

City of Bristol, Virginia

PURCHASING PROCEDURES

In conjunction with §§ 2.2-4300 *et seq* of the 1950 *Code of Virginia* (commonly referred to as the Virginia Public Procurement Act) as from time to time amended, restated and recodified, and § 2-3 of the City Code (commonly referred to as the Bristol Virginia Small Purchases Procedure) as from time to time amended, restated and recodified, the City hereby adopts the following purchasing procedures to assist and give guidance to standard operating procedures for the procurement of City goods and services. This policy is supplemental to existing State and City Code provisions and in no way shall it be deemed to amend, replace or abrogate existing law. Accordingly, any conflict between the terms and procedures contained herein with those contained in the Virginia Public Procurement Act or the Bristol Virginia Small Purchases Procedure shall be resolved in favor of those contained in the respective State and City Codes.

STANDARDS OF CONDUCT

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

DEFINITIONS

Bid – A competitively priced offer made by an intended seller, usually in reply to an Invitation to Bid.

Competitive Negotiation – A method for purchasing goods and services that are usually of a complex nature, where qualified vendors are solicited by a request for proposals (RFP). Negotiations are conducted with selected offerors, as judged against criteria contained in the RFP. This process may be used for acquiring professional services or nonprofessional services under certain circumstances.

Competitive Sealed Bid - A method of vendor selection that requires the issuance of an Invitation to Bid that provides specific information about the item or service being sought. Posting in a designated public area or in a newspaper of general circulation, or both is required.

Competitive Sealed Proposal – The written response submitted by a vendor in response to a request for proposals, usually during the competitive negotiation process.

Confirming Purchase Order – Required in cases such as an emergency or weekend/evening purchase, this is a purchase order received on the very next regular workday and is labeled “Confirming Purchase Order”.

Emergency – An occurrence of a serious nature that demands immediate action to protect personal safety and property. Employees who perform duties on weekends and evenings should attempt to make necessary purchases ahead of time. Unforeseen issues that occur while on duty will be considered emergency.

Invitation to Bid – A written document containing or incorporating by reference the specifications or scope of work and all contractual terms and conditions that are used to solicit written bids for goods or nonprofessional services.

Nonprofessional Services or Other Than Professional Services are services that are not specifically identified as a professional service. Other than professional services may be obtained using competitive negotiations, however, this method must first be approved by the Procurement/Property Manager and approved in writing by the governing body (City Council).

Professional Services – 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.

Purchase Requisition/Receiving Report – A required form that initiates the procurement process, describing the item to be purchased, vendor name(s), cost etc. Requisitions are required for all purchases. The Receiving Report is completed for any item shipped to your department or office.

Purchase Order – A numbered form assigned to each purchase that shows vendor name and address, the good or service being purchased, quantity and cost. Purchase orders can only be issued by the Purchasing Department.

Quotation – Vendor pricing provided to the purchaser for a particular good or service.

Sole Source – A product or service that is available from only one source.

State Contracts – The Virginia Department of General Services/Division of Purchases and Supply (DGS/DPS) provides support to localities by establishing term contracts for numerous goods and services, which may be used in place of customary purchasing requirements. The Virginia Department of General Services website is: <http://dgs.virginia.gov> Scroll down on left and click on Division of Purchases and Supply which will give you the option to select State Contracts.

SPENDING LIMITS

- 1) A purchase order is not required for purchases of \$500 or less. A purchase requisition and the Department Head or his/her designee’s signature is required. Multiple transactions may be shown on the same requisition.

