



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 - 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 Procurement 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 – 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.

Purchase Order – A numbered form assigned to each qualifying 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 with an expected cost of \$1,000 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 with an expected cost over \$1,000 but less than \$10,000 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 with an expected cost of \$10,000 or more, but less than \$25,000 shall require a minimum of three (3) written quotations.
- 4) The procurement of goods and nonprofessional services with an expected cost of \$25,000.00 or more, but less than or equal to \$100,000 shall require a minimum of four (4) written quotations.
- 5) The procurement of goods and nonprofessional services with an expected cost greater than \$100,000 shall require the use of competitive sealed bidding or competitive negotiation.
- 6) Professional services with an expected cost of less than or equal to \$80,000 shall follow the above mentioned thresholds.
- 7) Professional services with an expected cost greater than \$80,000 shall require the use of competitive sealed bidding or competitive negotiation.
- 8) 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.
- 9) Disbursement of funds in excess of \$5,000 requires the written approval of the Chief Financial Officer, or designee. Disbursement of funds in excess of \$10,000 requires the written approval of the City Manager, and/or designee.
- 10) 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 \$1,000 are to be made without first receiving a purchase order number and authorization from the Purchasing Department. This does not apply to procurement card purchases.
- 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 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 \$1,000 unless purchase is made via a procurement card.
- 6) All purchase orders are to be dated before invoices received, except in emergency situations.
- 7) Invoices must be attached to the purchase requisition and submitted to Accounts Payable within three (3) working days.
- 8) The invoices for items shipped to your department must be accompanied by signed and dated packing slips, bills of lading, etc. when submitted to Accounts Payable.

- 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) Procurement will make the final decision as to the method of procurement used.
- 11) When State Contracts are to be used, a copy of the specific contract must be submitted with the requisition to Procurement for review.
- 12) 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 Procurement for review.
- 13) ORDER SPLITTING IN AN ATTEMPT TO AVOID FOLLOWING PROCUREMENT REQUIREMENTS IS PROHIBITED.
- 14) 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) Various Departments of the City of Bristol, Virginia may be issued Procurement 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) With the use of Procurement cards, general procurement procedures as detailed herein are to be followed with the exception that NO purchase orders will be required.
- 4) It is expected of all City of Bristol, Virginia employees to use the utmost discretion at all times, not only regarding the cost but also in the methods of procurement selected. If you need assistance, Procurement will work with you.

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