



WEST VIRGINIA

Higher Education Policy Commission

Meeting Agenda

December 12, 2025

Members

Michael J. Farrell, *Chair*

Andrew A. Payne III, *Vice Chair*

E. Gail Pitchford, *Secretary*

James W. Dailey, II

James Denova

Diana Lewis Jackson

Michele L. Blatt, *Ex-Officio*

Steve Roberts, *Ex-Officio*

Sarah Armstrong Tucker, Chancellor

WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION

December 12, 2025 | 9:00 a.m. | West Virginia Regional Technology Park

By Phone: 1-646-558-8656 and enter meeting ID 831 8892 7730

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AGENDA

- I. Call to Order
- II. Approval of Minutes.....3
- III. Chairman’s Report
- IV. Chancellor’s Report
- V. Annual Update from Advisory Council of Students
- VI. Annual Update from Advisory Council of Faculty
- VII. West Liberty University Campus Development Plan Progress Report.....5
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- XIV. Additional Board Action and Comment
- XV. Adjournment

DRAFT MINUTES

WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION

September 19, 2025

I. Call to Order

Chairman Michael Farrell convened a meeting of the West Virginia Higher Education Policy Commission (Commission) on September 19, 2025, at 9:00 a.m., by Microsoft Teams videoconference and conference call. The following Commission members participated: Michele Blatt, Ex-Officio; James Dailey; James Denova; Michael J. Farrell; Diana Lewis Jackson; Andrew A. Payne; E. Gail Pitchford, and Steve Roberts, Ex-Officio. Other participants included university representatives, Chancellor Sarah Armstrong Tucker, and Commission staff.

Chairman Farrell secured a quorum.

II. Chairman's Report

Chairman Farrell welcomed everyone to the meeting and made brief remarks.

III. Chancellor's Report

Chancellor Tucker provided an update on financial aid modernization efforts and recognized staff who received the Chancellor's Award of Excellence. She also introduced Briana Warner, Director of Communications for the Commission and Council.

IV. Approval of Minutes

Commissioner Jackson moved to approve the minutes of the June 27, 2025, Commission meeting. Commissioner Pitchford seconded the motion. Motion passed.

V. West Virginia Higher Education Retirement Plan Update

Ms. Patricia Humphries, Vice Chancellor for Human Resources, provided an update on the work of the Retirement Committee and introduced Mr. Michael Sanders of CapTrust, which provides investment advisory fiduciary services for the Higher Education Retirement Plan. Mr. Sanders presented an overview of recent changes and accomplishments executed by CapTrust to better serve plan participants.

VI. Approval of Vision 2030: West Virginia Science & Technology Plan

Dr. Janet Rorrer, Senior Director for STaR Division, shared an overview of the updated plan.

Commissioner Pitchford moved approval of the following resolution:

Resolved, That the West Virginia Higher Education Policy Commission approves Vision 2030: West Virginia Science & Technology Plan.

Commissioner Jackson seconded the motion. Motion passed.

VII. Approval of Lancaster Bible College to Offer Courses in West Virginia

Dr. Chris Rasmussen, Vice Chancellor for Academic Affairs, presented the agenda item.

Commissioner Denova moved approval of the following resolution:

Resolved, That the West Virginia Higher Education Policy Commission approves Lancaster Bible College to offer college courses to students at Lodestar Mountain Inn beginning with the Fall 2025 semester. This approval expires June 30, 2026, subject to renewal.

Commissioner Pitchford seconded the motion. Motion passed.

VIII. Approval of Presidential Compensation

Mr. Joe Jenkins, General Counsel, presented the agenda item.

Commissioner Jackson moved approval of the following resolution:

Resolved, That the West Virginia Higher Education Policy Commission approves the compensation contract for Dr. Michael Davis as President of Fairmont State University as proposed by the institutional board of governors.

Commissioner Pitchford seconded the motion. Motion passed.

IX. Additional Board Action and Comment

There was no additional action or comment.

X. Adjournment

There being no further business, Commissioner Jackson moved to adjourn the meeting. Commissioner Pitchford seconded the motion. Motion passed.

Michael J. Farrell, Chairman

E. Gail Pitchford, Secretary

**West Virginia Higher Education Policy Commission
Meeting of December 12, 2025**

ITEM: West Liberty University Campus Development
Plan Progress Report

INSTITUTION: West Liberty University

RECOMMENDED RESOLUTION: Informational Item

STAFF MEMBER: Misty Price

BACKGROUND:

In accordance with the Commission's rule, Series 12, Capital Project Management, West Liberty University has submitted and is presenting its Campus Development Plan Progress Report. The report details progress made to the University's 2019 campus development plan, while also highlighting next steps for future actions. West Liberty's 2019 campus development plan with subsequent revisions was confirmed previously by the Commission.

Series 12, Capital Project Management, requires each governing board to create and maintain a campus development plan incorporating all current and proposed facilities. A campus development plan must cover a ten-year period. Each governing board must update its campus development plan at least once during each ten-year period and provide progress reporting.

**West Virginia Higher Education Policy Commission
Meeting of December 12, 2025**

ITEM: Approval of Master of Arts in Mental Health Counseling

INSTITUTION: West Liberty University

RECOMMENDED RESOLUTION: *Resolved*, That the West Virginia Higher Education Policy Commission approves West Liberty University to offer the Master of Arts in Mental Health Counseling beginning with the Fall 2026 academic term. This approval expires two years from the date of Commission approval if the program is not fully implemented.

STAFF MEMBER: Chris Rasmussen

BACKGROUND:

West Liberty University (WLU) has proposed offering a Master of Arts in Mental Health Counseling (MHC). The program will share a core of courses totaling 48 credit hours with an existing master's degree program in Art Therapy and Counseling (ATC). An additional 12 credit hours for the MHC program will be focused on mental health topics. The new track is designed to serve two primary groups: traditional and non-traditional students seeking counselor licensure, and undergraduate psychology majors who want a seamless bridge into a graduate program to become licensed counselors, providing a much-needed service to the northern panhandle and surrounding areas in mental health and behavioral health.

The full program proposal may be found here:

<https://www.wvhepc.edu/wp-content/uploads/2025/12/2025-WLU-MA-Mental-Health-Counseling-rev-11.03.25.pdf>

The program will take advantage of an existing bridge program, which allows undergraduates to take up to nine credits in graduate-level courses at the undergraduate tuition rate, leaving 51 credits to be completed as graduate students. WLU provided market analysis demonstrating a growing need for mental health and behavioral professionals nationally. The analysis indicated that while program offerings among colleges and universities have also increased, they have not increased at a rate that is expected to meet future demand for counseling professionals.

Both the MHC and ATC programs are housed in WLU's College of Liberal and Creative Arts (CoLCA). The current ATC Graduate Program Director will also oversee the MHC program. Because the two programs share curriculum and associated infrastructure, only

minimal additional expenses are expected. One new full-time faculty member—a doctoral-level art therapy credentialed professional who is also a licensed counselor—will be required to support both graduate tracks. WLU anticipates that tuition revenue alone will largely support the program with college and departmental funds assisting with marketing and other program launch expenses.

WLU demonstrated in its proposal how the MHC program will align with standards of the Council for Accreditation of Counseling and Related Educational Programs (CACREP), which is one of the primary specialty accrediting entities in the United States, providing guidance on curriculum and clinical experience for counseling orientation and practice, lifespan and career development, assessment and diagnostics, program evaluation, and professional ethics.

The following is recommended by Commission staff:

- The Mental Health Counseling master's degree program is approved for implementation for the Fall 2026 academic term.
- If the program is not fully implemented by August 2028, the program will no longer be considered approved by the Commission and must be resubmitted for review and approval.
- Final approval to offer the program is received by the institutional accreditor, the Higher Learning Commission, prior to implementation.

**West Virginia Higher Education Policy Commission
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ITEM: Presentation of 2025 Health Sciences and Rural Health Report

INSTITUTIONS: Marshall University, West Virginia School of Osteopathic Medicine, and West Virginia University

RECOMMENDED RESOLUTION: Information Item

STAFF MEMBER: Amanda McCarty

BACKGROUND:

The *2025 West Virginia Health Sciences and Rural Health Report Card* includes admissions data, licensure exam data, and student debt data from the state's three medical schools; graduation data from other health professions programs; Pre-Licensure Nursing Programs; West Virginia Nursing Scholarship Program, Health Sciences Service Program, Choose WV Practice Program, Mental Health Loan Repayment Program and Medical Student Loan Program data; and, Rural Health Initiative program profiles.

The full report may be found here:

<https://www.wvhepc.edu/wp-content/uploads/2025/12/2025-Health-Sciences-Report.pdf>

Highlights

- The state's three medical schools collectively enrolled 418 students in their first-year classes, an increase of 37 students from 2024. Of these 418 students, 157 (37.6%) were in-state students.
- In-state tuition at West Virginia medical schools is among the most affordable in the nation, with all three medical schools setting in-state tuition below \$35,613 per year.
- All three medical schools had licensure exam (COMLEX Level 3 or USMLE Step 3) passage rates on first attempt at or above 97 percent.
- For the graduating classes of 2015-2020 who have now completed residency training, 23 percent of West Virginia medical school graduates were retained for practice in West Virginia; 13 percent were retained for practice in primary care in

West Virginia; and 7 percent were retained for practice in rural areas of West Virginia.

- The location of a medical school graduate's residency program frequently predicts whether that graduate will practice in West Virginia. For the 2020 graduates of West Virginia medical schools, 202 graduates went on to complete primary care residency programs (an increase from 195 graduates in 2019). Upon completing residency, 54% of those who completed in-state primary care residencies were retained in West Virginia to practice, while only 7% of graduates who completed out-of-state primary care residencies returned to West Virginia to practice.
- Over the last decade, West Virginia has experienced sizeable growth in the number of health profession degree programs offered. This growth is important in meeting the healthcare needs of the state but should be monitored to ensure sufficient clinical training opportunities for trainees exist, all graduates wishing to work in West Virginia can secure employment, and that the programs produce graduates interested in serving in all areas of the state. As with last year's report, this year's report contains data about public pharmacy and dental graduates in addition to medical school graduates. Pre-licensure nursing programs have been added this year.
- The report includes an overview of the Rural Health Initiative (RHI). In Fiscal Year (FY) 2025, \$587,000 grants were given to each of the state's three academic health centers. The grants support programming designed to increase the recruitment of healthcare providers to rural areas, increase the retention rate of healthcare providers in rural areas, develop pipeline programs to enhance student interest in healthcare careers, and involve rural areas of the state in the health education process.
- In addition to the grants to the academic health centers, the RHI program funding is also used to make smaller grants to other higher education programs, healthcare facilities, and nonprofit organizations.
- The report includes an overview of the different scholarship and loan repayment programs that the Health Sciences Division oversees. The West Virginia Nursing Scholarship Program, which offers scholarships in exchange for completing service obligations, received 913 applications during the 2024-2025 award year, an increase from 843 applications from the prior year. The Health Sciences Service Program, which offers loan repayment to a variety of health professions in exchange for serving in underserved areas of West Virginia, offered 16 awards during its last award cycle, totaling \$285,000. The Mental Health Loan Repayment Program, which offers loan repayment awards to mental health professionals in exchange for working in West Virginia's underserved communities, gave 3 awards last year totaling \$90,000, a significant decrease from the previous award year granting 35 awards totaling \$350,000, due to a reduction in legislative appropriations for the program.