- 2) Purchases that are over \$500 but below \$5,000 require the City's requisition and purchase order but are exempt from the competitive practices and procedures described herein. However, it is requested that City departments and offices obtain the best pricing possible.
- 3) The procurement of goods and services that are expected to cost between \$5,000.01 and \$25,000 shall require a minimum of three (3) written quotations.
- 4) The procurement of goods and services that are expected to cost between \$25,000.01 and \$100,000 shall require a minimum of four (4) written quotations.
- 5) The procurement of goods and services that cost over \$100,000 shall require the solicitation of competitive sealed bids or proposals.
- 6) Professional services that are expected to exceed \$60,000 shall require the solicitation of competitive sealed proposals.
- 7) In all cases, the names of each person or business submitting quotations, the date and amount of each quotation shall be recorded and maintained as a public record. In any instances where the minimum number of quotations are not obtained or are not available, the reasons why shall be recorded and maintained as a public record. Specifications or requests for proposals (RFP) that are prepared for any solicitation for goods or services shall also be maintained as a public record.
- 8) Disbursement of funds in excess of \$5,000 requires the written approval of the Chief Financial Officer. Disbursement of funds in excess of \$10,000 requires the written approval of the City Manager. Disbursement of funds that exceed \$15,000 will be presented to City Council for approval. Upon approval by City Council, a purchase order will be issued. This policy does not pertain to debt payments, payroll related disbursements, transfers to Bristol, Virginia Public Schools, grant related disbursements, mandated state or federal funding requirements, fuel, flow-through funding, contracts previously approved by Council, or purchases that the City Manager deems necessary for extenuating or emergency purposes. The disbursement level applies to department monthly cumulative amounts.
- 9) The use of separate purchase orders to avoid the above mentioned thresholds is prohibited. The above mentioned thresholds will relate to the aggregate purchase price for a specific purchase.

GENERAL PROCEDURES

- 1) Except in emergency situations, no purchases over \$500 are to be made without first receiving a purchase order number and authorization from the Purchasing Department.
- 2) Each department is responsible for completing a purchase requisition for ALL purchases, whether with a purchase order number or not. The requisition must be dated on or before any purchase order.
- 3) The standard requisition/receiving report issued by the Purchasing Department is to be used by all departments and offices.
- 4) Department Heads or his/her designee must approve and sign the purchase requisition.
- 5) A purchase order number must be obtained for ALL purchases over \$500.
- 6) All purchase orders are to be dated before invoices received, except in emergency situations.
- 7) Invoices must be attached to the purchase requisition/receiving report and submitted to Purchasing within five (5) working days.
- 8) The invoices for items shipped to your department must be accompanied by a completed receiving report when submitted to the Purchasing Office. Receiving reports must be completed for all items that are shipped to your department.

- 9) Invoices dated prior to the requisition and purchase order will be considered unauthorized. The City Manager may require the purchaser to be financially responsible.
- 10) The Procurement/Property Manager will make the final decision as to the method of procurement used.
- 11) Open purchase orders for the purchase of automotive repair parts will be issued on Monday of each week.
- 12) When State Contracts are to be used, a copy of the specific contract must be submitted with the requisition to the Procurement/Property Manager for review.
- 13) Sole Source Procurement: In any case where the requisitioning department believes there is only one source available for a good or service, all pertinent information must be submitted with the requisition to the Procurement /Property Manager for review.
- 14) ORDER SPLITTING IN AN ATTEMPT TO AVOID FOLLOWING PROCUREMENT REQUIREMENTS IS PROHIBITED.
- 15) Sales Tax – When a City Department takes possession of a product or service in the Commonwealth of Virginia we DO NOT pay Virginia taxes. This includes items ordered from out of the State of Virginia. If we go outside Virginia and take possession of a product there, The City must pay sales tax.

PROCUREMENT CARD

- 1) Each Department of the City of Bristol, Virginia has been issued a BB&T Procurement card or cards.
- 2) These cards may be used at the discretion of each Department Head and only when normal purchasing procedures cannot be used. (A good example would be trying to use a vendor that will not accept a purchase order).
- 3) The Department Head is responsible for ensuring that a monthly log/record be maintained for each card used.
- 4) There MUST be written documentation for each purchase on the log such as a ticket, receipt or invoice. Department Heads or his/her designee are responsible for making sure the log/record reconciles with the credit card statement BEFORE it is approved for submittal to the Accounts Payable Clerks. A detailed requisition/receiving report, including the department budget accounting numbers to be charged for each purchase, must be submitted to the Account Clerks at your earliest convenience.
- 5) If the required information is not received by accounting in the above described manner, it will be returned to your department.
- 6) It is encouraged, when convenient and the pricing is close, that City Department use Bristol City vendors.
- 7) It is expected of all City of Bristol, Virginia employees to use the utmost discretion at all times, not only the cost but also in the methods of procurement selected. If you need assistance, the Procurement/Property Manager will work with you.

NOTE: The information contained in this document may be updated as necessary at the discretion of the City Manager and/or the Procurement Manager. Spending/Purchasing limit changes require approval by City Council.