

CHAPTER 5

SMALL PURCHASES

In this Chapter look for . . .

- 5. General
- 5.1 Competitive Requirements
- 5.2 Charge Cards for Small Purchases (Deleted)
- 5.3 Single Quotation
- 5.4 Deleted
- 5.5 Deleted
- 5.6 Unsealed Bidding
- 5.7 Unsealed Request for Proposals
- 5.8 Deleted
- 5.9 Pass-through-Procurements
- 5.10 Blanket Purchase Agreements

Annexes

- 5-A Small Purchase Procedures Flowchart
- 5-B Charge Card Process Flowchart (Deleted)
- 5-C Single Quotation Process Flowchart
- 5-D Six Quotation Process Flowchart (Deleted)
- 5-E Unsealed Bidding Process Flowchart
- 5-F Unsealed Request for Proposal Process Flowchart
- 5-G Telephone Record for Goods
- 5-H Telephone Record for Services
- 5-I Fax Back Price Quote Sheet

5. **General.** The *Virginia Public Procurement Act (VPPA)* permits a public body to establish small purchase procedures, if adopted in writing, not requiring the use of competitive sealed bidding or competitive negotiation for single or term contracts if the aggregate or sum of all phases is not expected to exceed \$100,000; however, such small purchase procedures shall provide for competition wherever practicable (*Code of Virginia*, § 2.2-4303G). The following small purchase procedures have been established by DGS/DPS for use by state agencies and institutions when acquiring materials, supplies, equipment, printing, nonprofessional services and non transportation-related construction up to \$100,000 (excluding information technology and telecommunications goods and services). Procurements made pursuant to these procedures do not require public bid openings or newspaper advertising of competitively negotiated procurements. Small purchases that are expected to exceed \$5,000 shall require the posting of a public notice on eVA VBO. Quick Quote solicitations meet the public posting requirement. For your convenience, process flowcharts for each category of small purchases have been developed and are in the annex of this chapter. Annex 5-A depicts the decision making process that will assist in determining the appropriate small purchase procedure to use up to \$100,000.

5.1 **Competitive Requirements.** Procurements up to \$100,000 shall be set-aside exclusively for award to DSBSD-certified small business (including micro) participation in accordance with 3.10 g. For any particular procurement, a bidder/offeree shall be considered a Small Business or a Micro Business if and only if the bidder/offeree holds a certification as such by the Department of Small Business and Supplier Diversity (DSBSD) on the due date for receipt of bids or proposals. Competition, where required, is to be made according to the number of competitive sources shown in this chapter. If two or more DSBSD-certified small businesses cannot be identified to set-aside the

procurement up to \$100,000, then the file shall be documented with the efforts made to obtain the number of required sources. See Chapter 4.10 for Price Reasonableness Determination.

Estimate the total cost, including all possible renewal periods if a term contract, to determine if the procurement will exceed \$100,000. If the procurement is expected to exceed \$100,000 over the entire term of the contract, including all possible renewal periods, use the procedures outlined in Chapter 6 for competitive sealed bidding or in Chapter 7 for competitive negotiation. The expected trade-in value of equipment shall not be considered when determining the anticipated total value of a contract.

a. Deleted

b. Deleted

5.2 **Charge Cards for Small Purchases**. Deleted. Note: Information on the use of charge cards for payment is moved to 10.11 b., **Payment and Invoice Processing**.

5.3. **Single Quotation**. (Up to \$5,000)

a. Where the agency's estimated cost of goods or nonprofessional services is \$5,000 or less unless exempted (see 3.10 g), purchases may be made upon receipt of a minimum of one (1) written or telephone (oral) quotation, or Quick Quote may be used (see flowchart, Annex 5-C) from a DSBSD-certified micro business, if available. Additional DSBSD-certified micro business sources may also be solicited. Other quotes received from DSBSD-certified micro businesses that were not solicited shall be considered. If more than one quote is received, the award shall be made to the lowest responsive and responsible DSBSD-certified micro business bidder. If prices do not appear to be fair and reasonable, the agency shall document the procurement file to that effect, including stating the basis for the determination, and then obtain additional quote(s) in accordance with the Small Business Enhancement Award Priority found in 3.10g.

b. A record of the quotation(s) must be kept with the file. If a telephone quote is solicited, a record shall be kept of the name and address of the vendor(s) contacted, the item description or service offered, price quoted, delivery dates and F.O.B. point, names of persons giving and receiving the prices and the date the information was obtained. Notation on the requisition form is considered to be an adequate record or see Annex 5-G, and 5-H, for copies of sample forms to use in recording information.