**West Virginia Higher Education Policy Commission
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ITEM: Report on Fall 2025 Enrollment

INSTITUTIONS: All

RECOMMENDED RESOLUTION: Information Item

STAFF MEMBER: Zorrie Georgieva

BACKGROUND:

The presentation will provide an analysis of current enrollment data derived from the Fall Census 2025 data collection along with a discussion of historical enrollment trends. Data elements to be discussed include:

- Headcount Enrollment
- First Time Freshmen Enrollment
- Fall to Fall Retention Rates
- College-Going Rate
- Transfer Patterns
- FTE Enrollment
- Student Demographics and Changes in Trends

**West Virginia Higher Education Policy Commission
Meeting of December 12, 2025**

ITEM: Presentation of 2025 Financial Aid Comprehensive Report

INSTITUTIONS: All

RECOMMENDED RESOLUTION: Information Item

STAFF MEMBER: Brian Weingart

BACKGROUND:

In accordance with West Virginia Code §18C-1-1f, this report represents the seventeenth annual Financial Aid Comprehensive Report. It contains (a) descriptions of and changes to West Virginia aid programs, (b) policy recommendations for West Virginia aid programs, and (c) longitudinal data about recipients of state financial aid. The report, coupled with data published in the online higher education data portal, provides a comprehensive view of the principal sources of financial aid at West Virginia colleges and universities. It should be noted that the data presented are for the 2024-2025 academic year.

The full report may be found at this link:

https://www.wvhepc.edu/wp-content/uploads/2025/12/FA-Comprehensive-Report_2025.pdf

PROGRAM CHANGES:

The 2024-25 Free Application for Federal Financial Aid (FAFSA) created significant challenges for students and institutions. This report reflects the accommodations that were made to assist students overcome the challenges of the 2024-25 FAFSA: doubling the West Virginia Higher Education Grant from \$3,400 to \$6,800 and the creation of a College Access Grant to assist students financially despite having issues completing the FAFSA.

While the FAFSA for 2025-26 was delayed until December 2024, the 2025-26 FAFSA application process went much smoother. The 2026-27 FAFSA opened for beta testing in August 2025 and opened for all students prior to October 1, 2025.

During the 2024 Legislative Session, two additional programs were created. The Second Chance Promise Scholarship allowed more than 60 students to have their Promise Scholarship reinstated during the 2024-25 school year. The STAND Program for eligible apprentices and journey workers was implemented in Fall 2025.

POLICY REFLECTIONS AND RECOMMENDATIONS:

PROMISE Scholarship Program

The standardized test score requirement to qualify for Promise for the Class of 2025 was maintained at the same level as the Class of 2024. Students continue to be able to use superscoring to meet the standardized test score requirement. The award amount increased from \$5,200 to \$5,500 for the 2024-25 award year.

Higher Education Grant Program

The Higher Education Student Financial Aid Advisory Board recommended that the maximum award for 2024-25 be increased to \$3,400 for students with a Student Aid Index (SAI) of under 13,000. Through additional funding provided by the Legislature, the award amount was increased to \$6,800 for 2024-25.

DATA HIGHLIGHTS:

PROMISE Scholarship Program

- The number of Promise recipients increased from 8,752 in 2023-24 to 8,858 in 2024-25. The total cost of the scholarship increased from \$43,366,938 in 2023-24 to \$46,611,443 in 2024-25.
- Approximately 90 percent of Promise recipients in 2024-25 attended a four-year public institution. Of these, most attended either West Virginia University (48.7%) or Marshall University (20.8%). Public community and technical colleges accounted for 3.9 percent of Promise scholars in 2024-25.

Higher Education Grant Program (HEGP)

- The number of HEGP recipients increased from 15,360 in 2023-24 to 16,704 in 2024-25, with total awards increasing from \$42,822,203 to \$95,178,528. The average award amount increased from \$2,789 to \$5,698 during the same period.
- The increase was primarily due to additional funding provided by the West Virginia Legislature to help offset uncertainties associated with the rollout of the new 2024 FAFSA. As a result, the maximum award amount was raised from \$3,400 to \$6,800.
- In the 2024-25 academic year, 64.1 percent of HEGP recipients attended public four-year institutions. Of these, most students attended either West Virginia University (23.3%) or Marshall University (16.5%).

Higher Education Adult Part-Time Student (HEAPS) Grant Program

- The number of HEAPS Part-Time Component recipients declined from 2,450 in 2023–24 to 2,272 in 2024–25. During the same period, total funding awarded decreased from \$2,957,232 to \$2,832,464.
- The average award amount increased slightly, rising from \$1,207 to \$1,247 in 2024–25.
- In 2024–25, approximately 36.7 percent of recipients were enrolled at public four-year institutions, while 57 percent attended public two-year institutions.

Underwood-Smith Teacher Scholars

- The 2024-25 academic year is the fifth year of implementation of the scholarship program. Currently, there are a total of 90 recipients who received \$808,921 of funding. The average award in 2024-25 was \$8,988.
- A total of 92.2 percent of the recipients attended public four-year institutions.

Engineering, Science, and Technology Scholarship

- The number of Engineering, Science, and Technology (WV STEM) Scholarship recipients increased from 251 in 2023-24 to 267 in 2024-25. The total amount awarded also increased during this period, from \$720,681 in 2023-24 to \$766,433.
- Recipients received an average award of \$2,871 in 2024-25.
- Most recipients, 94 percent, attended a public four-year institution, with West Virginia University enrolling 63.7 percent of the total recipients and Marshall University enrolling 16.9 percent.

Nursing Scholarship Program

- A total of 357 scholarships to nursing students at all levels were awarded during the 2024-25 academic year, totaling \$1,505,807 in scholarship aid.

**West Virginia Higher Education Policy Commission
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ITEM: Presentation of the Fiscal Year 2025 Consolidated Audit

INSTITUTIONS: All

RECOMMENDED RESOLUTION: Resolved, That the West Virginia Higher Education Policy Commission accepts the audited financial report for the Higher Education Fund for the fiscal year ending June 30, 2025.

STAFF MEMBER: Misty Price

BACKGROUND:

The Commission is statutorily charged with the preparation of audited financial statements for West Virginia's Higher Education Fund (Fund). The Fund is made up of all activity related to institutional operations of Commission and Council member institutions. Each institution is independently audited as part of the Fund Statement. The Fund audit is completed by CliftonLarsonAllen, LLP under a contractual arrangement with the Chancellor's Office.¹

The Audit Process

Independent Auditors' Reports on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards were issued for all financial reports. The reports included management comments, which identify internal control deficiencies that are considered material weaknesses.

The combined financial statements, as well as the financial statements for each institution, the Commission, and the Council can be viewed on the Commission's website: <https://www.wvhepc.edu/resources/purchasing-and-finance/financial-statements-2025/>

¹ CliftonLarsonAllen, LLP subcontracted with Suttle and Stalnaker, PLCC, to complete audits for several institutions. The ultimate responsibility for performance is with CliftonLarsonAllen, LLP.

Summary of Financial Results

A summary of the financial information for the Fund is provided in this section. As a point of reference, the dollar amount numbers are presented in thousands.

Net Position

The Net Position is the total assets and deferred outflows of resources less the total liabilities and deferred inflows of resources of the Fund. The net position of the Fund increased in Fiscal Year (FY) 2025 by \$151.4 million. This follows an increase of \$233.6 million in FY 2024.

Net Assets (in 000s)	FY 2024	FY 2025	Change	% Change
Net Position	\$2,676,776	\$2,828,170	\$151,394	5.66%
Cash and Cash Equivalents	\$622,326	\$572,029	-\$50,297	-8.08%
Accounts Receivable	\$199,484	\$227,734	\$28,250	14.16%
Noncurrent Cash and Cash Equivalents	\$82,384	\$116,190	\$33,806	41.03%
Investments	\$178,270	\$179,879	\$1,609	0.90%
Capital Assets - Net	\$3,347,277	\$3,436,514	\$89,237	2.67%
Deferred Outflows of Resources	\$41,797	\$46,849	\$5,052	12.09%
Accrued Liabilities	\$87,356	\$99,807	\$12,451	14.25%
Notes Payable	\$105,300	\$103,327	-\$1,973	-1.87%
Bonds Payable	\$1,181,502	\$1,119,091	-\$62,411	-5.28%
Deferred Inflows of Resources	\$79,606	\$61,371	-\$18,235	-22.91%

Bond and Capital Lease Activity

The total bonds, capital leases, and notes payable held by public higher education institutions remained consistent over the past two fiscal years at approximately \$1.40 billion as of June 30, 2025 compared to \$1.45 billion as of June 30, 2024.

Revenues

FY 2025 operating revenues increased \$11.9 million to \$1.38 billion from the \$1.37 billion earned in FY 2024. This increase is primarily related to higher contracts and grants and auxiliary enterprise revenue.

FY 2025 nonoperating revenues decreased \$64.9 million to \$914.1 million from the \$979 million earned in FY 2024, primarily because of the substantial decrease in state appropriations. While the base state appropriations increased in FY 2025, additional one-time supplemental and surplus appropriations were made in FY 2024 causing this fluctuation.

Change in Revenues (in 000s) - FY 2025			
	FY 2024	FY 2025	Change
Auxiliary Enterprise Revenues	\$212,437	\$221,872	9,435
COVID Relief Grant Revenue	2,585	2,649	64
Federal Grants and Contracts	234,715	250,791	16,076
Federal Pell Grants	103,313	126,987	23,674
Gifts	106,409	95,250	-11,159
Investment Income	56,331	53,996	-2,335
State Appropriations and State Lottery Appropriations	789,412	647,583	-141,829
State Grants and Contracts	66,429	76,309	9,880
Tuition and Fees	610,389	590,095	-20,294

Operating Expenses

Operating expenses increased \$121.9 million or 5.71% over FY 2024, from \$2.14 billion to \$2.26 billion. As shown in the table below, all categories increased over the prior year except Student Financial Aid - Scholarships and Fellowships.

Operating Expenses (in 000s)						
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Change
Salaries and Wages	\$911,863	\$948,416	\$1,004,306	\$1,017,467	\$1,025,221	\$7,754
Benefits	186,473	158,846	183,629	219,913	286,452	\$66,539
Supplies and Other Services	421,833	458,924	493,913	499,565	532,373	\$32,808
Utilities	59,366	65,452	72,952	73,364	75,713	\$2,349
Student Financial Aid- Scholarships and Fellowships	159,117	209,221	127,027	126,666	124,012	-\$2,654
Depreciation and Amortization	144,842	177,316	196,730	195,082	197,237	\$2,155

Operating Expenses Percent Changes					
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Salaries and Wages	2.01%	-0.27%	4.01%	5.89%	1.31%
Benefits	-3.56%	-20.86%	-14.82%	15.60%	19.76%
Supplies and Other Services	0.40%	0.86%	8.79%	7.62%	1.14%
Utilities	-4.65%	-0.78%	10.25%	11.46%	0.56%
Scholarships and Fellowships	33.96%	5.93%	31.49%	-39.29%	-0.28%
Depreciation and Amortization	-0.41%	11.62%	22.42%	10.95%	-0.84%

Analysis: Ratios and Financial Information

The purpose of this section is to provide a summary and analysis of the data included in the System's financial statements. Only financial information is provided; therefore, this information should be combined with key performance indicators in other areas such as academics, and student and faculty satisfaction to acquire a more complete understanding of institutional strength.

To ascertain the financial health of a college, four questions should be asked:

1. Are resources sufficient and flexible enough to support the mission?
2. Does financial asset performance support the strategic direction?
3. Do operating results indicate the institution is living within available resources?
4. Is debt managed strategically to advance the mission?

To answer these questions, objective financial data should be analyzed within the context of the institutions' strategic plans. These plans are often influenced by the political and economic environment within which the institutions operate.

