

**PURCHASING PROCEDURES  
FOR  
HANOVER COUNTY  
&  
HANOVER COUNTY SCHOOL BOARD**



**EFFECTIVE NOVEMBER 27, 2013**

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## **I PURPOSE AND INTENT**

- A. The purpose of this document is to provide guidance on procurement from nongovernmental sources and to ensure that all procurement activity is compliant with the Virginia Public Procurement Act (*Code of Virginia* § 2.2-4300 et seq.).
- B. “To the end that public bodies in the Commonwealth obtain high quality goods and services at reasonable cost, that all procurement procedures be conducted in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety, that all qualified vendors have access to public business and that no Offeror be arbitrarily or capriciously excluded, it is the intent of the General Assembly that competition be sought to the maximum feasible degree, that procurement procedures involve openness and administrative efficiency, that individual public bodies enjoy broad flexibility in fashioning details of such competition, that the rules governing contract awards be made clear in advance of the competition, that specifications reflect the procurement needs of the purchasing body rather than being drawn to favor a particular vendor, and that the purchaser and vendor freely exchange information concerning what is sought to be procured and what is offered. Public bodies may consider best value concepts when procuring goods and nonprofessional services, but not construction or professional services. The criteria, factors, and basis for consideration of best value and the process for the consideration of best value shall be as stated in the procurement solicitation.” (*Code of Virginia* § 2.2-4300C)

## **II STANDARDS OF CONDUCT**

- A. Because of the extraordinary trust and responsibility exercised by public officials conducting procurement transactions and because of the legitimate expectation by the public that this trust and responsibility be exercised properly, the laws of this Commonwealth dictate a higher standard of conduct for procurement officials than for public employees generally. All County employees having official responsibility for procurement transactions shall conduct business with vendors in a manner above reproach in every respect. Transactions relating to the expenditure of public funds require the highest degree of public trust.

No County employee having administrative or operating authority, whether intermediate or final, to initiate, approve, disapprove or otherwise affect a procurement transaction or any claim resulting therefrom shall solicit, demand, accept or agree to accept from a Bidder, Offeror, contractor or subcontractor any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal or minimal value present or promised, unless consideration of substantially equal or greater value is exchanged.

- B. "No public employee having official responsibility for a procurement transaction shall knowingly falsify, conceal, or misrepresent a material fact; knowingly make any false, fictitious or fraudulent statements or representations; or make or use any false writing or document knowing it to contain any false, fictitious or fraudulent statement or entry" (*Code of Virginia*, §2.2-4376). “Any person convicted of a willful violation of any provision of this article shall be guilty of a Class I misdemeanor. Upon conviction, any public employee, in addition to any other fine or penalty provided by law, shall forfeit his employment” (*Code of Virginia*, §2.2-4377). “Official responsibility means administrative or operating authority, whether intermediate or final, to initiate, approve, disapprove or otherwise affect a procurement transaction, or any claim resulting therefrom” (*Code of Virginia*, §2.2-4368).

Misrepresentations include, but are not limited to:

1. Declaring a vendor to be a sole source knowing that it is not.
2. Describing requirements in such a manner so as to limit competition.
3. Soliciting other than valid sources so as to limit competition.
4. Signing for receipt of goods or services not yet received or completed.
5. Altering any procurement document to disguise or change the outcome.

### **III PROCUREMENT DOCUMENTATION**

#### **A. PURCHASE REQUISITION**

1. The purchase requisition should contain or have attached a complete description of what is to be procured, including complete bid specifications or the Scope of Services.
2. A requisition is required for purchases above \$5,000 so that a purchase order can be issued.
3. It is important that all sections of the requisition be completed, including estimated cost. Requisitions should be submitted far enough in advance of the date needed to enable Purchasing to conduct any necessary research, secure competitive prices, and for the vendor to make delivery.
4. Purchase requisitions must be signed by an individual designated to expend the identified funds. Requisitions may be sent to purchasing by mail, email or fax.
5. A purchase requisition is NOT required to initiate the solicitation of a term contract. Provide a detailed scope of work to be used by Purchasing in drafting the solicitation document.

#### **B. PURCHASE ORDER**

1. A purchase order is a legal document authorizing the purchase and payment of items requisitioned by the department. Purchase orders are prepared and issued only by Purchasing.
2. A purchase order is issued pursuant to a purchase requisition for goods/services having been submitted to Purchasing.
3. The cost of goods/services shown on the purchase order are encumbered. Be sure to notate the purchase order number when processing invoices; otherwise, the payment will reduce your unencumbered balance and the encumbrance will still be outstanding, thus doubling the reduction to your unencumbered balance.