c. For over the counter SPCC purchases, a written quotation is not required; however, the over the counter SPCC purchases shall be from a DSBSD-certified micro business, if available. If prices do not appear to be fair and reasonable, the agency shall document to that effect, including stating the basis for the determination, and then proceed in accordance with the Small Business Enhancement Award Priority found in 3.10g

5.4 Deleted.

5.5 Deleted.

5.6 **Unsealed Bidding**. (Over \$5,000 to \$100,000)

a. Quick Quote shall be used to solicit bids and quotes for goods and nonprofessional services over \$5,000 up to \$100,000 (see 14.5e). All appropriate special terms and conditions must be stated in or attached to the Quick Quote, including an award term. The solicitation shall be open for the period of time stated in the solicitation but must be open for at least three (3) business days (24 business hours). A reasonable amount of time should be allowed for vendors to respond based on the nature of the procurement and any subsequent amendments.

b. Unsealed bidding may be used in lieu of Quick Quote for complex procurements. eVA VBO advertising is required.

c. Procurements under \$10,000 shall be set-aside exclusively for award to DSBSD-certified micro businesses if available and the price is fair and reasonable. If prices do not appear to be fair and reasonable, the agency shall document the procurement file to that effect, including stating the basis for the determination, and then an award may be made in accordance with the Small Business Enhancement Award Priority (3.10g). The solicitation shall designate in the title of the solicitation that the procurement is set-aside for micro businesses. Select "Micro Business Set-Aside Award Priority" once the set-aside box has been checked in Quick Quote or VBO.

Procurements from \$10,000 and up to \$100,000 shall be set-aside exclusively for award to DSBSD-certified small businesses (including micro) if available and the price is fair and reasonable. If prices do not appear to be fair and reasonable, the agency shall document the procurement file to that effect, including stating the basis for the determination, and then an award may be made in accordance with the Small Business Enhancement Award Priority (3.10g). The solicitation shall designate in the title of the solicitation that the procurement is set-aside for small businesses. Select "Small Business Set-Aside Award Priority" once the set-aside box has been checked in Quick Quote or VBO.

- d. Award should be made to the lowest responsive and responsible bidder in accordance with the Small Business Enhancement Award Priority. Post Notice of Award for 10 days if a Notice of Intent to Award was not issued.

5.7

- a. **Unsealed Request for Proposals** (Over \$5,000 to \$100,000). Goods or nonprofessional services up to \$100,000 may be procured using the Unsealed Request for Proposal process (see flowchart, Annex 5-F). A written determination for the use of competitive negotiation is not required for unsealed Request for Proposals. The solicitation for unsealed proposals should include a cover sheet, a general description of what is being sought, the evaluation criteria and weights to be used in evaluation, current version of the General Terms and Conditions, any Special Terms and Conditions including unique capabilities or qualifications that will be required, award term, and a requirement that under the Small Business Enhancement Award Priority they shall provide their appropriate DSBSD-certified small business (including micro) number.

- 1. Procurements under \$10,000 shall be set-aside exclusively for award to DSBSD-certified micro businesses if available and the price is fair and reasonable. If prices do not appear to be fair and reasonable, the agency shall document the procurement file to that effect, including stating the basis for the determination, and then an award may be made in accordance with the Small Business Enhancement Award Priority (3.10g). The solicitation shall designate in the title of the solicitation that the procurement is set-aside for micro businesses. Select "Micro Business Set-Aside Award Priority" once the set-aside box has been checked in VBO.

Procurements from \$10,000 and up to \$100,000 shall be set-aside exclusively for award to DSBSD-certified small businesses (including micro) if available and the price is fair and reasonable. If prices do not appear to be fair and reasonable, the agency shall document the procurement file to that effect, including stating the basis for the determination, and then an award may be made in accordance with the Small Business Enhancement Award Priority (3.10g). The solicitation shall designate in the title of the solicitation that the procurement is set-aside for small businesses. Select "Small Business Set-Aside Award Priority" once the set-aside box has been checked in VBO.

- 2. * Include in all unsealed written Request for Proposals for services over \$10,000 Special Term and Condition #36 B.
- 3. eVA VBO advertising is required See 3.18.
- 4. Offers may be opened and evaluated upon receipt. All responses must be received at the designated location by the date and time stated in the solicitation (see 3.1e).
- 5. In lieu of an evaluation committee, the buyer or end user may solely evaluate and rank offers. Upon completion of the evaluation, negotiations shall be conducted with the offerors selected.
- 6. Award should be made to the highest ranking offeror in accordance with the Small Business Enhancement Award Priority. Post Notice of Award for 10 days if a Notice of Intent to Award was not issued.