To address the four questions listed above, a financial analysis is presented using the Composite Financial Index (CFI) and several other ratios.³

The CFI calculation uses the primary reserve, net operating revenue, return on net assets, and viability ratios. These ratios are converted into strength factors which in turn are weighted to allow summing of the four resulting ratio scores into a single, composite value. The strength factors are limited to a scale of -4 to 10.

Weights are applied to the strength factors. The primary reserve ratio and viability ratio are measures of financial condition based on the expendable net position. The net operating revenues ratio measures an institution's ability to live within its means on a short-term basis. The return on net position assesses a school's capacity to generate overall return against all net resources.

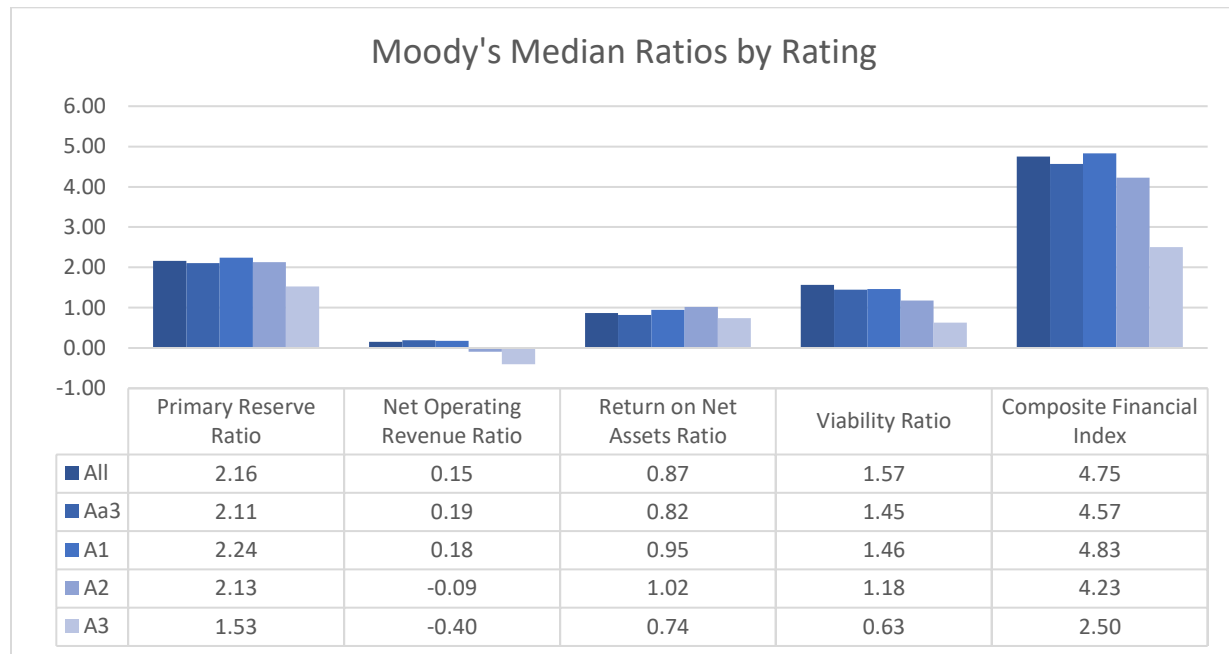
Other ratios were calculated to provide additional insight into the schools' financial health and ability to execute their mission, such as Number of Days Cash and Physical Plant Age.

The *FY 2024 U.S. Public College and University Medians* published by Moody's Investors Service was utilized to provide benchmark data for comparison purposes. The report includes median ratios for each rating category and provides data for the following entities:

Institution/Agency	Rating
Concord University	Baa3
Fairmont State University	A2
Marshall University	A3
Shepherd University	Baa2
West Virginia Higher Education Policy Commission	Aa3
West Virginia University	Aa3

²The CFI methodology is described in the *Strategic Financial Analysis for Higher Education* (Seventh Edition), jointly developed and sponsored by Prager, Sealy & Co., LLC, KPMG, LLP and BearingPoint. Inc.

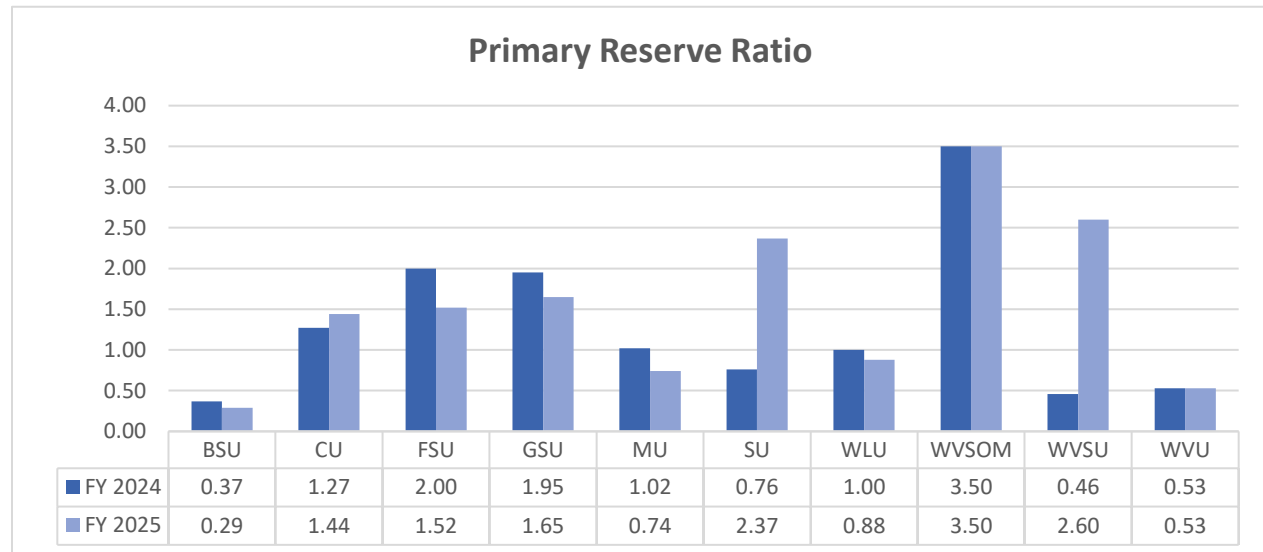
All ratings remained the same from FY 2024 to FY 2025. It should be noted that Moody's reviews many additional institutional characteristics such as management performance and other market factors to determine their ratings. The CFI strength factors were applied to the Moody's median ratios to derive scores for the ratings assigned to West Virginia institutions.



Beginning this year, institutions were asked to submit a Financial Data Workbook based on their FY 2025 audited financial statements. This workbook aligned the Commission's CFI calculation with that of the Higher Learning Commission. This workbook included calculation of all the ratios mentioned previously, as well as the ability for institutions to add context for any major year to year fluctuations.

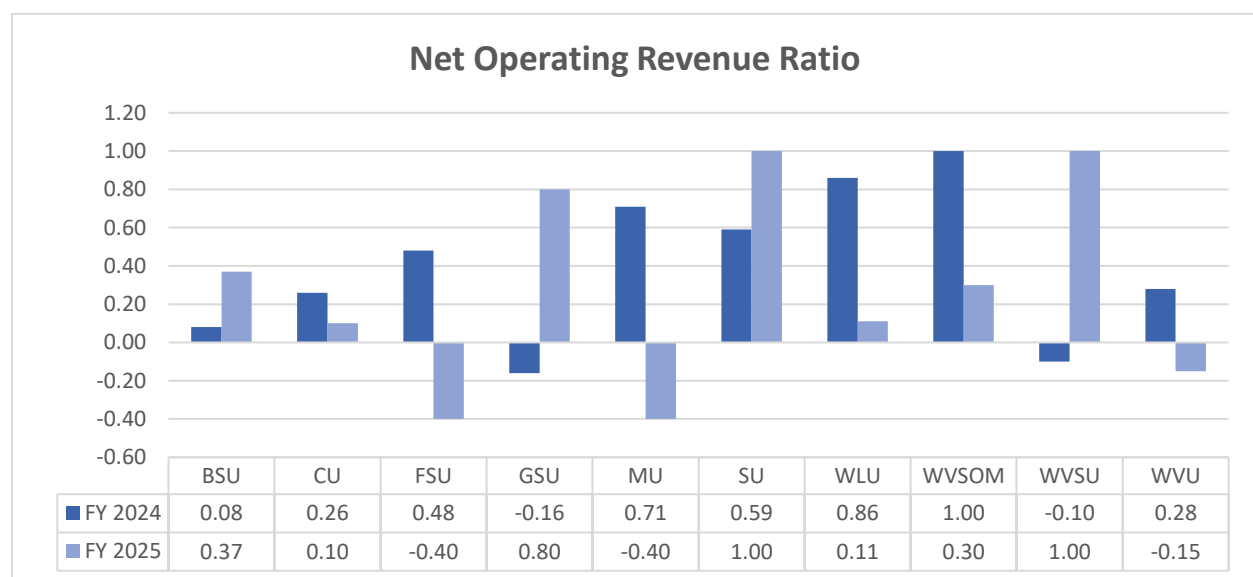
Primary Reserve Ratio

The primary reserve ratio is calculated by dividing an institution's net assets-expendable by its operating and non-operating expenses. The Moody's median ratio was 2.11.



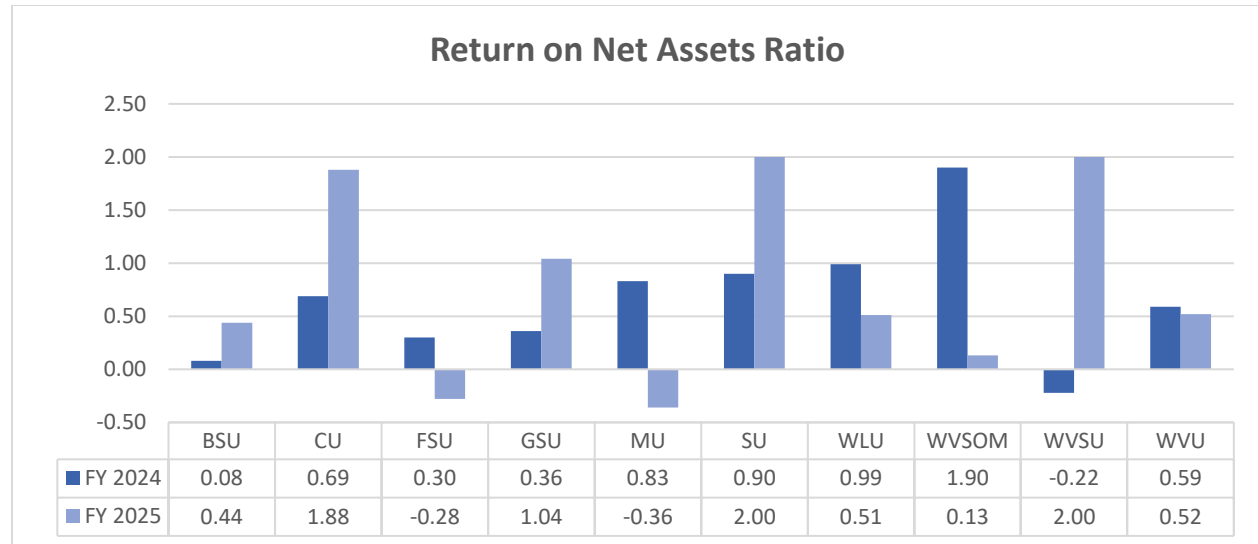
Net Operating Revenue Ratio

The net operating revenue ratio is calculated by dividing an institution's operating and non-operating expenses by its operating income (loss) and net non-operating revenues. The Moody's median ratio was 0.19.



