

CITY OF SUFFOLK

PURCHASING MANUAL



Finance/Purchasing Division

442 W. Washington Street, Suffolk, VA 23434

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CITY OF SUFFOLK

PURCHASING MANUAL

Introduction

This manual is a general guide to the City's procurement laws, policies and procedures. The Purchasing Division is anxious to meet your procurement needs. If you have any questions that are not answered by this manual or need further clarification, please contact us at:

CITY OF SUFFOLK
Finance/Purchasing Division
441 Market Street
Municipal Center
Suffolk, VA 23434
Telephone: (757) 514-7520
Fax: (757) 514-7524

Agencies with questions concerning the status of a requisition are asked to provide the requisition number when they call. A requisition number will aid in the Purchasing Staff's ability to quickly identify the status.

Vendors checking the status of a solicitation are asked to provide the solicitation number (i.e. Quote, Bid or RFP number) and the buyer's name when they call. This information will aid in the Purchasing Staff's ability to quickly respond to requests.

Agencies with questions concerning the status of payments to vendors are asked to first verify that the department has processed the invoice and that the request for payment has been forwarded to the Finance Department, Accounts Payable office. If the request for payment has been forwarded, the agency should check current computer system via invoice inquiry using the vendor name and invoice number as the query values. If the invoice has not been entered into current computer system, the agency may contact:

CITY OF SUFFOLK
Finance/Accounts Payable
441 Market Street, 2nd Floor
Municipal Center
Suffolk, VA 23434
Telephone: (757) 514-7500
Fax: (757) 514- 7515

Sections of this Manual

This manual is divided into two (2) primary sections: *Procurement Guide for City Agencies* and *Procurement Guide for Businesses*. Both sections provide Using Agencies and vendors with a comprehensive overview of the City procurement laws, policies, procedures and guidelines. Using Agencies and vendors are encouraged to read each section.

For your convenience, a glossary of frequently used purchasing terms is provided in the back of this manual.

Vision

The vision of the Purchasing Division is to use quality procurement methods to obtain the best products available for city departments and agencies at affordable prices.

Mission

Purchasing's mission is to provide city departments and agencies with excellent customer support and service in the procurement of quality goods and services while promoting competition to save taxpayers' dollars. Vendor contacts will find the City of Suffolk to be fair, reasonable and a partner in product management.

Guiding Principles

The Division of Purchasing follows the fundamental principles for procurement as established by the Virginia Procurement Act, Code of Virginia, 1950 as amended. Therefore, we will promise:

Quality of Service

Obtain high quality of goods and services at reasonable cost; to ensure the wise use of taxpayer dollars.

Ethics

Procurement procedures are conducted in a fair manner and the avoidance of or the appearance of any impropriety.

Transparency

- All qualified vendors have access to public business;
- No offers will be arbitrarily or capriciously excluded;

Open and Fair Competition

- Competition will be sought to the maximum degree;
- Rules governing contract awards will be made clear in advance of the competition;
- Procurement procedures will involve openness and administrative efficiency;
- Specifications will reflect the procurement needs of the City rather than being written to favor a particular vendor, and
- The City and vendors freely exchange information concerning what is sought to be procured and what is offered.

Open Communication

- We strive to maintain open lines of communication regarding all procurement matters with all of our customers to include city departments, agencies, vendors and contractors.

PROCUREMENT GUIDE FOR CITY AGENCIES

Procurement Authority

City Code, Article VII Procurement, sets forth the laws governing City procurements. The duties of the Purchasing Division and using agencies are specifically identified in §2-623 and §2-625 which reads:

Section 2-623 Purchasing authority:

- (a) The Purchasing Agent shall serve as a principal purchasing official for the City and shall have the duties and perform such functions as the City Manager may assign.

Section §2-625 – Unauthorized purchases

- (a) Except as otherwise provided in this article, no official, elected or appointed, or employee shall purchase or contract for any goods, services, insurance or construction within the purview of this article other than and by provisions of this article.

A. Authority, Responsibilities and Duties of the City Manager. Except as provided in the following sections of this chapter or as other specifically provided by the City Council, the City Manager shall have the authority and responsibility to:

1. Establish regulations and procedures, consistent with this manual, governing the procurement, management, control, and disposal of any and all goods, services, and construction to be procured by the City;
2. Consider and decide matters of policy within the provisions of this manual;
3. Exercise authority over the award or administration of any particular contract, or over any dispute, claim, or litigation pertaining thereto, with appropriate consultation with the City's legal counsel as necessary.
4. Delegate authority, or revoke delegated authority, such authority as may be deemed appropriate to designees or to the head of any department or using agency. Such delegation shall be in writing and shall specify any limits of restriction.

B. Authority, Responsibilities and Duties of the Purchasing Agent. The Purchasing Agent, as appointed by the City Manager, shall have the following responsibilities and perform such duties in accordance with the rules and regulations promulgated to implement the City's procurement policy and other duties and such functions as the City Manager may assign:

1. Administer purchasing objectives, policies, programs and operational procedures consistent with this manual to organize and manage procurement functions in a manner that the maximum value will be obtained for the money expended.
2. Procure or supervise the procurement of all goods, services, insurance, and construction needed by the City in accordance with the quality, quantity and delivery requirements of the using agency.
3. Sell, trade, or otherwise dispose of surplus property.
4. Administer uniform policies and procedures with respect to buyer-seller relationships which promote competition and provide for the fair and equitable treatment of all persons involved in public purchasing by the City.
5. Assist with contract administration upon requests, and maintain close liaison with departments in order to meet their purchase requirements.
6. Monitor the implementation of its regulations and the requirements of this manual.
7. Be a representative for the City on all matters pertaining to purchasing.
8. Report procurement policy and procedural violations to the City Manager.

C. Departmental Authority, Responsibilities and Duties. It is the responsibility of each department director to determine the goods or services needed for efficient operation and to relay this information to the Purchasing Agent in a timely manner to ensure feasibility of compliance with procurement policies and procedures. Authority, responsibilities, and duties at the department level include:

1. Prepare sufficient and concise technical specifications that characteristically define the quality, which will best serve the interest of the City within available funding, of goods or services needed to perform a specific function. Specifications shall provide a basis for full and fair competition.
2. Identify special terms and conditions which are pertinent to the procurement, such as delivery schedules, local service, warranty provisions, etc.
3. Plan and submit requirements to Purchasing sufficiently in advance of need to allow the necessary time for compliance with appropriate competitive procedures and allow the supplier ample time for regular (versus expedited) delivery.
4. Issue a formal Notice to Proceed (or Stop Work) after appropriate execution of contract documents for construction, professional services, generally applicable, and after issuance of a Purchase Order. The formal "Notice to Proceed" shall be signed by the City Manager.
5. Ensure that goods and services received are in strict accordance with the purchase order or other form of contract. Should substitute goods or services of a lesser quality or alternate other terms of the purchasing transaction be proposed (or delivered), the department head shall notify and request instruction for executing the original contract.
6. Document vendor performance and provide an appropriate level of contract administration to monitor all aspects of the contract/purchase order to insure proper fulfillment. Should any problems arise, it is the departments' responsibility to notify the Purchasing division; copies of all procurement related correspondence shall be forwarded to Purchasing.
7. Appoint a contract administrator or project manager for each project.

The Virginia Public Procurement Act (*VPPA*), §2.2-4300, et seq, Code of Virginia, 1950, as amended, further provides guidance on public bodies pertaining to governmental procurement from nongovernmental sources. The Virginia Public Procurement Act shall prevail should there be a conflict between their requirements and the policies and procedures set forth in this manual.

Delegated Procurement Authority

The Purchasing Agent has delegated to **ALL** using agencies the authority to purchase goods and/or services up to and not to exceed \$5,000 per transaction. In the exercise of its procurement authority, using agencies shall follow the *Procedures for Using Delegated Procurement Authority* contained in this manual. All orders over \$5,000 unit price must have a purchase order issued.

Delegated procurement authority is designed to give using agency purchasing flexibility and to create a win/win relationship among Purchasing staff, the using agency, and the vendors.

Basic Do's and Don'ts in exercising your procurement authority:

DO seek competition to the maximum degree feasible.

DO follow competitive procurement practices.

DO fully document your purchases. All on-line users enter into the current computer system your quote information for everything above \$5,000 (i.e. vendors solicited, price quoted, payment terms, delivery, etc.) as an attachment to your purchase order.

DO place orders directly with the vendor if the total price is less than \$5,000.

DO submit directly to Finance/Accounts Payable, the vendor's original invoice and your purchase order or payment voucher.

DO use the price agreement contracts for purchases such as office supplies, furniture, stone, concrete, water treatment chemicals, etc. (See *Price Agreement Contracts* section on Page 24!). Contact Purchasing for a complete listing of the price agreement contracts or you may obtain a copy from the City's Website under Business, select "Bids and RFP's".

DO NOT use your delegated procurement authority to circumvent standard procurement policies and procedures or to fragment orders.

DO NOT use your delegated procurement authority to purchase goods from capital outlay accounts (8201 and 8200....).

Exception:

Unless otherwise provided by City Council, the following procurement need not be processed through the office of the Purchasing Agent but shall nevertheless be procured by the appropriate agency subject to the requirements of this manual.

Director of Library Services. Published books, binding services, maps, periodicals, pamphlets, data bases for specific library use, audiovisual recordings, and materials for library circulation, for which purposes the Director of Library Services will be the appropriate procurement agent. These items are exempt for the requisition/purchase order process and may be processed for payment by submitting a payment voucher to the Director of Finance.

The Purchasing Agent or City Manager reserves the right to ***rescind*** delegated procurement authority if it is abused.

Procedures for using Delegated Procurement Authority

In exercising delegated procurement authority, using agencies are responsible for obtaining full and open competition to the extent possible and practicable. The following have been established to ensure maximum competition and compliance with procurement laws, policies and procedures. Using Agencies may exercise their discretion in complying with these following requirements:

- May appoint one (1) person to procure the required item(s). This person will write the specifications, solicit quotations and evaluate quotes received.
- Write clear and concise specifications, so that the vendor will have sufficient detail to quote the goods/services sought.
- Be certain the specifications will allow you to make an “apples-to-apples” comparison of the quotations received. Using agencies shall maintain a complete record of specifications, vendor contacts, price, payment terms, and delivery time for each procurement. We recommend you use a City requisition form to detail each purchase; for those not on-line with current computer system, retain a copy in your office procurement records. On-line users maintain records in the current computer system.
- Determine those vendors qualified to quote on the item(s). Use your best judgment.
- Identify minority or women-owned vendors to include in the request for quotations; contact Purchasing if you should need this information.
- Obtain quotations from qualified vendors you have chosen. Quotations may be obtained either by phone, by fax, or in writing.
- When soliciting quotations, it is **mandatory** that all vendors be given the same specifications. When soliciting verbal quotations, **it is important that you read the written specifications verbatim to each vendor.**
- Identify a date when quotes are due and give each vendor the same due date.
- Evaluate all quotes received fairly and objectively, using an “applies-to-apples” comparison.
- All information regarding a vendor’s pricing, specifications, and delivery time shall remain confidential during the receipt and evaluation process.
- After the award, all information, not protected under the Freedom of Information Act (FOIA), becomes public information and shall be released to interested parties.
- Auctioneering is unethical and shall not be practiced.
- Award the contract to the lowest *responsive* and *responsible* vendor.
- Small dollar items not exceeding \$5,000 may be placed verbally.
- Upon delivery of the goods or completion of the service, approve and submit to Finance/Accounts Payable the original invoice and purchase order or payment voucher for those having purchasing cards payment shall be made via that method.

If a vendor believes an award under the above procedures has been made in error, the vendor may appeal the award in accordance with the *Vendor Protest Procedures*. (page 34)

Procedures for Information Technology Hardware/Software Purchases

The City uses an organized and structured approach to the procurement of Information Technology software, equipment and services to derive the greatest benefits from its information technology investments. Information Technology (IT) is the central body responsible for assuming computer system support, inter-operability and information security, and assigns IT responsibility and authority for managing the processes associated with the design, acquisition, installation, maintenance, security, and retirement of **all** City-owned computer systems; for developing and coordinating those processes with stakeholders; and for insuring the compatibility of department/multi-department business technology solutions.

All purchases of information and communications technology related goods or services shall be reviewed and approved by IT prior to any procurement action, regardless of the funding source and including any potential procurements as sub-contracts to **any** equipment or services contracts issued by the City. This includes, but is not limited to, information and communications technology hardware, software, telecommunications equipment and services, wireless communications goods and services, data or telecommunications cabling, systems analysis, programming, applications development, system and network design, acquisition services, installation services, maintenance services, and information security goods or services.

All software purchases with the exception of department maintained software, and **all networking equipment and printers** must be processed through Purchasing (i.e. wired or wireless hubs, switches, routers, gateways, NIC cards and **all** printers).

The only exception is the Library which has a separate information technology system which is required to buy equipment that is compatible to vendor databases and is purchased with State of Virginia funding.

ALL computer hardware, software and peripheral purchases (except as noted above) shall be processed through the Purchasing Division and preapproved by IT. **Computer peripherals shall include any non-capitalized individually purchased device that connects to computer hardware or the network such as device interface boards, NIC cards, monitors, printers, scanners, plotters, PCMCIA cards, hubs, switches, and routers, etc.**

Purchase Requisition Form

The Purchase Requisition Form is the official form to purchase goods and services. The on-line users will use the requisition form provided in the current computer system.

The purpose of a Requisition is to inform the Purchasing Division of the using agency's needs, to identify in detail the goods and services required, to provide a written certification of the availability of funds, and the serve as a tracking mechanism. A properly completed Requisition enables the Purchasing Division to expedite the procurement request.

Step-by-step instructions for completing the requisition form for those agencies without direct access to the current computer system are provided below. Please refer to the sample Purchase Requisition contained in Appendix D of this manual for the locations of the block numbers.

Block 1 – Suggested Vendor:

Enter the suggested vendors name, address, contact information including telephone #, fax #, etc.

Block 2 - Delivery Address:

Enter the location address you want all the items/services to be delivered.

Block 3 – Qty:

Enter the desired quantity for each item

Block 4 – Unit (Unit of Measure)

Enter the unit of measure, i.e. box, carton, package, case, each. If left blank, Purchasing will assume the unit is “each”.

Block 5 – Description of Item:

Enter a complete and detailed description of the goods/services. The description also referred to as specifications, is the most important part of the requisition. It is imperative that goods/services are accurately described where at all possible, as these detailed, definite specifications will be used for the purchases. When providing the description, please remember, the individual procuring the item/service may not be as familiar with the item/service as you are. Previous purchase orders and vendors are good sources to obtain product descriptions.

Group like items on the same requisition. Placing dissimilar items on the same requisition adds unnecessary requisition processing time; therefore items that are not similar in nature should be listed on separate requisition. Also, include packaging information in this block. Example: 5 gallons per case, 24-cartons per case, etc.

Requisitions that have incomplete or unclear descriptions may be returned to the Using Agency for additional information.

Block 6 – Unit Price:

Unit prices or estimates are required.

Block 7 – Extended Price:

Enter the extended price in this section. If the requisition is for a service, enter the total amount in this section. Make sure total includes delivery charges if applicable.

Block 8 – Date:

Enter date bid information was received.

Block 9 – Bidder:

Enter name of individual or company that submitted bid information.

Block 10 – Amount:

Enter total amount being requested for goods or services.

Block 11 – Charge Account Distribution:

Enter the budget account number the item is to be charged to. In the case of CIP requisitions, include the **complete** CIP project account code. If the complete account code is not entered, the requisition will be returned to the using agency. If more than one department or object code exists per requisition, detail which item(s) should be charged to each code.

If the item being purchased is funded in a capital (8201 or 8200) account and the unit price exceeds \$5,000, complete an Asset Disposition form for the replacement capital asset and submit it with the requisition. Requisitions submitted without Asset Disposition forms may be returned to the Using Agency.

If funds are not appropriated, the departments **should not submit a requisition**. Requisitions received for non-budgeted items will be returned as it is the departments’ responsibility to monitor its budget activity. If a transfer of funds or redefinition of funds has been requested, wait until the Department of Budgeting approves funds then submit your requisition.

Block 12 - Authorized Signature/Date:

Print or type the name of the person signing the purchase requisition below the signature space. The person signing the requisition must be authorized. The signature certifies the items are necessary and budgeted. Enter the date the requisition is signed.

Procurement Cycle

In its General Public Purchasing course book, the National Institute of Governmental Purchasing, Inc. (NIGP) describes the general flow of a typical commodity from cradle (identification of the need) to grave (disposal of surplus). The diagram outlining this process is as follows:

Using Agency

- Recognized the need for goods/services
- Ensures adequate funds are budgeted
- Develops specifications for the goods/services
- Submits a requisition to Purchasing

Purchasing Division

- Reviews specifications for completeness and accuracy
- Determine the procurement method
- Solicits quotations, bids or proposals and makes an award
- Issues a Purchase Order or contract

Using Agency

- Administers the contract, in which the duties include:
 - Processes timely payment;
 - Ensures contract performance by City and vendor;
 - Ensures vendor possesses required permits and licenses and complies with required bonds and insurance requirements
- Determines when an asset is no longer of use or value
- Initiates the asset disposition

Purchasing Division

- Re-allocates or disposes of surplus, salvage or scrap

The general duties and responsibilities of each City Agency in the procurement cycle are described below:

Procurement Cycle	
Function	Duty/Responsibility
Requisition Cycle	<ul style="list-style-type: none"> • Using Agency • Recognize the need for the goods or a service. • Requests funds through the City's budget process. • Develops the specifications/scope of work for the goods/service. Specifications must accurately describe the Using Agency's need and may not be trade restrictive. • Certifies the availability of funds for either the goods or services to be procured and for any advertising costs, if a capital project, and if the procurement is to be advertised. Notes the budget/funding codes on the requisition. • Prepares an <i>Asset Disposition Form</i> if the asset to be purchased is funded in a Replacement Capital Outlay account.
Bidding Cycle	<ul style="list-style-type: none"> • Purchasing • Logs the requisition into current computer system if the Department does not do on-line requisitions. • If the requisition is for a capital asset, verifies the line item and funds • If funds are not available or the item was not appropriated, notifies the Using Agency and returns the requisition. If funds are available, the requisition is forwarded to a Buyer for procurement action. • Buyer reviews the requisition and the specifications/scope of work for accuracy, clarity, completeness, available recycled goods, or potential trade restrictions. • Buyer selects one of the six (6) methods of procurement as described in this manual and prepares the solicitation. • Buyer identifies minority and women owned vendors to be included in the solicitation. • Purchasing staff receives, date and time stamps and logs all bids and proposals in the division's log book. • The designated Buyer assures the timely delivery of all bids and proposals. Bids are then opened and read aloud immediately after the acceptance date of the bid. A public opening is not required by law for proposals. If a public opening is held, only the names of the offerors are read. • Bids are then tabulated and buyer ensures compliance with specifications. • Buyer distributes proposals to the evaluation committee with instructions. • Buyer receives and tabulates quotations and ensures compliance with specifications. • Buyer reviews the results with the Using Agency, when necessary, and makes an award • A purchase order/contract is prepared, signed by the Purchasing Agent or designee, and mailed or sent electronically.

Procurement Cycle	
Function	Duty/Responsibility
Contract Administrator Cycle	<ul style="list-style-type: none"> • Using Agency • The Using Agency's designated Contract Administrator administers the Purchase Order/contract. (See Contract Administrator's Duties in this manual on page 24). • Using Agency receives goods or services from the Vendor, processes a payment by submitting original invoice attached to the Purchase order to Finance/Accounts Payable in accordance with Vendor Payment Procedures contained in this manual.
Payment Cycle	<ul style="list-style-type: none"> • Accounts Payable • Processes payment from original invoice; authorizes payment; and mails check to the vendor.
Disposal Cycle	<ul style="list-style-type: none"> • Using Agency • At the end of a goods useful life, the Using Agency initiates disposal of the good in accordance with the City's Asset Disposition Policy contained in this manual.
	<ul style="list-style-type: none"> • Purchasing • Administers the disposition of City assets.

Six Methods of Procurement

Upon receipt of a requisition, the Purchasing staff selects the procurement method which best satisfies the Using Agency's needs and complies with all legal mandates. Six standard methods of procurement are used:

1. Small Purchases:

This process involves the procurement of goods and/or services under \$50,000.

- The solicitation methods used for small purchases are verbal (telephone) or written Request for Quotations and Internal Pricing. Internal Pricing is the procurement from existing price agreement contracts or State Contracts.
- The Purchasing Division or the agencies delegated representative solicits, receives, evaluates, and awards informal bids.
- A contract is awarded to the lowest *responsive* and *responsible* bidder, as defined in the Glossary section of this manual on page 45.
- All purchases, other than those by Internal Pricing, made under the small purchases policy must comply with the requirements set forth for including minority or women owned vendors in the solicitation process.

