
- 5.2. Any post award protest must be submitted in writing to the Board and contain the following information:
 - 5.2.1. The name and address of the protestor;
 - 5.2.2. The requisition, solicitation, purchase order or contract numbers;
 - 5.2.3. A statement of the grounds of protest;

5.2.4. Supporting documentation, if necessary; and

5.2.5. The resolution or relief sought.

5.3. Failure to submit this information shall be grounds for rejection of the protest by the Chairperson of the Board.

§211-2-6 Protest Review.

6.1. Any protest is to be filed with the Executive Director of the Board. Responsibility to deliver any protest remains with the vendor.

6.2. The Chairperson of the Board and the Executive Director shall, with the advice of legal counsel, review the matter of protest and issue a written decision.

§211-2-7 Remedies.

7.1. If a vendor fails to honor any contractual term or condition, the Executive Director may: (a) Cancel the contract and re-award the purchase order to the next lowest bidder. The vendor failing to honor contractual obligations is responsible for all differences in cost; (b) Declare a vendor non-responsible or non-responsive and refuse to award a purchase order. All such instances shall be substantiated in writing. The documentation shall be considered a public document and shall be available for inspection at all reasonable times.

§211-2-8 Sole Source Procurement.

8.1. The Executive Director may approve the purchase of actuarial services and/or actuarial audit services directly from a vendor without competitive bidding, if any of the following conditions exist:

8.1.1. the item cannot be obtained through ordinary purchasing procedures;

8.1.2. the item is unique and not available from any other source; or

8.1.3. The item is available from a State spending unit or other institution with preference under the West Virginia Code, provided the price, availability, and quality are comparable to those in the open market.

8.2. The intent for a sole source award will be publicly advertised and made available for review by registered bidders. Should this advertisement cause inquiry and concern or requests to bid by prospective bidders or other interested parties, the Executive Director may:

8.2.1. reject the sole source and move forward with a formal bidding;

8.2.2. approve the sole source; or

8.2.3. take other action as necessary.

§211-2-9 Emergency Awards.

- 9.1. The Executive Director or an appointed designee shall issue a purchase order for emergency purchases. An "Emergency Situation" requiring a purchase of actuarial commodities, services or printing must be the result of unforeseen events or circumstances, including delays by contractors, delays in transportation, or an unanticipated volume of work. Emergency purchases are not used for hardship resulting from neglect, poor planning, or lack of organization by the spending unit. Competitive bids shall be obtained if possible.