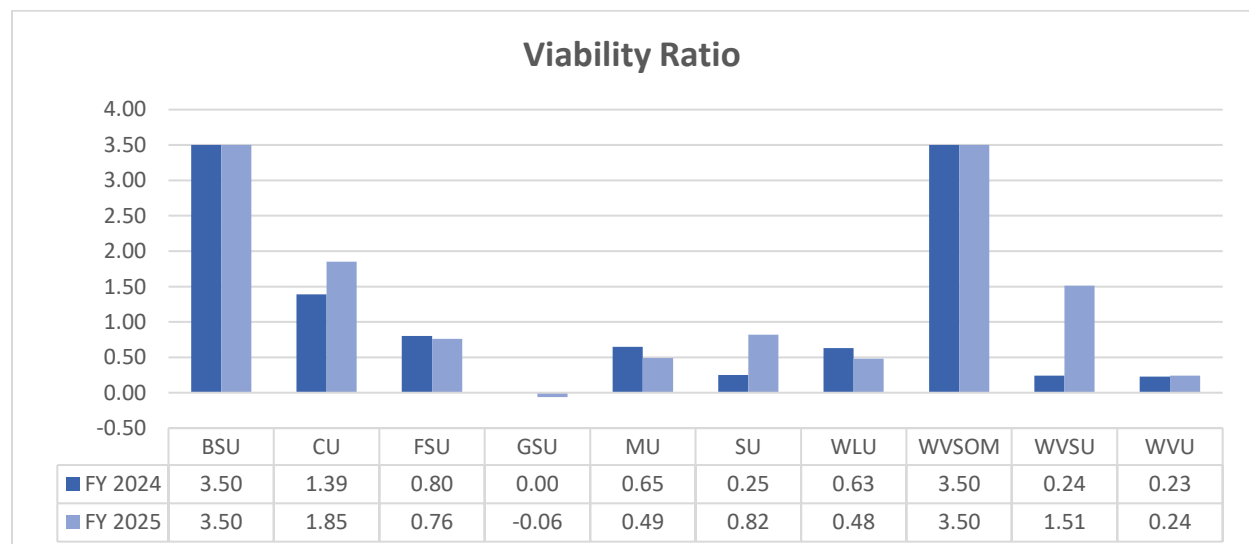
Return on Net Assets Ratio

The return on net assets ratio is calculated by dividing an institution's beginning net assets by the change in net assets. The Moody's median ratio was 0.82.



Viability Ratio

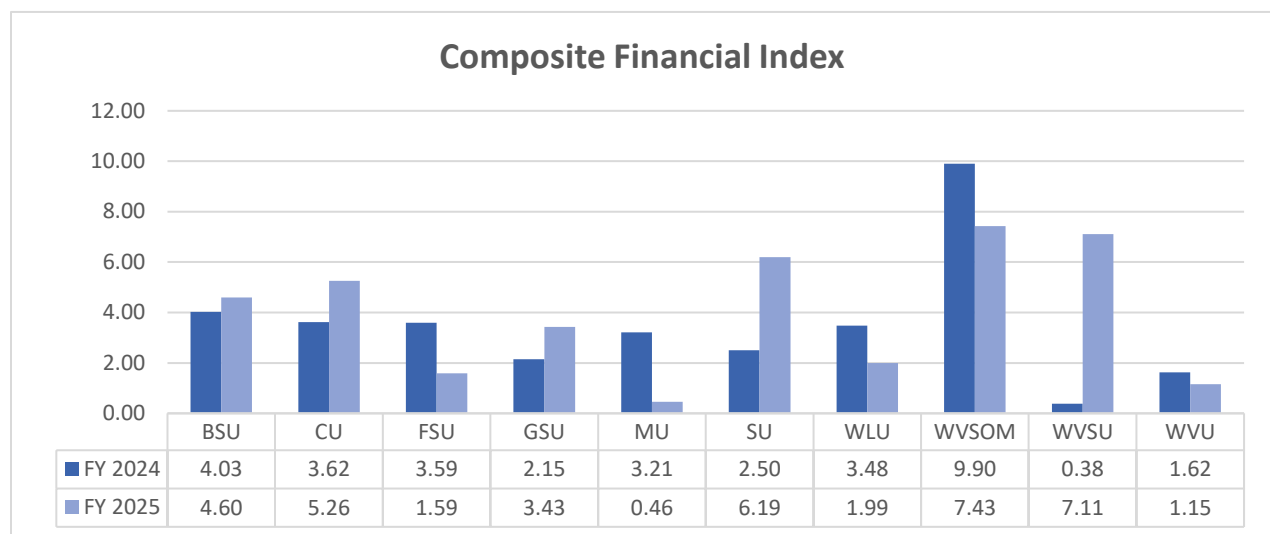
The viability ratio was calculated by dividing an institution's expendable net assets by its long-term debt or total project related debt. The Moody's median ratio was 1.45.



Composite Financial Index

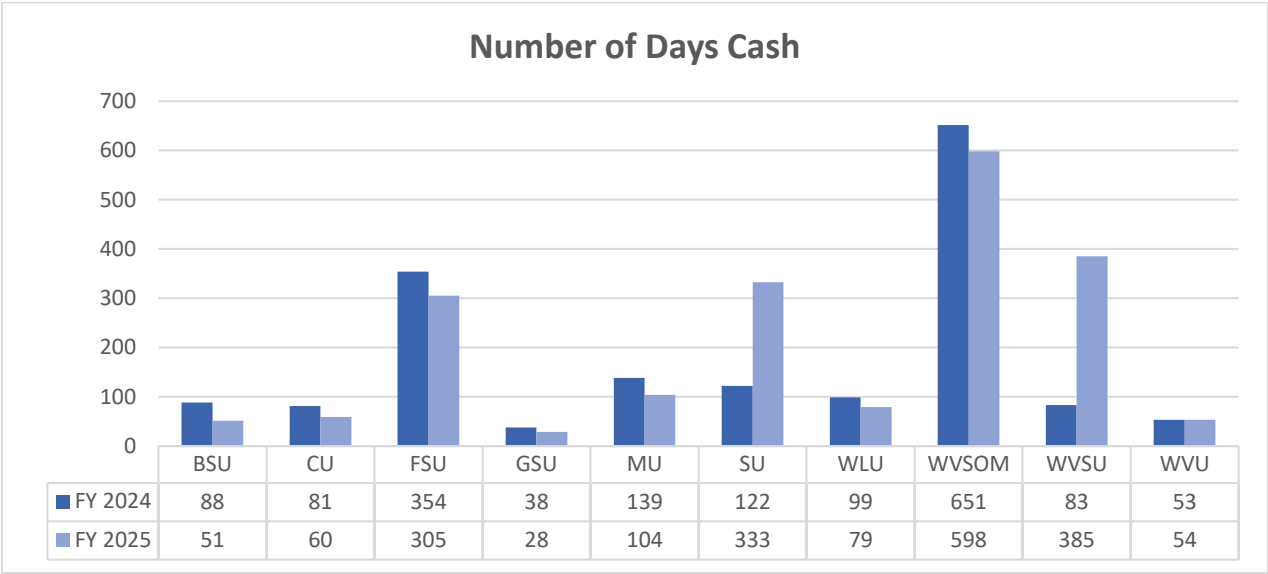
The four ratio scores were combined to determine the CFI. The Moody's median CFI was 4.57. A composite value of 1.0 is equivalent to weak financial health. A value of 3.0 signifies relatively strong financial health and scores above 3.0 indicate increasingly stronger financial health.

The CFI must be assessed considering the strategic direction for each institution. Strong financial results are not beneficial unless resources are deployed effectively to advance mission specific goals and objectives. These indices are best used to track institutional performance, both historically and as a planning tool, over a long-time horizon, rather than compared to other institutions, as each institution is unique in terms of specific goals, objectives and funding composition.



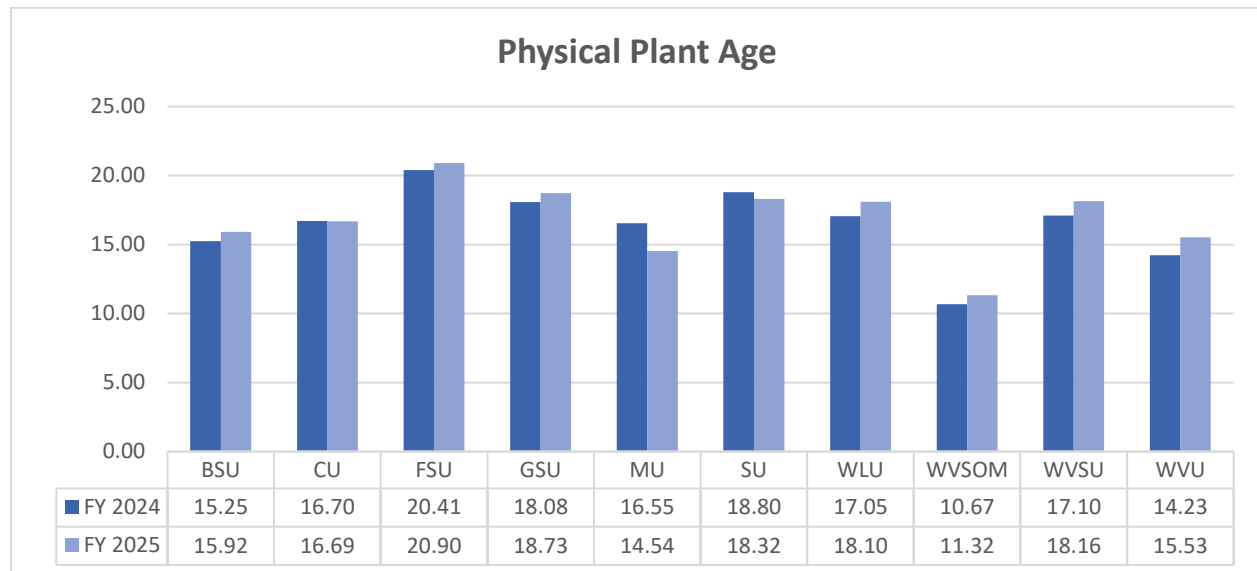
Number of Days Cash

The number of days cash ratio was calculated to provide additional liquidity analysis. This ratio is calculated by multiplying the institutions' June 30 cash balances by 365 and dividing the result into total expenses less depreciation, OPEB, and pension liability related expenses. The Moody's median number of days cash was 174.



Physical Plant Age

The physical plant age was calculated to estimate the adequacy of institutions' physical resources. This ratio is computed by dividing the annual depreciation expense by the accumulated depreciation. Generally, institutions that have received capital appropriations, borrowed funds or used institutional resources for capital projects reflect a lower physical plant age. The Moody's median physical plant age was 14.37. As mentioned above, institutional borrowing capacity is related to market position and the ability to increase fee revenues to pay debt service.



Conclusion

The net position of the West Virginia Higher Education Fund increased by \$151.4 million over FY 2024. Operating revenues increased by \$11.9 million, while nonoperating decreased by \$64.9 million compared to FY 2024. Operating expenses were up \$121.9 million. While the majority of colleges and universities within the system maintain adequate financial health, certain institutions face challenges regarding the sufficiency of their financial resources. Most schools effectively manage operations within their available budgets. Increased operating costs remain a challenge, so institutions must secure or grow revenue and allocate resources wisely to sustain operations.