2. Competitive Sealed Bids:

- Purchasing solicits competitive sealed bids (*formal sealed bids*) for goods and/or services with a dollar value of \$50,000 or more. Formal sealed bids are solicited using a written *Invitation to Bid*.

- A notice of the Invitation to Bid is posted in the Purchasing Division's Bid Board, City website, with *DemandStar by Onvia*, and at the buyer's discretion, may also be published in a newspaper of general circulation, at least ten (10) calendar days prior to the bid closing date. See page 25 in the *Procurement Guide for Business* section of this manual for a complete listing of where Invitations to Bid are posted.
- The bidders list developed by the Purchasing Agent shall include at least three (3) minority or woman owned businesses that are included on the list found on the website www.dmbv.virginia.gov unless the list contains less than three. Purchasing shall also review vendor lists from other sites to identify additional minority or woman owned firms that may be included.
- Vendors may deliver their bids to the Purchasing Division. All bids shall be received and time stamped in the Purchasing Division on or before the closing date and time stated in the Invitation to Bid. Bids received after the closing date and time will not be considered and shall be returned unopened to the vendor.
- Envelopes/packages containing bids must be sealed and clearly state on the outside of the envelopes/package the company name, bid number, and closing date and time.
- Formal bids are opened at the closing date, time and place stated on the Invitation to Bid. This session is open to the public. The Purchasing Agent or designated representative shall read each bidder's name, prices, if addendums are acknowledged and if a bid bond is required that is enclosed. No decision of award or rejection will be made during the bid opening.
- Formal sealed bids are evaluated, and a "Notice of Award" or "Notice of Intent to Award" indicating the vendor selected and their pricing is posted on the Purchasing Division Bid Board and on the City's website for a period of ten (10) days. The award is made by the Purchasing Agent or designated representative.

3. Competitive Negotiations:

- Services or insurance may be procured by competitive negotiations upon a written determination by Purchasing that competitive sealed bidding is neither practicable nor fiscally advantageous [VPPA, §2.2-4303(C)].
- Services procured through competitive negotiations fall into two (2) categories: (1) *Professional Services* and (2) *Other Than Professional Services*.
 - **Professional Services.** All professional services expected to exceed \$50,000 shall be procured through competitive negotiations [VPPA, §2.2-4301(3) (a)]. Professional services include work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy or professional engineering, [VPPA, §2.2-4301]. The procedures for procurement of *professional services* associated with Architect and Engineer Services are set out in the *Architect and Engineer Policy* in this manual.
 - **Other Than Professional Services.** Competitive negotiations for *other than professional services* are solicited by a Request for Proposal (RFP) [VPPA, §2.2-4301(3) (b)] when the estimated cost of services are expected to exceed \$50,000. RFPs are posted on the Purchasing Division Bid Board, City's website, with *DemandStar by Onvia* and shall be published in a newspaper of general circulation, at least ten (10) calendar days prior to the closing date. See page 25 in the *Procurement Guide for Business* section of this manual for a complete listing of where Request for Proposals are posted.
- Vendors may deliver their proposals to the Purchasing Division. However, all proposals shall be received and time stamped in the Purchasing Division on or before the date and time stated in the RFP. Proposals

received after the closing date and time will not be considered and shall be returned unopened to the vendor.

- Envelopes/packages containing proposals must be sealed and clearly state on the outside of the envelope/package the company name, RFP number and closing date and time.
- Public openings of proposals are not required. If there is a public opening, the only information read is the name of individual or the name of the firm submitting the proposal.
- Proposals received will be reviewed, evaluated and ranked. Competitive negotiations may then be conducted with the firm(s) that submitted the most acceptable proposal(s).
- During the evaluation phase it may be determined by the evaluation panel that only one offeror is fully qualified, or that one offeror is CLEARLY more highly qualified than the others under consideration. A written determination shall be prepared and retained in the contract file to document the meaningful and convincing facts supporting the decision for selecting only one offeror and negotiating with that offeror. The determination shall be signed by the agency head or designee.
- Price is not the sole determining factor in selecting the successful offeror. Other criteria (such as offeror's experience, capability and skills, and actual services to be provided) are evaluated.
- A contract will be awarded to the offeror, who in the City's opinion submitted the best proposal. [VPPA, §2.2-4301, *Competitive Negotiations*].

4. Sole Source:

"Upon a determination in writing that there is only one source practicably available for that which is procured, a contract may be negotiated and awarded to that source without competitive sealed bidding or competitive negotiation". [VPPA, §2.2-4303(E)].

5. Emergency Purchases:

An emergency is a situation in which (1) an immediate threat to the public health, safety or welfare is involved; (2) or immediate action is required to protect or preserve public properties without delay. [City Code, §2-215.2(a)]

6. Cooperative Procurement:

Except for contracts for architectural and engineering services, a public body may purchase from another public body's contract even if it did not participate in the request for proposal or invitation to bid, if the request for proposal or invitation to bid specified that the procurement was being conducted on behalf of other public bodies. [VPPA, §2.2-4304]

The six methods of procurement, their respective dollar limits, and procedural requirements are further detailed in the following chart. Buyers, or individuals with delegated procurement authority, may use their discretion in obtaining as full and open competition as is possible and practicable.

Six Methods of Procurement	
Limits	Procedures
1. Small Purchases – For Goods and Services	
\$0 - \$5,000	<ul style="list-style-type: none"> • Using Agencies have the authority to purchase goods or services up to \$5,000 in accordance with the provisions of the <i>Delegation of Procurement Authority</i> section

Six Methods of Procurement

Limits	Procedures
	<p>(page 10) of this manual. Agencies are encouraged to seek out minority or woman owned businesses for these transactions.</p> <ul style="list-style-type: none"> • Agencies must obtain a minimum of one (1) written or telephone quote. Check if available under an annual contract.
\$5,000 - \$50,000	<ul style="list-style-type: none"> • Using Agency submits to Purchasing a requisition for purchases exceeding \$5,000, unless Purchasing has granted the Using Agency additional procurement authority in writing. • Using Agencies or Purchasing solicits either by mail, fax or electronically written quotations, from a minimum of four (4)) sources. Buyers are encouraged to seek out a minimum of two (2) minority or woman owned businesses for these transactions if available.
2. Formal Sealed Bids	
≥ \$50,000	<ul style="list-style-type: none"> • Using Agency submits a requisition to Purchasing, attaching a clear definition of the scope of the work and contract specifications. • Purchasing will solicit competitive sealed bids, as required by VPPA, §2.2-4303 and include minority and woman owned businesses.
3. Competitive Negotiations (Request for Proposals)	
> \$50,000	<p>Professional Services -</p> <ul style="list-style-type: none"> • <i>(Accounting, architecture, land surveying, dentistry, medicine, optometry or professional engineering as defined in VPPA, §2.2-4301(3) (a), Competitive Negotiations</i>, expected to exceed \$50,000, shall be procured by a Request for Proposal (RFP). Using Agency submits requirements to Purchasing. <p>Non-Professional Services (all other services not listed under professional services)</p> <ul style="list-style-type: none"> • Using Agency submits to Purchasing the requirements for the services needed. Along with a written determination made in advance that competitive sealed bidding is either not practicable or not fiscally advantageous to the public. This document must be signed by the department director or his/her designee and retained in the RFP file. • Purchasing solicits sealed Request for Proposals.
\$5,000 – \$50,000	<p>For Non- Professional Services (\$5,000 to \$50,000)</p> <ul style="list-style-type: none"> • Using Agency submits to Purchasing a requisition for good or services exceeding \$5,000. The Using Agency shall also submit to Purchasing in writing a determination made in advance that competitive sealed bidding is either not practicable or not fiscally advantageous to the public. This document must be signed by the department head or his/her designee and retained in the RFP file. • Using Agency or Buyer solicits either by mail, fax or electronically, written Request for Proposals from a minimum of four (4) sources. Using Agencies and Buyers are encouraged to seek out a minimum of two (2) minority or woman owned businesses for these transactions if available.
4. Sole Source Procurements	
\$0 - \$5,000	<ul style="list-style-type: none"> • Using Agency procures the goods/services from the sole source vendor and documents the basis for sole source.

Six Methods of Procurement	
Limits	Procedures
\$5,000 - \$50,000	<ul style="list-style-type: none"> • Using Agency submits a requisition to Purchasing and attaches to the requisition the following: <ul style="list-style-type: none"> - Detailed specifications for the product or services to be purchased from a sole source vendor; - All research conducted by the department which justifies sole source; - A written recommendation to Purchasing that the goods or services are to be procured from a sole source; - Any other supporting documentation, suitable to defend the sole source selection in a court of law; and - The Buyer will negotiate the contract price and terms with the sole source vendor and prepare a purchase order for signature by the Purchasing Agent or designee.
5. Emergency Purchases	
None	<p>Emergency during normal working hours:</p> <ul style="list-style-type: none"> • Purchasing Agent has authority to secure, by the most reasonable means available, at lowest obtainable price, any supplies or contractual services, regardless of the amount. • Purchasing Agent shall file a full report of the circumstances of the emergency with the purchase order. <p>Emergency not within normal working hours:</p> <ul style="list-style-type: none"> • Purchasing Agent may authorize a department director to purchase directly supplies or services. • Department head shall file with the Purchasing Agent a requisition and copy of the delivery record, together with a written report of the circumstances of the emergency. <p>In all cases of emergency:</p> <ul style="list-style-type: none"> • The Using Agency shall submit a written report to the Purchasing Agent, signed by the department head, detailing the aspects of the emergency. The written report shall be accompanied by a requisition. • The Purchasing Agent shall solicit pricing in a manner consistent with the emergency and issue a confirming purchase order. Where feasible and practicable, minority and woman owned businesses shall be contacted to assist in resolving the emergency situation.
6. Cooperative Procurement	
	<ul style="list-style-type: none"> • This is defined on page 18.

Dollar Limits

Wherever a dollar limit is referenced in this manual, it applies to:

(1) The total amount to be purchased:

Example: A purchase of ten (10) chairs, costing \$550 each (\$5,500 total), exceeds the Using Agency's \$5,000 procurement authority and a requisition must be sent to Purchasing.

(2) The total amount to be expended over the initial contract term:

Example: A three-year contract for maintenance services, which will cost \$20,000 per year or a total of \$60,000 over the initial contract term, must be solicited using a competitive sealed bid, because it exceeds \$50,000.

Request for Proposal Guidelines

Outlined below are the steps followed in the Request for Proposal (RFP) process for *nonprofessional services*, including the duties and responsibilities of City agencies. They are intended as a general guideline. Actual steps may vary with each RFP. City and State procurement laws and Purchasing Division procedures shall take precedence.

Request for Proposal (RFP) – Guidelines	
Function	Duties/Responsibility
Requisition Cycle	<ul style="list-style-type: none"> • Using Agency • Identify the needs and estimate the total contract cost • Ensure funds are available for: (1) advertising, if a capital project; and (2) the cost of the contract • Define the RFP specifications: <ul style="list-style-type: none"> - Purpose - Background - Scope of Work, including specific terms and conditions - Elements of the preparation guidelines for Offeror's proposals • Prepare requisition • Ensure proper authority signs requisition • Forward requisition, with detailed specifications attached, to Purchasing
Bidding Cycle	<ul style="list-style-type: none"> • Purchasing • Verify funds are available • Draft the RFP: <ul style="list-style-type: none"> - General Terms and Conditions; and - Identify the evaluation criteria • Select an Evaluation Committee with the help of the Using Agency • Determine advertising methods and advertise the RFP • Solicit RFP • Facilitate the RFP process: <p>Pre-Proposal Conference may be held at the discretion of the buyer. The pre-proposal conference gives prospective offerors an opportunity to ask questions and clarify details in the RFP. This step is considered value-added. Information provided at the pre-proposal conference will help offerors better understand the project and, as a result, submit their best proposals.</p> <p>RFP Closing Date and Time – A closing date and time is set by Purchasing and a proposal opening, similar to bids, is conducted. However, only the names of the offerors who submit proposals are read aloud.</p> <p>Initial Proposal Review – The buyer reviews all proposals received to determine whether the offeror responded to the requirements of the RFP. Responsive proposals are forwarded by Purchasing to the Evaluation Committee</p>

Request for Proposal (RFP) – Guidelines	
Function	Duties/Responsibility
	<p>for the next cycle.</p> <p>Ranking/Short Listing Session(s) – The Evaluation Committee independently scores each proposal and later meets to discuss the scores and to identify a “short-list” of those offerors with whom the City will negotiate.</p> <p>During the evaluation phase it may be determined by the Evaluation Committee that only one offeror is fully qualified, or that one offeror is CLEARLY more highly qualified than the others under consideration. A written determination shall be prepared and retained in the contract file to document the meaningful and convincing facts supporting the decision for selecting only one offeror and negotiating with that offeror. The determination shall be signed by the agency head or designee.</p> <p>Negotiation Session(s) – Negotiations are then conducted with two (2) or more short-listed offerors. During negotiations, the contract requirements, terms, conditions, and price are negotiated to arrive at each offeror’s “best and final offer”.</p> <p>Award Meeting(s) – Upon completion of negotiations, the evaluation committee meets to select the offeror who submitted the best proposal.</p> <p>Purchasing Division shall:</p> <p>Maintain the City’s official RFP file</p> <p>Forward the RFP evaluation package to the evaluation committee containing:</p> <ul style="list-style-type: none"> ➤ Register of all proposals received; ➤ A copy of each proposal received; ➤ Evaluation Matrix to be used for scoring each proposal; and ➤ A copy of the <i>Ethics in Public Contracting</i> sections from the <i>VPPA</i>. <p>Retains copies of the documents supporting the review, selection, and award processes.</p> <p>Award a contract to the offeror with the most qualified proposal.</p>
Review Cycle	<ul style="list-style-type: none"> • Evaluation Committee • Committee Members – The evaluation committee usually consists of a minimum of one procurement professional and one member from the Using Agency. Other committee members may include individuals who have experience in similar projects or RFPs. • Duties – The evaluation committee will: <ul style="list-style-type: none"> Assist in drafting the RFP and/or approve the RFP Scope of Work; Attend the pre-proposal conference and proposal opening; Evaluate and rank proposals received; Attend the <i>short-list</i> session; Develop negotiation questions and/or strategies; Participate in offeror interviews and contract negotiations; Perform post-negotiation ranking; and

Request for Proposal (RFP) – Guidelines	
Function	Duties/Responsibility
	<p>Recommend the best or most advantageous proposal.</p> <ul style="list-style-type: none"> • Ethics – Each committee member is bound, at all times during the procurement process to the <i>Ethics in Public Contracting</i> provisions of VPPA, §2.2-4367, et seq. A committee member who is not in compliance with the ethics requirements shall be removed from the committee. The committee member shall not divulge any information gained from participation on the committee until after a contract is awarded. • Confidentiality – All documents and correspondence (verbal or written) pertaining to the RFP shall remain confidential until after a contract is awarded.
Administration Cycle	<ul style="list-style-type: none"> • Contract Administrator • The Contract Administrator is responsible for administering the contract during the initial term and any extensions.

Authority to Sign Contracts

Who has authority to sign contracts? The City Manager, grants the Purchasing Agent the authority to award contracts for the procurement of goods and services. Using Agencies **are not authorized** to sign contracts unless specifically granted such authority by the City Manager in accordance with Appendix B Capital Projects Procurement Manual page 51 or by the Purchasing Agent under the *Delegated Procurement Authority* section page 10. If a vendor asks you to sign a contract, please contact Purchasing.

Types of Contracts:

1. **Purchase Order –**
The simplest contract form and is executed by the Purchasing Agent or designee. A purchase order is issued for the majority of requisitions received by Purchasing.
2. **Contractor's Standard Contract –**
Is usually developed by professional associations or by the Purchasing Division. If a pre-printed contract is submitted to you for signature, notify Purchasing. **Use of vendor's standard contract should be avoided whenever possible.**
3. **Formal Contract –**
Consolidates all of the terms and conditions of the RFP or Bid into a contract document, which is approved as to content by the Using Agency, approved by Finance as to availability of funds, reviewed by the City Attorney's Office as to legal sufficiency, and signed by both the City Manager and the successful vendor. Upon selection of the successful vendor, the Purchasing Division is responsible for drafting the formal contract document, with the assistance of the City Attorney's office.

Fragmenting Orders

What is fragmenting orders? Delegated procurement authority is based on the requisition total (not the unit cost). For example, if your agency's procurement authority is \$1000 you must submit a requisition whenever the **total**

purchase is greater than \$1,000. Splitting an order so that the total cost is within your spending authority is referred to as fragmenting.

Example: Your agency's procurement authority is \$1,000. You plan to purchase four (4) office chairs at a cost of \$300 each. A requisition must be sent to Purchase because the total purchase is \$1,200. To split the purchase and ask the vendor to bill you for each chair separately is **fragmenting** and is a violation of the City's procurement procedures.

The Purchasing Agent reserves the right to **rescind** a Using Agency's delegated procurement authority should fragmenting occur.

Price Agreement Contracts

Price agreement contracts are used by Purchasing to consolidate City purchases. Combining quantities and buying over a fixed contract term guarantees the City the highest quality product at the lowest competitive price. Examples of commodities purchased through *price agreement contracts* include office supplies, tires, safety supplies, concrete, stone, etc. There are several rules that Using Agencies must follow with respect to the use of *price agreement contracts*.

Using Agency may not purchase the item contained in price agreement contracts from any other source during the term of the contract unless approved by the Purchasing Agent. If the Invitation to Bid for these items did not state the procurement was "exclusive" other prices may be obtained.

Unless otherwise authorized by Purchasing, a requisition must be submitted to Purchasing for any purchases from price agreement contracts. On-line CURRENT COMPUTER SYSTEM users do not need to submit requisitions to Purchasing when using a Blanket Purchase Order, even if the amount of the order is above normal purchasing authority.

Purchase Order

Upon bid award, Purchasing issues a purchase order and sends a copy to the using agency. The purchase order is a legal contract that binds the City and the vendor. Neither the vendor nor the using agency is authorized to alter terms and conditions of a contract without the Purchasing Division's approval.

Contract Administrator Duties

After a purchase order is issued by Purchasing, the using agency's contract administrator is responsible for administering the contract during the initial contract term and any extension. The contract administrator shall, among other things:

Ensure the vendor complies with each of the contract terms and conditions;

Obtain Purchasing's approval, via a change order, for **ALL** changes or modifications to the contract, in particular those changes which affect price, performance, time frames or scope of the work to be performed;

Ensure the vendor complies with all insurance, bonding, and licensing requirements;

- Ensures the City receives the goods or services for which it contracted;
- Submit the vendor's original invoice along with a purchase order to Finance/Accounts Payable;
- Complete a "Capital Asset Inventory System-Add Document" for all purchases of capital items. (Appendix D). Submit the form to Department of Finance;
- Ensure the vendor receives timely and accurate payment(s);
- Document each occurrence of vendor nonperformance and contact Purchasing when vendor is in default of the contract;
- Ensure funds are encumbered each fiscal year, should the contract extend beyond one (1) fiscal year; and
- Evaluate the contract for renewal at least three (3) months in advance of the contract expiration date. If the contract is to be renewed, submit a requisition requesting renewal to Purchasing. If it will not be renewed and a new contract will be solicited, submit a requisition, attaching proposed changes to the contract. Approximately three (3) months is needed to draft, solicit, and execute a new contract.

Change Orders

A change order is used to modify a contract whenever a change in the contract will affect price, performance, contract term, delivery, or the scope of the work of the contract. Change orders should be the exception, rather than the rule. There is a limit on the cumulative dollar amount. A public contract may include provisions for modifications of the contract during performance. Fixed contracts may not be increased by more than twenty-five percent (25%) of the amount of the contract or \$50,000, whichever is greater without prior approval of City Council. [VPPA, §2.2-4309].

CHANGE ORDER GUIDELINES

For construction contract change orders, up to 10% of the original contract amount, the department director and the Purchasing Agent are authorized to approve change orders. No contract may be increased greater than ten percent, without prior approval of the City Manager; subject to the availability of funding.

The City Manager may authorize contract modifications up to an increase of twenty-five percent

Proposed modifications to any contract which would result in an increase of more than twenty-five percent, shall have prior approval of the City Council. A copy of each change order shall be forwarded to the Director of Finance to determine availability of funding and to the Purchasing Agent.

PROJECT COSTS CHANGES

0-10% *	Department Director and Purchasing Agent
10%-25%	City Manager
25% - or \$50,000	City Council

All other contract change orders shall be forwarded to the Purchasing Division.

