

FAUQUIER COUNTY PROCUREMENT PROCEDURES/REGULATIONS

1.0 PURPOSE

These procedures/regulations provide specific authority in support of the Procurement Policy, to ensure competition is sought to the maximum feasible degree for all purchasing activities. Procedures/regulations are not subject to Board approval; periodic changes will be made as necessary.

2.0 DELEGATED AUTHORITY

As permitted in IV, (C) of the Procurement Policy, the Purchasing Agent, to facilitate ease of purchasing, shall delegate procurement authority to Using Departments to obtain telephone or written quotations from vendors up to the threshold established for formal sealed solicitations. Delegation of authority is confirmed each fiscal year, along with certification of compliance with the Procurement Policy, through the annual Authorized Signatories and Ethics Compliance form as needed during the fiscal year. No employee is authorized to make an award or issue an order to a vendor without the approval of the Purchasing Agent unless otherwise provided for in writing or within these regulations.

3.0 PURCHASER/USING DEPARTMENT RESPONSIBILITIES

Purchasers, defined as those with authority to purchase goods and services and also traditionally defined in the Policy as "Using Departments", shall work closely with Procurement in developing their purchase requirements.

Using Departments shall comply with all Policy requirements, specifically Section X, Ethics in Public Contracting, during all purchasing transactions.

Planning is critical in the procurement process. Using Departments shall prepare acceptable technical specifications that characteristically define the quality of goods or services needed to perform a specific function, and shall provide evidence of funding i.e. appropriated budget code, at the time of solicitation development. Using Departments shall allow the necessary time for Procurement to obtain bids and for the vendor to deliver.

Using Departments shall keep any and all information not subject to the Freedom Of Information Act, confidential from vendors in order to protect the integrity of fair and open public competition. Employees may not release prices obtained during informal delegated bid processes to competing vendors which might then create an unfair bid advantage; however, informal bid results are open to public review after award of a contract or purchase order.

Using Departments shall strive to develop and maintain goodwill between the Fauquier County Board of Supervisors ("Fauquier County") and its suppliers, based on a mutual understanding between the purchaser and the seller within the confines of applicable law and policy. Maintaining strong vendor relations includes:

- Giving all salespersons a full, fair, prompt, and courteous hearing.
- Keeping competition open.
- Keeping specifications accurate, clear and without bias for a specific product or service.
- Having and applying consistent buying policies and procedures.

- Observing strict truthfulness in all transactions and in correspondence.
- Respecting confidential information provided by any company or salesperson.
- Keeping free from any obligation to any vendor.

Using Departments shall follow up and expedite all purchases as required, with the assistance of Procurement personnel if necessary. Using Departments shall notify Procurement in writing of any/all changes to purchase orders and contracts.

4.0 UNAUTHORIZED PURCHASES

Utilizing public funds for purchasing involves stringent oversight and three common areas of potential misuse are:

- *Confirming purchase orders issued after-the-fact, not in advance as required*
- *Employees signing contracts or agreements*
- *Accidentally or deliberately splitting purchases to avoid seeking competition*

Detailed explanations of these issues are provided below.

4.1 Funds Encumbered in Advance of Purchase: in accordance with Virginia Statute 15.2-1238, *Except in emergency, no order for delivery on a contract or open market order for supplies, materials, equipment or contractual services...shall be awarded until the chief financial officer shall have certified that the unencumbered balance in the appropriation concerned, in excess of all unpaid obligations, is sufficient to defray the cost of such order.* Certification is accomplished during the encumbrance process (or during the payment process for low-dollar purchases), requiring purchase orders in advance of receipt of goods or services as applicable by the dollar level of the purchase. Confirming or after-the-fact purchase orders are non-compliant with the Procurement Policy.

4.2 Employees Prohibited from Signing Contracts: in keeping with the authorities established in the Procurement Policy, only the current Chairman of the Fauquier County Board of Supervisors, County Administrator or their specific designee, and the Purchasing Agent are authorized to legally bind Fauquier County into a contract. Employees are not authorized to sign or execute any contract or agreement between Fauquier County and a vendor unless the employee has specific advance written authorization/delegation from the Purchasing Agent. Contracts signed by an employee without advance written authorization are invalid.

4.3 Split Purchases: Splitting a purchase requirement to lower the individual portions of the purchase below the limits where a more restrictive level of bidding is required is prohibited. Furthermore, the Purchasing Agent may revoke delegated purchasing authority if splitting of orders is detected as a result of audit or procurement review.

Violation of the Purchasing Policy and/or Procedures/Regulations may result in disciplinary actions as appropriate to the level of the violation.

5.0 PROCUREMENT METHODS AND PROCEDURES

The following chart outlines requirements for competition and the procurement methods for each threshold. Methods are outlined in greater detail later in this section.