#### **C. CHANGE ORDER**

1. Change orders are issued only by Purchasing. Contractors are not authorized to proceed with work covered under a change order until the change order is issued by Purchasing, unless the contract documents specifically state otherwise. The change order should not be confused with the change order form used for construction projects. These forms are usually American Institute of Architects (AIA) or Engineer's Joint Council Document Committee (EJCDC) documents generated by the project Architect or Engineer, signed by the contractor and sent to the County - resulting in the issuance of a County change order.
2. The end user may need to submit a purchase requisition detailing, by attachment if necessary, the requested change and the reason the change is being requested. Change orders are generally used:
  - a. To increase or decrease the number of units originally ordered.
  - b. To change the delivery date, change the delivery location or extend the contract term.
  - c. To cancel all or part of a purchase order. The end user must state on the purchase requisition the reason the cancellation is requested.
  - d. To change the Scope of Work of the original purchase order.
  - e. To correct clerical errors.
  - f. For other similar purposes approved by Purchasing.
3. Although a change order issued by Purchasing authorizes any change to a purchase order or Contract, it

should not be confused with a formal contract addendum (which must be signed by all parties to the contract) or the document usually used in construction contracts (also called a "change order") that is prepared by the A/E to identify proposed changes to a construction project (this "change order" precedes the issuance of the County's change order form which authorizes the changes to be made).

4. A public contract may include provision for modification of the contract during performance, but no fixed-priced contract may be increased by more than twenty-five (25) percent of the amount of the contract or \$50,000, whichever is greater, without the approval of the County Administrator or his designee. In no event may the amount of any contract, without adequate consideration, be increased for any purpose, including, but not limited to relief of a contractor from the consequences of an error in its bid or offer. (*Code of Virginia* § 2.2-4309)
5. A change order is not required when the final payment against an encumbered purchase order results in the payment of less than the amount encumbered, provided the amount is not a material deviation from the original purchase order amount.

## IV METHODS OF PROCUREMENT

### A GENERAL INFORMATION:

1. Buy Local: Employees shall make a concerted effort to include one or more Hanover County vendors among those contacted. This effort is not intended to give preference in making an award, but is intended to provide Hanover County vendors a chance to participate in procurement opportunities.
2. SWAM: Employees shall make a concerted effort to include one or more vendors certified by the Virginia Department of Minority Business Enterprise as small, woman-owned or minority-owned among those contacted. This effort is not intended to give preference in making an award, but is intended to provide SWAM vendors a chance to participate in procurement opportunities. All solicitations posted to eVA meet this requirement. (*Code of Virginia § 2.2-4310B*)
3. When determining the proper method of procurement, purchases may not be arbitrarily split to qualify for another method of procurement. Evidence of order splitting shall be cause for revocation of delegated purchase authority.
4. Any document that must be signed to establish credit must be reviewed and approved by the County Attorney's Office or Purchasing prior to the purchase.
5. Although purchase orders will generally not be issued for purchases below \$5,000, one can be issued if requested by the department or vendor.
6. If a written contract is used in any procurement method, the contract shall be prepared, or approved, by Purchasing staff and is subject to approval by the County Attorney's Office.
7. If specifications are written with only a single "brand name" description, or written based upon the specifications of a single product, a written justification stating why additional brands are not acceptable and/or could not be used in specification development must be submitted with the purchase requisition. Purchasing staff will review and either approve or reject the justification. If rejected, Purchasing will explain the reasons for rejection and work with the end user to modify the specifications.

### B. SMALL PURCHASES: The following small purchase procedures have been established for use by the County when acquiring materials, supplies, equipment, printing or nonprofessional services. Solicitations that are expected to exceed \$20,000 shall require the posting of a public notice on the County website and/or eVA VBO. Quick Quote solicitations meet the public posting requirement.

#### 1. Single Quotation (Up to \$10,000)

- a. Solicitation of bids at this level is delegated to the department.
  - Place orders up to \$5,000 directly with the vendor. A purchase order can be issued if requested by the vendor, but is not required. The end user is responsible for obtaining and retaining verification of contractor's insurance and licensing for service purchases if a purchase order is not issued.
  - An order over \$5,000 requires a requisition be submitted to Purchasing for release of a purchase order prior to the order being placed with the vendor.
- b. Purchases may be made upon receipt of one (1) written or telephone (oral) quote. Additional quotes may be solicited. If more than one quote is received, the award shall be made to the lowest responsive and responsible bidder. Additional quotes should be requested if there is reason to believe a quotation is not a fair and reasonable price. For purchases over \$5,000, Purchasing may solicit additional bids before issuing a purchase order.
- c. Use the County purchasing card when possible. A receipt or invoice must be kept in the cardholders file. All purchases made using the purchasing card are subject to the Purchasing Card Policies and Regulations.