- b. **Deleted**

5.8

Deleted

5.9

Pass-through-Procurements. Pass-through-procurements are purchases made by educational institution personnel acting as intermediaries on behalf of groups or individuals associated with the institution's mission. Procurements performed are infrequent and of short duration. These purchases are exempt from the above prescribed small purchase procedures; however, all such transactions must be approved in advance by the head of the institution's purchasing office. Examples include contracting for alumni functions for which the institution is reimbursed by the

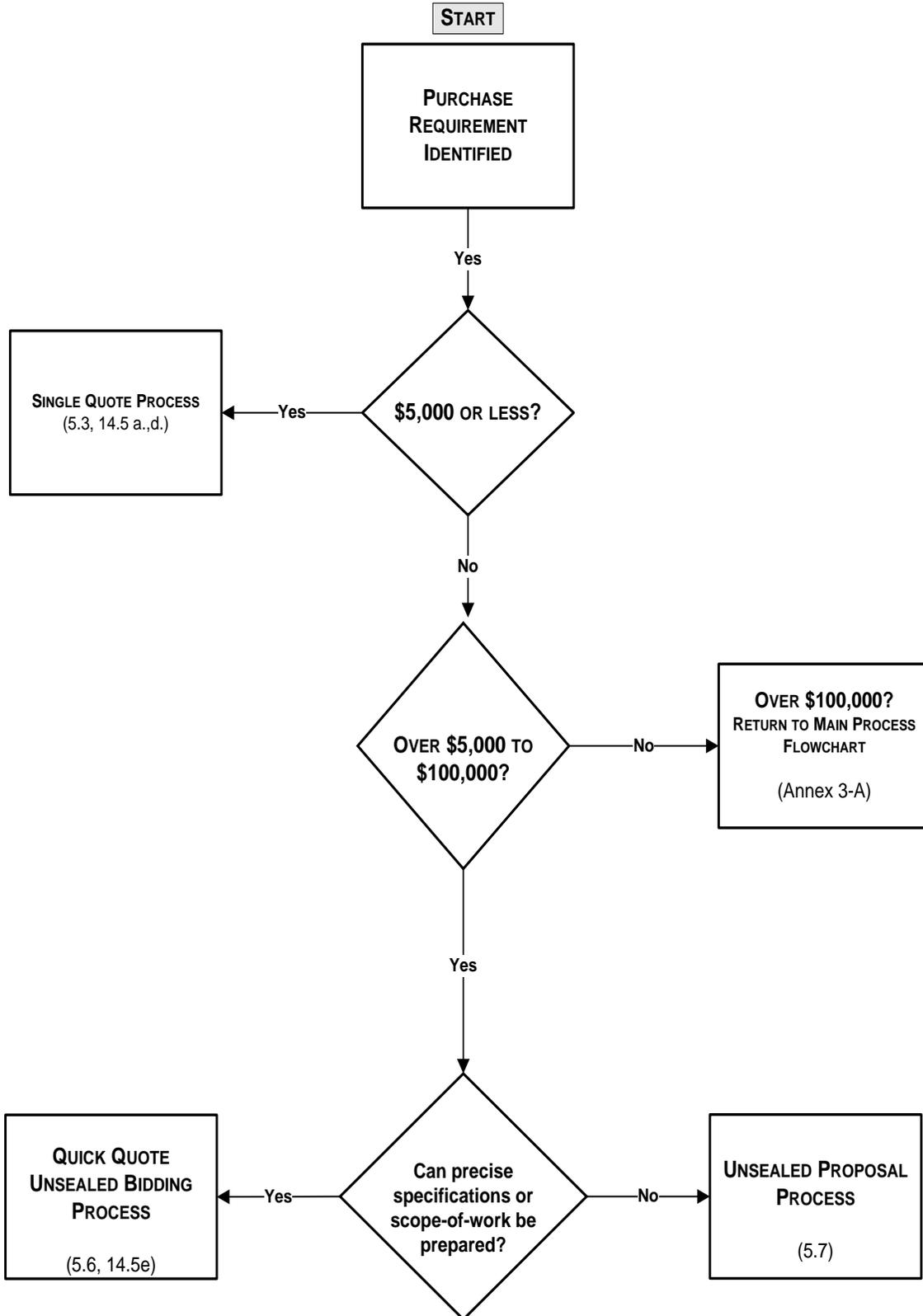
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alumni and materials purchased for students by a faculty member using State funds and for which the students fully reimburse the university. In such cases, any expenditure of state money shall result in expeditious replenishment of the total amount of expended funds by the group or individuals for whom the agency acted as an intermediary. No financial gain is to be derived by the institution or State person or persons acting as intermediaries.

