

# CHAPTER 14

## ELECTRONIC PROCUREMENT

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14. **General.** Every authority, department, division, institution, officer, agency, and other unit of state government (using agencies) shall utilize DGS' central electronic procurement system beginning at the point of requisitioning for all procurement actions including, but not limited to, technology, transportation & construction, unless otherwise authorized in writing by the Division. Where necessary to capture data in agency enterprise resource planning systems and to eliminate or avoid duplicate or manual data entry in such agency systems, using agencies shall integrate their enterprise resource planning systems with the DGS' central electronic procurement system, unless otherwise authorized in writing by the Division or in accordance with the provisions of the Restructured Higher Education Financial and Administrative Operations Act (*Code of Virginia*, §§ 23-38.88 and 2.2-1110). This chapter establishes policies and provides guidance on electronic procurement in Virginia, hereinafter referred to as eVA. eVA encompasses vendor central registration and source selection, requisitioning, solicitation development, soliciting and receiving formal and informal bids and proposals, bid/proposal tabulation and evaluation, electronic ordering, public posting, electronic receiving, electronic invoicing, electronic data record keeping and various reporting capabilities. Additionally, eVA facilitates item searches through an Electronic Mall (e-Mall), in which Commonwealth entities can shop mandatory sources and mandatory use and optional use term contracts, surplus property and non-contract sources, all displayed as electronic catalogs. **Policies in this chapter shall take precedence in the event of conflict with other sections of this manual.** The *Virginia Public Procurement Act (VPPA)*, other applicable sections of the *Code of Virginia*, as well as other provisions of this manual and *Vendors Manual* will remain in full force and effect. All purchase transactions, regardless of funding source, governed by the *VPPA* shall be processed through eVA to eVA registered vendors except as otherwise provided herein (see 14.11) or excluded in 14.9 b. Any purchases processed outside eVA will continue to be governed by applicable law and by the non-eVA policies and procedures contained in this manual and *Vendors Manual* in effect at the time of the transaction.

- 14.1 **eVA Business Plan:** All agencies and institutions shall comply with the eVA Business plan currently in effect.
- 14.2 **Agency Responsibility.** Agencies and institutions should develop written internal policies, procedures and controls on the

use of eVA. This should include re-delegation of purchasing authority, requisition approval process, how to incorporate terms and conditions, interface with finance and accounting, record keeping, encumbrance of funds, receiving (central and/or decentralized) and interface with internal automated systems. Additionally, guidelines should be included for conducting compliance audits/reviews of purchase transactions made by or on behalf of agency employees. Although *BuySenseOrg* functionality will provide that each organization can use its own accounting structure, business rules and workflow, only minimal levels of approval should be included in the process so as to maximize the benefits of eVA. Descriptions on each of the eVA core functions are contained in the *eVA Implementation Guide*.

14.3 **e-Mall Shopping**. Any available mandatory source, mandatory use contract or optional use contract will appear in the response(s) received to an item search in the e-Mall. Unit prices shown in the electronic catalogs are inclusive of shipping charges; however, a minimum order requirement may apply, which can be determined by clicking on the item description to view further information. The extent to which agencies and institutions use eVA will be taken into consideration when evaluating requests for (and maintenance of) higher levels of delegated purchasing authority (see 1.2a). The below procedures shall apply to purchases made via the e-Mall:

- a. **Mandatory Sources and Mandatory Use Contracts (see 2.1)**: Agencies and institutions shall place all orders through eVA on mandatory use contracts. Purchases may be made up to any dollar amount unless otherwise limited by the specific mandatory source or contract. Exception to the use of a mandatory source or contract must be approved in advance, in writing, by an official of the mandatory source, or the contract officer in the case of a DGS/DPS contract, utilizing the Procurement Exemption Request form located at Annex 13-D. Approved requests must be attached to the purchase transaction file either electronically or by hard copy.
- b. **Optional Use Contracts and Pricing Agreements (see 2.2a)**: Purchases from optional use contracts may be made up to any dollar amount unless otherwise limited by the specific contract. Pricing Agreements allow for purchases from other sources; however, if it is to be made from another source and the total cost exceeds the single quote limit, the requirement must be competed.
- c. **Non-mandatory Sources (see 2.2b. & c.)**: Surplus property listed in the e-Mall is available for purchase up to any dollar amount. Sheltered workshops are not listed. Purchases from sheltered workshops are exempt from competitive procurement within the guidelines stipulated in 2.2c, but can only be accessed outside eVA.
- d. **Open Market Sources**: In addition to any available mandatory source, mandatory contract or optional use contract, other vendors may appear as choices during the e-Mall shopping for the specific requirement. When a mandatory source or contract is not available to satisfy the requirement or an exemption has been granted to bypass it, any open market vendor may be selected when the total value does not exceed the single quote limit. See paragraph 14.5 for small purchase competitive requirements.