2. Informal Solicitation (Up to \$20,000) – This method of solicitation is only to be used with prior written approval of Purchasing.
  - a. Department or Purchasing staff shall solicit a minimum of three (3) valid sources for the purchase of goods or services not expected to exceed \$20,000. Award shall be made to the lowest responsive and responsible bidder.
  - b. If the goods/services can be easily communicated, solicitation by telephone is acceptable. Documentation submitted with the requisition must include the date the quote was provided, the name of the individual providing the quote, a detailed description of the goods/services to be purchased and the price submitted.
  - c. If the nature of the goods/services is more complex, a written description should be sent to the vendor and their quote returned in writing (email or letter).
3. Unsealed Bidding (Over \$10,000 to \$100,000) - Purchases at this level will be handled by Purchasing staff.
4. Unsealed Proposals (Professional services up to \$50,000, goods/nonprofessional services up to \$100,000) - Purchases at this level will be handled by Purchasing staff.
- C. COMPETITIVE SEALED BIDDING (over \$100,000) - Purchases at this level will be handled by Purchasing staff.
- D. COMPETITIVE NEGOTIATIONS (Professional services over \$50,000, goods/nonprofessional services over \$100,000) - Purchases at this level will be handled by Purchasing staff.

**V SPECIAL PROCUREMENT PROVISIONS**

**A. STANDARDIZATION OF PRODUCTS:**

1. The County Administration has determined that in the interests of the County to control the cost of maintenance and operation, training, quality and reliability of certain products, certain brand name products shall be purchased as “no substitute” items.
2. To qualify as a standardized product and be bid as a “no substitutes” commodity, a written justification supporting the request for standardization must be submitted along with the requisition.

**B. EMERGENCY PURCHASES:**

1. Types of Emergency Purchases: The nature of the emergency will determine what pre-award action may be taken:
  - a. For an emergency purchase required to protect personal safety or property, efforts should be directed to finding a source and directing the contractor to proceed; however, such procurement shall be made with such competition as is practicable under the circumstances (*Code of Virginia, § 2.2-4303F*). This does not relieve the responsibility of negotiating a fair and reasonable price and subsequently documenting the procurement action.
  - b. For other types of emergencies, competition should also be sought to the maximum extent practicable. Vendor's qualifications may be checked and verification of insurance coverage, if applicable, information on warranty offered, and any other data pertinent to the procurement.
2. Immediately following the purchase of any goods or services under this procedure, the department shall complete the NOTICE OF EMERGENCY PURCHASE CONTRACT AWARD and forward to Purchasing along with a written quotation and requisition.
3. Posting Requirements: All emergency notices shall be posted on eVA VBO and at a minimum state that the procurement has been declared an emergency. The notice must also state that which is being procured, the contractor selected, and the date on which the contract was or will be awarded.

**C. SOLE SOURCE PURCHASES:**

1. Upon a determination in writing, on a form approved by Purchasing that only one source is practicably available for that which is to be procured, a contract may be negotiated and awarded to that source without competitive solicitation. This differs from a proprietary procurement where the product required is restricted to the manufacturer(s) stipulated, but is sold through distributors and competition between them can be obtained. Note: A written quotation must be obtained from the vendor and submitted to Purchasing along with a requisition.
2. Posting Requirements: All sole source notices shall be posted on eVA VBO and at a minimum state that only one source was determined to be practicably available. The notice must also state that which is being procured, the contractor selected, and the date on which the contract was or will be awarded.