5.10 **Blanket Purchase Agreements.**

- a. Blanket purchase agreements (BPAs) are contractual relationships which may be entered into with local vendors to obtain small dollar value expendable operating supplies or services (less than the single quote limit) for which low or erratic demand usage exists. Basically, a set of terms and conditions are agreed upon between the buyer and seller wherein the seller will deliver or permit pick up of supplies ordered through a call system controlled by the individual who has received authorization from the purchasing office. The prevailing market price, less any trade and/or volume discounts as may be agreed upon, is charged and invoiced on a consolidated (usually monthly) basis.
- b. The principle advantage of a BPA is the ability to delegate ordering authority to the user level, resulting in quicker access to the goods or services. Consolidated invoices are processed, which reduces the paper flow and administration. The success of this procedure is dependent upon the establishment and enforcement of proper controls.
- c. By careful analysis of recurring needs, BPAs may be entered into for supplies or services not available from contracts or other prior purchase commitments. Examples are hardware, electrical, office, plumbing supplies, or services such as electrical, locksmith, film developing, and painting. (See paragraph 4.21 if cumulative annual value of any service exceeds \$15,000.) When practicable a minimum of two agreements should exist per item category.
- d. Prior to the establishment of BPAs, contact DGS/DPS for assistance and for the procedures required to be used at 804-371-8355. See also 4.3d (5).

SMALL PURCHASE PROCEDURES (CODE OF VA § 2.2-4303G)
Small Purchase Process (goods and nonprofessional services up to \$100,000)