**West Virginia Higher Education Policy Commission
Meeting of December 12, 2025**

ITEM: Approval of Revisions to Series 30, Procedural Rule, Purchasing

INSTITUTIONS: All

RECOMMENDED RESOLUTION: *Resolved*, That the West Virginia Higher Education Policy Commission approves revisions to Series 30, Procedural Rule, Purchasing, to be filed with the Secretary of State for the thirty-day public comment period, and if no substantive comments are received, that the Commission extends its final approval.

STAFF MEMBER: Joseph Jenkins

BACKGROUND:

The proposed revisions to Series 30, Procedural Rule, Purchasing, include the requirements of W. Va. Code § 18B-5-9 to maintain a rule providing institutions, individually or cooperatively, to maximize their use of the following purchasing practices that are determined to provide a financial advantage: 1) bulk purchasing; 2) reverse bidding; 3) electronic marketplaces; and 4) electronic remitting.

These requirements were previously maintained in Series 43, Purchasing Efficiencies, that was repealed earlier this year. Series 43 was obsolete because these purchasing practices have become commonplace and are set forth in the Commission's purchasing manual. The inclusion of these requirements in Series 30 is to ensure technical compliance with W. Va. Code and will have minimal, if any, impact on current practices.

**TITLE 133
PROCEDURAL RULE
WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION**

**SERIES 30
PURCHASING**

§133-30-1. General.

1.1. Scope.-- This joint rule establishes rules and policies governing and controlling purchase, acquisition and inventory management of materials, supplies, equipment, services, and printing, and disposal of obsolete and surplus materials, supplies, and equipment by the West Virginia Higher Education Policy Commission, created pursuant to West Virginia Code §18B-1B-1 and hereinafter referred to as the "Commission", the West Virginia Council for Community and Technical College Education, created pursuant to West Virginia Code §18B-2B-3 and hereinafter referred to as the "Council" and the institutional boards of governors, created pursuant to West Virginia Code §18B-2A-1 and hereinafter referred to as the "Governing Boards."

1.2. Authority. -- West Virginia Code §18B-1-6, §18B-5-4 through §18B-5-9.

1.3. Filing Date. -- ~~August 23, 2016.~~

1.4. Effective Date. -- ~~September 23, 2016.~~

1.5. ~~Modification of Existing Rule. Title 133, Series 30, Procedural Rule of the West Virginia Higher Education Policy Commission dated January 21, 2005.~~ Modification of Existing Rule. – Title 133, Series 30 which had an effective date of September 23, 2016.

§133-30-2. Definitions.

2.1. As used in this rule, all terms have the same meaning as provided in West Virginia Code §18B-1-2, and as follows:

2.1.a. "Bid" means a response by a vendor to a solicitation issued by the Commission. This includes Request for Proposals, Request for Quotations and any other solicitation methodology used by the Commission.

2.1.b. "Buyer" means an individual designated by a chief procurement officer or director of procurement to perform designated purchasing and acquisition functions as authorized by the chief procurement officer/director of procurement.

2.1.c. "Chancellor for higher education" means the chief executive officer of the Commission employed pursuant to West Virginia Code §18B-1B-5.

2.1.d. "Chancellor for community and technical college education" means the chief executive officer of the Council employed pursuant to West Virginia Code §18B-2B-3.

2.1.e. "Commission Office" means the office that houses the Vice Chancellor for Administration and such professional, administrative, clerical and other employees as may be necessary to assist the Vice Chancellor for Administration perform his or her functions, tasks and duties.

2.1.f. "Chief procurement officer" means the individual designated by a president of a state institution of higher education to manage, oversee and direct the purchasing, acquisition and inventory management of materials, supplies, equipment, services, and printing, and disposal of obsolete and surplus materials, supplies, and equipment for that institution. For the Commission Office and West Virginia Network for Educational Telecomputing, the chief procurement officer is the person designated by the Vice Chancellor for Administration.

2.1.g. "Commodity" means an article which is useful or serviceable, particularly an article of merchandise movable in trade; a good, or service of any kind, including construction; an article of trade or commerce; things that are bought and sold.

2.1.h. "Director of Procurement" means the individual designated by the Vice Chancellor for Administration to manage, oversee and direct the purchasing, acquisition and inventory management of materials, supplies, equipment, services, and printing, and disposal of obsolete and surplus materials, supplies, and equipment for the Commission Office and West Virginia Network for Educational Telecomputing.

2.1.i. "Essential service" means something basic; a commodity that is necessary, indispensable, or unavoidable and is purchased in a routine, repetitive, and noncompetitive manner.

2.1.j. "Institution(s)" means any public West Virginia university, college, and community and technical college, individually or collectively, created pursuant to West Virginia Code §18B-1-2. For the purposes of this rule, the Commission Office and West Virginia Network for Educational Telecomputing shall also be considered institutions.

2.1.k. "F.O.B. destination" and "free on board destination" mean the seller or vendor must transport or pay for the transportation of the materials, supplies, equipment, services, and printing, to the point of destination specified in the contract.

2.1.l. "Governing Boards" or "Boards" means the institutional boards of governors created pursuant to West Virginia Code §18B-2A-1.

2.1.m. "Higher education institution" means an institution as defined by Sections 401(f), (g) and (h) of the federal Higher Education Facilities Act of 1963, as amended.

2.1.n. "President" means the chief executive officer of a higher education institution.

2.1.o. "Purchase order" means the document issued by the Commission to a vendor for the acquisition of goods and services. A purchase order may also be referred to as a "contract".

2.1.p. "Sole source" means only one vendor can supply the desired product or service.

2.1.q. "Single source" means that the desired product or service is available from only one supplier because of the uniqueness and characteristics of the product or service offered.

2.1.r. "Responsible bidder" and "responsible vendor" mean a person and/or vendor who have the capability in all respects to perform contract requirements, and the integrity and reliability which will assure good faith performance.

2.1.s. "Responsive bidder" and "responsive vendor" mean a person and/or vendor who has submitted a bid which conforms in all material respects to the invitation to bid.

2.1.t. “Vendor” means a seller of goods and services. A vendor must be registered with the West Virginia Department of Administration prior to the receipt of a purchase order or contract.

2.1.u. “West Virginia Council for Community and Technical College Education” or “Council” means the council created pursuant to West Virginia Code §18B-2B-1.

2.1.v. “West Virginia Higher Education Policy Commission” or “Commission” means the commission created pursuant to West Virginia Code §18B-1B-1.

2.1.w. “Vice Chancellor for Administration” means that person employed by the Commission with the advice and consent of the Council in accordance with West Virginia Code §18B-4-2. The Vice Chancellor for Administration shall assume all powers and duties that were assigned to the Senior Administrator.

§133-30-3. Applicability.

3.1. This procedural rule applies to all institutions as defined in Section 2 of this rule.

§133-30-4. Authority of the Commission and Council.

4.1. Pursuant to West Virginia Code §18B-5-4, the Commission and Council shall jointly adopt rules governing and controlling acquisitions, purchases and inventory management of materials, supplies, equipment, services, construction, and printing, and the disposal of obsolete and surplus materials, supplies, and equipment.

§133-30-5. Authority and Duties of the Vice Chancellor for Administration.

5.1. The Vice Chancellor for Administration shall, in the name of the Commission and Council, have the authority and duty to:

5.1.a. Administer and oversee the purchasing system of the Commission, Council and Governing Boards;

5.1.b. Recommend to the Commission and Council additional rules or modifications to this rule as may be required for efficient and cost effective management of purchases, inventorying of materials, supplies, and equipment and disposal of obsolete and surplus materials, supplies, and equipment;

5.1.c. Develop administrative manuals, guidelines, procedures, and forms which shall be followed by the institutions for purchase, acquisition and inventory management, and disposal of obsolete and surplus materials, supplies, and equipment;

5.1.d. Provide for a periodic audit of the institutions for compliance with the rules and policies that have been adopted by the Commission and Council and the administrative manuals, guidelines, procedures and forms developed by the Vice Chancellor for Administration;

5.1.e. If requested, provide assistance to one or more institutions in the purchase, acquisition and inventory management of materials, supplies, equipment, services, construction and printing, and in disposal of obsolete or surplus materials, supplies and equipment; and

§133-30-6. Delegation of Purchasing Authority and Responsibilities.

6.1. The Commission, Council and each Governing Board, through the Vice Chancellor of Administration, or as may be delegated by him or her, shall purchase or acquire materials, supplies,

equipment, services, construction and printing as required by that Governing Board or the Commission and Council, as appropriate, and the institution(s) under their jurisdiction. Each Governing Board shall have fiduciary responsibility to ensure that purchases and acquisitions are made within the limits of available appropriations and funds in accordance with applicable provisions of West Virginia Code §5A-2-1 et seq., and for the inventory of materials, supplies and equipment and for disposal of obsolete or surplus materials, supplies and equipment as required by the institution(s) under their jurisdiction.

6.2. In order to assist the Governing Board in carrying out its duties, obligations and responsibilities under this rule, the Board may, by resolution of the Board, delegate authority to the institution's president who shall have overall control and management of the institution's purchases, inventory, and disposal of obsolete or surplus materials, supplies and equipment as required by that institution. The president shall appoint a chief procurement officer to assist the president in carrying out the duties, obligations and remedies imposed by the Governing Board and this rule. This appointment shall be made in writing and filed with the Vice Chancellor for Administration, the State Auditor and the Attorney General.

6.3. Unless otherwise stated in writing by the president, the chief procurement officer shall have full authority to act as the designee of the president for purchase, acquisition, receipt of and inventory management of all materials, supplies, equipment, services, construction, and printing, and for disposal of obsolete or surplus materials, supplies, and equipment as may be required by the institution.

§133-30-7. Authority, Duties and Remedies of the Chief Procurement Officer/Director of Procurement.

7.1. The chief procurement officer or the director of procurement shall, unless otherwise stated in writing, have full authority to act in matters of institutional purchasing, inventory management and disposal of surplus and obsolete property as the designee of the president, or of the Vice Chancellor for Administration in the case of the Commission and Council Offices and West Virginia Network for Educational Telecomputing, and shall serve as the central procurement officer for the institution. This individual may also fulfill other institutional functions.

7.2. The chief procurement officer or the director of procurement may appoint buyers and delegate authority to them as designees, or to any department within the institution. Delegation of authority by the chief procurement officer or the director of procurement, and any limits thereupon, shall be in writing and filed with the Vice Chancellor for Administration, the State Auditor and the Attorney General. Responsibility for ensuring institutional compliance with the West Virginia Code and this rule shall rest with and be the responsibility of the chief procurement officer or director of procurement.