**D. PURCHASE OF USED EQUIPMENT: Complete information describing the item must be provided to Purchasing along with the price being offered by the seller in writing. Prior to preparation of any purchase order, Purchasing must obtain a written statement from a person who is technically knowledgeable of the type of equipment to be purchased, normally the end user, verifying the condition of the equipment, its future usefulness, and that its purchase would be in the best interest of the County (The Director of Fleet Services, or his designee, should document all vehicles and motorized equipment). Upon a determination in writing that the price is fair and reasonable for used equipment meeting the department’s needs, a contract may be noncompetitively negotiated and awarded up to \$30,000. Used equipment purchases over \$30,000 that are available from only one source may be purchased in accordance with sole source procedures.**

**E. COOPERATIVE PROCURMENT AND CONTRACTS OF OTHER PUBLIC BODIES:**

1. Cooperative Procurement

- a. Any public body may participate in, sponsor, conduct, or administer a cooperative procurement agreement on behalf of or in conjunction with one or more other public bodies, or public agencies or institutions or localities of the several states, territories of the United States, or the District of Columbia, for the purpose of combining requirements to increase efficiency or reduce administrative expenses in any acquisition of goods and services.
  - b. Any public body that enters into a cooperative procurement agreement with a county, city, or town whose governing body has adopted alternative policies and procedures pursuant to subdivisions 9 and 10 of the *Code of Virginia* § 2.2-4343 shall comply with the alternative policies and procedures adopted by the governing body of such county, city, or town.
2. Purchase from contracts awarded by another public body:
- a. A public body may purchase from another public body's contract even if it did not participate in the RFP or IFB, if the RFP or IFB specified that the procurement was being conducted on behalf of other public bodies except for contract for architectural or engineering services or Construction in excess of \$200,000 as detailed in *Code of Virginia* § 2.2-4304.
    - Purchasing staff must approve all purchases made from another public body's contract(s).
      - A purchase order is required for purchases from other public bodies if the sum of all purchases from the contract is expected to exceed \$5,000.
    - Prior to approving purchases from another public body's contract, Purchasing will generally require documentation that assures compliance with statutes governing such procurements. This documentation will generally include:
      - A copy of the bid issued by the public body;
      - A copy of the signed contract, or copy of a signed purchase order;
      - Documentation of contract pricing.
  - b. The County may utilize the contracts of the General Services Administration (GSA) or other purchasing cooperatives (i.e. US Communities) if the bid or RFP meets the requirements of this section. Contracts must be reviewed and approved by Purchasing prior to use.

## **VI EXCEPTIONS TO COMPETITIVE REQUIREMENTS**

The following purchases can be made up to \$30,000 without competitive solicitation (a purchase order is required when in excess of \$5,000):

- A. Books, pre-printed materials, reprints and subscriptions (e.g., print or electronic), pre-recorded audio and video cassettes, compact discs, slide presentations, etc., when only available from the publisher/producer.
- B. Academic/research consulting services.
- C. Purchases of used equipment including used equipment purchased at a public or online auction.
- D. Honoraria, entertainment (speakers, lecturers, musicians, performing artists).
- E. Training that is specialized, proprietary, not typically available to the general public for which competition is generally unavailable, off-site, and requires a registration fee.
- F. Royalties and film rentals when only available from the producer or protected distributors.
- G. Professional Organizational Membership dues.
- H. Writers.
- I. Artists (does not include graphic artists); original works of art; and original, or authentic antique period art frames (does not include newly created replacement or reproduction frames).
- J. Photographers other than for graduations and yearbooks, e.g., for official photographs/portraits.
- K. Advertisements such as in newspapers, magazines, journals, radio, television, etc.
- L. Utility charges.
- M. Accreditation fees and academic testing services.
- N. Conference facilities (to include conference support and related lodging and meals) only when the use of a specific facility is directed by an outside donor, sponsor or organization.
- O. Purchases for testing or evaluation (limited to purchases of quantities considered necessary for complete and adequate testing).
- P. Purchases of airline tickets.

## **VII CONTRACTOR LICENSE REQUIREMENTS**

- A. In certain instances, contractors must be licensed to perform work.
- B. Contractors must, in addition to being licensed, possess the appropriate classification for the type of work they are offering to perform. Classifications are too lengthy to cover in this manual and those having questions about contractor classifications should contact Purchasing.
- C. This may apply to contracts as small as \$1,000. Please check with Purchasing if you have any questions.
- D. State statute and regulatory agencies require that some other contractors be properly registered and licensed, or hold permit, prior to performing specific types of services. Those services include, but are not limited to:
  - 1. Construction Dept. of Professional & Occupational Regulation
  - 2. Pesticide Application Dept. of Agriculture and Consumer Services
  - 3. Asbestos Service and Fire Alarm System Installation Dept. of Professional & Occupational Regulation
  - 4. Private Security Service, Locksmith Services and Security Alarm System Installation Dept. of Criminal Justice Services
  - 5. Treatment, Storage, Handling, Transportation or Disposal of Hazardous Waste or Hazardous Radioactive Material Dept. of Environmental Quality