Threshold	Method of Procurement
< \$ 5,000	<ul style="list-style-type: none"> ✓ Single verbal or written quote ✓ Purchase order, payment stamp OR voucher ✓ Delegated to Using Department/Purchaser
≥\$ 5,000 – <\$ 25,000	<ul style="list-style-type: none"> ✓ Requires minimum of 3 verbal/phone quotes ✓ Purchase order, 3-bid form attached ✓ Delegated to Using Department/Purchaser
≥\$ 25,000 – <\$ 50,000	<ul style="list-style-type: none"> ✓ Requires minimum of 4 written/faxed quotes ✓ Purchase order, quotes attached ✓ Delegated to Using Department/Purchaser
≥ \$ 50,000	<ul style="list-style-type: none"> ✓ Requires formal sealed bid (IFB) or proposal (RFP) ✓ Purchase order referencing contract number upon award ✓ Formal IFB/RFP released by Procurement Division with cooperation and assistance of Using Dept.
Sole Source ≥\$ 5,000	<ul style="list-style-type: none"> ✓ Requires Sole Source Justification form, with backup documentation if applicable ✓ Using Department completes form; Purchasing Agent signature/approval required ✓ Publicly posted for purchases ≥ \$50,000
Emergency ≥\$ 5,000	<ul style="list-style-type: none"> ✓ Requires Emergency Justification form ✓ Using Department completes form; Purchasing Agent signature/approval required ✓ Publicly posted for purchases ≥\$50,000
Any dollar value, Contract Purchases	<ul style="list-style-type: none"> ✓ No quote required unless a condition of the contract; valid contract number or reference must be on purchase order ✓ Contracts other than those generated by the Procurement Division require advance approval by the Purchasing Agent
Exceptions	Exceptions to competitive procurement requirements are outlined in detail in Section VI, G of the Policy

5.1 < \$5,000, PAYMENT STAMP, VOUCHER OR PURCHASE ORDER METHOD

Purchases for up to \$5,000 that are not through an acceptable-use contract, may be ordered by obtaining only one quote although seeking the most competitive price is always encouraged to maximize the use of the current year's budget funds. (Note: most contracts mandate the use of a purchase order as the method of ordering within the contract terms) Using Departments may utilize three methods for expenditures at this level: purchase order, payment stamp or voucher. If a purchase order is utilized, funds are encumbered by the Procurement Division and the numbered purchase order is faxed to the vendor, confirming the order items, quantities, unit pricing, delivery, payment terms and billing/shipping information. If the payment stamp or voucher method is utilized, responsibility for all the underlined information above rests solely with the Using Department/Purchaser. Procurement faxes all purchase orders, with the exception of blanket purchase orders, unless otherwise instructed. Purchase orders are never "phoned-in" to a vendor as this is not a secure, confirmed method.

Payment stamp or Voucher Method: Payment stamps are provided by the Procurement Division, signed out by the Using Department, and applied directly to the invoice for payment. Payment stamps may only be utilized by those persons designated with payment authority on the annually required Authorized Signatories and Ethics Compliance form. When an invoice does not have sufficient space to permit use of the payment stamp, a payment voucher is recommended. Purchasers are cautioned in using this method as it does not convey any order information or ensure any order compliance. The payment stamp method should not be used for any service purchases due to the required insurance and no-crimes against children certifications.

Purchase Order Method: Purchase order forms are provided to all Using Departments by the Procurement Division, via courier upon your request. Purchase orders are most legible when typed or printed on the computer, which is the preferred method of preparation. Purchase orders must have the following elements completed in order for quick, smooth processing to occur:

1. "Blanket Purchase Order" or "Blanket Purchase Agreement" at center top if applicable (see Types of Purchase Orders).
2. Vendor name, address, phone and fax.
3. Bill-To (originating Using Department) name and full address, contact person if applicable.
4. Ship-To can note "same as above" or should note full name, address and contact person.
5. Originator phone, fax and vendor number (vendor numbers are assigned by Accts. Payable).
6. Issue date: the date the purchase order is typed.
7. Date required: the date the Using Department desires to receive the goods/services; can say "see below" for more detail within the PO or, "FY XXXX", if valid for entire fiscal year.
8. Payment terms: standard Fauquier County payment terms are Net 45; contracts may have payment terms of Net 30, so be aware of your method of purchase when completing this field.
9. F.O.B.: Freight On Board indicates responsibility for freight.
FOB Destination prepaid (preferred method): vendor is responsible for shipment until it reaches your door; freight is charged on your invoice if applicable.
FOB Origin prepaid (not the preferred method): Using Department is responsible for shipment until it arrives; freight is charged on the invoice if applicable.
Freight "collect" in place of "prepaid": freight is paid upon delivery.
10. Contract No.: the valid contract number, if a contract purchase, is inserted here or this can indicate "Exempt per---", "3 or 4 Bid", or "Sole Source" as the method of purchase.
11. No purchase order is acceptable with "SEE ATTACHED" only, listed in the body of the purchase order. A general idea of the goods/services must be listed on the purchase order

(example: "Office supplies per attached"). Additional notes regarding delivery terms or pertinent information, including quantities, items, unit pricing and/or not-to-exceed pricing is often included in the body of the purchase order.

12. Budget Codes/Amount: a valid budget code appropriate to the type of purchase made and the dollar amount of the purchase is required to encumber funds.
13. Originator/Authorized Signature: purchase order must be signed by an authorized individual, only on the Originator line, to be processed by the Procurement Division.
Purchasers may view a sample purchase order referencing each number in this section in the Appendix.

Types of Purchase Orders: Using Departments may utilize a variety of purchase order formats depending on the type of goods and/or services being procured. Examples of the types of purchase orders frequently utilized are provided for Using Department review and information.