*A written detail report is required when the project is 5% over the original project cost as well as 10%. Any construction project has potential changes particularly underground projects and this is not in any way designed to delay the construction process but keep all parties informed as to why the need for changes. The written report by the project manager is sent to the Purchasing Agent who will in turn forward it to the City Manager, Deputy City Manager, Budgeting, Finance, Project Manager and Department Director.

Procedures to obtain a change order:

Using Agency ensures that sufficient funds to cover the change order are budgeted in the appropriate budget account(s).

Using Agency submits change order form to Purchasing. Detail on the form the exact change to be made, original contract amount, the amount and description of the contract change, and any changes to the time for completion of the original contract.

Purchasing reviews the request, and if approved, issues a formal change order via a purchase order. Purchasing submits a copy of the change order (Purchase Order) to the department and vendor. **If the amount of the contract change is less than \$500, Purchasing may note the change on the original purchase order, submit a copy to Finance/Accounts Payable and notify the Using Agency (no formal change order is issued).**

Emergency Change Orders: The department director or his designee, who is responsible for contract administration, has the authority up to 10% of the project costs total to determine that work shall begin immediately due to emergency situation or when the delay involved in the execution of a change order would prove costly or detrimental to the City. The department director shall obtain the Purchasing Agent's prior approval if emergency expenditures will exceed 10% of total project costs. In the event a Using Agency authorized a change order in accordance with this paragraph, the Using Agency shall submit a written notification to the Purchasing Agent and City Manager, signed by the department head or designee, detailing all actions taken. If approved, Purchasing will issue a confirmation change order.

Personal Liability:

City employees may be subject to personnel discipline up to and including termination for any contract change not authorized by a change order issued by the Purchasing Division.

Capital Improvement Projects (CIP)

A purchase order is required for **ALL** Capital Improvement Project (CIP) procurements where the value of the purchase is greater than \$5,000. Using Agencies are required to submit a requisition to Purchasing for **these** goods and services procured with CIP funds.

Capital Assets

Using agencies must submit a purchase requisition to Purchasing for **ALL** new or replacement capital assets (items funded in the 8201 and 8200...Capital Accounts). An Asset Disposition Form must be properly completed and attached to the requisition for any replacement asset which is funded through the Replacement Capital Outlay budget accounts and the unit price exceeds \$5,000. The capitalized minimum for assets in the City is \$5,000. Ensuring the Asset Disposition Form is attached to the requisition will avoid unnecessary delays to processing your procurement request.

Fleet Management will prepare the Asset Disposition Form for all automotive units and rolling stock.

Travel and Training

Requisitions are not required for travel and training reimbursement for conferences, seminars, etc. Refer to City Travel Policy.

Lease Bidding Procedures

The City's standard competitive sealed bid procedures, as outlined in this manual, will be used for leases of City property for a period of less than five (5) years. For leases of City property for a term of five (5) or more years, the procedures are set out in the *Lease Bidding Procedure*. (Appendix C page 58)

Procurement Training

The Purchasing Division offers a standard training course in *Basic Procurement*. The *Basic Procurement* training course is a pre-requisite to allowing current computer system access and increased delegated procurement authority. Periodic training dates shall be offered by the Purchasing Agent upon request.

Ethics

The ethical responsibility of City employees and agents of the City having official responsibility for a procurement transaction are set out in *VPPA, §2.2-4367, et seq, Ethics in Public Contracting*.

Official responsibility is any administrative or operating authority, whether immediate or final, to initiate, approve, disapprove, or otherwise affect a procurement transaction, or any claim resulting there from.

Procurement transaction is defined as all functions that pertain to the obtaining of any goods, services, or construction, including:

- Description of requirements;
- Selection and solicitation of vendors or sources;
- Preparation and award of the contract, and
- All phases of contract administration.

In summary, no City employee having official responsibility for a procurement transaction shall participate in that transaction on behalf of the City when the employee knows that:

1. The employee is contemporaneously employed by a bidder, offeror or contractor involved in the procurement transaction;
2. The employee, the employee's partner, or any member of the employee's immediate family holds a position with a bidder, offeror or contractor such as an officer, director, trustee, partner or the like, or is employed in a capacity involving personal and substantial participation in the procurement transaction, or owns or controls an interest of more than five percent (5%);
3. The employee, the employee's partner, or any member of the employee's immediate family has a pecuniary interest arising from the procurement transaction; or
4. The employee, the employee's partner, or any member of the employee's immediate family is in negotiation, or has an arrangement concerning, prospective employment with a bidder, offeror or contractor. (*VPPA*, §2.2-4369).

In addition to the *VPPA*, the *Ethics in Public Contracting*, any employees of the Purchasing Division are held strictly to the high ethical standards of the National Institute of Governmental Purchasing, Inc. (NIGP) *Code of Ethics*.

Auctions – Vehicles and Equipment

The Purchasing Division is tasked with the responsibility for the centralized control and disposal of excess, obsolete and salvageable materials and equipment.

The CITY OF SUFFOLK utilizes an on-line auction site, www.govdeals.com, to sell surplus vehicles/equipment. E-auctions on this site are held throughout the year, as deemed necessary. Also, the City periodically holds on-site auctions of equipment as deemed necessary. (See Appendix A)

PROCUREMENT GUIDE FOR BUSINESSES

Office Hours

City business hours are from 8:30 a.m. to 5:00 p.m., Monday through Friday, excluding holidays.

NOTE: Should the CITY OF SUFFOLK close due to inclement weather, etc., on a date that a Bid/RFP is due to close, then those Bids/RFPs will open on the next "full" business day (8:30 a.m. to 5:00 p.m.)

Sales Visits

The Purchasing Division acts as a liaison between suppliers and City agencies. Sales representatives are a valuable resource for obtaining specifications and information on product advancements. The City values their visits; and staff is available to discuss their ideas and concerns. However, Purchasing recommends that sales representatives call for an appointment to ensure the buyer familiar with their product category is available.

Posting Bids

The Purchasing Division seeks maximum competition. In achieving this goal, the City publicizes outstanding Bids and RFPs as follows:

1. Posted on the Bid Board outside of the Purchasing Division, Municipal Center, 441 Market Street, Room 105, Suffolk, Virginia 23434;
2. Posted on the City Internet; www.suffolk.va.us/bids/index.jsp
3. Posted on *DemandStar by Onvia*. For more information, please contact *DemandStar by Onvia* at their website, www.demandstar.com, or by phone at 1-800-711-1712.
4. Advertised in newspapers having general circulation, at the discretion of the buyer; and
5. Solicitation packages are available from the Purchasing Division office.

Bidders List

The Purchasing Division maintains a list of prospective bidders categorized by class and type of commodity. To be placed on the bidders list, a vendor must complete and return a bidders application form. Vendors may obtain a copy of the application from Purchasing; forms are also located on the City's website. (www.suffolk.va)

DemandStar by Onvia maintains a prospective bidders list, as well, based on the NIGP commodity classification codes.

It is the vendor's responsibility to keep their applications current by notifying the Purchasing Division when changes occur regarding the products or services offered, address, ownership, or status as bidder.

Placement on the bidders list does not guarantee receipt of a Request for Quotation (RFQ), Invitation to Bid (ITB), or Request for Proposal (RFP). It is the vendor's responsibility to check the bid notices posted by the Purchasing Division. However, if a vendor is registered with *DemandStar by Onvia*, this will **guarantee** a notice of all Invitation to Bids and Requests for Proposals within in their commodity category.

Bidders may be removed from the bidders list if they do not respond to solicitations. However, a bidder may be retained on the bidders list by simply responding with a "No Bid" if they are interested in bidding on the item(s) in the future.

The City reserves the right to validate and update the bidder's lists from time to time, which may require the bidder to renew the bidder's application which is on file.

The Purchasing Division is a member of the Virginia Minority Supplier Development Council (VMSDC) to assure communications with minority vendors in the State of Virginia. While VMSDC sends bid notices to minority vendors, it is recommended that minority vendors register with the Purchasing Division and/or *DemandStar by Onvia*.

Debarment

Pursuant to City Code, §2-646, it may be in the City's best interest to debar a contractor for any of the causes in subsection (1) of this section, using the procedures in subsection (2). The existence of a cause for debarment under subsection (1), however, does not necessarily require that the contractor be debarred; the seriousness of the contractor's acts or omissions and any mitigating factors should be considered in making any debarment decision.

(1) The basis for removal includes, but is not limited to:

(a) Conviction of or civil judgment for:

- i. Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public contract or subcontract;
- ii. Violation of federal or state antitrust statutes relating to the submission of offers;
- iii. Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; or
- iv. Commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of a government contract or subcontractor.

(b) Violation of the terms of a government contract or subcontract so serious as to justify debarment, such as willful failure to perform in accordance with the terms of one or more contracts or a history of failure to perform, or of unsatisfactory performance of, one or more contracts.

(c) Any other cause of so serious or compelling a nature that it affects the present responsibility of a government contractor or subcontractor.

(2) Procedures:

Debarment shall be initiated by the City, who shall advise the contractor and any specifically named affiliated in writing, certified mail, return receipt requested:

(a) That debarment is being considered;

(b) Of the reasons for the proposed debarment in terms sufficient to put the contractor on notice of the conduct or transaction upon which it is based;

(c) Of the causes relied upon under subsection (1);

(d) That within ten (10) days after receipt of the notice, the contractor may submit to the City, in person, in writing or through a representative, information and argument in opposition to the proposed debarment, including any additional information that raises a genuine dispute over the material fact; and

(e) If suspension is in effect, that no contracts will be awarded to the contractor pending a debarment decision.

In any action in which the proposed debarment is not based upon conviction or civil judgment, the cause for debarment must be established by a preponderance of the evidence. Debarment shall be a period commensurate with the seriousness of the cause. Generally, a debarment should not exceed three (3) years. If suspension precedes a debarment, the suspension period shall be considered in determining the debarment period.

(3) Decision to debar.

The City Manager, upon recommendation of the Purchasing Agent shall make the final decision to debar. The written decision shall state the reasons for the action taken.

Brand Names or Alternates

Unless otherwise stated in the Invitation to Bid or Request for Quotations, the name of certain brands, make or manufacturer does not restrict bidders to the specific brand, make or manufacturer named. Specifications of a brand name convey the general style, type, character, and quality of the article desired. Any article, which the City, at its sole discretion, determines to be an equal of that specified, considering quality, workmanship, economy of operation, and suitability for the purpose intended, shall be accepted. [VPPA, §2.2-4316]. The decision to approve an alternate shall be made by the Purchasing Division after consultation with the Using Agency. Written comments from prospective bidders (vendors) concerning the specifications or alternates may be accepted by the Purchasing Agent for consideration if submitted at least ten (10) days prior to the date set for receipt of bids.

Errors in Submitting Bids

If any error is detected prior to the bid closing date or the proposal opening date, the vendor may retrieve the bid or proposal from the Purchasing Division. The error may be corrected by drawing a single line through the mistake, making the correction, and initialing it in ink.

The vendor must resubmit the bid or proposal and ensure it is time stamped before the specified closing/opening date and time.

The legal requirements for *withdrawal of bid due to error* after the bid opening are set forth in *VPPA*, §2.2-4330.

Taxes in Arrears

No bid or proposal will be accepted from or Contract awarded to any person, firm or corporation that is in arrears, or is in default to the City upon any debt or Contract, or that is a defaulter as surety or otherwise upon any obligation to the City.

License Requirement

All firms doing business in the City of Suffolk are required to be licensed in accordance with the City of Suffolk business license ordinance.

Wholesale and retail merchants without a business location in the City of Suffolk are exempt from this requirement. Any questions concerning business licenses should be directed to the Commissioner of the Revenue's Office, telephone (757) 514-4260.

The City of Suffolk will not enter into a contract or extend any renewal period to any person, firm or corporation that is in arrears or in default to the City for taxes or other charges prior to the award of any contract or renewal period.

Contract Award

Contracts shall be awarded to the lowest *responsive* and *responsible* bidder. A responsive bidder is defined as one who has submitted a bid which conforms in all the material respects to the Invitation to Bid. A responsible bidder is defined as one who has the capability, in all respects, to perform fully the contract requirements, and the moral and business integrity and reliability which will ensure good-faith performance. (See *VPPA*, §2.2-4301).

All notices of award or intent to award for all Invitations to Bid and Requests for Proposals will be publicly posted for inspection on the City's Bid Board at the following location and on the City's website:

Finance Department/Purchasing Division
Municipal Center
441 Market Street, Room 105
Suffolk, VA 23434
City's website: www.suffolk.va.us/bids/index.jsp

The Purchasing Agent reserves the right to award a contract based on the overall low total or the split low total bid, whichever is in the best interest of the City.

Notification of Successful Vendor

Successful vendors are notified by Notice of Award or Notice of Intent to Award followed by receipt of a signed purchase order or by any other contractual agreement indicating bid award.

Bid Tabulation

What is a bid tabulation?

A bid tabulation summarizes, in matrix format, the names of the bidders who submitted a bid, the quantity, unit cost, and extended cost for each item bid or services, and the total bid price quoted.

When is the bid tabulation prepared?

The bid tabulation is prepared after the bid closing date and time.

How does a bidder obtain a copy?

Bidders may obtain a bid tabulation by including with their bid a self-addressed, stamped envelope clearly marked with a request for the bid tabulation. Or after the bid award, a bidder may request a copy of the bid tabulation by telephone at which point the bid tabulation will be faxed or e-mailed. Bid tabulations will not be read to bidders over the telephone.

City of Suffolk posts all Invitation to Bid tabulations on their web-site, www.suffolk.va.us/bids/index.jsp

Public Inspection of Records

VPPA, §2.2-4342 states that all proceedings, records, contracts and other public records relating to procurement transactions shall be open to inspection by any interested person, firm, or corporation in accordance with the Virginia Freedom of Information Act (§2.2-3700 *et seq.*).

Cost estimates prepared by the City relating to a proposed procurement transaction prepared by or for a public body shall not be open to public inspections.

Each bidder of record for a **competitive sealed bid** (Invitation to Bid) shall be afforded an opportunity, upon written request, to inspect bid records within a reasonable time after the bid opening. In the event the public body decides not to accept any of the bids and reopen the contract, bidding information will not be released. The bid records shall be open to public inspection ***only after a contract is awarded.***

Upon request, each offeror of record for a **competitive negotiation** (RFP) shall be afforded an opportunity to inspect proposal records within a reasonable time after the evaluation and negotiations of proposal are completed, but prior to award, except in the event the City decides not to accept any of the proposals and to re-solicit the contract. Otherwise, RFP records shall be open to public inspection ***only after a contract is awarded.***

Trade secrets or proprietary information submitted by a bidder or offeror in connection with the procurement are not subject to public disclosure under the Virginia Freedom of Information Act (FOIA). However, the bidder or offeror shall invoke the protections of this section prior to or upon submission of the data or other materials, and must identify **clearly** the data or other materials to be protected and stated in writing the reasons why protection is necessary.

Inspection of records must be requested thru the Department of Media and Community Relations, 441 Market Street, Suffolk, VA 23434.

Tax Exempt

Vendor shall not include state, local and federal taxes in any prices quoted to the City. The City's federal tax exemption number is 54-6001636. A tax exemption certificate will be furnished upon request.

Invoices

In order to receive payment for goods or services furnished to the City, the vendor shall submit an **"original"** invoice to the Using Agency at the invoice address shown on the purchase order.

The vendor's original invoice or authorized copy shall detail the following:

- The vendor's invoice number;

- The City's purchase order number;

- A complete description of the goods or services furnished, including quantities, unit prices and extensions, the discount terms, and

- The name of the Using Agency to whom the shipment was made.

Vendor Payment

After delivery, acceptance of the goods or services, and receipt of an **"original"** invoice, the Using Agency will authorize payment. Finance/Accounts Payable issues a payment check to the vendor. Vendors should direct questions concerning payment to the invoiced Using Agency.

Vendor Protest Procedures

- (A) **Legal Action.** Any bidder or offeror who desires to protest the award or decision to award a contract shall submit such protest in writing to the public body, or an official designated by the public body, no later than ten (10) days after the award or the announcement of the decision to award, whichever occurs first. Any potential bidder or offeror on a contract negotiated on a sole source or emergency basis who desires to protest the award or decision to award such contract shall submit such protest in the same manner no later than ten (10) days after posting or publication of the notice of such contract as provided in Va. Code Sect. 2.2.-4360.

No protest shall lie for a claim that the selected bidder or offeror is not a responsible bidder or offeror. The written protest shall include the basis for the protest and the relief sought. The public body or designated official shall issue a decision in writing within ten (10) days stating the reasons for the action taken. This decision shall

be final unless the bidder or offeror appeal within ten (10) days of the written decision by instituting legal action. Nothing in this subsection shall be construed to permit a bidder to challenge the validity of the terms or conditions of the Invitation to Bid or Request for Proposal. [VPPA, §2.2-4360]

In addition, nothing in these *Vendor Protest Procedures* shall be construed to prevent the City from instituting legal action against a bidder or offeror.

- (B) **Effect of Appeal Upon the Contract.** Pending final determination of a protest or appeal, the validity of a contract awarded and accepted in good faith in accordance with this section shall not be affected by the fact that a protest or appeal has been filed. [VPPA 2.2-4361]
- (C) **Stay of Award During Protest.** An award need not be delayed for the period allowed a bidder or offeror to protest. But, in the event of a timely protest, no further action to award the contract will be taken unless there is a written determination that proceeding without delay is necessary to protect the public interest or unless the bid or offer would expire. [VPPA 2.2-4362]
- (D) **Cancellation of Award and Relief.**
 - (1) If, prior to an award (receipt by successful contractor of a signed purchase order or contract), it is determined that the decision to award is arbitrary and capricious, then the protesting party's sole relief shall be a finding to that effect. The Purchasing Agent shall cancel the proposed award or revise it to comply with the law. [VPPA 2.2-4360 (B)]
 - (2) If, after an award, it is determined that an award was arbitrary or capricious, then the protesting party's sole relief shall be as hereinafter provided. Where the award has been made and performance has not begun, the performance of the contract may be enjoined. Where the award has been made and performance has begun, the Purchasing Agent may declare the purchase order or contract void upon a finding that this action is declared void; the performing contractor shall be compensated for the cost of performance up to the time of such declaration. In no event shall the performing contractor be entitled to lost profits. [VPPA 2.2-4360 (B)]

Bond Requirements

What is a bond?

A bond is a written instrument, issued by a surety, guaranteeing faithful performance by the contractor.

Why require bonding?

Bonds reduce the City's financial risk in the event a contractor fails to perform or defaults on a contract. The bonds transfer the risk of a contractor's default to a third party – the surety company who issues the bond.

What are the different types of bonds?

Five (5) types of bonds are frequently used in contracts to procure goods and services:

1. **Bid Bond** guarantees that the bidder will enter into a contract if selected as the lowest responsive and responsible bidder. If a bidder does not accept the award, the bid bond is forfeited.

VPPA, §2.2-4336(A)(1) requires that, except in cases of emergency, all bids or proposals for construction contracts in excess of \$100,000 be accompanied by a bid bond. The amount of the bid bond shall not exceed five percent (5%) of the total contract. Bidder shall submit the bid bond with their bid. If the bid bond is not submitted with the bid, the Bidder is non-responsive.

2. **Performance Bond** guarantees that a contractor will perform the contract in accordance with the contract terms. The surety who issues the bond may either complete the contract or pay damages up to the bond limit. This bond is used most frequently in construction contracts.

VPPA, §2.2-4337(A) requires a performance bond in the sum of the contract amount for all public construction contracts exceeding \$100,000.

3. **Contract Bond**, similar to a performance bond, guarantees the contractor will perform pursuant to the terms and conditions of the contract. While performance bonds are used primarily for construction projects, contract bonds are used for service contracts such as microcomputer purchases, grass-cutting services, software systems & installation services, and computer programming services.

4. **Payment Bond** guarantees the contractor will pay all suppliers and subcontractors who assist in the performance of the work.

VPPA, §2.2-4337(A) requires a payment bond in the sum of the contract for any construction contract exceeding \$100,000.

5. **Fidelity Bond** is similar to an insurance policy and guarantees against losses that may result from proven acts of dishonesty on the part of the contractor's employees. Fidelity bonds are often required in service contracts when the contractor's employees will handle cash or are exposed to opportunities for theft.

When should a bond be required?

As indicated, bonds protect the City against risk. A bond should be required whenever a contractor's default exposes the City to financial liability.

How much should the bond amount be?

Except as required by law, the bond amount depends on an assessment of the City's financial risk, the estimated contract value, the importance of the service to be performed, and whether service disruption would be detrimental to the City. For example, the City's risk may only be 10% or 15% of the contract amount. To require a bond for 100% of the contract amount may be arbitrary and capricious. Purchasing works closely with the Risk Management Division to identify the type and amount of bonds appropriate for each procurement contract.