7.3. As required by law and this rule, and consistent with administrative manuals, guidelines and procedures developed by the Vice Chancellor for Administration, the chief procurement officer or director of procurement shall have the duty and/or authority to:

7.3.a. Purchase and contract for the materials, supplies, equipment, services, construction and printing required by the institution;

7.3.b. Establish institutional guidelines and procedures for purchases not exceeding \$50,000;

7.3.c. Establish institutional guidelines and procedures for receiving, inventorying and distributing materials, supplies, equipment, services, and printing;

7.3.d. Review specifications and descriptions before soliciting bids or proposals to ensure that they are competitive and fair and do not unfairly favor or discriminate against a particular brand or vendor;

7.3.e. Advertise for bids on all purchases exceeding \$50,000, and post or otherwise make available notices of all purchases for which competitive bids or proposals are being solicited by the institution's purchasing office;

7.3.f. Maintain the institution's purchasing files;

7.3.g. Accept or reject any and all bids in whole or in part;

7.3.h. Waive minor irregularities in bids, bidding documents and/or specifications;

7.3.i. Apply and enforce standard specifications;

7.3.j. Manage the institution's inventory of materials, supplies and equipment, authorize transfers to or between institutions, and sell surplus, obsolete or unused materials, supplies, and equipment;

7.3.k. Prescribe the amount of deposit or bond to be submitted with any bid or contract;

7.3.l. Prescribe contract provisions for liquidated damages, remedies and/or other damages provisions in the event of vendor default;

7.3.m. Exempt from competitive bidding purchases of materials, supplies, equipment, services, and printing purchased from within state government, from West Virginia sheltered workshops, from cooperative buying groups and consortia, and from the federal government or federal government contracts when price, availability and quality are comparable to those on the open market;

7.3.n. Perform chemical and physical tests on samples submitted with bids and samples of deliveries to determine compliance with specifications, if deemed necessary and prudent;

7.3.o. Hear and render opinions on vendor complaints and protests;

7.3.p. Ensure vendors are registered with the Department of Administration's Vendor/Customer File in accordance with the West Virginia Code;

7.3.q. Apply the preference for resident vendors required by the West Virginia Code;

7.3.r. File contracts and purchase orders that exceed the dollar limit required for competitive sealed bidding with the State Auditor;

7.3.s. Submit contracts and purchase orders to the Attorney General for approval or as may be required by law, administrative procedures and guidelines;

7.3.t. Ensure that purchases exceeding the dollar amount for competitive bidding are encumbered and entered into the State's accounting system as required by West Virginia Code §18B-5-4(g) and §5A-2-1 et. seq.

7.3.u. Apply and enforce other applicable provisions of state and federal laws pertaining to purchases, inventory management and disposal of surplus and obsolete materials, supplies, and equipment.

7.4. Remedies that are available to the chief procurement officer or director of procurement when appropriate circumstances arise include:

7.4.a. In the event that a vendor fails to honor any contractual term or condition, the chief procurement officer or the director of procurement may cancel the contract and re-award the contract to the next lowest responsible and responsive bidder;

7.4.b. Vendors failing to honor contractual obligations may be held responsible for all differences in cost;

7.4.c. Declare a vendor or bid non-responsible or non-responsive and refuse to award a purchase order. All such instances shall be substantiated in writing giving the reason(s) thereof, and such documentation shall be considered a public document available for inspection at all reasonable times; and

7.4.d. Suspend, for a period not to exceed one (1) year, the right of a vendor to bid when there is reason to believe that such vendor has violated any of the provisions of the terms and conditions of a contract, this rule and/or state law.

§133-30-8. Purchase or Acquisition of Materials, Supplies, Equipment, Services, and Printing.

8.1. Unless otherwise authorized by law, all purchases or acquisitions of materials, supplies, equipment, services, and printing shall be awarded by competitive bidding, except as provided in the following paragraphs of this rule:

8.1.a. Purchases not exceeding \$50,000;

8.1.b. Competitive sealed proposals;

8.1.c. Competitive selection procedures for professional services;

8.1.d. Sole source and single source procurement;

8.1.e. Emergency procurement;

8.1.f. Open end and federal contracts; and

8.1.g. Essential services.

8.2. Specifications shall be written to maximize and encourage competition. In certain cases, a "brand name or equal" may be used as a specification.

8.3. All purchases and acquisitions shall be made in consideration of and within limits of available appropriations and funds and in accordance with applicable provisions of West Virginia Code §5A-2, relating to expenditure schedules and quarterly allotments of funds.

8.4. Award shall be made to the lowest responsible and responsive vendor. In determining the lowest responsible and responsive vendor, consideration will be given to such factors as quality (meeting specifications), price, time of delivery, cost of delivery, and other terms and conditions considered prudent. Unit prices shall prevail in all cases when there is a conflict between the unit price and extended price. In some cases multiple and/or split awards may be made when determined to be in the best interest of the institution. Occasionally, purchase orders may be issued which impose no obligation to take delivery of a product and/or service and as such, these purchase orders shall be issued as blanket purchase orders or price agreements. In situations where vendors are competing to provide a service that will generate income for an institution, the award shall be made to the highest responsible and responsive bidder, taking into consideration the above factors.

8.5. The chief procurement officer or director of procurement may accept or reject, in whole or in part, any bid or proposal when the chief procurement officer or director of procurement believes it to be in the best interest of the institution. If any bid or proposal is rejected, a written explanation shall be placed in the purchasing file.

8.6. When tie bids or proposals are received, the tie shall be broken and an award made by allowing the tied vendors to make a "last and final offer." If a tie bid is not broken by a "last and final offer," then the tie may be broken by a flip of a coin, draw of the cards or any other impartial method deemed prudent by the chief procurement officer.

8.7. Except for exemptions granted in the West Virginia Code, all material, supplies, equipment, services, and printing made upon competitive bids or proposals shall be subject to any resident vendor preference set forth in the West Virginia Code.

8.8. The chief procurement officer or director of procurement shall determine the applicability and amounts of bonds and/or deposits required of a vendor at any time, if, in his or her judgment, such security is necessary to safeguard the institution from undue risk. The chief procurement officer or director of procurement may require the vendor to submit a certified check, certificate of deposit, performance bond, or any other security acceptable to the chief procurement officer, payable to the institution. Personal checks and/or company checks are not acceptable. When a contract has been satisfactorily completed on which a surety bond or other deposit has been previously submitted, the spending unit shall certify the completion in writing to the chief procurement officer or the director of procurement. The chief procurement officer or director of procurement, upon receipt of the notification, shall return the check or deposit to the vendor.

8.9. Purchases not exceeding \$50,000.

8.9.a. The chief procurement officer or the director of procurement shall establish institutional guidelines and procedures for purchases not exceeding \$50,000. These guidelines and procedures shall provide for obtaining adequate and reasonable records to properly account for funds and to facilitate auditing. They shall be approved by the president, filed with the Vice Chancellor for Administration and be on file in the institution's purchasing office and made available to the public upon request.

8.9.b. Purchases in this category do not require competitive bids or quotations.

8.10. Purchasing Card.

8.10.a. The state purchasing card may be used as a payment method as provided in applicable provisions of West Virginia Code §12-3-1 et seq., and as follows:

8.10.a.1. Employee travel expenses when the travel is required by the employee's job and is for official business of the institution. Expenses that may be paid using the purchasing card are as follows and are limited to \$5,000 per transaction or the card limit whichever is less:

8.10.a.1.A. Transportation: Commercial air fare, chartered aircraft service, rail service, commercial rental vehicles, and miscellaneous ground transportation and fees such as shuttle service, taxi service and parking.

8.10.a.1.B. Lodging: Room accommodations only. Any extra charges will be the employee's responsibility to pay.

8.10.a.1.C. Fuel: Fuel for commercial rental or fleet vehicles only.

8.10.a.1.D. Meals: Meals for employee travel may not be paid using the purchasing card.

8.10.a.1.E. Reconciliation and settlement of employee travel expenses paid by the purchasing card shall be made according to the State Auditor's procedures, provided the procedures are consistent with the intent of applicable provisions of West Virginia Code §18B-5-4.

8.10.b. Routine and regularly scheduled payments may be made using the purchasing card and are limited to the transaction limit of the card. Routine and regularly scheduled payments mean all payments that have either received Attorney General approval in accordance with statute or do not require such approval, and are made on a regular, predictable and routine basis whether weekly, monthly, annually, or on any other regular schedule.

8.10.b.1. Routine, regularly scheduled payments are limited to the following: association dues; accreditation fees; software licenses and maintenance fees; resale merchandise; maintenance contracts; temporary space rentals; inter-library loan charges; inter/intra-institutional charges; contracts for artists, entertainers, and speakers; open end contracts; license fees of all types; utilities of all types; federal, state and municipal fees and assessments; real property rental fees; postage; books and related items, including those for libraries and bookstores; hospitality expenses; travel expenses; shipping, handling, and freight charges; advertising; subscriptions; periodicals, and publications; athletic and academic team related expenses; and necessary job related medical or drug testing and treatment.

8.10.b.2. In order to provide sufficient accounting and auditing procedures for all purchasing card transactions, each institution shall adopt and effectively use the reconciliation, reporting and payment software for the purchasing card program approved by the State Auditor and the Vice Chancellor for Administration.

8.10.b.3. The Commission and Council may expand the use of the purchasing card for travel and routine and regularly scheduled payments for any institution it determines has the capacity, internal controls and record of effective management to handle the expanded responsibilities.

8.10.c. The Commission and each institution shall maintain a purchasing card that may be used for emergencies declared by the President of an institution and approved by the Chancellor up to the transaction limit of the card as provided in subparagraph 8.16.2.

8.11. Purchases Greater than \$50,000.

8.11.a. Competitive sealed bidding is the preferred method for purchase and acquisition of materials, supplies, equipment, services, and printing greater than \$50,000.

8.11.b. The chief procurement officer or director of procurement shall advertise for bids on all purchases exceeding \$50,000. The advertisement shall appear no less than 5 days prior to the date bids are due.

8.11.c. The chief procurement officer or director of procurement shall, in addition to advertising, post or otherwise make available notice of all acquisitions and purchases for which competitive bids are being solicited in the purchasing office of the institution involved in the purchase no less than 5 days prior to making such purchase and shall ensure that the notice is available to the public during business hours.

8.11.d. Bids shall be delivered to the specified location for receipt of bids by the bidder prior to the date and time of the bid opening according to the instruction contained in the request for bids and any addenda or modifications officially issued.

8.11.e. Bids not properly delivered or received after the required time and date shall not be opened and shall be returned to the bidder.

8.11.f. The bid shall be signed by an authorized agent of the bidder. A corporate signature without an individual's name and signature shall not be construed as an acceptable signature.

8.11.g. Facsimile transmitted bids are not acceptable for bids over \$50,000. Facsimile and electronically transmitted modifications are acceptable if the bid price is not revealed.

8.11.h. A bidder may make a written modification to a sealed bid prior to the bid opening, provided modifications are made by the bidder in such a manner that the bid price is not revealed or known until the bid is opened. Written modifications must be received by the chief procurement officer or the director of procurement prior to the date and time of the bid opening. Electronically transmitted modifications are acceptable if submitted prior to the bid opening date and time and the bid price is not revealed.

8.11.i. Originals or copies of bids shall be available for public inspection after the bid opening. Vendors may designate in writing with the bid submission information contained within the bid constituting trade secrets, pursuant to West Virginia Code §29B-1-4(1), which shall be exempt from disclosure. The purchasing files shall be open for public inspection after the award has been made, except for information qualifying for the exemption set out above.

8.11.j. The chief procurement officer or the director of procurement may reject an erroneous bid after the bid opening upon request of the bidder if all of the following conditions exist: (a) an error was made; (b) the error materially affected the bid or proposal; (c) rejection of the bid or proposal would not cause a hardship on the institution other than losing an opportunity to receive materials, supplies, equipment, services, construction and/or printing at a reduced cost; and (d) enforcement of the part of the bid or proposal in error would be unconscionable. In order to reject a bid or proposal, the purchasing file must contain documented evidence that all of the above conditions exist.

8.11.k. Price and other adjustments shall be allowed on any purchase order if specific provisions for adjustments have been incorporated in the prescribed forms and the purchase order. All such requests for adjustments shall be made in accordance with the specific terms and conditions of the individual purchase order. In the event no provision for adjustments has been made, discretion to grant adjustments shall rest with the chief procurement officer.

8.11.l. Every person, firm or corporation selling or offering to sell to the Commission, Council, a Governing Board and its institutions, materials, supplies, equipment, services, construction and printing, upon competitive bid or otherwise, in excess of \$50,000 per order, shall be registered with the West Virginia Department of Administration, Purchasing Division, pursuant to West Virginia Code §18B-5-5 and §5A-3-12. Purchase orders in excess of \$50,000 may not be issued to any vendor not properly registered with the West Virginia Department of Administration.