- STANDARD GOODS/SERVICE PURCHASE ORDER: used for a one-time purchase of goods and/or services. Purchase order shall indicate a detailed list of goods and services or a general description, if a copy of the order form is attached. Purchasers will close out the purchase order upon receipt of the shipment and a correct, accurate invoice.
- BLANKET PURCHASE ORDER: used for contract purchases, only. Purchase order dollar value has no limit as noted in the Threshold Chart. For clarity, Purchasers should indicate both the PO term (how long PO is valid for) and contract term in the body of the contract; if the contract expires within the PO term, Purchasers should indicate if renewals are available, for example: *Contract term: 2/1/12 – 1/31/13 w/renewals*. If no renewals remain on a contract, the purchase order term cannot exceed the contract term. If the purchase order is for the 2nd year of a 5 year rental/lease contract, indicate the lease or rental term within the purchase order, for example: *Lease/rental term: 2/1/12 – 1/31/13, year 3 of 5*. If the Using Department has delegated order placement/pickup authority to personnel other than those listed in the Authorized Signatories and Ethics Compliance form, those names should appear in the body of the purchase order. Purchasers can indicate a not-to-exceed dollar value based on their annual requirement estimates or past year's contract purchasing experience. Purchasers may utilize multiple budget codes on a blanket purchase order but must ensure the breakdown by budget code equals the total not-to-exceed value.
- BLANKET PURCHASE AGREEMENT: used for non-contract, convenience purchases. The voucher-stamp method will replace the use of this format in the future, but Purchasers may utilize a blanket purchase agreement for low-dollar purchases that do not exceed the threshold for competition within a given fiscal year period. Purchase order term is required but no contract term, as this is for off-contract purchases. The blanket purchase agreement offers a one-time encumbrance process to secure the purchase order for repetitive small purchases and payments throughout the fiscal year. A not-to-exceed dollar value is noted on the purchase order and the Purchaser may utilize multiple budget codes as noted above.
- PROJECT AWARD PURCHASE ORDER: used as the Notice of Award/Notice to Proceed for small-dollar, informal projects, Purchasers may indicate this by typing specific information within the body of the purchase order, for example: *This purchase order represents Notice of Award and Notice to Proceed; the Contractor shall complete this project within 30 days as noted in their bid response.* The Procurement Division will provide the required language for this type of purchase order if requested.

The Procurement Division strives to process compliant purchase orders with all required documentation and elements included/completed, within three (3) days of receipt. Procurement will work with Purchasers to quickly process exceptional purchasing requirements as needs arise, although proper planning should prevent this from occurring with any frequency.

5.2 >\$5,000 - <\$25,000 3-QUOTE METHOD

Purchases of \$5,000 but less than \$25,000 require competitive pricing in the form of a minimum of quotes from at least three qualified sources.

Process: The Using Department must prepare a written specification of the goods and/or services required, to ensure all bidders have the same information. Purchasers must strive for specifications that are generic or that specify “brand name or equal” so as not to favor one vendor or manufacturer. Purchasers should inform the vendor that they may offer an equivalent if they are requesting quotes on a brand-name basis.

The Using Department can then contact three qualified sources that are authorized to provide the specific goods/services for the unit price or discount off the list price, within a reasonably stated delivery time and shall provide any other factors required to determine the lowest responsive (request completed and returned within the required timeframe), responsible (fully capable of providing the good/service) source.

Purchasers shall complete the Three-Bid form (see Appendix) as evidence of this method and attach it to the purchase order for ease of review and processing. Purchasers shall use the term “3-bid” in the contract section of the purchase order to indicate the method of procurement.

Any quotation for the provision of services taking place on Fauquier County property must also include requirements for insurance and, certification of no crimes against children (if applicable) before any contractor is permitted on-site. Please contact the Procurement Division for the appropriate forms for these required elements.

Tips to Purchasers:

- Obtaining a quote from an internet website or catalog received in the mail, while appearing compliant with the three-quote method, is not the ideal way to ensure competitive pricing. Contacting the vendor directly and indicating that you are seeking their most competitive price as part of an open-market bid process is the recommended approach. A no-bid is not considered valid as one of the three required quotes.
- Quotations are normally only valid for a short period of time; be sure to issue your purchase order within the required timeframe or obtain an updated quotation if the one in hand has expired.
- If the Using Department anticipates placing multiple orders during a fiscal year or specific time period against a three-bid method, they must clearly communicate this in their original specification and request so all bidders are aware of how long their quoted prices must remain valid, for example, “*Bidders shall provide pricing that can remain valid from 7/1/12 – 6/30/13*”. State the length of time your three-bid method is valid for on your three-bid form that backs up your purchase order.
- Bidding in the public sector prohibits the Purchaser from manipulating one bidder against another; Using Departments are advised not to reveal one source’s pricing to another during the open-market-bid process. Once a purchase order is processed, however, all pricing becomes public information and Purchasers may share the three-bid form with bidders to encourage more competitive bidding in the future.

5.3 >\$25,000 - <\$50,000 4-WRITTEN QUOTE METHOD

Purchase of goods and/or services valued from \$25,000 to under \$50,000 require competitive pricing in the form of written quotes from at least four qualified sources.

Process: To insure that comparable responses are received, the Using Department must prepare a written specification for the item(s) or service(s) required. The Using Department/Purchaser may then request competitive bids on vendor letterhead or through a readily identifiable business e-mail response. As noted in 5.2 above, Purchasers must strive for specifications that are generic or that specify "brand name or equal" so as not to favor one vendor or manufacturer. Purchasers should inform the vendor that they may offer an equivalent if they are requesting quotes on a brand-name basis.

The Using Department shall then contact a minimum of four qualified sources that are authorized to provide the specific goods/services for the unit price or discount off a the list price, within a reasonably stated delivery time and shall provide any other factors required to determine the lowest responsive (request completed and returned within the required timeframe), responsible (fully capable of providing the good/service) source. Purchasers must provide all four (4) written quotations with the resulting purchase order to verify use of this method and shall use the term "4 quotes" in the contract section of the purchase order to indicate the method of procurement.

Any quotation for the provision of services taking place on Fauquier County property must also include requirements for insurance and, certification of no crimes against children (if applicable), before any contractor is permitted on-site. Please contact the Procurement Division for the appropriate forms for these required elements.