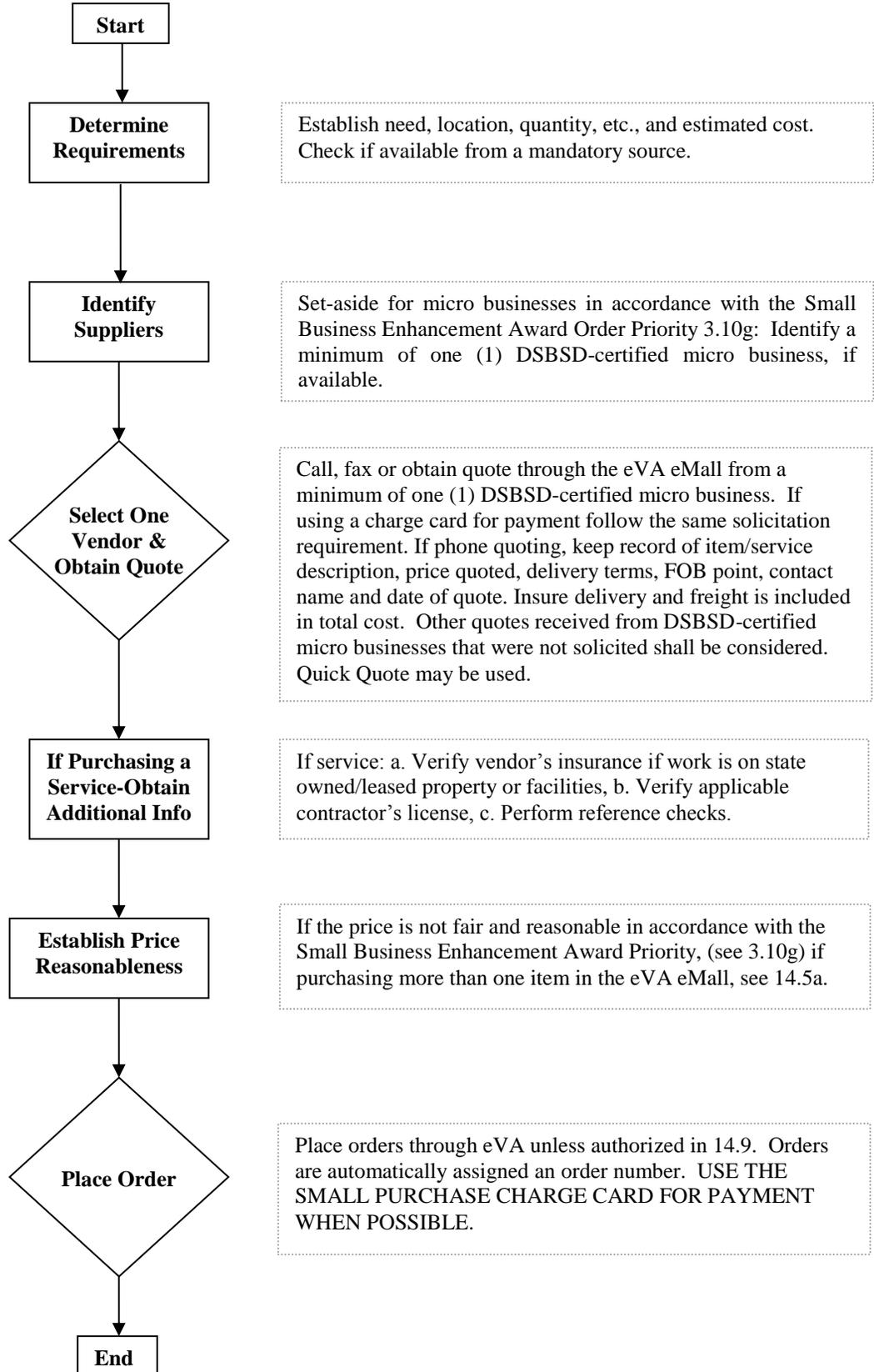


**Annex 5-B
(DELETED)**

Annex 5-C

Single Quotation Process

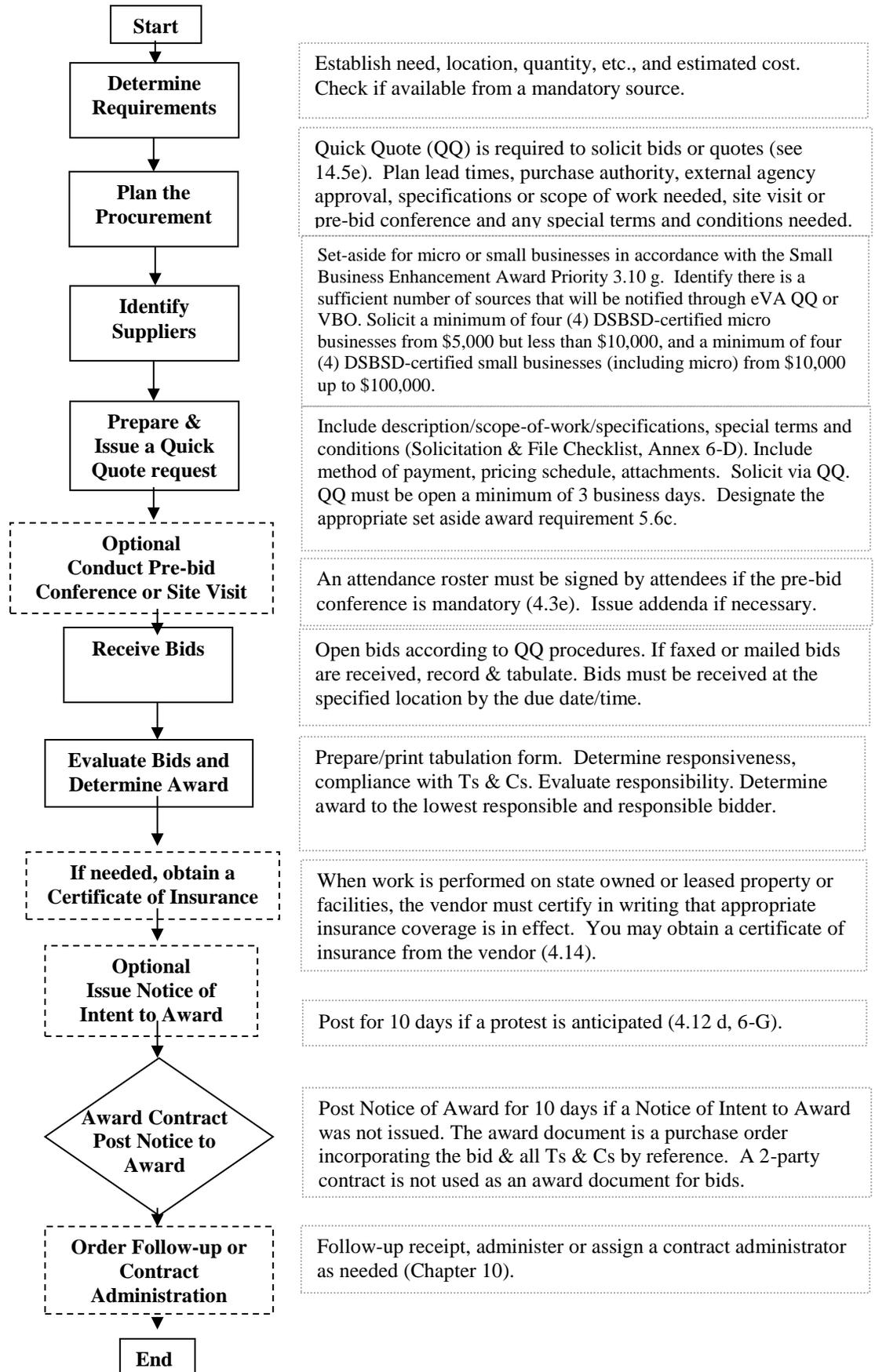
For Goods and Non-professional Services to \$5,000