Equal Opportunity

VPPA, §2.2-4301 requires that City contracts be awarded to the lowest responsible and responsive bidder as defined in the Glossary of this manual.

Employment Discrimination Prohibited: *VPPA*, §2.2-4311 prohibits employment discrimination by contractors hired by the City and requires that every City contract over ten thousand dollars (\$10,000) include the language to this effect.

1. During the performance of this contract, the contractor agrees as follows:
 - a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, service disabled veterans or other basis prohibited by state law relating to discrimination in employment, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The

contractor agrees to post in a conspicuous place, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

- b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
 - c. Notices, advertisements and solicitations placed in accordance with federal law, rules or regulations shall be deemed sufficient for the purpose of meeting the requirements of this section.
2. The contractor will include the provisions of the forgoing paragraphs a, b and c in every subcontract or purchase order of over \$10,000 so that the provisions will be binding upon each subcontractor or vendor.

CONTRACT TERMS AND CONDITIONS

The resulting contract with the successful bidder will be subject to the following terms and conditions:

Insurance

Contractor shall purchase and maintain the following insurance coverage:

a. Workers Compensation

As statutorily required by the Commonwealth of Virginia. Employers Liability, \$1,000,000.

b. Commercial General Liability Minimum Limits

General Liability:

\$1,000,000 General Aggregate Limit

\$1,000,000 Products & Completed Operations

\$1,000,000 Personal and Advertising Injury

\$1,000,000 Each Occurrence Limit

\$ 50,000 Fire Damage Limit

\$ 5,000 Medical Expense Limit

c. Auto Liability insurance

Coverage sufficient to cover all vehicles owned, used, or hired by the Contractor, his agents, representatives, employees or subcontractors.

Minimum Limits

Automobile Liability:

\$1,000,000 Combined Single Limit

d. Should the Contractor lease his equipment, it shall be the Contractor's responsibility to obtain any necessary additional insurance, at Contractor's expense.

e. A certificate evidencing the above insurance coverage shall be provided by the Contractor to the City of Suffolk prior to the commencing work. The City of Suffolk shall be named as an Additional Insured; endorsements of same shall be submitted with certificate. It shall be the Contractor's responsibility to keep the required insurance coverage's in full force, and without lapse, during the entire term of this agreement. Notices of cancellation or any changes to insurance shall be provided to the City of Suffolk thirty (30) days prior to the effective date of such change or cancellation.

f. All insurance shall be placed with insurers maintaining an A.M. best rating of no less than A: VII.

Hold Harmless Clause

The Contractor shall, during the term of the contract, defend, indemnify and hold harmless the City of Suffolk from and against any and all losses, damages, claims, fines, penalties, suits and costs, including bodily injury or death of any person(s), or loss or damage to property, as well as fines, assessments and penalties imposed by any authority which

may arise out of any violations of law by, and all acts and omissions of the Contractor, the Contractor's agents, employees occurring in connection with the products, completed operations, and other services covered herein.

Safety

All Contractor and subcontractor performing services for the City are required and shall comply with all Occupational Safety and Health Administration (OSHA), State and City Safety and Occupational Health Standards and any other applicable rules and regulations. Also all Contractors and subcontractors shall be held responsible for the safety of their employees and any unsafe acts or conditions that may cause injury or damage to any persons or property within and around the work site area under this contract.

Anti-Discrimination

By submitting their bids, bidders certify to the City that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians with Disabilities Act, the Americans with Disabilities Act and 2.2-4311 of the Virginia Public Procurement Act (VPPA). If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (Code of Virginia 2.2.4343.1E).

In every contract over \$10,000 shall include the following provisions:

- A. During the performance of this contract, the Contractor agrees as follows:
 - 1. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, service disabled veterans or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - 2. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.
 - 3. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.
- B. The Contractor will include the provisions of No. 1 above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

Ethics in Public Contracting

By submitting a bid, the bidder certifies that their bid is made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other bidder, supplier, manufacturer or subcontractor in connection with their bid, and that they have not conferred on any public employee having official responsibility for this procurement

transaction any payment, loan subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged. (Code of Virginia 2.2.4367)

Compliance with Federal Immigration Law

Contractor does not, and shall not during the performance of the contract for goods and services in the Commonwealth of Virginia knowingly employ an unauthorized alien as defined in the Federal Immigration Reform and Control Act of 1986.

Debarment Status

By submitting a bid, bidders certify that they are not currently debarred by the Commonwealth of Virginia from submitting bids or proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

Antitrust

By entering into a contract, the Contractor conveys, sells, assigns, and transfers to the City of Suffolk all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the City of Suffolk under said contract.

Drug-Free Workplace

During the performance of this contract, the Contractor agrees to (1) provide a drug-free workplace for the Contractor's employees; (2) post in conspicuous place, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (3) state in all solicitation or advertisement for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (4) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "*drug-free workplace*" means a site for the performance of work done in connection with a specific contract awarded to a Contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

Exemption from Taxes

The City is exempt from State Sales Tax and Federal Excise Tax. Tax Exemption Certificate indicating the City's tax exempt status will be furnished by the City of Suffolk.

Faith Based Organization

City of Suffolk does not discriminate against faith-based organizations.

Substitutions

NO substitutions or cancellations permitted after award without written approval by the Purchasing Agent.

Method of Payment

Contractor shall submit invoices in duplicate for each delivery, such statement to include detailed breakdown of all charges, and shall be based on completion of tasks or deliverables.

Invoices shall be submitted to using departments.

Upon acceptance of work, the City will render payment within forty-five (45) days of receipt of invoice. Individual Contractors shall provide their social security numbers, and proprietorships, partnerships, and corporations shall provide their federal employer identification number on the pricing form.

Assignment of Contract

This contract may not be assigned in whole or in part without the written consent of the Purchasing Agent.

Termination

Subject to the provisions below, the contract may be terminated by the City upon thirty (30) days advance written notice to the other party; but if any work or service hereunder is in progress, but not completed as of the date of termination, then the contract may be extended upon written approval of the City until said work or services are completed and accepted.

- a. Termination for Convenience
In the event that this contract is terminated or canceled upon request and for the convenience of the City, without the required thirty (30) days advance written notice, then the City shall negotiate reasonable termination costs, if applicable.
- b. Termination for Cause
Termination by the City for cause, default or negligence on the part of the Contractor shall be excluded from the foregoing provision; termination costs, if any, shall not apply. The thirty (30) days advance notice requirement is waived in the event of Termination for Cause.

Non-Appropriation

Notwithstanding anything contained herein to the contrary, this contract shall be terminated if all of the following events shall have occurred.

- a. Funds are not appropriated for a subsequent fiscal period during the term of this contract for the acquisition of substantially the same functions as provided for herein, and written notice thereof is given to the CONTRACTOR at least (30) days prior to the first day of such subsequent fiscal period or within five (5) days of the approval of the final budget for such fiscal year, whichever occurs later.
- b. CITY has exhausted all funds legally available for payment under this contract.

Upon such termination, CONTRACTOR'S only remedy shall be to terminate the contract at the end of the fiscal period during which notice is give; and payment in compliance with the contract for materials, goods, and services rendered there under during the fiscal year at the end of which termination occurs, without penalty, termination, profit or overhead expenses of any kind, shall constitute full performance on the part of the CITY.

Severability

If any part, term, or provision of this agreement, shall be found by the Court to be legally invalid or unenforceable, then such provision or portion thereof, shall be performed in accordance with applicable laws. The invalidity or unenforceability of any provision or portion of any contract document shall not affect the validity of any other provision or portion of the contract document.

Changes and Additions

It shall be the responsibility of the Contractor to notify the City, in writing, of any necessary modifications or additions in the Scope of this Agreement. Compensation for changes or additions in the Scope of this Agreement will be negotiated and approved by the City, in writing.

It is understood and agreed to by both the City and the Contractor that such modifications or additions to this Agreement shall be made only by the full execution of the City's standard Agreement change order form. Furthermore, it is understood and agreed by both parties that any work done by the Contractor on such modification or addition to this Agreement prior to the City's execution of its standard Agreement change order form shall be at the total risk of the Contractor and said work may not be compensated by the City.

Payment to Subcontractor

Payments to subcontractor shall be made in accordance with § 2.2-4354 of *Code of Virginia (1950), as amended*. Unless otherwise specified in this Agreement, interest shall accrue at the rate of one percent (1%) per month.

Conflict of Interest

Contractor shall not accept or receive commissions or other payments from third parties for soliciting, negotiating, procuring, or effecting insurance on behalf of the City.

Responsibility of Contractor

The Contractor shall, without additional costs or fee to the City, correct or revise any errors or deficiencies in his performance. Neither the City's review, approval or acceptance of, nor payment for any of the services required under this Agreement shall be deemed a waiver of rights by the City, and the Contractor shall remain liable to the City for all costs which are incurred by the City as a result of the Contractor's negligent performance of any of the services furnished under this Agreement.

Controlling Law; Venue; Pending/during Litigation

This Agreement is made, entered into, and shall be performed in the City of Suffolk, Virginia, and shall be governed by the applicable laws of the Commonwealth of Virginia without regard to its conflict of law rules. In the event of litigation concerning this Agreement, the parties agree to the exclusive jurisdiction and venue of the Circuit Court of the City of Suffolk, Virginia; however, in the event that the federal court has jurisdiction over the matter, then the parties agree to the exclusive jurisdiction and venue of the U.S. District Court for the Eastern District of Virginia, Norfolk Division.

The Contractor shall not cause a delay in services because of the pending or during litigation proceedings, except with the express, written consent of the City or written instruction/order from the Court.

Entire Agreement

This Agreement comprises the entire understanding between the parties and cannot be modified, altered or amended, except in writing and signed by all parties.

Glossary of Purchasing Terms

Act of VPPA is the Virginia Public Procurement Act, Title 11, Chapter 7 of the Code of Virginia.

Addendum is the modification of the Invitation to bid or contract documents issued in writing by the engineer or owner prior to the opening of the bids.

Auctioneering is the unethical practice of divulging one vendor's price to other vendors for the purpose of inducing a vendor to lower his price.

Bid is a vendor's written response to an Invitation to Bid. The bid may become the contract, if accepted by the City.

Bidder is any vendor who submits a written response, either a bid or a "no bid" to an Invitation to Bid.

Blanket Order is a contract under which a vendor agrees to provide goods or services to the City on a demand basis. The contract generally establishes prices, terms, conditions, and the period covered (no quantities are specified). Using Agencies purchase directly from the vendor items listed under the contract. (See also *price agreement contract*).

Change Order is a formal addendum to a contract (purchase order). A change order is required whenever a change in the contract terms will affect price, performance, the contract term, delivery, or the scope of the work of the contract.

Contract is the legal obligation between a buyer and a seller to perform certain duties/provide certain goods. General requirements of a contract include an offer and acceptance by capable parties; mutual assent/content; lawful objective; and mutual consideration.

Contract Breach is a vendor's failure to perform an act or duty required by the contract.

Contract Default is any occurrence or act which cuts short the rights or remedies of one of the parties to a contract. Default usually occurs upon a party's failure to remedy a contract breach.

Construction is building, altering, repairing, improving or demolishing any structure, building or highway, and any draining, dredging, excavating, grading or similar work upon real property.

Contract Modification is a written alteration in a specification, delivery point, rate of delivery, period of performance, price, quantity or other provision of any contract accomplished by mutual action of the parties to the contract.

Demandstar by ONVIA is the website for all bid solicitations which is utilized by local government.

Emergency shall exist when a breakdown in an essential service occurs or under any other circumstances when good or services are needed for immediate use in work which may vitally affect the safety, health or welfare of the public.

Evaluation Committee shall consist of a minimum of one procurement professional and one member from the Using Agency.

Goods are movable things also know as personal property. Goods are most commonly thought of as things for sale. Goods do not include real property or items attached to real property which may not be severed from the real property without injury to the real property.

Immediate Family is a spouse, child, parent, brother and sister, and any other person living in the same household as the employee.

Informal Bid is a request for price quotations, either written or verbal, where total anticipated expenditures are not expected to exceed \$50,000. Also referred to as a Request for Quotation (RFQ).

Informality is a minor defect or variation of a bid or proposal from the exact requirements of the Invitation to Bid or the Request for Proposal, which does not affect the price, quality, quantity or delivery schedule for the goods, services of construction being procured,

Initial Contract Term: For goods, the initial contract term is either: (a) the period of time from date of the purchase order to the delivery of the goods by the vendor and acceptance by the City; or (b) clearly stated in the Request for Quotations or Invitation to Bid. For service contracts, the initial contract term is usually set out in the terms and conditions of the contract.

Internal Pricing is the method of procurement for small purchases which includes purchasing from existing price agreement contracts or the State Contracts and soliciting telephone quotations.

Invitation to Bid is the formal, written solicitation document used for the procurement of goods and/or services expected to cost \$50,000 or more. The Invitation to Bid contains all terms and conditions under which the successful bidder is to perform.

Offeror is a vendor who submits a written response to a Request for Proposal (RFP).

Non-Professional Services is any services not specifically identified as professional services in the definition below.

Payment Terms are the methods of and time frames for payment under a contract. Unless otherwise stated in the solicitation or contract, the City's payment terms shall be Net 30 calendar days.

Price Agreement Contract is a contract where the City contracts with a vendor to supply required goods or services at a pre-determined price. Examples of the price paid may be a fixed price or a percentage off manufacturer's list price. Using Agencies purchase directly from the vendor, the items covered under the price agreement contract. (See also *blanket order*).

Professional Services is work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy, professional engineering, or as subsequently amended by the Virginia Public Procurement Act.

Proposal is a vendor's response to a Request for Proposal. It details the vendor's capabilities and skills, experience, services to be provided, and preliminary prices. All elements of a proposal are negotiable.

Purchase Order is a form of contract which provided the supplier authorization to provide goods and services and the purchaser's commitment for the value of goods/services. Special terms and conditions may be incorporated in the purchase order by reference.

Purchase Requisition is the City's official form to requisition goods and/or services.

Quote/Quotation is a vendor's response to a Request for Quotation. The vendor may submit either a written or verbal quote.

Request for Proposal is the formal, written solicitation document used for the competitive negotiations method of procurement to procure *professional services* in excess of \$50,000 and *other than professional services* in excess of \$50,000. A request for proposal (RFP) sets forth the background of the project, the general and specific contract requirements, terms and conditions.

Responsible Bidder/Offeror is a bidder or offeror who has the capability, in all respects, to perform fully the contract requirements and the moral and business integrity and reliability which will ensure good-faith performance. (*VPPA*, §2.2-4301).

Responsive Bidder is a bidder who has submitted a bid or quote which conforms in all material respects to the specifications required by the bid or quote. (*VPPA*, §2.2-4301).

Scope of Work are the sections of a Request for Proposal that defines the Using Agency's needs and set forth the specific contract terms and conditions.

Service Contract is an agreement seeking a contractor's time and effort rather than the delivery of a good.

Specifications are a complete and detailed description of the set of technical requirements to be satisfied by a product, material, or process. Well-written specifications include performance measures which identify whether the requirements have been satisfied or met. The most desirable specification is expressed in numerical units of measure with performance boundaries or limits.

Using Agency is any department, bureau, agency or other entity to which a budget unit number has been assigned by the City's Department of Management Services or which is authorized to expend City funds.

Vendor is one who sells something; a "seller".

SURPLUS PROPERTY DISPOSAL

Purpose

It is the intent of this section of the City's Procurement Manual entitled **DISPOSAL OF SURPLUS PROPERTY** to protect City assets by actively seeking the most effective means available to dispose of all materials, supplies, equipment, or other personal property that are considered excess, obsolete, unusable, or extensively damaged in order to maximize the useful life of each of the City's assets. Personal property, as outlined in this procedures manual, shall include any excess obsolete, salvageable, or non-salvageable, Capital or Non-Capital property which is sold, replaced through the budget process, transferred or loaned to another department or agency, discarded, scrapped, traded in, or otherwise removed from service by any other means of disposal. Disposal of surplus property does not apply to real estate.

Department Responsibility

Department directors shall be responsible for the maintenance, care, custody and control of City property assigned to their department. Further, except as otherwise set forth herein, written authorization from the Purchasing Division shall be obtained prior to the disposition of any surplus property. This does not include the disposition of salvageable or non-salvageable equipment, materials, and/or supplies purchased using small dollar procurement procedures; this property may be disposed of at the discretion of the department director.

Authority

Unless otherwise directed by City Council or the City Manager, the Purchasing Agent, or other authorized staff of the Purchasing Division, shall have the sole authority to dispose of surplus property using the method of disposal deemed to be most cost effective to the City.

The Purchasing Agent shall report final disposition to the Director of Finance.

Reporting of Surplus Property

Surplus Property Asset Forms shall be submitted to the Purchasing Division for the disposition of any surplus property acquired at the purchase price of \$5,000.00 or above, regardless of the method of disposal. These purchases are considered Capital Assets and are assigned an asset number by the Department of Finance.

A copy of the Surplus Property Asset Form shall be maintained in the owner department's inventory files.

Methods of Disposal

The Purchasing Division may use any of the following methods to dispose of surplus property:

A. Public Auction

- 1) Public auction to be held at the Auctioneer's site or at a specified location within the City
- 2) Public auction to be held utilizing an approved on-line auction site

B. Sales

- 1) Formal Sealed Bid - The property is sold using the formal sealed bid process for competitive bids. Surplus property sold using this method must be posted publicly on a Bid Board maintained by the Purchasing Division and advertised in a newspaper having general circulation in the City.
- 2) Request for Quotation - The property is sold using quotations as governed by small dollar procedures.
- 3) In the event that no offer is received in response to methods (1) and (2), the Purchasing Agent may accept any subsequent offer to purchase said surplus property deemed to be in the City's best interest.

C. Transfer

Surplus property, whether capital or non-capital assets, may be transferred as follows:

- 1) Transfer of property among divisions within the same department

A department director may transfer surplus property from one division to another division within their department. Whenever a Capital Asset is transferred to another division within the same department, the department director shall submit a *Surplus Asset Form* to the Purchasing Division showing that the transfer has taken place.

- 2) Transfer of property among different departments within the City.

A department director may transfer surplus property from one department to another department within the City. Whenever a Capital Asset is transferred to another department within the City, the department director shall submit a *Surplus Asset Form* to the Purchasing Division showing that the transfer has taken place.

- 3) Transfer of property to another public entity

Prior to placing an asset on the open market for sale, the Purchasing Division may transfer it to another public entity for a negotiated price or, with written justification, at no cost. The transfer of property to another public entity will be the sole responsibility of the Purchasing Division.

D. Trade-in

Departments shall not use trade-in allowances to offset the cost of a new or replacement asset unless stated in the procurement process; however, the Purchasing Division may negotiate a trade-in allowance. In the event a trade-in is authorized by the Purchasing Division, the department will be charged for the gross cost of the item, and the trade-in allowance will be credited to the City's appropriate fund.

E. Donations

At the discretion of the Purchasing Agent, any surplus property which remains unsold may be donated to any non-profit or historical organization, which includes old and used books from the Library donated for

resale and monies returned to Library. With approval of the City Manager, surplus property may be donated directly to the organization without using other methods of disposal.

F. Loan

The temporary use of a surplus asset may be granted to a department other than the owner department or, with written permission by the Purchasing Agent, to another public entity or non-profit organization.

G. Cannibalization

At the discretion of the department head of the owner department, obsolete, worn-out, inactive, or uneconomical operating equipment may be used for parts for the repair of other equipment.

H. Scrap

Should no additional offers for purchase be received or requests made for donation of surplus property, the Purchasing Agent may declare the asset void of any value to the City and notify the department to dispose of the property as scrap at an appropriate landfill facility.

Damaged Surplus Property – Subject of Insurance Claim

When damage to an asset is the subject of an insurance claim, the Purchasing Division and Risk Management Division will coordinate the disposal of the asset.

Proceeds from Surplus Property Disposition

Proceeds from the disposition of surplus property shall be returned to the City's General Fund and not to the owner department's account code. Exceptions to this procedure include the following:

Asset Forfeiture Vehicles/Equipment - Vehicles/equipment seized by the order of court through Federal and State Assets Forfeiture Program. Library book sales

Purchase of Surplus Property by City Employees

No City employee, whether permanent or temporary, shall convert to personal use any surplus property, with or without salvage value.

No City employee, nor any member of their immediate family, may purchase surplus property. Surplus property may not be purchased by a City employee through a third party. (City Code Section 66-192)

APPENDIX B

CAPITAL PROJECTS PROCUREMENT MANUAL

Purpose and Need

The purpose of this directive is to establish a procedure that will provide for the more timely and cost-effective preparation, solicitation, review and execution of all Capital Programs, Department of Parks and Recreation, Department of Public Works, Department of Public Utilities, Capital C.I.P. construction contracts, change orders and formal notifications.