Construction Through "Under \$50,000" Program – Using Departments shall forward specifications for small construction projects valued at ≤\$50,000 to the Procurement Division in order to utilize existing pre-qualified, but not contracted, service companies for projects within that estimated value range. The Procurement Division will work with the Using Department on their specifications, release of the informal bid document, and coordinate the mandatory on-site pre-bid meeting. The Using Department will issue the purchase order representing the Notice of Award under the guidance of Procurement personnel.

Tips to Purchasers:

- Obtaining a written quote via an internet website is not competitive pricing; contact the vendor directly to seek their most competitive price as part of a written-quote open-market bid process. No-bid responses do not count as a valid quotation.
- Quotations are normally only valid for a short period of time; be sure to issue your purchase order within the quotation timeframe to honor that quotation or, obtain an updated quotation. Hard copy quotations are required with the purchase order.
- If the Using Department anticipates placing multiple orders during a fiscal year or specific time period against a four-quote method, clearly communicate this in the original specification and request so all bidders are aware of how long their quoted prices must remain valid, for example, "*Bidders shall provide pricing that can remain valid from 7/1/12 – 6/30/13*". Indicate the quotation validity length on the purchase order or associated backup.
- Bidding in the public sector prohibits the Purchaser from manipulating one bidder against another; Using Departments are advised not to reveal one source's pricing to another during the open-market-bid process but shall share this information if requested after award.

5.4 >\$50,000+ SEALED BID OR PROPOSAL METHOD

Purchases \geq \$50,000 require the release of a competitive Invitation for Bid (IFB) or competitive negotiation through the release of a Request for Proposal (RFP) by the Procurement Division under the direction and assistance of the Using Department/Purchaser.

5.4.1 Competitive Sealed Bidding

The condition for use of the competitive sealed bid method through issuance of an IFB is outlined in the Procurement Policy section VI. A 1-22. The assistance and guidance of the Using Department is a critical component of a successful competitive bid process.

IFB Development: The Using Department shall provide the Procurement Division with a Scope of Work including detailed specifications of the goods/services, delivery expectations or requirements, performance standards, quantities for a one-time or annual estimate purchase, method of pricing, desired length of the resulting contract, expectation of one or multiple contract awards, an indication of who the contract administrator is, and all details pertinent to a strong resulting contract. Procurement Division staff will work closely with the Using Department to ensure the release of the most comprehensive, complete IFB possible, and the Using Department must validate the IFB as acceptable prior to release. The Procurement Division will utilize its Bidder's List Database along with past requests for IFB's of similar size and scope and, the Using Department's recommendations to compile the list of potential bidders to receive this solicitation. The Using Department shall verify that sufficient budgeted funds exist for award prior to release of any IFB. Timeline for development of an IFB is dependent upon the complexity of the project or purchase.

IFB Release: All IFB's are posted on the Procurement website in addition to their release to potential bidders. Any questions posed relative to the IFB must come to the Procurement staff member designated within the IFB. Procurement personnel will oversee a pre-bid conference, if required, with a Using Department representative in attendance. Procurement personnel, after consulting with the Using Department, will issue an addendum with any change made to the IFB to all bidders of record and post all addenda on the Procurement website. As noted in the Policy, IFB's must be publicly posted no less than ten (10) days prior to the IFB due date. The Procurement Division will open IFB's publicly at the Procurement Division office, prepare a bid tabulation form, forward the form and bids received to the Using Department after the bid opening, and post the bid tabulation on the Procurement website.

IFB Evaluation and Award: The Using Department shall evaluate all bids received on the basis established within the IFB. The Procurement Division will work with the Using Department to assist during the bid evaluation by securing samples, calling references, scheduling demonstrations or site visits or conducting any activity that verifies the responsibility of the bidders. If Board approval is required, the Procurement Division will assist in any resolution preparation if requested. The Procurement Division will issue and publicly post the Notice of Intent or Award upon receipt of the final bid award approval from the Using Department.

IFB Post-Award: The Procurement Division will issue a two-party contract encompassing the original IFB, addenda, and contractor's bid response, and will secure any required bonds or insurance certificates. The Procurement Division will post contract information on its website and assist the Using Department during the life of the resulting contract as further outlined in the Contract Administration section of these regulations.

5.4.2 Competitive Negotiation

Per Policy section VI. B, a written determination, prepared by the Procurement Division in advance, that competitive sealed bidding is either not practicable or fiscally advantageous is required by law to utilize the competitive negotiation process. The Procurement Division shall keep this determination with the RFP file to document the basis for this procurement method. Using Departments/Purchasers play an integral role in the competitive negotiation process.

RFP Development: The Using Department shall provide the Procurement Division with a detailed Statement of Needs including a description of the desired goods/services, specific tasks and associated deliverables or results, Fauquier County and Offeror responsibilities, delivery and performance expectations. Background information is required to educate Offerors on the history or development of the project and often contains pertinent statistical or historical information. Procurement will work closely with the Using Department to develop, from the initial Statement of Needs, the specific proposal requirements and evaluation criteria. The Using Department shall determine, with Procurement guidance, the evaluation committee members, contract administrator(s), desired contract term and proposed pricing structure. The Using Department must validate the RFP as acceptable prior to release. The Procurement Division will utilize its Bidder's List Database in addition to past requests for RFP's of similar size and scope and the Using Department's recommendations to compile the list of potential Offerors. The Using Department shall verify that sufficient budgeted funds exist for award prior to release of the RFP. Timeline for development of the RFP is dependent on the complexity of the RFP, and may be affected by any third-party assistance from consultants or professional firms.