**Annex 5-D
(DELETED)**

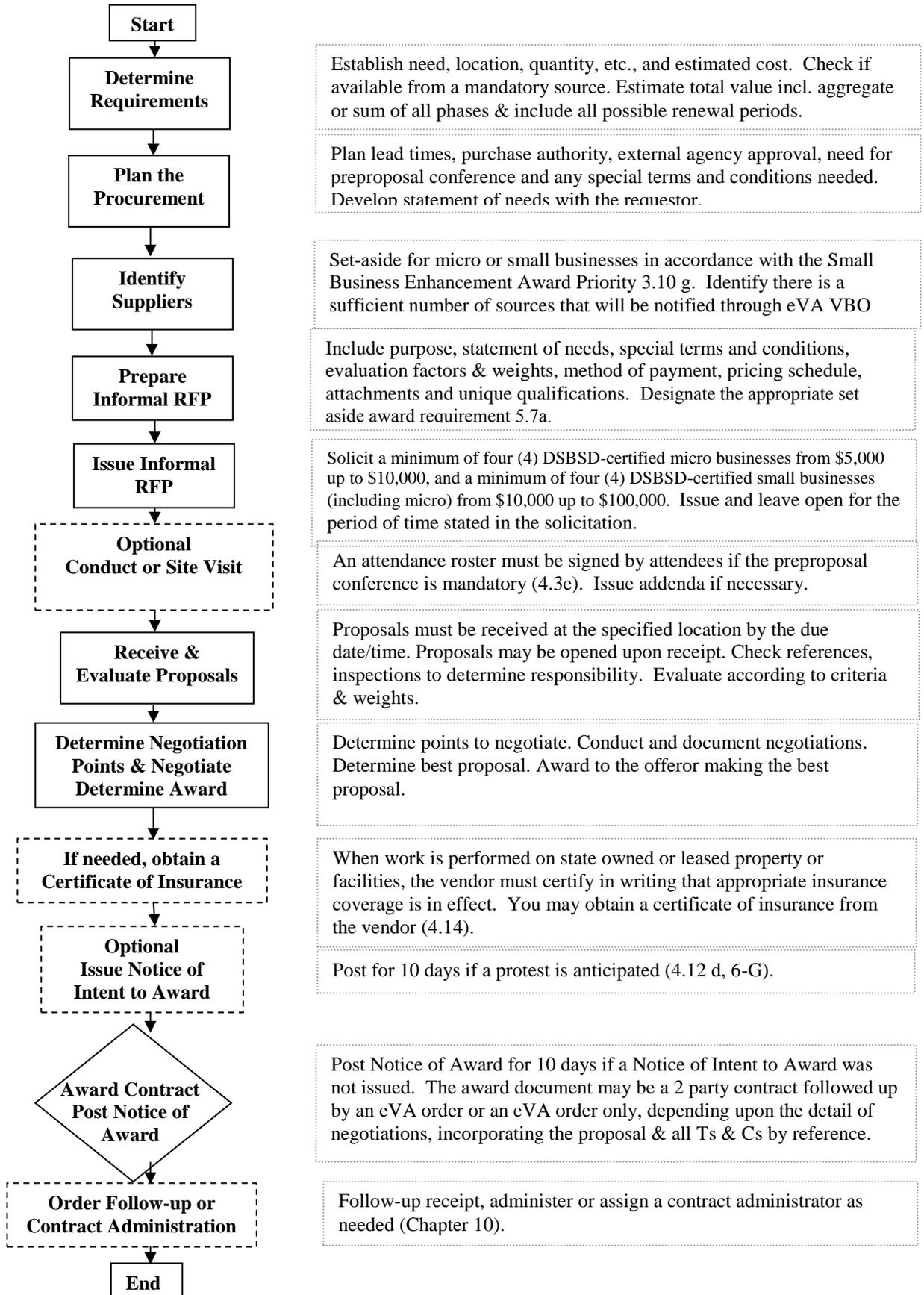
Annex 5-E

**Unsealed Bidding Process
For Goods and Non-professional Services over \$5,000 to \$100,000**



Annex 5-F

**Unsealed Request for Proposal Process
For Goods and Non-professional Services over \$5,000 to \$100,000**



Annex 5-G

TELEPHONE RECORD FOR GOODS – Use up to \$5,000; over \$5,000 use Quick Quote.