14.4 **e-Mall Receiving**: Agencies and institutions shall receive all purchases orders in eVA using either central receiving or desktop receiving functionality.

14.5 **Competitive Requirements**. Small purchase solicitations that are expected to exceed \$5,000 shall require the posting of a public notice in eVA VBO. The use of Quick Quote meets the public posting requirement for small purchases. All other written informal and formal solicitations expected to exceed \$5,000 shall be posted using eVA VBO. All small purchase solicitations over \$5,000 shall be open for a minimum of three (3) business days (24 business hours) unless exempted in writing by the agency head or designee who shall be a direct report to the agency head. However, a sufficient length of time should be given to all bidders to respond considering but not limited to solicitation requirements, complexity of the procurement, market trends, etc.

- a. **Single Quotation (up to \$5,000)**: An e-Mall catalog (non-contract) price is acceptable as a quote when the value of the purchase is \$5,000 or less. The lowest priced item received as a result of an e-Mall catalog search need not be chosen, but such selection should be based on the product that best meets the need and the required delivery date and when the price is considered fair and reasonable. Documentation that the one quote selected is from the eVA e-Mall is required; a notation on the electronic purchase requisition (comments section) is acceptable documentation. Although an e-Mall catalog price response is acceptable, competition may be solicited via Quick Quote whenever the requirement is for multiple quantities and/or when it can be expected that a lower price and/or savings in shipping costs may be realized.

- b. eVA advanced sourcing tools (i.e., Quick Quote, eVA VBO, eProcurement) shall be used for all solicitations over \$5,000 requiring competition. Quick Quote is the preferred method for unsealed bidding. Use the appropriate eVA advanced sourcing tool to conduct procurements in compliance with APSPM Chapters 5-9.
- c. Agencies and institutions shall post on the DGS central electronic procurement website all Invitations to Bid, Requests for Proposal, addenda, sole source award notices, and emergency award notices to ensure visibility and access to the Commonwealth's procurement opportunities on one website.
- i. Each agency and institution shall post on the eVA home page under the "Future Procurements" link any government-to-government purchases for services over \$25,000 that appears on the Commercial Activities List provided by the Department of Planning and Budget. The posting requirement does not apply to Mandatory Sources, central services state agencies, activities operated by an Internal Service Fund or purchases from Institutions of Higher Education.
  - ii. Each agency and institution shall post on eVA VBO the solicitation/opportunity for receipt of proposals/applications to receive grant awards/funds. The posting in VBO shall be designated as "Grant Opportunity".
  - iii. Conceptual proposals submitted in accordance with PPEA § 56-575.17 or PPTA § 33.2-1820 shall be posted on eVA VBO.
- d. **Quick Quote (over \$100,000):** Quick Quote shall not be used to solicit competition for requirements over \$100,000; however, emergency purchase requirements meeting the criteria of paragraph 9.1 may be solicited via Quick Quote up to any dollar amount.
- 14.6 **Change Orders:** Change orders, regardless of dollar value, shall be processed whenever requested by a supplier to ensure the supplier's eVA transaction fee is accurate, as may be required by internal policy when the actual invoiced amount differs from the purchase order total, and in accordance with the requirements set forth in Sections 3.5 and 10.12 of the *Agency Procurement and Surplus Property Manual (APSPM)*.
- 14.7 **Documentation of Purchase Transactions.**
- a. **Electronic Files:** Electronic files created in eVA and any attached from other sources are acceptable as documentation to support the why, who, what, when, where and how of purchase transactions and receiving reports. If the order is against a term contract then the contract number shall be included on the order. Paper documents need not be printed and maintained. Reports are available in eVA to provide sufficient detail to support the basis and history of each purchase. Any transaction that cannot be fully documented electronically should contain a cross-reference (what and where) to any other documents, such as large drawings or other files maintained as a hard copy.
  - b. **Price Reasonableness:** Purchasing officers shall ensure that the price offered is fair and reasonable. Refer to sections 4.10, 8.4, and 10.13.
- 14.8 **Approvals.** Prior approval of specific procurement transactions, as required within other chapters of this manual, remain in full force and effect. Requests for approvals may be submitted electronically, via FAX or by mail. The following are examples of prior approvals that may be required:
- a. Non-Technology Sole Source Requirements Exceeding \$50,000: Refer to 8.2.
  - b. Operational Emergencies Exceeding Delegated Purchasing Authority: Refer to 9.1b.
  - c. IT Equipment, Software and/or Computer Related Services: Refer to VITA Guidelines.
  - d. Telecommunications Equipment and/or Services: Refer to VITA Guidelines.
  - e. Facilities, Equipment and Services Requiring Federal Communications Commission (FCC) Licensing: Refer to VITA Guidelines.
  - f. Virginia Correctional Enterprises (VCE) and CORPRINT: Refer to 2.1b.