RFP Release: As required by Policy, Procurement shall advertise the RFP in a newspaper of local circulation and post it on the website no less than ten (10) days prior to the RFP due date. Any questions posed relative to the RFP must come to the Procurement staff member designated within the RFP. Procurement personnel will oversee a pre-proposal conference, if required, with the Using Department in attendance. Procurement personnel, after consulting with the Using Department, will issue an addendum with any change made to the RFP to all Offerors of record and post all addenda on the Procurement website. The Procurement Division will distribute information outlining the basic review process and member responsibilities to all evaluation committee members requiring review and response prior to the RFP opening date. Procurement may open RFP's publicly but only the name of the Offeror is read aloud.

RFP Evaluation and Award: Procurement will distribute proposal copies to the evaluation committee members only, with evaluation forms using the criteria contained in the original RFP and weights determined by the Using Department, and instructions on how to proceed. The Procurement Division will work closely with the committee during their independent initial evaluation, and will rank the Offerors based on the committee's completed evaluation forms. Procurement will schedule interviews, site visits and/or demonstrations based on committee feedback and request, and will oversee negotiations with top-ranked Offeror(s) with the committee. The Procurement Division will issue and publicly post the Notice of Intent to Award or Notice of Award upon receipt of the final proposal award approval from the evaluation committee.

RFP Post-Award: The Procurement Division will issue a two-party contract encompassing the original RFP, addenda, and Offeror's proposal response, and will secure any required information, bonds or insurance certificates. The Procurement Division will hold Offeror debriefings if requested, post contract information on its website and assist the Using Department during the life of the resulting contract as further outlined in the Contract Administration section of these regulations.

5.5 >\$5,000 SOLE SOURCE

Occasionally, after conducting a good faith review of available sources, there is only one source practicably available for the required good or services; this is considered a sole source purchase.

Process: Using Departments must justify this exemption from the preferred competitive process through the use of the Sole Source Justification form, which the Purchasing Agent reviews and approves prior to issuance of the purchase order. Each fiscal year must have a new sole source justification to verify that it is still truly a sole source purchase. The exception to this rule is if an agreement or quote proposes multiple fiscal years pricing as part of the agreement. The steps for Purchasers to complete the sole source form are as follows:

- 1) Determine if this is a one-time sole source purchase within the current fiscal year or if other purchases will be made within the fiscal year. If multiple purchase orders may occur within a fiscal year, an Extended Sole Source (ESS) is appropriate, noting the estimated not-to-exceed dollar expenditure for the entire fiscal year. In the event an ESS is proposed, Purchasers may refer to "ESS DTD --- (the date the ESS was approved by Procurement)" in the contract section of the purchase order and no additional paperwork is required, as the Procurement Division will maintain a copy of the original ESS.
- 2) Provide the vendor name, address, phone, fax, brief description of goods/services, budget code and estimated expenditure amount.
- 3) Check the applicable sole source justification on the form, providing the required documentation as indicated on the form. This usually requires Purchasers to contact the manufacturer for legitimate, verifiable proof in the form of documentation on the manufacturer's letterhead. Additional justification from the Using Department is required for every sole source option, explaining how and why this particular good/service was selected.
- 4) Provide the name of the Using Department and the signature of the appropriately authorized individual for that department.

The completed Sole Source Justification form (see Appendix) and associated backup is attached to the purchase order and sent to the Procurement Division for review, approval and processing. The Procurement Division must publicly post, both on its bulletin board and on the Procurement website, sole source purchases at or in excess of \$50,000 on the day the authorization is given.

Tips to Purchasers:

- Sole source purchases can still be negotiated but negotiation power is reduced by restricting the purchase to only one source; consult the Procurement Division if assistance is needed in making that determination.
- Because publicly posted sole sources are subject to protest, the Procurement Division stringently reviews all documentation and justification provided from the Using Department.
- Verifying sole sources each fiscal year may alert the Using Department to changes in company names through acquisition and the potential release of proprietary rights resulting in a more competitive bidding, not sole source environment.

5.6 >\$5,000 EMERGENCY

An emergency may arise to protect personal safety, life or property (i.e., an unforeseen occurrence of a serious, urgent and threatening nature that demands immediate action to avoid termination of essential services or a dangerous condition). Emergency purchases are intended to provide an interim solution to a situation until proper procedures can be followed.

Process: In emergency cases, a Purchase Order or contract may be awarded by the Procurement Division with as much competition as practicable under the circumstances or through delegated authority, by the Using Department. Unless the nature of the emergency prevents this, Purchasers should always seek competition or the use of an existing contract.

Because an emergency can occur during non-working hours when the Procurement Division and/or parts suppliers are closed, Using Department(s) may utilize emergency operating procedures (i.e., shutdown, bypass, or alternative methods, etc.) to provide a temporary solution to the situation until suppliers and/or Procurement become available. When this occurs, the Using Department must provide written justification that explains the emergency, steps taken to ensure a fair and reasonable price, and the criteria or rationale for selecting the vendor used in the emergency. The person authorized to procure goods and services within the Using Department must sign this Emergency Justification form. If the emergency occurs during non-working hours, the authorized Purchaser must provide the completed emergency justification form to the Procurement Division on the next working day.

Using Departments shall attach the completed Emergency Justification form (see Appendix) to the purchase order and sent to the Procurement Division for review, approval and processing. The Procurement Division must publicly post, both on its bulletin board and on the Procurement website, emergency purchases \geq \$50,000 on the day the authorization is given.