REQUEST NUMBER: _____		BIDDER #1	BIDDER #2	BIDDER #3
BUYER: _____		DATE: _____	DATE: _____	DATE: _____
eVA VENDOR ID or DUNS NUMBER >				
VENDOR NAME >				
VENDOR ADDRESS >				
CONTACT PERSON >				
PHONE NUMBER >				
FAX NUMBER >				
QUANTITY	ITEM DESCRIPTION	UNIT PRICE / TOTAL PRICE	UNIT PRICE / TOTAL PRICE	UNIT PRICE / TOTAL PRICE
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
DELIVERY DATE or TIME >				
PROMPT PAYMENT TERMS >				
ARE SHIPPING/HANDLING COSTS INCLUDED IN TOTAL PRICE? YES or NO >				
IF NO: CITE SHIPPING COST >				
TOTAL ORDER VALUE >				

INSTRUCTIONS - TELEPHONE RECORD FOR GOODS

1. **CAUTION:** Care should be exercised when obtaining pricing information by telephone. The description of what is desired should be described in generic terms or by use of brand name (including make and model). When specifying a brand name, be prepared to receive bids on an “or equivalent basis” unless the item desired has been justified as proprietary. When identifying potential sources to solicit, ensure that those selected are in business to provide what is needed.
2. **COMMUNICATE:** Communicate with the end user, when appropriate, to ensure that what is needed will be accurately described to the bidder(s).
3. **READ AND EDIT:** Read the requisition to make sure it answers the following questions:
 - WHO will receive the goods?
 - WHAT is needed?
 - WHEN is delivery required?
 - WHERE are the goods to be delivered?
 - HOW to be shipped, e.g., customer pick-up, truck, inside delivery, furnish and install, etc., and
 - HOW much?
4. **MODIFICATIONS:** All bidders contacted must be given the opportunity to bid on the identical specifications. For example, if during the bidding process a bidder offers an alternative (not an equivalent) and the end user determines that the alternate would suffice, then each bidder previously contacted must be provided the revised requirement and allowed to bid.
5. **NOTATIONS:** When soliciting bids on a brand name specified or equivalent basis, note on the phone quote sheet the product offered by each bidder, i.e., “as specified” or make, model of equivalent. When soliciting bids using generic specifications, notate the make and model offered by each bidder.
6. **TERMS AND CONDITIONS:** Note any special conditions that apply to the purchase and communicate those to each bidder. An example would be insurance and contractor licensing requirements involving some types of “furnish and install” procurements.
7. **PRICING:** Bids are to be solicited on a firm fixed price basis. Every attempt should be made to have the prices quoted F.O.B. destination and to include any shipping and handling charges in the total price. Otherwise, any separate charges must be shown on the Telephone Record sheet and included as part of the total bid price when evaluating the bids.

THIS FORM MAY BE REDESIGNED TO FIT LOCAL NEEDS; HOWEVER, THE INFORMATION BLOCKS SHOWN ON THE REVERSE SIDE OF THIS EXAMPLE ARE THE MINIMUM REQUIREMENTS TO BE RECORDED WHEN USING THE TELEPHONE BID METHOD.

Annex 5-H

TELEPHONE RECORD FOR SERVICES

REQUEST NUMBER: _____	BIDDER #1	BIDDER #2	BIDDER #3
BUYER: _____	DATE: _____	DATE: _____	DATE: _____
eVA VENDOR ID OR DUNS NUMBER >			
VENDOR NAME >			
VENDOR ADDRESS >			
CONTACT PERSON >			
PHONE NUMBER >			
FAX NUMBER >			

SCOPE OF WORK	FACTORS	BID INFORMATION	BID INFORMATION	BID INFORMATION
	LABOR COSTS			
	MATERIAL COSTS			
	TOTAL BID PRICE			
	PAYMENT TERMS			
	PERFORMANCE PERIOD/TIME			

***** ATTENTION PROCURING AGENTS, RECORD AND VERIFY THE INFORMATION BELOW WHEN APPLICABLE *****

REQUIRED	REQUIREMENT	CIRCLE "YES" OR "NO" TO INDICATE CONTRACTOR'S COMPLIANCE					
Y or N	Contractor's License Number						
Y or N	Insurance/Workmans' Compensation	YES	NO	YES	NO	YES	NO
Y or N	Prebid Conference/Site Visit	YES	NO	YES	NO	YES	NO
Y or N	Warranty (Materials/Workmanship)	YES	NO	YES	NO	YES	NO
Y or N	Qualified Contractor Personnel	YES	NO	YES	NO	YES	NO
Y or N	References; # Provided: _____	YES	NO	YES	NO	YES	NO