## **VIII DISPOSAL OF SURPLUS PROPERTY**

### **A. SURPLUS PERSONAL PROPERTY:**

1. An item of personal property no longer needed shall be considered surplus personal property.
2. Hanover County & Hanover School Board employees and their immediate families are not eligible to purchase surplus personal property from the County or Schools, regardless of the method of sale.
3. The Purchasing Division is responsible for the disposal of all items through a competitive process whenever possible. The Purchasing Division Director or school Principal may approve the transfer of surplus items to other departments, schools or to another governmental entity. Approval of donations and transfers of items to eligible organizations are pursuant to applicable statutes. Contact the Purchasing Division for specific details.
4. Departments/Schools are responsible for providing the Purchasing Division with a detailed list (to include pictures) of items to be posted for auction. Vehicles and items of heavy equipment must be declared surplus by the Director of General Services. Department Directors, Principals or their designee shall approve all items proposed for disposal. It is very important to accurately describe items and include the serial number and, if appropriate, the FIXED ASSET ITEM NUMBER so the item may be removed from the fixed asset inventory. Disposition of equipment purchased with federal funds must be in accordance with federal and Virginia laws and regulations.
5. Unclaimed property in the possession of the Sheriff's Office will be sold by the Sheriff.

### **B. SURPLUS REAL PROPERTY: The County may dispose of surplus real property with the approval of the Board of Supervisors, following any required public hearing.**

### **C. TRADE-INS: Trade-in items are not considered surplus property. Trade-in items may only be traded in for the purchase of similar goods and equipment. Materials are considered a trade-in item only if the supplier's removal of the material and provision of a replacement occur at substantially the same time, and if the purchase price of the replacement item has been reduced to reflect a fair allowance for the trade-in item. A trade-in should not be considered if the monetary allowance offered is substantially below the known current sales range.**

## **IX RESPONSIBILITIES OF END USERS**

- A. Determine the goods and services needed to carry out assigned duties, adequately plan for acquisition and allow sufficient time for acquisition.
- B. Ensure that the acquisition of goods and services is done in accordance with the laws, policies, regulations, procedures, and directives of Hanover County and the *VPPA*.
- C. **CONSOLIDATE PURCHASE OF SIMILAR ITEMS**: Group purchases of like items or groups of items that can be obtained from the same type of vendors. This avoids the appearance of arbitrarily "splitting" orders and generally results in less repetitive work and better prices.
- D. **PROVIDE SPECIFICATIONS**: It is the responsibility of the end user to draft specifications for the goods or services needed which are clear, concise, and are not written so as to limit competition. If requested, Purchasing will assist in gathering information and preparing specifications. The preparation of good specifications is essential if Purchasing is to obtain the required products or materials within a time generally acceptable to the department. Incomplete and restrictive specifications cause delays processing the procurement.
  - 1. Specifications can either enhance or inhibit competition. It is the intent of the *VPPA* that competition be sought to the maximum feasible degree. This can be accomplished by describing goods or services in a manner which meets County needs and encourages competition. Unless otherwise expressly stated in the solicitation, all supplies and equipment furnished must be new and in first class condition. Demonstration, previously rented or reconditioned items are not considered new. The following specification categories are listed in the preferred order of use:
    - a. **Generic (Performance and Design)**: Develop requirements with a view towards soliciting the requirement on a generic specification basis. Under appropriate circumstances, performance specifications (setting forth the performance requirements), design specifications (setting forth the essential characteristics of the items solicited), or a qualified products list (QPL) may be used.
    - b. **Brand Name or Equivalent**: When it is determined to be impractical to develop a generic specification, a brand name may be used to convey the general style, type, character and quality of the article desired. Unless otherwise provided in the IFB the name of a certain brand, make or manufacturer does not restrict bidders to the specific brand or manufacturer named. Any article which the County, in its sole discretion, determines to be the equivalent of that specified, considering quality, workmanship, economy of operation and suitability for the purpose intended, shall be accepted (*Code of Virginia*, § 2.2-4315). When a brand name or equivalent specification is used, salient characteristics should be listed.
    - c. **Proprietary**: A proprietary specification restricts the acceptable products to those of one or more specified manufacturers. It is appropriate to use a proprietary specification when the desired product must be compatible with or is an integral component of existing equipment or products, or where prequalification of products is necessary to support specific needs of a program; is covered by a patent or copyright; must yield absolute continuity of results; or is one with which a user has had extensive training and experience, and the use of any other similar piece of equipment would require considerable reorientation and training. Upon solicitation, every effort must be made to obtain full competition among the distributors which carry the manufacturer's product. Determinations for use of a proprietary specification shall be made in advance, in writing, and will be included in the procurement file.
    - d. **Vendor Assistance in Specification Preparation**: Advice or assistance may be received from a vendor in identifying the features and characteristics needed. However, no person who, for compensation, prepares an IFB, RFP or other solicitation document shall (1) submit a bid or proposal for that procurement or any portion thereof or (2) disclose to any Bidder or Offeror information concerning the procurement which is not available to the public. However, a public