Tips to Purchasers:

- Knowledge of existing contract sources may greatly assist any Purchaser during an emergency situation; many of the contract sources are posted on the Procurement website.
- The Procurement Division stringently reviews all documentation and justification provided from the Using Department, as publicly posted emergencies are subject to public scrutiny.
- We are all reminded of this saying: *"Failure to plan on your part does not constitute an emergency..."* Purchasers shall use the emergency justification/purchase method only in instances of true emergency.

5.7 CONTRACT PURCHASES OF ANY DOLLAR VALUE

Purchases made from existing, approved contract sources that satisfy the intent of the Policy can save a Using Department time, money and resources and are a valuable, often unlimited purchasing method.

Process: Fauquier County Contracts: The Procurement Division, in conjunction with the Using Department, may competitively secure contracts for use by Fauquier County after successfully using one of the competitive methods outlined herein. Consolidating and standardizing similar quality requirements resulting in more favorable prices through volume procurement, reduction in procurement lead time and administrative efforts and receipt of consistent quality and service levels are all benefits of the contract process. Most contracts include costs like shipping and handling within the unit cost or contract rates, and most do not require any minimum/maximum purchase amount, increasing the purchasing power of the Using Department.

Given the extent of competition and effort expended by both the Using Department and Procurement to provide competitive contract sources, all Purchasers should use those contract sources as the preferred method of purchase for that good/service. However, the Purchasing Agent may approve exceptions to these contract sources on a case-by-case basis when Using Department requirements differ and/or cannot be satisfied through an existing contract.

Cooperative Use Contracts other than Fauquier County: Section 2.2-4304 of the Virginia Code permits use of contracts awarded by others as long as the appropriate cooperative language is included in the original solicitation. The following steps are required to validate use of a cooperative contract:

- 1) The Procurement Division, on behalf of the Using Department or interested Purchaser, reviews the entire contract, including the original solicitation to verify that the contract was competitively procured, contains the required cooperative language, has terms Fauquier County can legally agree to, and closely matches the scope of work or item the Purchaser intends to obtain.
- 2) Awarded contractor(s) are contacted to verify that they will extend the contract to Fauquier County; if a quote is required as a condition of the contract, the quote is obtained and reviewed.
- 3) If required or advisable, the Procurement Division issues a two-party contract incorporating the cooperative contract and Fauquier County insurance or specific requirements within the realm of the contract scope of work. Also if required, the Procurement Division may ask for the County Attorney's legal review and approval.
- 4) If the cooperative contract requires Fauquier County to sign up or register with a cooperative group, careful attention is given to the requirements of such registration prior to proceeding, including legal review if advisable. As an example, Fauquier County currently utilizes cooperative membership with the Metropolitan-Washington Council of Governments, U.S. Communities, and the National Joint Purchasing Alliance.
- 5) Purchasers can only utilize approved cooperative contracts while they are still valid, applicable, and still have contract terms remaining; purchasers must also agree to the payment and all other terms of the cooperative contract and note unique terms (example: Net 30 payment versus standard Fauquier County Net 45), in addition to clearly noting the cooperative contract number, on contract purchase orders.

5.8 POST-AWARD ACTIVITY: CONTRACT ADMINISTRATION

Contract administration begins after award of the contract or issuance of the purchase order, and includes all actions taken by Fauquier County or, the Procurement Division at the direction and request of the Purchaser/Using Department.

5.8.1 Formal Contract Administration Procurement, with the agreement of the Using Department during the IFB/RFP development phase, may name specific Purchaser(s) (by position, not given name) as a contract administrator(s) within the solicitation documents. This contract administration clause outlines the duties and authority of the contract administrator, which include interpretation of the contract, judgment of contract performance and determination of the amount, quantity, acceptability and fitness of all aspects of contract work. Any modification of the contract is not official unless and until authorized by the Purchasing Agent in writing. The Procurement Division is a ready source of guidance for contract interpretation questions.

Contract Changes: Upon receipt of verification of budget funds and a change request, the Procurement Division will initiate in writing, official changes, additions, deletions and adjustments to contracts at the direction and request of the Using Department. Changes or modifications are not official until they are fully executed by both contract parties. Issuing contract changes through the Procurement Division in writing insures the contract and project files are consistently up to date with requirements and use in the field.

Contract Problems or Disputes: If a contract administrator determines that the awarded contractor is not providing goods or services according to contract terms, the contract administrator shall take the following steps, depending on the nature and severity of the problem or dispute:

- Verbally discuss the problem, referencing specific sections of the contract/original bid/proposal document to confirm the contractual requirement, and request resolution within a specified timeframe. Document the date, time and contact information in your contract or project file. Send this information to the Procurement Division for the contract file.
- If performance does not improve within the specified timeframe, notify the contractor in writing clearly defining the problem, the contract obligations, and the expected resolution, and documenting this correspondence in your files. Send this information to the Procurement Division for the contract file.
- If the problem still persists, contact the Procurement Division and relay all steps taken to date, using your documentation to provide timelines and details. Request a Notice to Cure letter in which the contractor is clearly informed of the issue, the expected resolution and the repercussions of non-performance which may include termination of the contract for cause and/or re-procurement costs.

Note: Consistent, clear communication between the parties is the key to any good working relationship.

Contract Renewals: The Procurement Division will seek feedback and permission to renew, or direction to either not renew or rebid, from the Using Department prior to the expiration of the current contract term. Feedback and permission is in the form of a Renewal Questionnaire the Using Department or contract administrator must complete, scoring performance, and return to Procurement before any renewal notice is sent. Contractors often have options to adjust pricing at the time of renewal; if price adjustments are requested in accordance with the contract terms, Procurement will relay this request to the Using Department and await permission to adjust the pricing with the renewal. No renewal is completed without the permission and feedback of the

contract administrator or Using Department, so the completion and return of the Renewal Questionnaire is important. Once a fully executed contract renewal or, renewal- modification (if changes were requested and authorized) is on file, Procurement will update the contract on its website, updating any attachments to that listing, and notify the Using Department or contract administrator.