INSTRUCTIONS - TELEPHONE RECORD FOR NONPROFESSIONAL SERVICES

1. **CAUTION:** Care should be exercised when obtaining pricing information by telephone to purchase nonprofessional services. The scope of work should describe and define the task(s) which the contractor will be required to perform and itemize what the contractor is expected to accomplish. **REMINDER:** You are buying the contractor's time and effort, not a specific product.
2. **BE PREPARED:** Develop a firm understanding of the exact service to be purchased as this understanding will be communicated to the bidder(s). **SUGGESTION:** An effective way to gain the understanding needed to make an informed purchase decision is via a "using department" questionnaire.
3. **READ AND EDIT:** Read the scope of work provided on the requisition carefully. Ask yourself, "Do I fully understand the need(s) of the user, i.e., the recipient of the service?"; "Do I understand what he/she expects the contractor to do?"
4. **MODIFICATIONS:** All bidders must be given the chance to bid on the identical scope of work. If the original scope of work is modified during the telephone bid process, then each bidder previously contacted must be contacted again and allowed to bid on the revised requirement.
5. **FINAL SCOPE OF WORK:** The final product of your discussions with users and bidders **MUST** be transferred exactly to the APO. The scope of work becomes the basis for performance by the contractor, measurement of that performance by the agency, and the means by which the user's need is ultimately satisfied.
6. **TERMS AND CONDITIONS:** If the bidders are registered with the Commonwealth, you can assume familiarity with the procedures outlined in the *Vendors Manual*. In soliciting telephone bids, be sure bidders are made aware of any general and special terms and conditions which will apply to the procurement.
7. **PRICING FACTORS:** Major elements of the price of service(s) provided may need to be itemized e.g., materials, labor rates, travel, etc. If multiple pricing factors are involved e.g., labor rates, discounts off price lists, unit prices, and/or lump sums, be sure to have a clear and understandable bid evaluation procedure established.

THIS FORM MAY BE REDESIGNED TO FIT LOCAL NEEDS; HOWEVER, THE INFORMATION BLOCKS SHOWN ON THE REVERSE SIDE OF THIS EXAMPLE ARE THE **MINIMUM** REQUIREMENTS TO BE RECORDED WHEN USING THE TELEPHONE BID METHOD.

FAX BACK

PRICE QUOTE

To be considered, Respond by - Date: _____ Time: _____

Late bids will not be accepted. Fax response back to Fax Number:

Agency: Commonwealth of Virginia	Bidder:
	Fax Number:

Refer questions to _____ Phone Number _____

This solicitation is subject to the provisions of the Commonwealth of Virginia General Terms and Conditions, the DGS/DPS *Vendors Manual* and special terms and conditions as attached.

Applicable if checked: Insurance required. Contractor license required (insert below).
License Number _____

The right is reserved to make an award on a line item, group, or total sum basis.

The following checked specification and/or bid procedure applies to this request:

- Service: Submit quote based on description of service.
- Generic: Bidder must list make, model and/or product description offered that will meet the below specified performance requirements.
- Brand Name or Equivalent: Bidder is not restricted to the specific brand name, but if an equivalent is quoted, sufficient descriptive literature must be faxed with the quote.
- Proprietary: Quotes will only be accepted for exact brand and model listed.

Quote F.O.B. Destination.

Item	Description of Item/Service	Quan	Unit	Price	Total

Delivery Date (ARO): _____
Prompt Payment Discount Terms: _____

Page/Grand Total \$ _____

My signature on this solicitation indicates that I will comply with all terms and conditions. I agree to furnish the goods/services at the price(s) indicated.

Bidder Signature: _____ Phone: _____
eVA Vendor ID or DUNS Number: _____ Date: _____

INSTRUCTIONS - FAX BACK PRICE QUOTE FORM

The use of this form for facsimile bidding is limited to the dollar thresholds authorized by DGS/DPS for obtaining quotes for goods and services. Review the following instructions prior to preparing the FAX BACK form.

1. **SPECIFICATION:** Check the appropriate type specification being used. If a service, ensure that the scope of work fully describes and defines the task(s) which the contractor will be required to perform. The use of separate additional pages may be necessary to convey the scope of work and any additional special terms and conditions.
2. **DELIVERY INSTRUCTIONS:** If delivery is required by a specific date, or the delivery/performance location will be different from agency address, or any specific shipping instructions apply, indicate this on the form or a separate sheet.
3. **SPECIAL TERMS AND CONDITIONS:** Check if insurance and/or contractor license required and include the written provision if work is to be completed on state owned or leased property. Include any other applicable special terms and conditions as an attachment..
4. **BID EVALUATION AND AWARD:** If the bid evaluation and award will be based on a combination of pricing factors, such as labor hour rates and discounts off price lists, the bid evaluation procedure or pricing scenario to be used must be explained on the form or a separate sheet.