8.11.m. Contracts, purchase orders and associated documents such as performance and labor/material payment bonds and certificates of insurance are not required to be approved by the Attorney General provided standard terms and conditions or standardized forms previously approved by the Attorney General are used.

8.11.n. Contracts and purchase orders that exceed the amount set forth in West Virginia Code §18B-5-4 for sealed competitive bidding shall be filed with the State Auditor.

8.12. Vendor's Rights and Duties.

8.12.a. Each vendor is solely responsible for delivery of its bid to the specified prior to the specified date and time of the bid or proposal opening.

8.12.b. If there is a conflict between the extension price and the unit price, the unit price shall prevail.

8.12.c. Any changes made by the vendor in the specifications listed in the bid request must be clearly stated. If changes are not stated, it will be assumed that items offered meet the specifications in all respects.

8.12.d. Vendors are responsible for the accuracy of the information in their bid or proposal and on the bid or proposal envelope.

8.12.e. All sales to the Commission, Council and the Governing Boards are exempt from West Virginia consumer sales tax or excise tax by blanket state exemption and blanket federal exemption.

8.12.f. It is the vendor's exclusive duty and obligation to file protests and requests for reconsideration according to the requirements of Section 9, and for reconsideration of suspension, in accordance with the requirements of Section 10 of this rule; otherwise, they shall be waived.

8.13. Competitive Sealed Proposals.

8.13.a. For purchases above \$50,000, competitive sealed bids are the preferred method of procurement; however, if it is either not practicable or advantageous, a contract may be entered into by a request for proposals. The words "practicable" and "advantageous" are to be given ordinary dictionary meanings. The term "practicable" denotes what may be accomplished or put into practical application. "Advantageous" connotes a judgmental assessment of what is in the institution's best interest. The key element in determining advantageousness will be the need for flexibility.

8.13.b. The request for proposal method of purchasing is used to obtain goods and services when sufficient knowledge or expertise does not exist to adequately specify the details of the desired result. The desired result is written into the request for proposals. The vendor responds to the request for proposals with a proposal identifying its intended approach to meet the desired result along with a proposed price or fee. Terms and conditions of the contract shall be included in a request for proposals, along with a pre-established award criteria based on value or points. Whenever desirable, interviews may be conducted with interested parties for clarification and/or determination of qualifications and experience prior to award. Requests for proposals go beyond price alone. They also look at the vendor's ability and resources to furnish the desired service to get the desired result. Quality of service and performance are important considerations. Requests for proposals are primarily used for large dollar projects requiring a high level of expertise on the part of the vendor.

8.14. Competitive Selection Procedures for Professional Services.

8.14.a. The competitive selection procedure for professional services is similar to the process used for competitive sealed proposals; however, greater weight is given to the ability to perform the service as reflected by technical training, education and experience, and in some cases, artistic and aesthetic values and capabilities. In these cases, price may be a secondary consideration.

8.14.b. The competitive selection process for hiring architects and engineers is set forth in Chapter 5G of the West Virginia Code.

8.15. Sole Source and Single Source Procurement.

8.15.a. The chief procurement officer or director of procurement may approve the purchase of materials, supplies, equipment, services and/or printing directly from a vendor without competitive bid or proposals, if any of the following conditions exist: (a) the item cannot be obtained through ordinary purchasing procedures; (b) the item is of unique nature and not available from any other source; or (c) 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.

8.16. Emergency Procurement.

8.16.a. Emergency purchases exceeding \$50,000 must receive the prior written approval of the chief procurement officer or director of procurement unless made according to subparagraph 8.16.2. An emergency situation requiring purchase of materials, supplies, equipment, services, construction 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 shall not be used for hardship resulting from neglect, poor planning or lack of organization by the spending unit. Competitive bids must be obtained if possible.

8.16.b. The Commission and each institution may maintain a purchasing card for use in and for situations declared an emergency by the president of an institution and approved by the Chancellor. Such emergencies may include but are not limited to partial or total destruction of a campus facility; loss of a critical component of utility infrastructure; heating ventilating, or air conditioning failure in an essential academic building; loss of campus road, parking lot or campus entrance; or a local, regional, or national emergency situation that has a direct impact on the campus.

8.16.c. In the event of an emergency declared by the president of the institution and approved by the Chancellor, the president or his or her designee may authorize the use of an emergency purchasing card by a designated representative in accordance with the procedures set forth in the State Auditor's Legislative Rule for the purchasing card program.

8.17. Open End Contracts and Federal Contracts.

8.17.a. The Commission, Council or a Governing Board and its institution(s) may enter into open end contracts that were competitively bid for materials, supplies, equipment, services, and/or printing to supply their respective needs in the form of statewide contracts, blanket orders or price agreements. Once issued, purchases and acquisitions may be made from these contracts without securing any other bids or quotations. These contracts may be made available to other institutions, the Commission and Council for their use.

8.17.b. The Commission, Council, a Governing Board and its institution(s) may, without securing any other bids or quotations, make purchases from cooperative buying groups, consortia, the federal government and from federal government contracts if the materials, supplies, equipment, services, and printing to be purchased are available from these groups, consortia, or the federal government and its contracts, and if this is the most financially advantageous manner of making the purchase.

8.18. Essential Services.

8.18.a. Essential services may be purchased and paid for by the Commission, Council, a Governing Board and its institution(s) without securing competitive bids or proposals or issuing purchase orders. Commodities in this category may include but are not limited to utilities of all kinds; postage; items for resale; municipal, county, state, and federal fees; student awards, stipends, loans and grants; shipping and freight charges; tuition and registration fees and refunds thereof; professional dues; etc. The

Vice Chancellor for Administration shall issue guidelines for the purchase of and payment for essential services.

8.19.Motor Vehicle Purchase.

8.19.a.The purchase and leasing of motor vehicles shall be consistent with this rule, and guidelines and procedures adopted by the Commission, Council, a Governing Board and the Vice Chancellor for Administration.

8.20.Procurement File.

8.20.a. The chief procurement officer or director of procurement shall maintain a purchasing file for each procurement or acquisition. This file shall contain all relevant information pertaining to such purchase or acquisition, including but not limited to: (a) bids, proposals or quotations received in response to a request for sealed bids or proposals; however, an unopened bid or proposal shall not be considered a public document or record; (b) identification and certification of the successful bid; (c) why any bid or proposal is rejected in whole or in part; (d) justification for award to other than the lowest vendor; and (e) vendor protests or complaints. The purchasing file shall be a public record open to inspection during normal business hours. No records in the purchasing file shall be destroyed without the written consent of the Legislative Auditor, except as set forth in subparagraph 8.20.b.

8.20.b.Those files in which the original documentation has been held for at least one year and in which the original documents have been reproduced and archived on microfilm or other equivalent method of duplication may be destroyed without written consent of the Legislative Auditor. All files, no matter the storage method, shall be open for inspection by the Legislative Auditor upon request.

8.21.Approval of Lease-Purchase Agreements for the Governing Boards.

8.21.a. After the Commission or Council has granted approval for lease-purchase agreements by a Governing Board, the Governing Board may enter into lease-purchase agreements for capital improvements, including equipment. Any lease-purchase agreement exceeding one million dollars in total must have prior approval of the Commission or Council.

8.21.b.Proposals for any lease-purchase agreements shall be made in accordance with West Virginia Code §18B-19-11. The Vice Chancellor for Administration may establish guidelines and a format for receiving, considering and approving such proposals.

8.21.c. Lease-purchase agreements exceeding one hundred thousand dollars must be approved as to form by the Attorney General.

8.22.Lease Agreements for Grounds, Buildings, Office Space or Other Space.

8.22.a. The Commission, Council and Governing Boards have the authority to enter into lease agreements for grounds, buildings, office space or other space in the name of the State *for more than one fiscal year* but not exceeding forty years under the following conditions:

8.22.a.1. The Commission, Council and institutions shall be responsible for all rent and other necessary payments in connection with the contract of lease; and

8.22.a.2. Satisfactory grounds, buildings, office or other space is not available on grounds and in buildings currently owned or leased.

8.22.b. Before executing any rental contract or lease, the Commission, Council or a Governing Board, as appropriate, shall do the following:

8.22.b.1. Determine the fair rental value of the grounds, building, office space or other space to be leased in the condition in which they exist, and shall contract for or lease the premises at a price not to exceed the fair market value;

8.22.b.2. Leases shall contain, in substance, all of the following provisions:

8.22.b.2.A. That the Commission, Council or Governing Board, as lessee, has the right to cancel the lease without further obligation on the part of the lessee upon giving thirty days' written notice to the lessor at least thirty days prior to the last day of the succeeding month;

8.22.b.2.B. That the lease shall be considered canceled without further obligation on the part of the lessee if the Legislature or the federal government fails to appropriate sufficient funds for the lease or otherwise acts to impair the lease or causes it to be canceled; and

8.22.b.2.C. That the lease shall be considered renewed for each ensuing fiscal year during the term of the lease unless it is canceled by the Commission, Council or the Governing Board before the end of the then-current fiscal year.

8.22.3 c. The Commission, Council or an institution which is granted any grounds, buildings, office space or other space leased in accordance with West Virginia Code §18B-19-11 may not order or make permanent changes of any type unless the Commission, Council or the Governing Board, as appropriate, has first determined that the change is necessary for the proper, efficient and economically sound operation of the institution. For purposes of this section, a "permanent change" means any addition, alteration, improvement, remodeling, repair or other change involving the expenditure of state funds for the installation of any tangible thing which cannot be economically removed from the grounds, buildings, office space or other space when vacated by the institution.

8.22.4 d. Leases and other instruments for grounds, buildings, office or other space, once approved by the Commission, Council or Governing Board, may be signed by the chief executive officer of the Commission, Council or the institution. A lease and other instrument entered into by a Governing Board that exceeds one million dollars in total must receive prior approval of the Commission or Council, as appropriate, before being executed by the Governing Board or institution.

8.22.5 e. The Commission or Council shall present to the Joint Committee on Government and Finance for prior review any purchase of real estate, any lease-purchase agreement and any construction of new buildings or other acquisitions of buildings, office space, grounds resulting from a lease entered into pursuant to the provisions of West Virginia Code §18B-19-13, if the transaction exceeds \$1 million.

8.22.6 f. Any lease or instrument exceeding one hundred thousand dollars annually shall be approved as to form by the Attorney General. A lease or other instrument for grounds, buildings, office or other space that contains a term, including any options, of more than six months for its fulfillment shall be filed with the State Auditor.

8.23. The Commission, Council, and institutions, individually or cooperatively, will maximize their use of the following purchasing practices, when determined to provide a financial advantage:

8.23.a. Bulk purchasing;

8.23.b. Reverse bidding;

8.23.c. Electronic marketplaces; and8.23.d. Electronic remitting.

~~8.242.7.~~ The Commission and Council may promulgate additional rules deemed necessary to carry out the provisions of this section, and the Vice Chancellor for Administration may issue procedures for complying with this section.

§133-30-9. Protests and Reconsideration.

9.1. Protests and requests for reconsideration of a decision made by a chief procurement officer or the director of procurement may only be made by a person and/or vendor who is a potential or actual bidder on that particular contract and/or purchase.

9.2. Protests.

9.2.a. Protests based on specifications or improprieties in any type of solicitation which are apparent or should have been apparent prior to the bid or proposal opening or closing date must be filed not later than five calendar days prior to the bid or proposal opening or closing date. A protest of the award must be filed no later than five calendar days following the notice of the institution's intent to award the contract as posted or otherwise made available in the institution's purchasing office for competitive transactions greater than \$50,000. Protests filed prior to five calendar days following the notice of intent to award shall be resolved in accordance with this rule before an award is made. Information regarding awards may be obtained from the institution's purchasing office, and a vendor contemplating a protest has a duty to obtain this information in a timely manner.