Administrative Directive

The City of Suffolk shall publicly announce, through a formal competitive bid process, all requirements for Capital Improvement Project (CIP) Construction Contracts that are predicted to exceed \$50,000.00, provide adequate fiscal controls for contract change orders and project overruns, and allow a means for formal notifications of contract changes when delays in execution of change orders would prove to be costly or detrimental to the City.

Procedure to Accomplish Directive

A. For Bid Preparation and Solicitation:

1. **Requisition Submittal:**

Prior to the commencement of any CIP construction contract, the using agency shall forward to the Purchasing Division a requisition for the specific project. The requisition shall be signed by a person authorized to confirm and certify the using agency's fund availability for the specified project. The requisition shall also include an engineer's estimate and **a copy** of the bid package.

2. **Bid Package Preparation and Review:**

Upon receipt of the requisition and the bid package, the Purchasing Agent will review the bid package for compliance with state and local procurement laws, ordinances and procedures. The Purchasing Agent shall have the authority to make any necessary changes to assure compliance and standardization of the bid package and impending bid solicitation. Upon approval of the bid package, the Purchasing Agent will set up a bid file for the specified construction project. A copy of the bid package, less drawings if required, will be maintained in the permanent bid file.

3. **Bid Advertisement:**

After the approval of the bid package, the Purchasing Agent will forward all necessary advertisements to the specified newspaper(s).

4. **Bid Solicitation:**

It shall be the responsibility of the using agency and/or engineering consultant to provide complete bid packages to any and all prospective bidders **and** to maintain an accurate and current list of the bidders of record for the specific bid solicitation.

5. **Pre-Bid Conference:**

The Purchasing Agent and using agency shall attend all pre-bid conferences related to the bid solicitation, approve all additions prior to distribution to bidders of record, and maintain a copy of each addendum in the permanent bid file.

6. **Bid Submittals:**

It shall be the Purchasing Agent's responsibility to receive **all** bid responses to any formal CIP construction bid solicitation. All responses shall be date and time stamped and secured in the pending bid file until the specified bid closing date and time.

7. **Public Bid Opening:**

After the bid closing time and date, the bids shall be publicly opened and read the same day. A bid tabulation reflecting all bids received, the City's cost estimate and receipt of any required surety documents shall be provided and added to the permanent file.

B. **Bid Evaluation:**

1. **Informalities:**

The Purchasing Agent shall review recommendations to waive informalities in the bidding process and shall determine the appropriateness of such recommendations.

2. **Evaluation and Recommendation:**

The Purchasing Agent shall retain a copy of each bid submittal and all surety documents in the permanent bid file. Purchasing shall provide the engineering consultant a copy of all bid documents for review. Upon review, the engineering consultant shall provide the using agency with a written evaluation of the bids, a bid tabulation and recommendation for award. The using agency shall provide the Purchasing Agent with recommendations for award.

3. **Acceptance and Awards:**

Upon acceptance of the using agency's recommendations to award, the Purchasing Agent shall provide to the using agency notification of approval to award the contract to the recommended vendor. Upon receipt of approval to award, the Purchasing Agent shall forward the contract to the City Attorney's office for approval.

C. **Contract Routing:**

1. **Compliance with Procurement Regulations:**

The Purchasing Agent shall review the executed contract documents for compliance with procurement regulations.

2. **Certification of Funding:**

The Purchasing Agent shall forward the contract documents to the Director of Finance for "Certification of Availability of Funds". The using agency shall be responsible for resolving any funding issues.

3. **Approved As to Content:**
Upon certification of availability of funds, the contract documents shall be forwarded to the using agency for content.
4. **Contract Review as to Legal Sufficiency:**
The Using Agency shall then forward properly executed contract documents to the City Attorney's Office for review as to legal sufficiency and complete contract checklist. Contract documents that are not properly executed shall be returned to Purchasing Agent for review with the bidder.
5. **Approval by City Manager:**
The City Attorney's Office forwards the contract documents to the City Manager for signature and then forwards the documents to the City Clerk to attest the signature.
6. **Bidder Execution of Contract Documents:**
The Purchasing Agent shall transmit the contract documents with instructions, thus establishing notice to the successful bidder of award.
7. **Final Contract Execution:**
The Purchasing Agent shall execute contract documents for the City, issue the official "Notice to Proceed" signed by the City Manager and provide contract documents to the using agency.
8. **Reporting:**
The Purchasing Agent shall prepare a monthly report informing the City Manager and the using agencies of (i) all advertised CIP construction contract bids, the date advertised and the scheduled closing date; and (ii) all CIP construction contracts, contractor's names and contract amounts for awards during that period.
9. **Bid Protests:**
The Purchasing Agent shall be responsible for responding to bid protests.

Definitions

Bidders of Record are the prospective bidders that have received complete bid packages for a specific bid solicitation.

Bid Package shall mean all necessary bidding documents, drawings, specifications and/or advertisements that will be used in the formal sealed bid solicitation.

Bid Solicitation is the formal offering to prospective bidders requesting their response for specific goods and/or services. The bid solicitation shall include the bid number, bid closing date and time, and complete bid package.

Contract Change Order shall be the means through which the terms and conditions of the original contract may be altered.

Formal Notification shall be required in memo form after award when (i) changes occur in the estimated quantities of a unit price contract; (ii) time does not permit preparation and execution of a contract change

order prior to performance of the contract; or (iii) notice is necessary to alert the Purchasing Agent of significant changes in incidents not requiring a contract change order.

Formal Sealed Bid is the competitive procurement process used for obtaining goods and/or services that are predicted to exceed \$50,000 in cost.

Surety Documents are requirements for bonding and insurance; i.e. bid bonds, performance and payment bonds, automobile and Workers Compensation insurance, etc., that will protect the City's interest during the performance of any related contract.

Procedures for Contract Change Orders

A. Change Orders Exceeding Authority:

One (1) copy of all contract change orders that exceed the using agency's change order authority shall be forwarded to the Purchasing Agent for review and approval. The change order information shall include a requisition with the description of the change order request, the original contract amount and any changes to the time for completion of the original contract.

B. Change Order Approval:

Upon approval of the contract change order request, the Purchasing Agent shall forward the change order documents to the Director of Finance for certification of availability of funds. Upon certification, the change order documents shall be returned to the Purchasing Agent for execution.

ACCUMULATED CHANGE ORDERS:

0-10%*	Department Director and Purchasing Agent
10%-25%	City Manager
25% - or \$50,000	City Council

*A written detail report is required when the project is 5% over the original project cost as well as 10%. Any construction project has potential changes particularly underground projects and this is not in any way designed to delay the construction process but keep all parties informed as to why the need for changes. The written report by the project manager is sent to the Purchasing Agent who will in turn forward it to the City Manager, Deputy City Manager, Budgeting, Finance, Project Manager and Department Director.

C. Change Order Execution:

Upon execution of approved contract change order requests, the Purchasing Agent shall return the change order documents to the using agency.

Procedures for Formal Notification

A. Formal Notification Authority:

The director of the using agency or his designee, who is responsible for the contract, shall have the authority up to 10% of total project to make a determination that work must commence immediately due to an emergency situation or when the delay involved with executing a contract change order would prove costly or detrimental to the city.

B. Formal Notification Exceeding Authority:

Approval of the Purchasing Agent, prior to any expenditure being incurred, shall be required for all contract changes exceeding 10% of total project. Upon approval, the using agency shall submit a formal notification to the Purchasing Agent, signed by the director or his designee, detailing the aspects of the actions taken. Five (5) copies of all confirming contract change order notifications that exceed the using agency's formal notification authority shall be forwarded to the Purchasing Agent, as soon as is practicable, by the using agency. The formal notification shall be in memorandum form and shall include the description of the change order request, the original contract amount and any changes to the time for completion of the original contract.

C. Formal Notification for Changes of Final Payment:

Concurrent to the processing of the final payment, a formal notification shall be submitted to the Purchasing Agent when contract actual final work quantities vary from the original contract costs or quantities. The formal notification shall be in memorandum form and shall include the description of the cost or quantity variations, in both unit and contract cost, as necessary.

PROCUREMENT OF ARCHITECTURAL AND ENGINEERING SERVICES

Purpose and Need

The City of Suffolk desires to provide an efficient and effective procedure for the procurement of Architectural and Engineering (A/E) Services that complies with both City and State legal requirements for procurement of professional services and for assuring accountability and fiscal responsibility. The primary focus of operational decisions will be with the Department of Capital Programs and Departments of Public Works and Public Utilities. Financial checks and balances will be performed by the Finance Department with overview of the procurement processes, and contract execution, by the Purchasing Division.

Administrative Directive

It shall be the policy of the City of Suffolk to publicly announce requirements for architectural and engineering services whenever estimated fees are predicted to exceed \$50,000, in order to ensure openness, encourage competition, maintain objectivity of Architectural and Engineering (A/E) selections in a fair and impartial manner, and provide for negotiation of contracts on the basis of demonstrated competence and qualifications for the type of services required at fair and reasonable prices.

Procedure to Accomplish Administrative Directive

- An evaluation committee shall be recommended by the Director of Capital Programs, Director of Public Works (DPW) or the Director of Public Utilities (DPU), or their designee, depending on the department for which the work is intended to assign in the proposal evaluation.
- The Using department prepares the scope of work.
- The Purchasing Division prepares a draft request for proposal (RFP) indicating in general terms the required services, the criteria to be used for proposal evaluation, and any special conditions, including any unique capabilities or qualifications required.
- The criteria to be considered for evaluation and selection shall be as follows:
 1. Professional qualifications of the staff or design team to be assigned to the project.
 2. The extent of specialized experience of the firm in the type of work required.
 3. The degree of familiarity of the firm with the particular project's requirements, and the conceptual approach proposed by the firm to address these requirements.
 4. The quality of the past performance of the firm on similar projects in general and City projects

in particular.

5. Experience and qualifications of any consultants to be used by the architect and/or engineer.
 6. Evidence of cost control effectiveness.
 7. Current work volume of the firm that could affect the ability of the firm to complete the work in the required time frame.
 8. Accessibility of the project team to the project site.
 9. The capability of the firm to provide aesthetic design features in keeping with City and community goals for a quality outcome.
 10. Demonstrated ability to establish a process for a high degree of public participation and related coordination for input and resolution of project issues.
- The selection committee may meet to review the RFP document and assign evaluation criteria weights prior to receipt of proposals.
 - The Purchasing Agent or designee shall place an advertisement in a local newspaper of general circulation for publication a minimum of ten (10) days prior to the proposal closing date. Further, a copy of the RFP shall be posted on the City's bid board, City's web site and the internet (DemandStar.com), and to the Tidewater Regional Minority Purchasing Council.
 - The contracting agency shall solicit proposals from a list of firms who have indicated interest in types of services solicited and from all parties expressing interest as a result of advertisement and posting. The contracting agency shall maintain a log of all firms who are provided copies of the RFP.
 - The Purchasing Division may conduct a pre-proposal conference if it determines it will add value to the selection process.
 - The contracting agency shall receive all proposals at the designated locations on or before the date and time stated in the RFP. Proposals shall be date and time stamped. Late proposals shall be returned to the offeror unopened.
 - The selection committee shall review and evaluate the proposals based on the criteria set forth in the RFP, prepare a ranking matrix, and select at least two (2) firms for interviews. The committee shall engage in individual discussions with two (2) or more offerors deemed fully qualified and responsible to provide the required services. After discussions, a list of qualified offerors shall be developed, in priority order, ranked by their qualifications to perform the desired services. The selection of the top-ranked offeror shall be approved by the applicable department director or designee.
 - The Purchasing Agent shall negotiation team shall negotiate with the top-ranked offeror. If a contract satisfactory and advantageous to the City can be negotiated at a fair and reasonable price, the award shall be made to that offeror. Otherwise, negotiations with that offeror shall be formally terminated and negotiations will be conducted with the second ranked offeror, and so on until such a contract can be negotiated at a fair and reasonable price.

Should the evaluation committee determine in writing and in its sole discretion that only one offeror is fully qualified or that one offeror is clearly more highly qualified and suitable than other offerors, a contract may be negotiated and awarded to that offeror.

Negotiations shall be based on a definitive scope of work and period of performance with lump sum costs, unit costs and attendant labor, sub-consultant and reimbursable estimates. Established fee schedules or curves shall be used for comparative purposes only, and not as a basis of justification of any proposed fee.

- The Purchasing Agent shall prepare contract documentation incorporating all general terms and conditions and all agreed upon terms and conditions. The contract is to be approved as to content by the contracting agency and executed by the selected firm.
- The evaluation committee shall forward to the Purchasing Agent the ranking matrix.
- The contract shall be routed, by the Purchasing Agent, to the Department of Finance, Risk Management Division, and the City Attorney's Office for all appropriate approvals. Upon successful routing, the contract will be forwarded to the City Manager for signature.
- The Purchasing Division shall forward the fully executed contract to the A/E firm and the contracting agency.
- The Using Agency shall follow the City's change order procedure; within the original scope of work as long as accumulated change orders do not exceed 25% of the original contract amount, or \$50,000, whichever is greater, for "fixed price contracts". All such change orders shall comply with financial requirements of advanced certification of funds.
- The Purchasing Agent shall provide notification of award to the successful firm, distribute appropriate documents, and the contracting agency shall administer the contract.
- Upon completion of the project, an evaluation of the performance of the A/E firm may be placed on file. This information will be maintained on file for reference purposes in future project awards. Further, it shall be open for review by the subject firm who may tender any appropriate observations as a matter of record in such files.

Definitions

Architectural/Engineering (A/E) Services means work performed by an independent firm licensed for architecture, land surveying, landscape architecture or professional engineering as contained within the definition of professional services.

Competitive Negotiations for Professional Services means a method of contractor selection which includes (1) the issuance of a written request for proposal, (2) public notice of at least ten days, (3) receipt of proposals, (4) evaluation, (5) discussions with two or more offerors, (6) ranking, and (7) negotiations with the top-ranked offeror to achieve a fair and reasonable contract.

Professional Services means work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine,

optometry, pharmacy, or professional engineering.

Request for Proposal (RFP) means a competitive solicitation document that indicates in general terms that which is sought to be procured, specifying the factors which will be used in evaluating the proposals received, and containing or incorporating by reference applicable contractual terms and conditions, including any unique capabilities or qualifications which will be required.

Contract Agency means either the Department of Capital Programs, Department of Parks and Recreation, Department of Public Works or the Department of Public Utilities which will be the recipient of the required A/E services.

Specific Requirements

- This Directive shall pertain only to the procurement of A/E services for City agencies.
 - The Directive shall not apply to:
 1. A/E procurements with fee estimates of less than \$50,000.
 2. A/E contracts administered by agencies other than City agencies to which the City is signatory.
 3. A/E procurements that are deemed emergencies.
 - 4.
 5. A/E procurements that are approved as sole source as defined in Section 202.4303(E) of the Virginia Public Procurement Act.
 6. Procurements for professional services other than A/E Services.
 7. Procurements for non-professional services.
 - This Directive shall not prohibit contracting agencies from developing internal procedures for control and administration of this Directive.
 - This Directive has been drafted to ensure compliance with the Virginia Public Procurement Act (Sections 2.2-4300 through 2.2-4377 of the Code of Virginia). Any future mandatory changes in either law shall be deemed to be included in this Directive without need for revision.
 - Interpretation of this Administrative Directive shall be the responsibility of the Purchasing Agent, following consultation with the City Attorney and the Directors of Public Works and Public Utilities.
-

APPENDIX C

LEASE BIDDING PROCEDURES FOR CITY OWNED PROPERTY (LEASES IN EXCESS OF FIVE YEARS)

Bid Opening

The Mayor should ask if anyone at the City Council meeting would like to offer a bid. If none or after late bid is received, the Mayor declares the Invitation for Bids closed. A brief summary of each of the bids received shall be read aloud by the Mayor at a City Council meeting during a public session.

Staff Recommendations

Mayor may ask for staff recommendations based on bids received in advance.

Award of Bid

Council shall accept the highest bid, unless the Council states reasons as to why a lower bid is in the best interest of the City, which reason shall be expressed in the body of the subsequent ordinance.

Public Hearing

A hearing is required before city "disposes of property, including leases. After public hearing, Council may adopt ordinance awarding bid and authorizing lease. [Va. Code Section 15.2-2101]

APPENDIX D

CITY OF SUFFOLK FORMS



It's a good time to be in Suffolk

Purchase Requisition

Requisition No. _____

Department of Finance – Purchasing Division
 P O Box 1858
 Suffolk, Virginia 23439
 757-514-7520 Fax 757-514-7524
 Purchasing@city.suffolk.va.us

Date: _____

Department: _____

Suggested Vendor:

BLOCK 1

To Be Delivered to:

BLOCK 11

Attn: _____

QTY	UNIT	DESCRIPTION OF MATERIAL OR SERVICE	PRICE	AMOUNT
BLOCK 3	BLOCK 4	BLOCK 5	BLOCK 6	BLOCK 7

Total \$ _____

BID INFORMATION:

Date	Bidder	Amount
BLOCK 8	BLOCK 9	BLOCK 10

Account(s) to be charges: _____ **BLOCK 11** _____ \$ _____
 _____ \$ _____

Approved: _____ **BLOCK 12** _____
 Department Director

CITY OF SUFFOLK CHANGE ORDER FORM

CHANGE NO.:

Existing PO:

Account # _____	Amount _____
Account # _____	Amount _____
Account # _____	Amount _____

DATE:

PROJECT:

CONTRACTOR:

The following changes are hereby made to the CONTRACT DOCUMENTS (Use Additional Sheets if Necessary):

Original Contract Date:.....

Original Contract Price: \$

Amount of Prior Change Orders:..... \$

This Change Order:..... \$

Cumulative Change Orders:..... \$ _____ (00% of original contract amount)

Revised Contract Amount: \$

Reason For Change Order:

Original contract completion date was:

The new completion date for all work is:

REQUIRED APPROVALS:

Submitted by: _____ Contractor:

Accepted by: _____ Engineering Manager

Accepted by: _____ Department Head

Funds Available: _____ Finance

Justified/Approved by Council
If greater than 25% _____ Purchasing Agent

Approval if greater than 10%
of original contract: _____ City Manager

Any work done on this project prior to the execution of this change order by the City of Suffolk is done at the contractor's total risk and with no obligation on the part of the City of Suffolk to pay for the work. CITY OF SUFFOLK
Capital Asset Inventory System Add Document
Asset Information - Attach this Document to the Vendor's Invoice

Capital Assets: 427 - 8210

Substitute Form D.F. - 26 Rev 10/99

Instructions:

All transactions resulting in the acquisition of a capital asset by a city department will require the completion of a Capital Asset Inventory System Add Document. This form should be completed and submitted to the Accounts Payable division of the Finance/ Comptroller's office along with the vendor's invoice which authorizes payment for the capital asset.

Purchasing Information:

(To be completed by Department making the acquisition.)

Description of Asset:

Date Received:

P.O. Number:

Serial Number:

(Enter the Serial Number from the Asset.)

Replacement for:

(Enter the Inventory Number of the Asset being Replaced.)

Historical Cost per Unit:

(Historical Cost includes Freight Charges and the value of any Trade in received.)

Quantity:

Total Cost:

(Number of Units purchased.)

(Quantity X Historical Cost.)

Account Number:

(Enter complete accounting detail.)

Example: 002.04033.607307.0000000.0000.0000.000000.0000.0000.0000.000

Category:

(Asset Category Number if known.)

Building:

(Building Name or Number in which the asset is located.)

Floor:

Room:

(Floor the asset is located on.)

(Room the asset is located in.)

Other Location:

(If Building, Floor, & Room do not apply, enter physical location of asset.)

Additional Comments:

Completed by Finance:

(To be completed by Accounts Payable and Capital Assets.)

Asset Inventory Number:

(This is the Property Inventory Tag Number to be provided by Capital Assets.)

Document Reference:

(Invoice Number to be filled in by Accounts Payable.)

CITY OF SUFFOLK, Virginia Surplus Property Asset Disposal Form

Department and Bureau Code: _____ Inventory No. _____

Description of the Capital Asset (including name of manufacturer, model number, serial number, model year, etc.)

Asset Type: Capital Asset

Recommended Action: Recommended Salvage Value:

Junked Value: \$ _____

Auction/Sell Asset Has No Salvage Value

Used For Parts

Loan To: _____
(Dept. /Bureau Code)

Transfer To: _____
(Dept. /Bureau Code)

Trade-In: _____
(Details)

Comments:

This Capital Asset is no longer useful for our operating purposes, and I recommend that it be disposed of as indicated.