body may permit such person to submit a bid or proposal for that procurement or any portion thereof if the public body determines that the exclusion of such person would limit the number of potential qualified Bidders or Offerors in a manner contrary to the best interests of the public body (*Code of Virginia*, § 2.2-4373). This does not prohibit the end user and vendors from freely exchanging information concerning what is sought to be procured and what is offered. The name of the vendor(s) providing assistance must be submitted with the requisition to the purchasing office. Such information is helpful to the buyer when identifying restrictive or proprietary features which could be challenged by other Bidders or Offerors causing delays and/or cancellations.

2. Additive Bid Items for Construction Projects:

- a. The Architect/Engineer (A/E) is responsible for the development and design of the project to conform to the scope and to be within the Design Not to Exceed Construction Budget identified in the A/E contract. The work included in the Total Base Bid shall provide a complete and functional facility meeting all requirements of the specifications, including Building Code, accessibility and safety requirements.
- b. When the project cost estimate indicates that the Total Base Bid for the project scope may not be within the available funds, the appropriate department, and A/E, as appropriate, should consider what features would be negotiated out if bids are over budget and include that Work as Additive Bid Items for cost or budget control. After the department and A/E have incorporated reasonable cost containment measures in the design, Additive Bids Items may, with the approval of the Purchasing Director, be used for budget control subject to the following limitations:
  - Additive Bid Items shall be sequenced in priority order.
  - The low bidder shall be determined based on the lowest cumulative bid for the Total Base Bid plus the total amount of the Additive Bid Items, taken in the sequence listed in the Bid Document as the Owner in its sole discretion decides to accept/award, giving consideration to preferences as provided for in the *Code of Virginia* § 2.2-4324.
  - Only the term Additive Bid Item shall be used. Use of the term Alternate should not be used.
  - Additive bids shall not be used to provide essential elements of the project, such as connection to water supply, required lighting levels, or adequate HVAC capacity, or Work without which the project would not be in conformance with applicable Building Code requirements, functional or safe.
  - Each Additive Bid Item shall be independent of other Additive Bid Items.
  - None of the Additive Bid Items shall compromise the work in the Base Bid and other Additive Bid Items for compliance with Building Code, accessibility or safety requirements.
  - Negotiations may include both Base Bid Work and/or Additive Bid Items.

E. PROCUREMENT PLANNING: Departments must allow adequate time for the required procurement process to be carried out when planning for needed goods/services. Estimated lead times are as follows:

**Unsealed Bid (Quick Quote or IFB):** Review draft specifications, solicit bids, evaluate bids, develop written contract (if required), and issue purchase order. 5 – 15 days

**Unsealed Proposals:** Review draft statements of needs, solicit proposals, review responses, evaluate, negotiate, develop a written contract, and issue purchase order. 20 – 30 days

**Sealed Bid (IFB):** Review draft specifications, solicit bids, evaluate bids, develop written contract, and issue purchase order. 30 – 45 days\*

\*Add 10 days if Purchasing or IT staff must develop/rewrite specifications.

**Competitive Negotiation (RFP):** Review draft statements of needs, solicit proposals, review responses, evaluate, negotiate, develop a written contract, and issue purchase order. 45 – 60 days\*

\*Add 10 days if Purchasing or IT staff must develop/rewrite scope of services.

F. VENDOR CONTACT: Following the issuance of a solicitation, contact between end users and vendors

should be limited to the employee(s) listed in the solicitation. Requests for information from vendors should be referred to Purchasing so a decision can be made if an addendum is necessary.