5.8.2 Informal Contract Administration/Changes to Purchase Orders Purchase Orders, which represent a less formal method of contract, may require changes or cancellations after the original is sent to the vendor for any number of valid reasons. Any change that affects the unit pricing or total amount of the purchase order, or the vendor number, requires an edit within the Fauquier County financial system. Purchasers are advised to seriously question any pricing change to a contract or informal bid method purchase, as pricing should be according to the contract. Using Departments must request edits in writing, and e-mail is an excellent method to accomplish this request. E-mail edit requests must include the following information to ensure a thorough and proper edit:

- Purchase order number and vendor name
- Exact amount by which the purchase order is to be increased/decreased (specify)
- Budget code associated with the increase/decrease
- Brief explanation of why the increase/decrease is required

Please note that requests to increase any purchase order are also subject to the availability of available, unencumbered budgeted funds within the increased budget code.

Document edits or changes on the pink copy of the purchase order to facilitate payments. The Procurement Division will not fax any edited purchase order to the vendor unless specifically requested to do so by the Using Department. Follow up on delivery of any goods/services is the responsibility of the Using Department, as part of its delegated authority.

Inspection and Acceptance: Inspection of goods or services is the responsibility of the Using Department or recipient and requires knowledge of the good/service ordered, contract specifications and delivery terms. Acceptance of goods or services usually occurs at the time of delivery and inspection. Using Departments must take care to thoroughly inspect goods and services prior to accepting them and processing payment, so that any dispute or damage claims can occur in a prompt manner. If a good or service is rejected by the Using Department or contract administrator, it is their responsibility to notify the contractor/vendor, provide the reasons for the rejection, and request the proper corrective action, documenting this activity as part of their purchase order file. Rejection of deliveries that are not the fault of the contractor/vendor may result in a restocking or additional delivery charge; Purchasers should consider these charges before making such rejections.

Payment: Standard Fauquier County payment terms are Net 45 days after receipt of accurate invoice; many cooperative contracts require Net 30 payment terms. Verification of invoices against the original purchase order or, with use of the voucher payment stamp, is the responsibility of the Using Department/Purchaser. The pink purchase order copy is used for payments. If the order is received and paid in full in one action, send the completed pink purchase order with the invoice. Partial payments or blanket purchase order payments require a copy of the pink purchase order releasing just that invoice against the entire purchase order, so that a balance remains open.

Cancellation: Using Departments may cancel a purchase order but must notify the contractor/vendor in writing, and notify Accounts Payable to close the purchase order so funds are officially disencumbered. Purchasers should realize that if work has already commenced on the good/service ordered, the contractor/vendor may charge the Using Department.

6.0 PROCUREMENT ASSISTANCE

The Procurement Division will assist any Purchaser or Using Department in any facet of the public purchasing process. We invite you to visit the Procurement website and save it on your Favorites Toolbar for future reference:

<http://www.fauquiercounty.gov/government/departments/procurement/>

Procurement workload is allocated to staff by commodity; a copy of the current commodity assignments to Procurement personnel is available on the Procurement website. The Procurement Division is a long-standing member of the National Institute of Governmental Purchasing (NIGP) and the Virginia Association of Governmental Purchasing (VAGP), both outstanding network and purchasing resources.

Procurement staff routinely reviews contracts and agreements on behalf of Fauquier County as a preliminary measure prior to any legal review, to determine what may be rejected or will require correction before a contract is acceptable as to legal form.

Consider contacting the Procurement Division for additional assistance if the Purchaser:

- Is unsure how to proceed in determining specifications for a good/service.
- Needs assistance in researching cooperative contracts for any good/service through other public entities in Virginia or for Procurement to issue a VAGP member inquiry.
- Requires assistance resolving contract questions or invoice discrepancies after attempting initial resolution.
- Is a contract administrator and is not quite sure if they or the contractor may currently be in breach of contract.
- Would like to add something to an existing contract and is not sure how to proceed.
- Would like assistance in an informal bidding process or due to trouble finding enough vendors to satisfy the informal purchasing requirement.
- Is being asked to sign or agree to something that doesn't feel quite right.
- Is aware of a vendor that is interested in doing business with Fauquier.
- Would like training on public purchasing, issuing purchase orders, using contracts, or any facet of the public purchasing process.

Appendix: Procurement Forms

THREE BID FORM For Purchases ≥ \$5,000 to ≤ \$25,000

1. This form must be used for items estimated to cost \$5,000 but less than \$25,000; a minimum of three (3) quotations must be received for orders under \$25,000. **Please note: A return of 'NO BID' is not a valid bid; therefore you may need to solicit at least 5 vendors.**
2. The three bid form shall accompany the purchase order to verify use of this method, and a copy of the three bid form any associated backup (i.e., faxed or written quote) must be retained by the originator for audit purposes.
3. The total purchase cost of the goods shall include the materials, equipment, supplies, shipping and handling. FOB Destination is preferred. Standard County/School payment terms are net 45.