Date Department Head or Authorized Designee

FOR PURCHASING DIVISION USE ONLY

Action Taken:	
Storage Location:	
Disposal Date:	Authorized Signature:

City of Suffolk
Purchasing Division

EMERGENCY PROCUREMENT JUSTIFICATION

Date of Request _____

Purchase Order Number _____

Contractor(s)/Vendor(s)

This contractor(s)/vendor(s) were selected because:

The Nature of the Emergency:

Department Head: _____
(Signature of Department Head or Authorized Designee)

CITY OF SUFFOLK EMERGENCY PROCUREMENT

Procedure

- A. **Determination of emergency conditions.** An emergency condition is a situation which creates a threat to public health, welfare, or safety such as may arise by reason of floods, epidemics, riots, equipment failures, or such other reason as may be proclaimed by the city manager. Such condition creates an immediate and serious need for goods, services, or construction that cannot be met through normal procurement methods and the lack of which would seriously threaten the functioning of the city, the preservation or protection of city property, or the health or safety of any person.
- B. **Source selection.** Under emergency conditions the city manager, a departmental director or their designees may negotiate directly for emergency procurements which are required to meet the emergency. The authorized procuring agent shall direct the procurement action if circumstances permit. Such procurements shall ensure such competition as is practicable under the circumstances and shall be conducted in a manner which most closely parallels the normal procedure, taking into consideration the nature of the emergency and the time available for procurement action.
- C. **Records.** As soon as practicable, a record of each emergency procurement shall be made which sets forth the basis of the emergency, the competitive measures taken, and the reason for the selection of the particular contractor/vendor. Documentation of emergency procurement shall include a requisition and a confirmation purchase order when the procurement is one which would have been handled in non-emergency situations by the purchasing division or a contract when the procurement would have been handled in non-emergency situations by other procuring agents.



City of Suffolk

Purchasing Division

SOLE SOURCE PROCUREMENT REQUEST

All sole source purchase requests must meet the criteria established under § 2.2-4303 E of the *Code of Virginia*. The Department Head of the requesting department must sign this form. The City's Purchasing Agent or designee shall review and approve all the Sole Source Requests before issuance of any City contract or purchase order.

Date: _____

Department: _____

Department Head's Signature: _____

Contact Person: _____

Telephone Number: _____

Vendor's Name _____

Total Amount of Sole Source Request: _____

Chargeable Account: _____

Please Complete the Following:

1. Explain why this is the only product or service that meets the needs of your Department:

2. Explain why this vendor is the only practicably available source from which to purchase this product or service.

3. Explain why the price is considered reasonable.

4. Describe the efforts that were made to conduct a non-competitive negotiation to obtain the best possible price for the taxpayers.

Appendix E

IMPLEMENTATION PROCEDURES AND GUIDELINES FOR THE PUBLIC-PRIVATE EDUCATION FACILITIES AND INFRASTRUCTURE ACT OF 2002

Introduction

The Public-Private Education Facilities and Infrastructure Act of 2002, Va. Code Ann. §§ 56-575.1 to -575.16 (LNMB Supp. 2002) (the “PPEA”), grants a public entity, the City of Suffolk, the authority to create public-private partnerships for the development of a wide range of projects for public use (“qualifying projects”) if the public entity determines that there is a need for a project and that private involvement may provide the project to the public in a timely or cost-effective fashion.

Section 56-575.16 of the PPEA provides that a public entity having the power to acquire, design, construct, improve, renovate, expand, equip, maintain, or operate a qualifying project (a “responsible public entity”) may not consider any unsolicited proposal by a private entity for approval of the qualifying project pursuant to the PPEA until the responsible public entity has adopted and made publicly available procedures that are sufficient to enable the responsible public entity to comply with the PPEA. Accordingly, the City Council (the “Council”) of the City of Suffolk adopted these procedures and guidelines on August 18, 2004.

The PPEA contains a broad definition of a qualifying project that includes public buildings and facilities of all types; for example:

- (i) An education facility, including, but not limited to, a school building (including any stadium or other facility primarily used for school events), any functionally-related and subordinate facility and land to a school building, and any depreciable property provided for use in a school facility that is operated as part of the public school system or as an institution of higher education;
- (ii) A building or facility for principal use by any public entity;
- (iii) Improvements, together with equipment, necessary to enhance public safety and security of buildings to be principally used by a public entity;
- (iv) Utility and telecommunications and other communications infrastructure;
- (v) A recreational facility;
- (vi) Technology infrastructure; or
- (vii) Certain service contracts (i.e. an operator for transportation services to be provided by a qualifying transportation facility in exchange for such service payments and other considerations as the City deems appropriate.)

This definition includes not only facilities for use for K-12 education and at colleges and universities, but also public buildings and facilities of all types, including offices, hospitals, fire and rescue facilities, dormitories, water and wastewater treatment plants, fiber optic and broadband communications systems, sports complexes and others. The statute does not limit the type of activity to a new construction, but also includes renovation, expansion, operation, and maintenance of a qualifying project.

General Provisions

A. Proposals

1. Pursuant to Section 56-575.4 of the PPEA, a proposal to provide a qualifying project to a responsible public entity may be either solicited from private entities by the public entity (a "Solicited Bid/Proposal") or delivered to the public entity by a private entity on an unsolicited basis (an "Unsolicited Proposal"). In either case, any such proposal shall be clearly identified as a "PPEA Proposal."
2. The requirements for any particular Solicited Bid/Proposal shall be as specified in the solicitation by the City for that particular proposal and shall be consistent with all applicable provisions of the PPEA.
3. Any Unsolicited Proposal shall be submitted to the City by delivering one original and six (6) complete copies, together with the required initial review fee, to the Department of Finance, Purchasing Division, 441 Market Street, Suffolk, VA 23434. Other requirements for an Unsolicited Proposal are as set forth below in § IV. The City Manager is authorized to designate a working group to be responsible for reviewing and evaluating all unsolicited proposals.
4. The City may require that any proposal be clarified. Such clarification may include but is not limited to submission of additional documentation, responses to specific questions, and interviews with potential project participants.
5. The City is required to engage the services of qualified professionals, which may include an architect, professional engineer or certified public accountant, not employed by the City to provide to the City independent analysis regarding the specifics, advantages, disadvantages, and long and short-term costs of any request by a private entity for approval of a qualifying project, unless City Council determines that such analysis of a request by a private entity for approval of a qualifying project shall be performed by employees of the responsible public entity.

B. Affected Local Jurisdictions

1. The term "affected local jurisdiction" includes any county, city or town in which all or a portion of a qualifying project is located.
2. Any private entity submitting a Solicited Bid/Proposal or an Unsolicited Proposal to the City as the responsible public entity for a qualifying project must provide any other affected local jurisdiction with a copy of the proposal by certified mail, express delivery, or hand delivery within five (5) business days of submission of the proposal to the City. Any such other affected local jurisdiction shall have 60 days from the date it receives its copy of the proposal to submit written comments to the City and to indicate whether the proposed qualifying project is compatible with the affected local jurisdiction's local comprehensive plan, local infrastructure development plans, capital improvements budget, or other government spending plan. The City will consider comments received within the 60-day period prior to entering into a comprehensive agreement pursuant to the PPEA regarding the proposal. However, the City may begin or continue its

evaluation of any such proposal during the 60-day period for the receipt of comments from affected local jurisdictions.

C. Review Fees

1. A review fee will be charged a private entity submitting an Unsolicited Proposal to the City, to cover the City's costs of processing, reviewing, and evaluating the proposal, including the cost to compare it to any competing proposals. Such costs include but are not limited to City staff time, the cost of any materials or supplies expended, and the cost of any outside advisors or consultants, including but not limited to attorneys, consultants, and financial advisors, used by the City in its sole discretion to assist in processing, reviewing, or evaluating the proposal. Such fees generally shall be in the amount necessary to completely cover all of the City's costs.
2. Such fees shall be imposed based on the reasonably anticipated costs to the City in accordance with the following schedule:
 - a. Initial fee. Payment of an initial fee must accompany the submission of the Unsolicited Proposal to the City in order for the City to proceed with its review. The initial fee shall be one percent (1%) of the reasonably anticipated total cost of the proposed qualifying project, but shall be no less than \$2,500 or more than \$25,000, regardless of the anticipated total cost. Such sum shall be paid with certified funds.
 - b. Additional fees. If the City determines that the proposal is a qualifying project as described above, and to proceed with publications and further stages of review, additional fees may apply. Additional fees shall be imposed on and paid by the private entity throughout the processing, review, and evaluation of the Unsolicited Proposal if and as the City reasonably anticipates incurring costs in excess of the initial fee paid by the private entity. The City will notify the private entity of the amount of such additional fees as and when it anticipates incurring such costs. Prompt payment of such additional fees is required before the City will continue to process, review, and evaluate the proposal.
 - c. Reimbursement of excess fees paid. In the event the total fees paid by the private entity exceed the City's total costs incurred in processing, reviewing, and evaluating the proposal, the City shall reimburse the difference. Otherwise, the City shall retain all fees paid.

D. Virginia Freedom of Information Act

1. Any confidential and proprietary information provided to a responsible public entity by a private entity pursuant to the PPEA shall be subject to disclosure under the Virginia Freedom of Information Act ("FOIA") except as provided by § 56-575.4(G) of the PPEA.
2. To prevent the release of any confidential and proprietary information that otherwise could be held in confidence pursuant to § 56-575.4(G) of the PPEA, the private entity submitting the information must (i) invoke the exclusion from FOIA when the data or materials are submitted to the City or before such submission, (ii) identify the data and materials for which protection from disclosure is sought, and (iii) state why the exclusion from disclosure is necessary. A private entity may request and receive a determination from the City as to the anticipated scope of protection prior to submitting the proposal. The City is authorized and obligated to protect only confidential proprietary information, and thus will not protect any portion of a proposal from disclosure if the entire proposal has been designated confidential by the private entity without reasonably differentiating between the proprietary and non-proprietary information contained therein.
3. Upon receipt of a request from a private entity that designated portions of a proposal be protected from disclosure as confidential and proprietary, the City will determine whether such

protection is appropriate under applicable law and, if appropriate, the scope of such appropriate protection, and shall communicate its determination to the private entity. If the determination regarding protection or the scope thereof differs from the private entity's request, then the City will accord the private entity a reasonable opportunity to clarify and justify its request. Upon a final determination by the City to accord less protection than requested by the private entity, the private entity will be given an opportunity to withdraw its proposal. A proposal so withdrawn will be treated in the same manner as a proposal not accepted for publication and conceptual-phase consideration.

E. Use of Public Funds

Virginia constitutional and statutory requirements and City ordinances and policies as they apply to appropriation and expenditure of public funds apply to any comprehensive agreement entered into under the PPEA. Accordingly, the processes and procedural requirements associated with the expenditure or obligation of public funds shall be incorporated into planning for any PPEA project or projects.

F. Applicability of Other Laws

Nothing in the PPEA shall affect the duty of the City to comply with all other applicable law not in conflict with the PPEA. Article 6 *Ethics in Public Contracting* of the Virginia Public Procurement Act (the VPPA) is hereby incorporated herein by reference. Otherwise, the applicability of the Virginia Public Procurement Act (the "VPPA") is as set forth in the PPEA and herein.

Solicited Bid/Proposals

The City may invite bids or proposals from private entities to acquire, design, construct, improve, renovate, expand, equip, maintain or operate qualifying facilities. Such bids or proposals may invite private entities to identify projects or may solicit proposals on individual projects identified by the City. The City will set forth in the solicitation the format and supporting information that is required to be submitted, consistent with the provisions of the PPEA.

The solicitation will specify, but not necessarily be limited to, information and documents that must accompany each proposal and the factors that will be used in evaluating the submitted proposals. The solicitation will be posted in such public areas as are normally used for posting bids and proposals, including the City's website. The solicitation will also contain or incorporate by reference other applicable terms and conditions, including any unique capabilities or qualifications that will be required of the private entities submitting proposals. Pre-proposal conferences may be held as deemed appropriate by the City.

Unsolicited Proposals

The PPEA permits the City to receive and evaluate unsolicited proposals from private entities to acquire, design, construct, improve, renovate, expand, equip, maintain or operate a qualifying facility.

The process for evaluating an Unsolicited Proposal, described in detail below, consists of four steps. Briefly summarized, upon receipt of an Unsolicited Proposal the City's first step will be to determine whether to accept it for consideration at the conceptual stage. If so, then in step two the City will give public notice of the Unsolicited Proposal, and allow for submission of other competing proposals. In step three the City will proceed with a review at the conceptual stage of the original Unsolicited Proposal and/or any proposal received in response to the public notice and accepted for consideration at the conceptual stage. Step four is an in-depth review at the detailed stage of the original Unsolicited Proposal and/or any proposal received in response to the public notice and accepted for consideration at the detailed stage. The City shall be afforded sufficient time as it deems necessary for complete review and evaluation of all proposals submitted;

proposals shall remain valid and not revised, other than by the stated procedure, during this period. However, the City may, at its sole discretion, discontinue its evaluation of any proposal at any time. Furthermore, if the City determines that it is in the City's interest to do so with respect to any Unsolicited Proposal, the City may eliminate review at the conceptual stage and proceed directly to a review at the detailed stage.

A. Decision to Accept and Consider Unsolicited Proposal: Notice

1. Upon receipt from a private entity of any Unsolicited Proposal accompanied by payment of any required fees, the City will determine whether to accept the Unsolicited Proposal for publication and conceptual-phase consideration, as described below. If the City determines not to accept the proposal at this stage, it will return the proposal, together with all fees and accompanying documentation to the private entity.
2. If the City chooses to accept an Unsolicited Proposal for conceptual-phase consideration, it shall post a notice on the bid board regularly used by the City for posting bids and proposals and on the City's web site for a period of not less than 45 days. The City shall also publish the same notice in a newspaper of general circulation in the City to notify any parties that may be interested in submitting competing unsolicited proposals. Interested parties shall have adequate time as specified in the notice, but in no event less than 45 days from the date the notice is published to submit competing unsolicited proposals. The notice shall state that the City (i) has received and accepted an unsolicited proposal under the PPEA, (ii) intends to evaluate the proposal, (iii) may negotiate a comprehensive agreement with the private entity based on the proposal, and (iv) will accept for simultaneous consideration any competing unsolicited proposals that comply with the procedures adopted by the City and the PPEA. The notice also shall summarize the proposed qualifying project or projects, and identify their proposed locations. During the 45-day period for receiving competing Unsolicited Proposals, the City may continue to evaluate the original Unsolicited Proposal.

B. Contents of Initial Submission

1. An Unsolicited Proposal must contain information on the private entity's qualifications and experience, project characteristics, project financing, anticipated public reaction, and project benefit and compatibility. The information should be adequate to enable the City to evaluate the practicality and sufficiency of the proposal. The private entity may request that the City consider a two-step proposal process, consisting of an initial conceptual submission to be followed by a more detailed submission.
2. Unsolicited Proposals should provide a concise description of the private entity's capability to complete the proposed qualifying project and the benefits to be derived from the project by the City. Project benefits to be considered may occur during the construction, renovation, expansion or improvement phase and during the life cycle of the project. Proposals also should include a comprehensive scope of work and a financial plan for the project, containing enough detail to allow an analysis by the City of the financial feasibility of the proposed project, including but not limited to (a) the identity of any parties expected to provide financing for the project and (b) a statement indicating whether the private entity intends to request the City to provide resources for financing the project and the nature and extent of any such resources. The scope of work shall be of sufficient detail to identify the level of quality of the project commensurate with recognized design standards or by project qualities established or prescribed by the City of Suffolk for a given project.
3. The City may require additional submissions to clarify information previously provided or to address other areas of concern to the City.

C. Initial Review at the Conceptual Stage

1. Only proposals complying with the requirements of the PPEA and these Procedures that contain sufficient information for a meaningful evaluation and that are provided in an appropriate format, as described below, will be considered by the City for further review at the conceptual stage.
2. The City will determine at this initial stage of review whether it will proceed using procurement through competitive sealed bidding as defined in the VPPA or procedures developed by the City that are consistent with procurement of other than professional services through competitive negotiation as defined in the VPPA.
3. After reviewing an Unsolicited Proposal and any competing Unsolicited Proposals submitted during the notice period, the City may determine (a) not to proceed further with any proposal, (b) to proceed to the detailed phase of review with the original proposal, (c) to proceed to the detailed phase with a competing proposal, or (d) to proceed to the detailed phase with multiple proposals. At all times the City retains the right to reject any proposal at any time for any reason whatsoever.

D. Format for Submissions at the Conceptual Stage

Unsolicited Proposals at the conceptual stage shall contain the following information in the following format, plus such additional information as the City may request:

1. Qualifications and Experience
 - a. Identify the legal structure of the firm or consortium of firms making the proposal. Identify the organizational structure for the project, the management approach and how each partner and major subcontractor (over \$1,000,000) in the structure fits into the overall team. All members of the operator's team, including major subcontractors (over \$1,000,000) known to the private entity must be identified at the time a proposal is submitted for the Conceptual Stage. Identified team members, including major subcontractors (over \$1,000,000), may not be substituted or replaced once a project is approved and comprehensive agreement entered into, without the written approval of the City. Include the status of the Virginia license of each partner, proposer, contractor, and major subcontractor.
 - b. Describe the experience of the firm or consortium of firms making the proposal and the key principals and project managers involved in the proposed project including experience with projects of comparable size, value, quality and complexity, including prior experience bringing similar projects to completion on budget and in compliance with design, land use, service and other standards. Describe the past safety performance record and current safety capabilities of the firm or consortium of firms. Describe the past technical performance history on recent projects of comparable size and complexity, including disclosure of any legal claims, of the firm or consortium of firms. Describe the length of time in business, business experience, public sector experience and other engagements of the firm or consortium of firms. Include the identity of any firms that will provide design, construction and completion guarantees and warranties and a description of such guarantees and warranties. Provide resumes of the key individuals who will be involved in the project.
 - c. Provide the names, prior experience, addresses, telephone numbers and e-mail addresses of persons within the firm or consortium of firms who will be directly involved in the project or who may be contacted for further information.

- d. Provide a current or most recently audited financial statement of the firm or firms and each partner with an equity interest of twenty percent or greater.
- e. Identify the officers and directors of the firm or firms submitting the proposal.
- f. Identify all businesses that have a parent-subsiary or affiliated business entity relationship with the firm or firms submitting the proposal. [Page 80 Definition]
- g. Identify proposed plan for obtaining sufficient numbers of qualified workers in all trades or crafts required for the project.
- h. Identify all known contractors or service providers, including but not limited to the providers of architectural services, real estate services, financial services, and legal services, provide the following information:
 - (1) A sworn certification by an authorized representative of the firm attesting to the fact that the firm is not currently debarred or suspended by any federal, state or local government entity.
 - (2) A completed qualification statement that reviews all relevant information regarding technical qualifications and capabilities, firm resources and business integrity of the firm, including but not limited to, bonding capacities, insurance coverage and firm equipment. This statement shall also include a mandatory disclosure by the firm for the past three years any of the following conduct:
 - (A) Bankruptcy filings
 - (B) Liquidated damages
 - (C) Fines, assessments or penalties
 - (D) Judgments or awards in contract disputes
 - (E) Contract defaults, contract terminations
 - (F) License revocations, suspensions, other disciplinary actions
 - (G) Prior debarments or suspensions by a governmental entity
 - (H) Denials of prequalification, findings of non-responsibility
 - (I) Safety past performance data, including fatality incidents, "Experience Modification Rating," "Total Recordable Injury Rate" and "Total Lost Workday Incidence Rate"
 - (J) Violations of any federal, state or local criminal or civil law
 - (K) Criminal indictments or investigations
 - (L) Legal claims filed by or against the firm
- i. Worker Safety Programs: Describe worker safety training programs, job-site safety programs, accident prevention programs, written safety and health plans, including incident investigation and reporting procedures.

2. Project Characteristics

- a. Provide a description of the project, including the conceptual design. Describe the proposed project in sufficient detail so that type, quality, value and intent of the project, the location, preliminary value of the land necessary to be acquired, and the communities that may be affected are clearly identified.
- b. Identify and fully describe any work to be performed by the City or any other public entity.

- c. Include a list of all federal, state and local permits and approvals required for the project and a schedule for obtaining such permits and approvals.
- d. Identify any anticipated adverse social, economic and environmental impacts of the project measured against the City's comprehensive land use plan and applicable ordinances and design standards. Specify the strategies or actions to mitigate known impacts of the project. Indicate if an environmental assessment has been completed.
- e. Identify the projected positive social, economic and environmental impacts of the project measured against the City's comprehensive land use plan and applicable ordinance and design standards.
- f. Identify the proposed schedule for the work on the project, including sufficient time for the City's review and the estimated time for completion.
- g. Propose allocation of risk and liability for work completed beyond the agreement's completion date, and assurances for timely completion of the project.
- h. State assumptions related to ownership, legal liability, law enforcement and operation of the project and the existence of any restrictions on the City's use of the project.
- i. Provide information relative to phased or partial openings of the proposed project prior to completion of the entire work.
- j. Describe any architectural, building, engineering, or other applicable standards that the proposed project will meet. Define applicable quality standards to be adhered to for achieving the desired product outcome(s).