G. CONTRACT ADMINISTRATION: Once a contract is signed and/or purchase order is issued, contract administration is required. Contract administration is necessary to assure a contractor's performance with the terms and conditions of a contract. Since the end user receives goods ordered, has services provided directly to it by the contractor and authorizes payment, the end user also has the primary responsibility for contract administration. Purchasing may assume responsibility for contract administration when a contract is established for use by multiple departments (such as office supplies). Contract administration includes:

1. Reviewing the purchase order and immediately notifying Purchasing if you detect errors.
2. Following up on orders if not received on time or request that Purchasing follow up by:
  - a. Notifying Purchasing, in writing, of any complaints against the vendor.
  - b. Checking goods/services for compliance with specifications as soon as possible after receipt.
  - c. Not increasing or decreasing the quantity ordered without a change order issued by Purchasing.
  - d. Not allowing the vendor to substitute items for those ordered.
3. Identifying problems with contractor performance and coordinating efforts to resolve them.
4. Making sure to only pay for those items received and at the agreed upon contract price. Invoice pricing must be checked against contract prices to ensure appropriate payment.
5. Making sure the Contractor receives payment in accordance with the terms of the contract.

H. RECEIPT AND INSPECTION OF GOODS:

1. The end user must arrange for review of each delivery for conformance with the purchase order and any other relevant contract documents and shall verify that the contractor has complied with the terms of the order.
2. Inspection should be made at the time of delivery, if possible, or within two business days thereafter. The quicker the inspection is made, the more likely any problems can be resolved in any claims against the contractor or shipper.
3. In the case of suspected damage; e.g., the original shipping carton is materially damaged, the department, if unable to inspect immediately, should write on the delivery ticket "Possible Concealed Damage".
4. The department must promptly report all discrepancies in the receipt of goods to the contractor, shipper and Purchasing.
5. Any over shipments accepted must be reflected in change orders. If not accepting an over shipment, the department shall notify Purchasing and contractor that the over shipment will not be accepted and advise the contractor to have the excess goods picked up.
6. If significant problems exist, a "VENDOR COMPLAINT FORM" may be filed by the department.
7. The General Services Department, Fleet Division shall be the location for delivery and inspection of all motor vehicles and heavy equipment, unless otherwise agreed to by the Director of General Services. The receiving copy of the purchase order for all vehicles and heavy equipment shall be sent to the General Services Department, Fleet Division and a copy will be sent to the department. The General Services Department, Fleet Division shall process payment for such purchases and shall notify the department when the vehicle or equipment is ready for use.

## GLOSSARY

**Bid**: A competitively priced offer made by an intended seller, usually in reply to an Invitation for Bids (IFB). A price offer made at a public auction.

**Bidder**: A person or firm submitting a priced offer in response to a Quick Quote or IFB.

**Change Order**: A written notice to a contractor, issued by Purchasing, identifying and authorizing changes to an existing purchase order.

**Construction**: Building, altering, repairing, improving or demolishing any structure, building or highway, and any draining, dredging, excavation, grading or similar work upon real property (*Code of Virginia*, § 2.2-4301).

**Contract**: When used as a noun in this Manual, contract refers to an agreement enforceable by law, between two or more competent parties, to do or not to do something, not prohibited by law, for a consideration. A contract is any type of agreement or order for the procurement of goods or services. As a verb, contract has its usual legal sense, signifying the making of an agreement for consideration.

**Contract Administration**: The management of all facets of a contract to assure the contractor's total performance is in accordance with the contractual commitments and that the obligations of the contractor under the terms and conditions of the contract are fulfilled.

**Contractor**: An individual or firm that has entered into an agreement to provide goods or services.

**Delegated Purchase**: The purchase of goods or services not expected to cost more than \$5,000 made by a department without the issuance of a purchase order.

**Design Specification**: A description setting forth the essential characteristics the item bid must possess to be considered for award.

**Emergency**: An occurrence of a serious and urgent nature that demands immediate action.

**Ethics**: Pertaining to or relative to moral action, conduct, motive or character; as ethical emotion; professionally right or befitting; conforming to professional standards of conduct. The *Virginia Public Procurement Act (VPPA)* covers "Ethics in Public Contracting" (*Code of Virginia*, §§ 2.2-4367 through 2.2-4377).

**Goods**: Material, equipment, supplies, printing, and automated data processing hardware and software (*Code of Virginia*, § 2.2-4301).

**Invitation for Bid (IFB)**: A document issued by Purchasing which contains or incorporates by reference the specifications or scope of work and all contractual terms and conditions, that is used to solicit written bids for a specific requirement for goods or nonprofessional services.

**Minority-Owned Business**: A business concern that is at least 51% owned by one or more minority individuals who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership or limited liability company or other entity, at least 51% of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals who are U.S. citizens or legal resident aliens, and both the management and daily business operations are controlled by one or more minority individuals (*Code of Virginia*, § 2.2-4310).