- g. Virginia Department for the Blind and Vision Impaired (DBVI): Refer to 2.1c.
- h. Virginia Distribution Center (VDC): Refer to 2.1e.
- i. DGS/DPS Office of Graphic Communications (OGC): Refer to 2.1f.

14.9 **Use of eVA:**

a. **Mandatory Use of eVA.**

- (1) All purchase transactions, regardless of funding source, governed by the *VPPA* without regard to agency-specific exemptions, shall be processed through eVA to eVA registered vendors except as otherwise provided herein (see 14.11 or 14.9 b). eVA purchase orders should be issued prior to contractors performing any work. However, should the agency find it necessary to issue any eVA confirming orders, the confirming orders must be placed within eVA within five (5) business days after directing the contractor to proceed. This includes orders imported to eVA from ERPs (enterprise resource planning systems).
- (2) Enterprise Resource Planning Orders. Any ERP order provided to vendors, in lieu of or in advance of a corresponding eVA order, shall include the standard eVA order term and condition. See Annex 14-A.
- (3) eVA Fees. Agencies and vendors shall pay eVA fees as set forth on the eVA Fee Schedule published on the eVA billing portal. The eVA Fee Schedule is defined as a listing of eVA transaction fees (eVA fees) that are assessed to eVA users, including Vendors. The eVA Fee Schedule is published on the eVA website. Each fee set forth on the eVA Fee Schedule is effective dated so eVA users, including Vendors, can determine the appropriate fee by cross referencing a fee's effective date to the date of the activity for which the fee is assessed.
- (4) Modification of Existing Contracts as a Result of Changes to the eVA Fee Schedule. Agencies and institutions with existing contracts that will result in new purchase orders issued after the change to the eVA Fee Schedule may give Contractors the opportunity to adjust contract prices based on any impact to the Contractor resulting from the new order transaction fee.

b. **Optional Use of eVA.** At the option of the agency or institution, non-procurement (payment) transactions and the following eVA-excluded procurement transactions may be processed through eVA, by issuing the order to the vendor and coding the requisition with the X02 purchase order category. The X02 purchase order category is to be used for the exclusive purpose of identifying eVA-excluded procurement transactions (listed below), as well as non-procurement (payment) transactions, created in eVA.

The resulting benefit of using X02 will allow for agencies to have one source to enter all transactions (excluded and non-excluded purchase orders as well as payment transactions). This will also give agencies and institutions the ability to report, track, and analyze all their transactions in one place. eVA orders with the X02 purchase order category will be exempt from eVA agency and vendor transaction fees.