3. Project Financing

- a. Provide a preliminary estimate and estimating methodology of the cost of the work by phase, segment, or both.
- b. Submit a plan for the development, financing and operation of the project showing the anticipated schedule on which funds will be required. Describe the anticipated costs of and proposed sources and uses for such funds, including any anticipated debt service costs.
- c. Include a list and discussion of assumptions underlying all major elements of the plan.
- d. Identify all anticipated risk factors and methods for dealing with these factors. Describe methods and remedies associated with any financial default.
- e. Identify any local, state or federal resources that the private entity contemplates requesting for the project. Describe the total commitment, if any, expected from governmental sources (and identify each such source) and the timing of any anticipated commitment, both one-time and on-going.
- f. Identify any third parties that the private entity contemplates will provide financing for the project and describe the nature and timing of each such commitment.
- g. Outline what impact, if any, a drop in interest rates would have on the ultimate project cost. Indicate if there is a method to refinance for cost savings. Indicate who would receive the benefit of any cost savings from a refinancing. Would the savings go to the City, would the savings be shared to what extent, or does the firm only receive benefit of this potential?

- h. Outline the financial penalties, if any, that would result should the City wish to terminate a project early or restructure the cash flows for some reason of its own choosing. The firm should be specific on this point.
- i. If the firm has already chosen an underwriter(s), provide a breakout of the fees to any underwriting firm(s) and the type of obligation the firm(s) are using with a financing component. Be specific as to tax-exempt, taxable, floating rate, fixed rate, etc. If the firm has not yet chosen an underwriter(s), the City reserves the right to have input into the selection of that underwriter(s).

4. Project Benefit and Compatibility

- a. Describe the anticipated benefits to the community, region or state, including anticipated benefits to the economic condition of the City, including tax revenue to be generated, the number of jobs generated for area residents and level of pay and fringe benefits of such jobs, and the number and value of subcontracts generated for area subcontractors.
- b. Identify any anticipated public support or opposition, as well as any anticipated government support or opposition, for the project.
- c. Explain the strategy and plans, including the anticipated timeline that will be carried out to involve and inform the general public, business community, and governmental agencies in areas affected by the project.
- d. Explain whether and, if so, how the project is critical to attracting or maintaining competitive industries and businesses to the City or the surrounding region.
- e. Explain whether and, if so, how the project is compatible with the City's comprehensive plan (including related environmental and land use ordinances, where applicable), infrastructure development plans, transportation plans, capital improvements budget and capital budget or other government spending plan.
- f. Explain how quality standards of the project will be satisfied in comparison with the qualities anticipated or proposed by the City of Suffolk for the project.
- g. Provide rationale for pursuing this project under the PPEA versus the City's traditional methods of procurement.

E. Format for Submissions at the Detailed Stage

If the City decides to proceed to the detailed phase of review with one or more Unsolicited Proposals, then the following information must be provided by the private entity unless waived by the City:

- 1. A topographical map (1:2,000 or other appropriate scale) depicting the location of the proposed project.
- 2. Conceptual site plan indicating proposed location and configuration of the project on the proposed site.
- 3. Conceptual (single line) plans and elevations depicting the general scope, appearance and configuration of the proposed project;
- 4. Detailed description of the proposed participation, use and financial involvement of the City. Include the proposed terms and conditions for the project;

5. A list of public utility facilities, if any, that will be crossed by the qualifying project and a statement of the plans of the private entity to accommodate such crossings.
6. A statement and strategy setting out the plans for securing all necessary property and easements. The statement must include the names and addresses, if known, of the current owners of the subject property as well as a list of any property the private entity intends to request the City or affected jurisdiction to condemn.
7. A detailed listing of all firms, to include their relevant experience and abilities, that will provide specific design, construction and completion guarantees and warranties, and a brief description of such guarantees and warranties along with a record of any prior defaults for performance.
8. A total life-cycle cost, including maintenance, specifying methodology and assumptions of the project or projects including major building systems (e.g., electrical, mechanical, etc.), and the proposed project start date. Include anticipated commitment of all parties; equity, debt, and other financing mechanisms; and a schedule of project revenues and project costs. The life-cycle cost analysis should include, but not be limited to, a detailed analysis of the projected return, rate of return, or both, expected useful life of facility and estimated annual operating expenses.
9. A detailed discussion of assumptions about user fees or rates, lease payments and other service payments, and the methodology and circumstances for changes, and usage of the projects over the useful life of the projects.
10. Identification of any known government support or opposition, or general public support or opposition for the project. Government or public support should be demonstrated through resolution of official bodies, minutes of meetings, letters, or other official communications.
11. Demonstration of consistency with appropriate City and/or affected jurisdiction comprehensive or infrastructure development plans, transportation plans, the capital improvement plan and capital budget, or indication of the steps required for acceptance into such plans.
12. Sufficient design and engineering detail to establish floor plans, elevations, and site characteristics.
13. Explanation of how the proposed project would impact local development plans of each affected local jurisdiction.
14. Description of an ongoing performance evaluation system or database to track key performance criteria, including but not limited to, schedule, cash management, quality, worker safety, change orders and legal compliance.
15. Identify the officers and directors of the firm or firms submitting the proposal and any known conflicts of interest or other factors that may impact the City's consideration of the proposal
16. Identify all businesses that have a parent-subsidary or affiliated business entity relationship with the firm or firms submitting the proposal.
17. Identify all known contractors or service providers, including but not limited to the providers of architectural services, real estate services, financial services, and legal services.
18. Detailed analysis of the financial feasibility of the proposed project, including its impact on similar facilities operated or planned by the City. Include a detailed description of any financing plan proposed for the project, a comparison of that plan with financing alternatives that may be available to the City, and all underlying data supporting any conclusions reached in the analysis or the selection by the private entity of the financing plan proposed for the project.
19. Additional material and information as the City may request.

Proposal Evaluation and Selection Criteria

The following items, along with the required specified information shall be considered in the evaluation and selection of PPEA proposals. However, the City retains the right to reject any proposal at any time for any reason whatsoever.

A. Qualifications and Experience

Factors to be considered in either phase of the City's review to determine whether the private entity possesses the requisite qualifications and experience may include but are not necessarily limited to:

1. Experience with similar projects of comparable scope & value;
2. Demonstration of ability to perform work at the appropriate level of quality standards;
3. Demonstrated record of successful past performance, including timeliness of delivery of project, compliance with plans and specifications, quality of workmanship, cost-control and project safety;
4. Demonstrated conformance with applicable laws, codes, standards, regulations, and agreements on past projects;
5. Leadership structure;
6. Project manager's experience;
7. Management approach;
8. Project staffing plans, the skill levels of the proposed workforce, and the proposed safety plans for the project;
9. Financial condition; and
10. Project ownership.

B. Project Characteristics

Factors to be considered in determining the project characteristics along with information already specified include:

1. Project definition;
2. Proposed project schedule;
3. Operation of the project;
4. Technology; technical feasibility;
5. Conformity to State, City or affected jurisdiction laws, regulations, and standards;
6. Environmental impacts;
7. Condemnation impacts;
8. State and local permits; and

9. Maintenance of the project.
10. Quality standards to meet proposed project quality.

C. Project Financing

Factors to be considered in determining whether the proposed project financing allows adequate access to the necessary capital to finance the project may include but are not necessarily limited to:

1. Cost and cost benefit to the City;
2. Financing and the impact on the debt or debt burden of the City;
3. Financial plan including overall feasibility and reliability of plan; default implications; operators past performance with similar plans and similar projects; degree to which operator has conducted due diligence investigation and analysis of proposed financial plan and results of any such inquires or studies.
4. Estimated cost; including debt source, operating costs, etc.;
5. Life-cycle cost analysis; and
6. The identity of any third party that will provide financing for the project and the nature and timing of their commitment.
7. Comparable costs of other project delivery methods.

D. Project Benefit and Compatibility

Factors to be considered in determining the proposed project's compatibility with the appropriate local or regional comprehensive or development plans may include but are not necessarily limited to:

1. Community benefits;
2. Community support or opposition, or both;
3. Public involvement strategy;
4. Compatibility with existing and planned facilities;
5. Compatibility with City, regional and state economic development efforts;
6. Compatibility with City and affected jurisdiction's land use and transportation plans;
7. Fiscal impact to the City of Suffolk in terms of revenues and expenditures; and
8. Economic output of the project in terms of jobs and total economic impact on the local economy.

Comprehensive Agreement

Prior to acquiring, designing, constructing, improving, renovating, expanding, equipping, maintaining, or operating any qualifying project, a selected private entity shall enter into a comprehensive agreement with the City as provided by the PPEA. Any such comprehensive agreement and any amendment thereto, must be approved by the City Council before it is entered into on behalf of the City.

As provided by the PPEA, the terms of the comprehensive agreement shall include but not be limited to:

1. Delivery of maintenance, performance and payment bonds or letters of credit in connection with any acquisition, design, construction, improvement, renovation, expansion, equipping, maintenance, or operation of the qualifying project, in the forms and amounts satisfactory to the City and in compliance with Virginia Code §2.2-4337 for those components of the qualifying project that involve construction.
2. Review and approval of plans and specifications for the qualifying project by the City;
3. The right of the City to inspect the qualifying project to ensure compliance with the comprehensive agreement;
4. Maintenance of a policy or policies of liability insurance or self-insurance reasonably sufficient to insure coverage of the project and the tort liability to the public and employees and to enable the continued operation of the qualifying project;
5. Monitoring of the practices of the operator by the City to ensure proper maintenance, safety, use and management of the qualifying project;
6. The terms under which the operator will reimburse the City for services provided by the City;
7. The terms under which the operator will file appropriate financial statements on a periodic basis;
8. Policies and procedures governing the rights and responsibilities of the City and the operator in the event that the comprehensive agreement is terminated or there is a material default by the operator, including the conditions governing assumption of the duties and responsibilities of the operator by the City and the transfer or purchase of property or other interests of the operator by the City;
9. Providing for such user fees, lease payments, or service payments, if any, as may be established from time to time by agreement of the parties, which shall be the same for persons using the facilities under like conditions and shall not materially discourage use of the qualifying project. Classifications according to reasonable categories for assessment of user fees may be made.
11. A copy of any service contract shall be filed with the City.
12. A schedule of the current user fees or lease payments shall be made available by the operator to any member of the public upon request.
12. The terms and conditions under which the responsible public entity may contribute financial resources, if any, for the qualifying project; and
13. Any other provisions required by applicable law.
14. Any changes in the terms of the comprehensive agreement as may be agreed upon by the parties from time to time shall be added to the comprehensive agreement only by written amendment.

Governing Provisions

In the event of any conflict between these provisions and the PPEA, the terms of the PPEA shall control.

Definitions

Parent-Subsidiary Relationship

The State and Local Government Conflict of Interests Act, at Virginia Code § 2.2-3101, defines “parent-subsidiary relationship” as “a relationship that exists when one corporation directly or indirectly owns shares possessing more than 50 percent of the voting power of another corporation.”

Affiliated Business Entity Relationship

The Act defines “affiliated business entity relationship” as “a relationship, other than parent-subsidiary relationship, that exists when (i) one business entity has a controlling ownership interest in the other business entity, (ii) a controlling owner in one entity is also a controlling owner in the other entity, or (iii) there is shared management or control between the business entities. Factors that should be considered in determining the existence of an affiliated business entity relationship include that the same person or substantially the same person own or manage the two entities; there are common or commingled funds or assets; the business entities share the use of the same offices or employees or otherwise share activities, resources or personnel on a regular basis; or there is otherwise a close working relationship between the entities.”

PURCHASING CARD POLICIES AND PROCEDURES

Purpose

To establish procedures under which the Purchasing Card Administrator and all departments shall control the use of purchasing cards assigned to and utilized by selected individuals to purchase goods and services and to pay for authorized travel expenses on behalf of the City. These procedures are intended to accomplish the following:

- To ensure that procurement of goods and services with purchasing cards is accomplished in accordance with the City's Purchasing Policy.
- To ensure that payment of travel expenses with purchasing cards is accomplished in accordance with the City's Travel Policy.
- To ensure that appropriate internal controls are established within each department using purchasing cards so that the cards are used only for authorized purposes.
- To ensure that the City bears no legal liability from inappropriate use of purchasing cards.
- To provide a convenient method for small purchases and to facilitate e-commerce, including Internet purchases and/or payments.
- To facilitate the payment of travel expenses, such as airfare, car rental, hotel charges, meals, and registrations, for training and education and while conducting City business, including gasoline for City vehicles on overnight trips.

Finally, it is intended that the procedures established herein be viewed as minimum standards.

P-Card Services are obtained through participation in the State-wide contract administered by the Virginia Department of Accounts (DOA), in conjunction with the Virginia Department of General Services, Division of Purchases and Supply (DGS/DPS). Bank of America is the City's provider for the Purchasing Card Program.

Scope

These procedures are applicable to any individual issued or authorized to use a City purchasing card (cardholder) to purchase goods, services, or for specific expenditures incurred under conditions approved by these procedures. The decision of when a purchasing card is issued, and to whom, will be made by the Purchasing Card Administrator upon the recommendation of the department director.

Applicability

These procedures apply to all cardholders, their supervisors, approving officials, cardholder managers, and Card Administrators.

Background

The purpose of the purchasing card program is to provide an efficient, cost-effective method of purchasing and paying for small-dollar as well as high-volume, repetitive purchases. This program is designed as an alternative to the traditional purchasing process and is intended to result in a significant reduction in the volume of purchase orders, invoices, and checks processed. Purchasing cards can be used whenever a purchase order, check request, or petty cash would have been processed and with any vendor that accepts credit cards.

A number of unique controls have been developed for this program that does not exist in a traditional credit card environment. These controls ensure that the card can be used only for specific purposes and within specific dollar limits.

General Information

A. Definitions

Approving Official: The Department Director or his/her designee authorized to approve purchases and ensure all purchases under his/her approval authority are in compliance with this policy.

Cardholder: City employee who is assigned the card.

Cardholder Manager: Employee appointed by department director to be responsible for fiscal oversight of his/her department purchase card program. The Cardholder Manager also codes transactions.

Department Director: Appoints the Approving Official and is responsible for all Purchasing Card activity in their department.

Purchasing Card Administrator: The person responsible for the program is appointed by the Director of Finance and is responsible for the overall administration of the Purchasing Card Program.

Purchasing Card Issuer: The financial institution issuing the purchasing cards, Bank of America.

B. Assignment of the Purchasing Card

1. Cards will be issued to individual employees who frequently purchase goods or services. Each card displays the City's name, individual's name, the City's Federal Identification Number, the Purchasing card account number, and card expiration date. The purchasing card issuer will have no individual cardholder information other than the cardholder's name. No credit records, social security numbers, etc. are maintained.

2. The Department Director must make all requests for purchasing cards by submitting a completed P-Card Request Form (Attachment 2).

3. When the Purchasing Card Administrator receives a purchasing card from the issuing card company, the cardholder will be required to complete mandatory training, personally take receipt of the card, and sign a cardholder agreement and receipt form. The cardholder will be given a copy of the Purchasing Card Policies and Procedures and required to provide signature (Attachment 3 – Purchasing Card Cardholder Agreement) affirming their understanding and intended compliance of all requirements. All cardholders and cardholder managers will be required to successfully complete annual training. Cardholders that violate the City's P-Card Policy will be required to attend an additional training class in order to maintain the Purchasing Card privileges.

4. The Purchasing Card Administrator will notify the requesting department and Accounts Payable upon issuance of all Purchasing Cards.

C. Cardholder Spending Limits for Small Purchases

1. The Delegation of Authority that has been provided to each cardholder sets the maximum dollar amount for each single purchase (Single Purchase Limit) and a total for all purchases made with a purchasing card within a given billing cycle (30-Day Limit). Individual cardholder limits are established upon issuance of the purchasing card based on recommendations provided by the Department Director and approved by the Purchasing Card Administrator.
2. Regardless of the purchasing card limits, no purchases shall exceed established procurement thresholds, \$5,000, which requires formal sealed competition as provided in the City Purchasing Policy.

D. Use of Purchasing Card

1. The purchasing card is to be used only for City purchases and travel expenses that meet a public purpose as outlined in City policy or as determined by the City Manager.

2. Cardholder Responsibility

No other person is authorized to use the card. Under no circumstances shall a P-Card be shared with another City employee.

3. Conditions For Use

Use of the card must meet the following conditions:

a. General - Any time a purchase is made that will be paid using the card, the cardholder must obtain a customer copy of the charge slip and the detailed receipt, which will become the accountable documents. The business purpose with item description must be documented on all receipts. The customer copy of the charge slip showing only the total charge is not sufficient documentation. The Receipt MUST list specific items purchased.

b. Documentation for "Small Dollar" Purchases:
(Total order below \$5,000)

Telephone Orders - When a detailed charge receipt is not provided with the order, the cardholder shall complete Attachment 5 "P-Card Transaction Information Form" documenting a written explanation that it was a telephone purchase and provide a description of the item(s), date of purchase, amount and merchant name which will serve as the charge receipt. When merchandise is received the receipt or packing slip should be filed with finance.

Internet Orders - Most sites provide order confirmations/receipts either on-line or via e-mail. These receipts should be printed as the supporting documentation for the purchase. The cardholder shall complete Attachment 5 "P-Card Transaction Information Form" documenting a written explanation that it was an Internet purchase and provide a

description of the item(s), date of purchase, and amount which will serve as the charge receipt.

Meals - Detailed receipts are required for all meals in accordance with the City's Travel Policy. The business purpose and attendees must be documented on all business meal receipts.

- c. The total of a single purchase using the card may be composed of multiple items cannot exceed the authorized single purchase limit. Purchases will be denied if the authorized single purchase limit is exceeded.
- d. Payments for purchases shall not be split in order to stay within the single purchase limit.
- e. Telephone orders may be placed using the purchasing card.
- f. Any meals charged to the purchasing card must be for a particular public purpose and and only include appropriate attendees in accordance with the City's Travel Policy.
- g. If a travel advance is provided, meals and/or other expenses supporting the advance may not be charged to the card.
- h. Fuel purchases must be in accordance with the City's Fleet Management Policy.
- i. All purchases above the "small dollar" threshold shall only be made from the list of previously procured vendors authorized to provide annual goods and services (at secured contract pricing) and listed on the "Annual Goods and Services Contract Listing" as provided by the Purchasing Division.
- j. Visa automatically charges a 1% fee for all international transactions. This is in addition to currency conversion fees.
- k. P-cards shall be secured by the Cardholder at all times. The account number shall not be faxed, mailed, or emailed to any vendor. The card number and expiration date may be provided verbally to trusted vendors. Web orders shall only be made on a secure website that starts with https://. Cardholders shall not make photocopies of the purchasing card.

E. Documentation, Reconciliation and Payment Procedures

1. Missing Documentation

If for some reason (other than for telephone and Internet orders as described above) the cardholder does not have detailed documentation of the transaction he/she must prepare a written explanation using Attachment 5 "P-Card Transaction Information Form". The explanation must include a description of the item(s), date of purchase, amount, merchant's name, and why there is no supporting documentation. Instances of frequent abuse of this provision (as determined by the Department of Finance) may result in cancellation of the purchasing card.

2. Cash Advances Prohibited

All cash advances using the credit card are prohibited. This includes cash advances through cash back, bank tellers or automated teller machines. The purchase of gift cards is strictly prohibited.

3. Taxes

Cardholders are responsible for knowing the City's tax exempt status, which is explained below, and must make every attempt to avoid paying unnecessary taxes.

The City is exempt from **Virginia Sales and Use Tax**. The City is typically exempt from other states' sales tax when the order is placed by telephone or Internet. However, the City is not exempt from other states' sales tax when the purchase is made in that state.

The City is also exempt from some federal excise taxes, such as the excise tax on tires, fuel, and firearms. The City is **not** exempt from all taxes. The City is subject to Meals and Lodging taxes, for example.

4. Payment and Invoice Procedures

a. On-line Accountability of Monthly Charges

Departments are required to use the on-line purchasing card accountability process. Please refer to the systems user guide for details.