9.2.b. The protest must be filed in writing with the chief procurement officer or director of procurement and contain the name and address of the protestor, the requisition number of the bid or the purchase order number, a statement of the grounds for protest and supporting documentation, the relief sought, and if a hearing on the merits of the protest is requested.

9.2.c. The chief procurement officer or director of procurement shall review the protest and issue a decision in writing. In the event a hearing on the merits of the protest is requested by the protestor, the chief procurement officer or director of procurement shall set a time and place for the hearing. The hearing shall be recorded and an official record shall be prepared. Following the hearing, the chief procurement officer or the director of procurement shall issue a written decision.

9.3. Reconsideration.

9.3.a. Reconsideration of a decision on a protest by the chief procurement officer or director of procurement may be requested by an aggrieved party to the institution's chief financial officer. A request for reconsideration shall be made in writing within five calendar days after receiving the chief procurement officer or director of procurement's written decision, and it shall contain the name and address of the aggrieved party, the requisition or purchase order number, a statement of the grounds for reconsideration with supporting documentation, the relief sought, and if a hearing on the merits is requested.

9.3.b. The chief financial officer shall review the request for reconsideration and issue a decision in writing. In the event a hearing on the merits is requested by the aggrieved party, the chief financial officer shall set a time and place for the hearing. The hearing shall be recorded and an official record shall be prepared. Following the hearing, the chief financial officer shall issue a decision in writing to the aggrieved party and his or her decision shall be final.

9.3.c. The chief procurement officer or director of procurement and chief financial officer may refuse to decide any protest or reconsideration where the matter involved is the subject of litigation before a court of competent jurisdiction, or has been decided on the merits by such court. The foregoing shall not apply where the court requests, expects or otherwise expresses interest in the decision of the chief procurement officer or director of procurement and chief financial officer.

§133-30-10. Suspension and Reconsideration.

10.1. Suspension.

10.1.a. The chief procurement officer or director of procurement shall have authority to suspend, for a period not exceeding one year, the right and privilege of a person to bid on purchases of the institution.

10.1.b. The following shall be considered adequate grounds for suspension of a vendor: (a) a vendor has exhibited a pattern of poor performance in fulfilling its contractual obligation(s) including, but not limited to, providing or furnishing commodities, materials, services or construction late, or at a quantity or quality level below that which is specified in the contract, or repeated instances of poor performance; or (b) the vendor has breached any contract entered into pursuant to the provisions of West Virginia Code §18B-5-4 through §18B-5-9 or this rule, or the vendor has been convicted of any federal or state law punishable as a felony if such conviction is directly related to the performance of a contract entered into pursuant to West Virginia Code §18B-5-4 through §18B-5-9 or this rule. Any such suspension must be imposed within one year of the date of the act, omission, or conviction the suspension is based upon, or within one year of the chief procurement officer's discovery of such act, omission, or conviction.

10.2. Reconsideration.

10.2.a. Reconsideration of a decision on suspension by the chief procurement officer or director of procurement may be requested by an aggrieved party to the institution's chief financial officer. A request for reconsideration shall be made in writing within five calendar days after receiving the chief procurement officer's decision and it shall contain the name and address of the aggrieved party, a statement of the grounds for reconsideration with supporting documentation, the relief sought, and if a hearing on the merits is requested.

10.2.b. The chief financial officer will review the request for reconsideration and issue a decision in writing. In the event a hearing on the merits is requested by the aggrieved party, the chief financial officer shall set a time and place for the hearing. The hearing shall be recorded and an official record prepared. Following the hearing, the chief financial officer will issue a decision in writing to the aggrieved party and his or her decision shall be final.

10.2.c. The chief financial officer may refuse to decide any reconsideration when the matter involved is the subject of litigation before a court of competent jurisdiction, or has been decided on the merits by such court. The foregoing shall not apply when the court requests, expects or otherwise expresses interest in the decision of the institution.

10.3. Vice Chancellor for Administration.

10.3.a. An institution that suspends the right and privilege of a vendor to bid on purchases of the institution shall forward a copy of the suspension notice to the chief procurement officer or director of procurement of the Commission Office, who shall maintain a record of such suspension and shall notify all institutions of such suspension.

10.3.b.If the chief procurement officer or director of procurement of the Commission Office determines that the actions of the vendor leading to the suspension by an institution are of a serious enough nature to justify imposition of a system-wide suspension, he or she shall forward the suspension and his or her recommendation to the Vice Chancellor for Administration for review. If the Vice Chancellor for Administration determines that the actions of the suspended vendor justify a system-wide suspension, he or she shall notify the vendor and all institutions of the system-wide suspension.

§133-30-11. Qualifications of a Buyer and a Chief Procurement Officer.

11.1.Buyer.

11.1.a.No person shall be employed as a buyer unless that person, at the time of employment, is either: (a) a graduate of an accredited college or university; or (b) has at least four year's experience in purchasing for any unit of government or for any business, commercial or industrial enterprise.

11.1.b.Any person making purchases and acquisitions pursuant to this section shall execute a bond in the penalty of fifty thousand dollars, payable to the state of West Virginia, with a corporate bonding or surety company authorized to do business in this state as surety thereon, in a form prescribed by the Attorney General and conditioned upon the faithful performance of all duties in accordance with this rule. In lieu of separate bonds for such buyers, a blanket surety may be obtained. Any such bond shall be filed with the Secretary of State. The cost of any such bond or bonds shall be paid from funds appropriated to the Commission, Council or Governing Board.

11.2.Chief Procurement Officer/Director of Procurement.

11.2.a.From the date of adoption of this rule by the Commission and Council and henceforth, no new person shall be employed as a chief procurement officer or director of procurement unless that person, at the time of employment, is: (a) a graduate of and has received a baccalaureate degree from an accredited college or university; and (b) has at least four year's experience in purchasing for any unit of government or for any business, commercial or industrial enterprise.

11.2.b.The bonding provisions set forth in subparagraph 11.1.b shall also apply to any person employed as a chief procurement officer or director of procurement.

§133-30-12. Receiving and Inventory Management.

12.1.Receiving.

12.1.a.The chief procurement officer or director of procurement shall establish institutional guidelines and procedures for receiving and distributing materials, supplies, equipment, services, and printing to departments and offices within the institution. These guidelines and procedures shall be consistent with this rule, and they shall be approved by the president, filed with the Vice Chancellor for Administration and shall be on file in the institution's purchasing office and made available to the public upon request.

12.2.Inventory Management.

12.2.a.The chief procurement officer or director of procurement shall inventory all equipment and furnishings that have a value at the time of purchase or acquisition of \$5,000 or more per unit. Such inventory shall be kept current at all times. An institution may elect to inventory equipment and furnishings with a value less than \$5,000 per unit.

12.2.b. The chief procurement officer or director of procurement shall set up and maintain the institution's inventory management system on the basis of generally accepted accounting standards. This system shall also conform to the requirements of the Commission, Council, the Governing Board, the state and the federal government as applicable.

12.2.c. The chief procurement officer or director of procurement shall conduct an audit of the institution's inventory, at a minimum, every three years.

§133-30-13. Disposal of Surplus or Obsolete Materials, Supplies and Equipment.

13.1. The chief procurement officer or director of procurement shall identify and inventory the institution's surplus or obsolete materials, supplies and equipment and shall store such materials, supplies and equipment until such time as they may be disposed of in a manner consistent with this rule and state law.

13.2. An institution may dispose of surplus or obsolete materials, supplies and equipment by transfer to other governmental agencies or institutions, by exchange or trade, or by sale as junk or otherwise.

13.3. If the method of disposition is other than by transfer to, or exchange or trade with other governmental agencies or institutions, the chief procurement officer or director of procurement shall, at least ten days prior to the disposition, advertise once a week for two consecutive weeks by newspaper publication as a Class II legal advertisement in compliance with the provisions of West Virginia Code §59-3-1 et. seq., in the county where the surplus or obsolete materials, supplies and equipment are located, their availability or sale, in whole or part, at public auction or by sealed bid, as sound business practices may warrant under existing circumstances and conditions.

13.4. An institution may also dispose of surplus or obsolete materials, supplies and equipment through the surplus property unit of the Purchasing Division of the West Virginia Department of Administration; in which case, all of the rules and regulations of the Department of Administration shall be followed.

13.5. Under no circumstances shall any of the property described in this section be sold, transferred or conveyed to any private person, firm or corporation other than at public auction or by sealed bid or as otherwise provided in West Virginia Code §18B-5-7.

13.6. The funds an institution receives from the sale of surplus materials, supplies, and equipment shall be deposited in the State Treasury to the credit on a pro rata basis of the fund or funds from which the purchase of the particular commodities or expendable commodities was made. The Commission, Council or Governing Board may charge and assess reasonable fees related to the costs of care and handling with respect to the transfer, warehousing, sale and distribution of state property that is disposed of or sold.

§133-30-14. Violations.

14.1. Any person who authorizes or approves a purchase contract in a manner in violation of the West Virginia Code, this rule, or any policy or procedure adopted by the Commission, Council and the Governing Board shall be personally liable for the cost of such purchase or contract. Purchases or contracts violating the West Virginia Code and/or this rule shall be void and of no effect.

14.2. Any person receiving anything of value from a known interested party in the awarding of a purchase order shall be subject to the provisions of West Virginia Code §5A-3-28, -29, -30, -31.

14.3. Except as may be authorized by the provisions of Chapter 6B of the West Virginia Code, neither the Commission, Council or a Governing Board, nor any employee of the Commission, Council or a

Governing Board, shall be financially interested, or have any beneficial personal interest, directly or indirectly, in the purchase of any equipment, materials, supplies, services, or printing, nor in any firm, partnership, corporation or association furnishing them. Neither the Commission, Council or a Governing Board nor any employee of the Commission, Council or a Governing Board shall accept or receive directly or indirectly, from any person, firm or corporation, known by the Commission, Council, Governing Board or such employee to be interested in any bid, contract or purchase, by rebate, gift or otherwise, any money or other thing of value whatsoever or any promise, obligation or contract for future reward or compensation.

14.4. Any vendor violating the West Virginia Code or this rule may be suspended from the right to bid on or submit a proposal for institutional purchases for a period of up to one year.

§133-30-15. Performance Audits.

15.1. The Joint Committee on Government and Finance is required by West Virginia Code to conduct performance audits and the Commission or Governing Board shall be responsible for paying the cost of the audit from funds appropriated to the Commission or Governing Board.

15.2. The Commission also has an obligation under West Virginia Code to conduct performance audits of the policies, procedures and results of the procurement of goods and services by the state institutions of higher education and report to the Legislative Oversight Commission on Education Accountability (LOCEA) on the results of the performance audits, together with any recommendations for additional actions that might be taken to improve the efficiency, effectiveness and economy of the administrative operations of the institutions and the Commission.

§133-30-16. Permitting Private Institutions of Higher Education to Join as Purchasers.

16.1. The Commission and Governing Boards shall permit private institutions of higher education to join as purchasers on purchase contracts for materials, supplies, equipment, services, and printing entered into by the Commission and Governing Board or the institutions under the Board's control. Any private school desiring to join as a purchaser on such purchase contracts shall file with the Vice Chancellor for Administration an affidavit signed by the president of the institution of higher education or a designee, requesting that it be authorized to join as a purchaser on such contracts, and agreeing that it will be bound by such terms and conditions as the Commission or Governing Board may prescribe, and that it will be responsible for payment directly to the vendor under each purchase contract.