- 1. Real estate leases
- 2. Advertisements such as in newspapers, magazines, journals, radio, television, etc.
- 3. Professional organizational membership dues and training classes sponsored by the professional organization when payment is made directly to the professional organization sponsoring the training class. A "professional organization" is generally defined as a group of professional individuals in a like occupation charged with educating, certifying or lobbying for its members.
- 4. Conference registrations
- 5. Petty cash purchases
- 6. Honoraria

7. Entertainment (speakers, lecturers, musicians, performing artists)
8. Accreditation fees and academic testing services
9. Exhibition rental fees for exhibitions of historical artifacts or original works of art. (The rental fee may include charges other than the rental of the exhibition, such as transportation costs.)
10. Goods or personal services for direct use by the recipients of programs specified in the *Code of Virginia*, § 2.2-4345, if the procurement is made for an individual recipient. Contracts and/or spot purchases for the bulk procurement of goods or services for the use of recipients shall not be exempted.
11. (i) Award of grants by agencies and institutions to public bodies or tax exempt non-profit charitable organizations. This exception does not apply to the expenditure of grant funds by agencies and institutions for the purchase of goods and/or services (see *APSPM* 13.8e).
 

(ii) Award of contracts by agencies and institutions to charitable organizations in accordance with the provisions of *APSPM* 8.7, Alternative Procurements.
12. Medical (Health Care) Services when the service is provided by a hospital or an individual licensed and authorized by law to engage in the prevention, diagnosis, or treatment of human illness, injury, or physical disability, mental health, mental retardation, substance abuse, or emotional condition. Contracts and purchase orders between the agency or institution and temporary service providers or independent laboratory testing companies are not exempt from purchasing through eVA.
13. Public Utilities (electric, natural gas, water, sewer)
14. Purchases made via closed-loop systems or automated inventory control systems for items for resale, e.g., ABC, drugs (only POS drugs)
15. Purchases made using the DPS-authorized multi-state drug contract
16. Purchases made using the DPS statewide contract for Express Delivery Services.
17. Over the counter charge card purchases that are made at the site of the sale and picked up by the individual card holder (i.e., SPCC, Voyager).
18. Revenue contracts, e.g., scrap, recycling or contracts with \$0 payment made by the Commonwealth, e.g., contracted out Bookstore, Food service operations.
19. Government-to-government purchases, other than purchases from mandatory sources (See 3.18g Government-to-Government posting requirements).
20. Purchases from public auctions (non-electronic)
21. Surplus property
22. Contracts with commercial fisherman for replenishment, research and stock assessment activities
23. (a) Individual travel and lodging
 

(b) Group (i.e., two or more individuals) travel up to \$50,000 per group travel event

(c) Group travel-related lodging
24. Financing when goods/services procured from one source are being financed by another (i.e., third party) source. The financing exclusion does not apply to lease purchases.

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25. Business and/or financial transactions to which public procurement regulations do not apply. Examples include debt service payments, Medicare and Medicaid payments, and child support payments.
  26. Contracts with public and private hospitals, as well as pharmacy chains and independent pharmacies, that are licensed and authorized by law to dispense controlled drugs and other medications based on prescriptions written by medical practitioners licensed to engage in the prevention, diagnosis, or treatment of human illness, injury, or physical disability, mental health, mental retardation, substance abuse, or emotional condition, when the purpose of the contract is to provide on-site mentoring and practical experience to pharmacy students enrolled in state institutions of higher education.
  27. Contracts with public and private hospitals, medical practices, and medical clinics that are licensed and authorized by law to engage in the prevention, diagnosis, or treatment of human illness, injury, or physical disability, mental health, mental retardation, substance abuse, or emotional condition, when the purpose of the contract is to provide on-site mentoring and practical experience to medical students enrolled in state institutions of higher education.
  28. Individuals providing instructional services in conjunction with a contract between an institution of higher education, including community colleges, and a local business or industry for non-credit workforce development classes to be provided by the institution of higher education.
- c. **eVA Required Terms and Conditions.** The eVA Business-to-Government Vendor Registration clause, General Term and Condition X, and the eVA Business-to-Government Contracts and Orders clause, Special Term and Condition 4 shall be used in all solicitations, purchase orders, contracts, and contract renewals. Existing contracts without General Term and Condition X or without special Term and Condition 4 or with an older version of either shall be modified to include the current versions of General Term and Condition X and Special Term and Condition 4.