- i. The payment processing date due to the Finance Department is the 30th of each month to facilitate a timely compliance review prior to the scheduled automatic draft payment date for all purchases made by cardholders at the end of each billing cycle. Charges that have been reviewed and accepted by the appropriate Approving Official and properly coded by the Cardholder Manager in the on-line purchasing card system will be expensed accordingly in the financial system. Charges that have not been noted as compliant in the on-line purchasing card accounting system will be recorded in the financial system as an advance to the cardholder. Instances of frequent abuse to this provision may result in cancellation of the purchasing card.
- ii. Each department must provide to the Department of Finance the names of Approving Officials and the accounts each will be responsible for reviewing and maintaining within the on-line purchasing card system at the time of card issuance. The cardholder must provide all detailed receipt(s) (sales drafts) received at the time of purchase in addition to written documentation using Attachment 5 "P-Card Transaction Information Form" of any telephone orders or other purchases for which detailed receipts were not provided to the Cardholder Manager. Noncompliance may result in denial of future use of purchasing cards. Charges not reviewed by the date established and posted to the financial system as an advance to the cardholder may become a future payroll deduction to cover charges, if not cleared.
- iii. The Cardholder or approved designee reviews charges, notes any errors, assigns accounting codes to each item, completes the comment field (required), and forwards to the Approving Official for documented approval of purchases. The Cardholder Manager may also assign accounting codes to each item purchased by the Cardholder and will accept a charge in the on-line purchasing card accounting system when required documentation has been received from the cardholder in a timely manner. The Cardholder Manager will print a Statement for each cardholder from the on-line purchasing card accounting system and attach the corresponding receipts on the P-Card Transaction Information Form, which will be forwarded to the Department of Finance in accordance with the payment processing cut off dates. Certification of all purchases is required by each cardholder, with verification performed by an Approving Official. A charge will remain as not reviewed in the on-line purchasing card system when the required documentation has not been received from the cardholder by the date established by the Department of Finance for processing the payment.
- iv. It is the cardholder's responsibility to provide his/her Cardholder Manager with the detailed receipt(s) for each billing cycle if travel or extended leave is scheduled at the time the charges are to be reviewed in the on-line purchasing card system. At any time, should the Cardholder Manager not receive all of the detailed receipts, it will be his/her responsibility to contact cardholders and have these furnished at once.

NOTE: If a cardholder had no purchase activity on his purchasing card for a particular billing cycle, no charges will appear in the one-line purchasing card system (unless adjustments for previously billed transactions are processed during that cycle).

- v. Program Administrator will review all transactions, approve payment to bank and provide transaction report to City Treasurer.

F. Approval

Approving Officials, because of their knowledge of the job responsibilities of cardholders, are required to look at each cardholder's purchases, and at the merchant who made the sale in order to determine if these items were for *Official Use* and if they were items allowed to be purchased in accordance with the instructions provided. If for any reason the Approving Official questions the purchase(s), it is his/her responsibility to resolve the issue with the cardholder. If he/she cannot be satisfied that the purchase was necessary and for *Official Use*, then the cardholder must provide either a Credit Voucher proving that the items have been returned for credit, or a personal check for the full amount of that purchase. Using the City purchasing card for purchases for other than *Official Use* is considered misuse, even when the expense is reimbursed under this section. Such instances are required to be reported to both the immediate supervisor and the Purchasing Card Administrator immediately for corrective action.

The cardholder is accountable for the activity on the purchasing card. Improper use of the purchasing card can be considered misappropriation of City funds, which may result in disciplinary action, up to, and including termination.

G. Disputes

1. If items purchased with the purchasing card are found defective or the repair or services faulty, the cardholder has the responsibility to return item(s) to the merchant for replacement or to receive a credit on the purchase. CASH REFUNDS WILL NOT BE PERMITTED. If the merchant refuses to replace or correct the faulty item, then the purchase of this item will be considered to be in DISPUTE.
2. Disputed charges should be handled by the cardholder in accordance with purchasing card issuer's instructions. The Purchasing Card Administrator may be contacted for the necessary information as required by the purchasing card issuer to properly dispute charges. A "Cardholder's Statement of Questioned Item" form (Attachment 1) must be completed by the cardholder with the required documentation that was sent to the purchasing card issuer attached and forwarded to the Purchasing Card Administrator through the Approving Official. The Purchasing Card Administrator will monitor outstanding disputed items to ensure cardholders are obtaining appropriate resolution. The purchasing card issuer will notify the cardholder of the action taken on disputed items.

It is essential that the time frames and documentation requirements established by the purchasing card issuer be followed to protect the cardholder's rights in dispute.

H. Failure to Comply with Policies and Procedures

1. If a cardholder fails to comply with the applicable policies and these procedures, the card will be immediately and permanently canceled. Unauthorized use of a purchasing card may result in disciplinary measures, including termination, and other actions, consistent with law.

Credit Card Violations include:

- a. Purchase of items for personal use
- b. Purchase of items in violation of the City's policies (i.e. alcoholic beverages, closed circuit movies, etc.)
- c. Use of credit card for cash advances or the purchase of gift cards
- d. Exceeding bank credit line limit
- e. Use of the credit card to split purchases into more than one transaction to circumvent the delegated purchasing authority dollar thresholds as defined in the City Purchasing Policy
- f. Failure to return the credit card when an employee is reassigned, terminated or upon request

- g. Repeated failure to provide required documentation (itemized receipts) and/or information about any specific purchase.

Misuse includes:

- a. Charging or allowing another person to charge personal purchases or expenses to the City purchasing card, whether or not the expense is repaid.
 - b. Using the card to receive cash advances.
 - c. Splitting purchases to circumvent the Single Purchase Limit.
2. The cardholder shall never use the card to circumvent or divert the rules of the Virginia Public Procurement Act or the City of Suffolk Procurement Manual Policies and Procedures. Should the City determine that failure to comply with the policies of the Virginia Public Procurement Act or the City of Suffolk Procurement Manual Policies and Procedures was a deliberate or negligent act of the cardholder, disciplinary actions, up to and including termination will occur.

I. Requests for Initial, Additional or Changes to Purchasing Cards

1. All requests for new cardholders or changes to current cardholders shall be made electronically or by submitting a "Request for Purchasing Card Issuance or Change" form (Attachment 2). The request will be processed by the Purchasing Card Administrator who will forward the request to the purchasing card issuer.
2. All requests for purchasing cards and purchasing card limit increases must be approved by the Department Director or his designated representative and by the Purchasing Card Administrator.
3. When the Purchasing Card Administrator receives the purchasing card from the purchasing card issuer, it will require the cardholder to personally sign the City purchasing cardholder agreement which includes a statement affirming their understanding and intended compliance of all purchasing card policy and procedure requirements (Attachment 3 – Purchasing Card Cardholder Agreement).

J. Semi-Annual Inventory of Purchasing Cards

On a semi-annual basis, the Purchasing Card Administrator will provide a list of purchasing cards issued to individuals for each department to the Department Director. Departments shall conduct a physical inventory of purchasing cards and provide a report to the Purchasing Card Administrator of the results of the inventory.

K. Lost or Stolen Purchasing Cards

1. Should any cardholder lose or have their purchasing card stolen, it is the responsibility of the cardholder to immediately notify the purchasing card issuer and the Purchasing Card Administrator of the loss. The telephone number of the purchasing card issuer is available from the Purchasing Card Administrator and is also listed on the Purchasing Cardholder Agreement.
2. In addition to notifying the purchasing card issuer, the cardholder must notify their Cardholder Manager of the lost or stolen purchasing card WITHIN ONE WORKDAY after discovery of the loss or theft of the card. The Cardholder Manager or their designee will be required to complete (Attachment 6-Lost or Stolen Purchasing Card) and send to the Purchasing Card Administrator WITHIN 2 WORKDAYS. The form will include the complete information on the loss, the date the loss was discovered, the location where the loss occurred, if known, the purchases that the cardholder had made prior to the loss, and any other necessary information.

L. Termination or Transfer

1. Purchasing cards are issued to individuals. If an employee leaves the City, his/her card must be collected and returned to the Purchasing Card Administrator and immediately notify the Purchasing Card Administrator of the termination. The Cardholder Manager in the department will be responsible to collect cards and forward them to the Purchasing Card Administrator. The Purchasing Card Administrator will notify the purchasing card issuer to cancel the card and will destroy the card.
2. Should a cardholder be transferred within the City, the purchasing card shall be returned to the Purchasing Card Administrator. The new department director must then request another card for the individual if desired.
3. In the event the Cardholder Manager is not able to collect the purchasing card when an individual leaves, the Cardholder Manager shall notify the Purchasing Card Administrator immediately by telephone and follow-up with a memo to take action to ensure the purchasing card is voided. The Purchasing Card Administrator will notify the card issuer to cancel the purchasing card to prevent any purchases after the individual is no longer an employee of the City of Suffolk.
4. Upon determination that the card will no longer be needed, or when the Cardholder will be out on leave for more than two weeks, the Cardholder shall surrender their P-Card and receipts that have not been reconciled to their Cardholder Manager, who will immediately notify the P-Card Administrator.

M. Public Records

All documents related to the Purchasing Card may be fully disclosed as a public record to the extent provided for by the VFOIA.

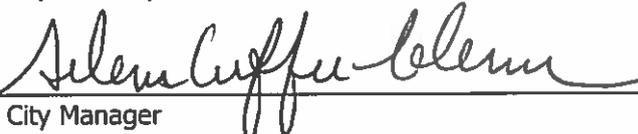
Attachments:

1. Cardholder's Statement of Questioned Item
2. Request for Purchasing Card Issuance or Change
3. Purchasing Card – Cardholder Agreement
4. Summary of Roles and Responsibilities
5. P-Card Transaction Form
6. Lost or Stolen Purchasing Card

The effective date of this policy is 7/7/14

Submitted: 
Director of Finance

Legal Review: 
City Attorney

Approved: 
City Manager

Attachment 1

Cardholder's Statement of Questioned Item

TO: Finance Department

FROM: (Cardholder Manager)

SUBJECT: QUESTIONED ITEM ON PURCHASING CARD STATEMENT

The following item(s) listed on the referenced Statement of Account is disputed.

Date of Statement of Account:

Item(s) Disputed: _____

Reason: (Provide information as to why the item does not meet your requirements. Indicate actions requested of merchant, reasons merchant refused to correct dispute, and any other information that is available to assist the Finance Department to negotiate the dispute.)

Action Requested: _____ Return item and obtain credit
_____ Exchange for same item
_____ Exchange for a different model, brand, etc. with applicable deduction/increase in cost. (This action will require prior approval from cardholder if cost increase is required.)

Other Comments:

Cardholder's Name

Date: _____
(Cardholder's Signature)

Purchasing Card Administrator's Documented Resolution of Dispute: Date: _____ Initial: _____

Attachment 2

Request for Purchasing Card Issuance or Change

- 1. Supervisor completes and turns in this form to their Department Head.
- 2. Department Head approves and sends to the P-Card Administrator.
- 3. Purchasing sends electronic request to Bank of America.
- 4. Purchasing notifies Cardholder when card arrives.
- 5. Cardholder must complete training to pick up the card. A photo ID is required.
- 6. Cardholder and P Card Administrator both sign the Cardholder Agreement Form (Attachment 3).
- 7. Cardholder must activate the card.

A Purchasing Card is requested for the following employee.

Cardholder' Name: _____

Employee number: _____ Work Email: _____

Individual Signature: _____ Date: _____

Dept.: _____ Work Street Address: _____

City: _____ Zip: _____ -Work Phone: _____

Based on the cardholder's duties, please indicate below the credit limits which are most appropriate for the transactions the cardholder will be responsible for. The Purchasing Card Administrator will assign the purchasing card credit limit level which most closely fits this request.

\$ _____ Single Purchase Limit (Total purchase – may include multiple items)

\$ _____ Monthly Limit

GL Default Account: _____

MCC Codes to Block: () Accommodations () Car Rentals () Oil/Gas () Restaurant/Food () Travel () Other

Department Head: Explain why this employee needs the P-Card and the requested monthly limit:

I hereby certify that I have reviewed the current P-Card Policy with the employee and will review and approve the employee's transactions and supporting documentation on a monthly basis in accordance with P-Card Policy.

Approved By: _____ Date: _____
(Department Director)

Approved By: _____ Date: _____
(Purchasing Card Administrator)

Approved By: _____ Date: _____
(Approving Official)

Attachment 3

CITY OF SUFFOLK PURCHASING CARD CARDHOLDER AGREEMENT

I, _____, acknowledge receipt of a Bank of America Visa Corporate Purchasing Card. Although the card is issued in my name, I understand that it is City property and should be used with good judgment. As a Cardholder, I understand and agree to comply with the Purchasing Card guidelines summarized below and detailed in the City's Purchasing Card Policies and Procedures.

1. I understand that I am being entrusted with a valuable purchasing tool and will be making financial commitments on behalf of my department and will strive to obtain the best value for the City. I understand that the City is liable to Bank of America for all authorized charges made on the Card.
2. I agree to use the Card for approved purchases only and agree not to use the P-Card for personal purchases. I understand that I am the sole user of the Card and that secondary users on Purchase Card are prohibited. I understand that my department will review the use of this Card and the related management reports and take appropriate action on any discrepancies.
3. I understand that there is \$5,000 single purchase limit on all cards with credit limits in excess of \$5,000. Under no circumstances should a transaction be split into separate receipts to bypass the single transaction dollar limit established for the Card.
4. I understand that improper use of the card can be considered misappropriation of City funds, which may result in disciplinary action up to and including termination.
5. I will not use the card to circumvent or divert the rules of the Virginia Public Procurement Act or the City of Suffolk Procurement Manual Policies and Procedures. Should the City determine that failure to comply with the policies of the Virginia Public Procurement Act or the City of Suffolk Procurement Manual Policies and Procedures was a deliberate or negligent act of the cardholder, discipline, up to and including termination will occur.
6. I understand that all charges are billed directly and paid directly by the City. Any personal charges on the card may be considered misappropriation of funds because the cardholder cannot pay the bank directly.
7. I agree to complete monthly reconciliation in a timely fashion which includes providing original, itemized receipts. I understand that I am required to provide, when requested, information about any specific purchase. I understand that consistent failure to comply will result in revocation of my card purchasing privileges and that willful violations may result in disciplinary actions, including termination.
8. I will follow the established procedures for the use of the Card, as set forth by the City of Suffolk Purchasing Card Policies and Procedures. Failure to do so may result in either revocation of my privileges or other disciplinary actions, including termination of employment.
9. If the Card is lost or stolen, I agree to notify my department's Cardholder Manager, P-Card Administrator, and Bank of America Customer Service at 1-888-449-2273.
10. I agree to return the Card immediately upon request or upon termination of employment (i.e. retirement or voluntary/involuntary termination). Upon my transfer to another organization unit within the City or change in my duties that does not require the use of a charge card, I also agree to return my Card and arrange for a new one, if appropriate.
11. The Department Director or Purchasing Card Administrator may request the cardholder to surrender the card at their discretion. I agree to comply with any changes to these terms and conditions or policies and procedures that the City issues.

I have received a purchasing card and agree to comply with the Purchasing Card policies and procedures.

Cardholder Signature & Date Purchasing Card Administrator & Date

Cardholder Printed Name Approving Official Signature & Date

Attachment 4 **Summary of Roles and Responsibilities for Purchasing cards**

Approving Official

- Reviews purchases from cardholders and sign off on statements.
- Resolve all questionable items with the cardholder. If not satisfied that the purchase was necessary and for *Official Use*, requires cardholder to provide either a Credit Voucher proving that the items have been returned for credit, or a personal check for the full amount of the purchase.
- Responsible for determining that the cardholder's purchases are in compliance with the City of Suffolk Procurement Manual Policies and Procedures.
- **Initiation of disciplinary action, including termination, for improper use of purchasing cards.**

Cardholder

- Personally sign for the City purchasing card and attend training as required.
- Certification of all purchases is required by each cardholder.
- Sign off on all charges in the online system in a timely manner and identify in the comment section what the purchase was for in sufficient detail for the Cardholder Manager to identify what was purchased.
- Assign proper account code to all purchases. (Note—in some cases this task may be delegated to a department representative which assigns codes for various cardholders in the department)
- Ensure that the total of a single purchase using the card, which may be composed of multiple items, does not exceed the authorized single purchase limit.
- Ensure that payments for purchases are not split in order to stay within the single purchase limit.
- Provide proper documentation for all orders, including telephone and Internet orders.
- Ensure that any meals charged to the purchasing card are for a particular public purpose and include only appropriate attendees.
- Ensure that restricted items are not charged to the purchasing card.
- Ensure that if a travel advance is provided, that supporting expenses for the advance are not charged to the card.
- Complete a travel voucher for ALL business travel expenses, including P-Card purchases and items paid in advance, and submit to Department Director within ten (10) business days.
- Obtain and maintain the customer copy of the charge slip and the detailed receipt for all charges against the card.
- Know the City's tax exempt status and make every attempt to avoid paying unnecessary taxes.
- Review Statement and note any billing errors. (Note – in some cases this task may be delegated to a department representative which assigns codes for various cardholders in the department)
- Provide Cardholder Manager with the detailed receipt(s) for that billing cycle if travel or extended leave is scheduled at the time the Statement is due and he will not be able to complete the Statement.
- Return defective or incorrect item(s) to the merchant for replacement or to receive a credit on the purchase. CASH REFUNDS ARE NOT PERMITTED. If the merchant refuses to replace or correct the faulty item, then the purchase of this item will be considered to be in DISPUTE.
- Note disputed charges and handle in accordance with purchasing card issuer's instructions on reverse of Statement.
- Immediately notify the purchasing card issuer and the Purchasing Card Administrator if the card is lost or stolen. The telephone number of the purchasing card issuer is 1-888-449-2273.
- Notify Cardholder Manager of the lost or stolen purchasing card within one workday after discovery of the loss or theft of the card.
- When leaving the department or the City, return card to the Cardholder Manager.

Cardholder Manager

- Reviews statements from cardholders and sign off on transactions in the online system after Cardholder has signed off. Cardholder Managers must sign off on their Cardholder's transactions using the online system in a timely manner.
- Flag any transactions with issues (i.e. tax on purchase, question about purchase, etc.) in the online system, which will be sent back to Cardholder to correct and sign off again. Once the issue has been successfully resolved, Cardholder Manager shall remove flag.
- Verify Cardholder purchases and travel expenses.
- Submits detailed receipts attached to the cardholder statement to the Department of Finance in accordance with the payment processing cutoff dates.
- Reviews the Statements and assigns account codes for absent cardholders and submits to the Department of Finance electronically.
- **If** all of the Statements or detailed receipts are not provided by cardholders, contact cardholders and have the statements and detailed receipts furnished at once.

-
- Forward a copy of the required dispute information sent to purchasing card issuer to the Purchasing Card Administrator.
 - Collect cards from individuals when leaving the department or the City and forward them to the Purchasing Card Administrator and notify the Purchasing Card Administrator immediately. If unable to collect the card, notify the
-

Purchasing card Administrator immediately by telephone and follow-up with a memo to take action to ensure the purchasing card is voided.

- Make a written report of a lost or stolen card to the Purchasing card Administrator WITHIN TWO WORKDAYS.

Department Director

- Requests purchasing cards for individuals within the department, including identification of Approving Official for each cardholder, recommending appropriate cardholder limits, and coordinating appropriate Merchant category Code restrictions (Accommodations, Car rentals, Oil/Gas, Restaurant/Food, and Travel).
- Submits the travel voucher completed by their employees to the Finance Department, with all required receipts.
- Conducts a physical inventory of purchasing cards and provide a report to the Purchasing card Administrator of the results of the inventory.

Purchasing card Administrator

- Determines when individual cards would not be effective due to staffing patterns and necessary card use and issuing cards to a department under the care of a specific individual.
- Makes the decision of when a purchasing card is issued, and to who based upon the recommendation of the department director.
- Notify purchasing card issuer to cancel card when an individual leaves the department or City.
- Responsible for determining the cardholder's purchases are in compliance with Virginia Public Procurement Act and the City of Suffolk Procurement Manual Policies and Procedures.
- **Reports violations to the Department Director and the Finance Department.**
- Reports egregious violations immediately to Deputy City Manager, City Manager, and City Attorney as appropriate.
- Provide a list of purchasing cards issued to individuals for each department on a semi-annual basis for physical inventory count.

Department of Finance

- **Reviews violations submitted by Purchasing card Administrator.**
- **Pay for all purchases made by cardholders at the end of each billing cycle.**
- **Posts charges to the City's general ledger based on accounts codes assigned by the cardholder.**
- Clear the advance against the cardholder once all required information has been received and audited.
- Conducts periodic internal audit of program.

CITY OF SUFFOLK
Division of Purchasing

P-CARD TRANSACTION INFORMATION FORM

Transaction Date: _____

Authorizing Dept: _____

Vendor Name: _____ **Amount Authorized:** _____

Vendor Annual Contract #: _____ **GL Account # to charge:** _____

Purpose & description of charge:
(i.e. hotel, online purchase, conference registration, air line ticket, etc.)

Date of receipt of goods/service: _____

Date of reservations (if applicable): _____

Confirmation No. (if applicable): _____

Prepared by: _____

Approved by Department Director: _____

Approved by Finance Director: _____