**Nonprofessional Services**: Any services not specifically identified as professional services in the definition of professional services (*Code of Virginia*, § 2.2-4301).

**Offeror**: A person or firm that makes an offer in response to a RFP.

**Performance Specification**: A specification setting forth performance requirements that have been determined to be

necessary for the item involved to perform and last as required.

**Procurement:** The procedures for obtaining goods or services, including all activities from the planning steps and preparation and processing of a requisition, through receipt and acceptance of delivery, processing of final payment and all phases of contract administration.

**Professional Services:** Work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, dentistry, law, medicine, optometry, pharmacy or professional engineering (*Code of Virginia*, § 2.2-4301).

**Proposal:** An offer made by one party to another, which is used as a basis for entering into a contract.

**Proprietary Specification:** A specification that restricts the acceptable product(s) or service(s) to that of one or more manufacturer(s) or vendor(s). A common example would be the use of a “brand name” specification that would exclude consideration of proposed “equals.”

**Purchase Order:** A document used to execute a purchase transaction with a vendor. It serves as notice to a vendor that an award has been made and that performance can be initiated under the terms and conditions of the contract.

**Purchase Requisition:** A document used to communicate to Purchasing the need for a specific good or service. The purchase requisition should contain or be accompanied by a complete description of what is to be procured, including complete bid specifications or the Scope of Services.

**Request for Proposals (RFP):** All documents, whether attached or incorporated by reference, utilized for soliciting proposals; the RFP procedure requires negotiation with Offerors (to include prices) as distinguished from competitive bidding when using an IFB.

**Responsible Bidder/Offeror:** A person or firm with the capability, in all respects, to perform fully the contract requirements and the moral and business integrity and reliability which will assure good faith performance, and who has been prequalified, if required (*Code of Virginia* § 2.2-4301).

**Responsive Bidder:** A person or firm who has submitted a bid which conforms in all material respects to the IFB (*Code of Virginia*, § 2.2-4301).

**Services:** Any activities performed by an independent contractor wherein the service rendered does not consist primarily of acquisition of equipment or materials, or the rental of equipment, materials and supplies (*Code of Virginia*, § 2.2-4301).

**Small Business:** A business, independently owned and controlled by one or more individuals who are U.S. citizens or legal resident aliens, and, together with affiliates, has 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years. One or more of the individual owners shall control both the management and daily business operations of the small business (*Code of Virginia*, § 2.2-4310).

**Sole Source:** A product or service which is practicably available from only one source.

**Solicitation:** A telephone call, Quick Quote, IFB, RFP or any other means used to obtain bids or proposals for the purpose of entering into a contract.

**Specification:** A description of the technical requirements for a material, product, or service that includes the criteria for determining whether these requirements are met. A specification may describe the performance parameters which a supplier has to meet, or it may provide a complete design disclosure of the work or job to be done. Specifications for service contracts normally take the form of a statement of work.

**Spot Purchase:** A one-time purchase made in the open market. If it is under the small purchase threshold, it will be made in accordance with the applicable small purchase procedures. If it is over the small purchase threshold, it will be made by competitive sealed bidding or by an exception thereto authorized by law.

**Subcontractor:** Any entity that has a contract to supply labor or materials to the contractor to whom the contract was awarded or to any subcontractor in the performance of the work provided for in such contract.

**Surplus Property:** Real or personal County property which is not needed by the County.

**SWAM:** The acronym for small, women-owned or minority-owned businesses.

**Term Contracting:** A technique by which a source of supply is established for a specific period of time. Term contracts are established based on indefinite quantities to be ordered “as needed,” although such contracts can specify definite quantities with deliveries extended over the contract period.

**Unsealed Bid:** An unsealed written offer conveyed by U. S. Mail, commercial courier service, facsimile, e-mail, Quick Quote, or other means. The bids are normally opened and recorded as received.

**Used Equipment:** Equipment which has been previously owned and used and is offered “where is, as is.” It does not include demonstration, factory rebuilt, or remanufactured equipment marketed through normal distribution outlets.

**Vendor:** A person or firm that sells goods or services.

**Virginia Public Procurement Act:** Chapter 43 of Title 2.2, *Code of Virginia*, which enunciates the public policies pertaining to governmental procurement from nongovernmental sources.

**Woman-Owned Business:** A business that is at least 51% owned by one or more women who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership or limited liability company or other entity, at least 51% of the equity ownership interest is owned by one or more women who are U.S. citizens or legal resident aliens, and both the management and daily business operations are controlled by one or more women (*Code of Virginia*, § 2.2-4310).