- 14.10 **Vendor Registration Requirement.** All vendors who accept purchase orders from Commonwealth agencies and institutions must register in eVA. All solicitations are subject to the General Terms and Conditions, which include General Term X. (eVA Business-to-Government Vendor Registration) requiring vendors to register to do business with the Commonwealth.
- 14.11 **Orders To Unregistered and State Entered Vendors In eVA and Related Fees.** There may be times when an agency or institution is compelled to do business with a vendor that refuses to register in eVA (State Entered and Unregistered [ad hoc] vendor) and the specific purchase transaction is not included in the optional use of eVA list set forth in *APSPM* Section 14.9.b. In such cases, the agency or institution is required to process the order through eVA.
- 14.12 **Self-Certification and Fees For Non-Compliant Purchase Transactions.** Monthly each agency and institution shall submit a self-certification that the agency has or has not complied with all requirements set forth herein. The self-certification shall be completed via a password protected electronic eVA Dashboard that can be accessed via a link on the eVA website. The self-certification shall be electronically signed by the agency or institution purchasing director, chief financial officer, or designee.

If the agency or institution certifies that it has not complied with the requirements set forth herein, the following shall also be submitted to [evabilling@dgs.virginia.gov](mailto:evabilling@dgs.virginia.gov) Attn: Deputy eVA Business Manager, Subject: Self Certification.

- a. a detailed explanation for why the agency or institution failed to comply with the requirements;
- b. a corrective action plan for achieving timely compliance;
- c. an itemized list of all non-compliant purchase transactions (including purchase order number, date, vendor, amount, commodity code, CARS subobject code, and method of procurement); and
- d. Deleted

Self-certifications and any required additional documentation shall be submitted no later than the 15<sup>th</sup> day following the end of the monthly reporting period (e.g., August 15<sup>th</sup>, September 15<sup>th</sup>, October 15<sup>th</sup>, etc.). Agencies and Institutions will be assessed 2% of the total amount of all non-compliant purchase transactions. The assessed eVA Dashboard fees will be reflected on the agencies next invoice.

Failure to submit the required monthly self-certification and associated documentation will result in the automatic assessment of a 2% fee based on the agency's or institution's total CARS expenditure less eVA spend for the reporting period.

- 14.13 **eVA Multiple Orders.** When issuing solicitations that will result in more than ONE eVA purchase order as a result of the award, either by the establishment of a term contract or multiple delivery orders, the agency should include an explanation of how resulting orders from the award will be issued through eVA. Include the approximate number of orders on a weekly, monthly, quarterly or annual basis. Example: 4 purchase orders, quarterly; 12 purchase orders, one per month; 9 purchase orders, one per month during the school term; one purchase order annually. See Appendix B., Section II, special term and condition #4 to include in solicitations for term contracts or multiple delivery orders.
- 14.14 **Small Purchase Charge Card (SPCC):** Where a SPCC has previously been entered into the eVA system it should be used to affect payment of all purchase transactions up to \$5,000 processed through vendors accepting the card. Every effort must be made to ensure that whenever a card is issued or cancelled, when a restriction imposed on a card is changed, etc., that the eVA system is updated as soon as practicable. For information contact DOA at 804-371-4350, fax to 804-786-9201 or email to [cca@doa.virginia.gov](mailto:cca@doa.virginia.gov). Charge card purchases shall be processed through eVA unless the purchase is exempt from processing through eVA in 14.9 b.
- 14.15 **Procurements set-aside in accordance with the Small Business Enhancement Award Priority (3.10g):** Shall follow the guidance in Chapters 5, 6 and 7 for advertising in eVA Quick Quote and VBO.

**Annex 14-A**

**Standard eVA Term and Condition**

**Standard eVA Order Term and Condition:** This order is governed in all respects by the laws of the Commonwealth of Virginia, including the Virginia Public Procurement Act, the Commonwealth of Virginia Agency Procurement and Surplus Property Manual, and the Commonwealth of Virginia Vendors Manual copies of which are available at [www.eVA.virginia.gov](http://www.eVA.virginia.gov). The stated price(s) include shipping FOB destination unless otherwise stated in the body of the order. In addition, this order is subject to an eVA transaction fee in accordance with the eVA Fee Schedule a copy of which is available at [www.eVA.virginia.gov](http://www.eVA.virginia.gov). This fee will be invoiced to your company, approximately 60 days after the order issue date specified above, by the Commonwealth of Virginia, Department of General Services. Any modification to these terms must be agreed to in writing by both parties prior to performance of this order.

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