EMPLOYEE SOLICITING BID: [Click here to enter text.](#) DATE: [Click here to enter a date.](#)
DEPARTMENT/SCHOOL: [Click here to enter text.](#)

SPECIFICATIONS/SCOPE OF WORK: Read specifications to each vendor from the complete, clearly worded scope of work as described below: or, send the specifications via fax or email. Note details from item #3 above in every request as applicable.
[Click here to enter text.](#)

Vendor No. 1 V/N:	Vendor No. 2 V/N:	Vendor No. 3 V/N:
Firm:	Firm:	Firm:
Contact:	Contact:	Contact:
Address	Address:	Address:
Telephone:	Telephone:	Telephone:
Fax:	Fax:	Fax:
Make/Model & Quantity: Click here to enter text.	Make/Model & Quantity: Click here to enter text.	Make/Model & Quantity: Click here to enter text.
Unit Price: \$	Unit Price: \$	Unit Price: \$
Freight/Shipping Charge: \$	Freight/Shipping Charge: \$	Freight/Shipping Charge: \$
Estimated Time of Delivery:	Estimated Time of Delivery:	Estimated Time of Delivery:
Bid Total:	Bid Total:	Bid Total:

No order may be placed with any vendor until Purchase Order number is assigned and funds encumbered.

SOLE SOURCE JUSTIFICATION FORM

One-time sole source:

Extended sole source (ESS) for time period: *insert specific timeframes for this ESS*

VENDOR: [Click here to enter text.](#)

ADDRESS, PHONE & FAX: [Click here to enter text.](#)

BRIEF DESCRIPTION OF GOODS/SERVICES: [Click here to enter text.](#)

BUDGET CODE: [Click here to enter text.](#)

ESTIMATED ANNUAL EXPENDITURE FOR THE ABOVE COMMODITY OR SERVICE: [Click here to enter text.](#)

CHECK THE APPLICABLE JUSTIFICATION AS NOTED BELOW, COMPLETING THE REQUIRED JUSTIFICATION IN THE TEXT BOX IF REQUIRED. FAILURE TO PROVIDE REQUIRED JUSTIFICATION WILL RESULT IN REJECTION OF THE SOLE SOURCE REQUEST.

1. SOLE SOURCE REQUEST IS FOR THE ORIGINAL MANUFACTURER/PROVIDER, THERE ARE NO REGIONAL DISTRIBUTORS AND THIS IS THE ONLY KNOWN ITEM OR SOURCE THAT WILL MEET THE SPECIALIZED NEEDS OF THIS DEPARTMENT, OR PERFORM THE INTENDED FUNCTION. (Attach the manufacturer's written certification that no regional distributors exist AND complete justification in text box below indicating how this good/service was chosen and why.)
[Click here to enter text.](#)

2. SOLE SOURCE REQUEST IS FOR THE ONLY AREA DISTRIBUTOR OF THE ORIGINAL MANUFACTURER/PROVIDER AND THIS IS THE ONLY KNOWN ITEM OR SOURCE THAT WILL MEET THE SPECIALIZED NEEDS OF THIS DEPARTMENT, OR PERFORM THE INTENDED FUNCTION. (Attach the manufacturers -- not the distributor's -- written certification that identifies all regional distributors AND complete justification in text box below indicating how this good/service was chosen and why.)
[Click here to enter text.](#)

3. THE ITEM IS NOT INTERCHANGEABLE WITH SIMILAR PARTS OF ANOTHER MANUFACTURER OR THE PARTS/ EQUIPMENT ARE REQUIRED FROM THIS SOURCE TO PERMIT STANDARDIZATION. (Use text box below to explain justification.)
[Click here to enter text.](#)

4. NONE OF THE ABOVE APPLIES. (A detailed justification/explanation must be made in the text box below.)
[Click here to enter text.](#)

THE UNDERSIGNED REQUESTS THAT COMPETITIVE PROCUREMENT BE WAIVED AND THAT CONTRACT BE AWARDED TO THE VENDOR IDENTIFIED AS THE SUPPLIER OF THE SERVICE OR MATERIAL DESCRIBED IN THIS SOLE SOURCE.

NAME OF DEPARTMENT/DIVISION/SCHOOL: [Click here to enter text.](#)

DEPARTMENT/DIVISION HEAD/PRINCIPAL SIGNATURE: [Click here to enter text.](#)

Note: ACTUAL signature required for Sole Source requests of \$50,000 or more; typed signature accepted for under \$50,000.

SOLE SOURCE AUTHORIZATION BY PROCUREMENT DIVISION, ONLY

APPROVED BY PURCHASING:

DATE:

IF DISAPPROVED, THIS FORM WILL BE RETURNED TO THE ORIGINATOR UNSIGNED WITH AN EXPLANATION.

EMERGENCY JUSTIFICATION FORM

Vendor Name, Address, Phone/Fax:

[Click here to enter text](#)

Nature of the emergency:

[Click here to enter text.](#)

Steps taken to ensure a fair and reasonable price, including list of vendors contacted:

[Click here to enter text](#)

Criteria or rationale for the final vendor selection:

[Click here to enter text.](#)

Estimated total cost of this emergency purchase: [Click here to enter text.](#)

THE UNDERSIGNED REQUESTS THAT COMPETITIVE PROCUREMENT BE WAIVED AND THAT CONTRACT BE AWARDED TO THE VENDOR IDENTIFIED AS THE SUPPLIER OF THE SERVICE OR MATERIAL DESCRIBED IN THIS EMERGENCY JUSTIFICATION.

NAME OF DEPARTMENT/DIVISION/SCHOOL: [click here to enter text.](#)

DEPARTMENT HEAD/SCHOOL PRINCIPAL SIGNATURE: _____

Note: ACTUAL signature required for Emergency requests of \$50,000 or more; typed signature accepted for under \$50,000.

EMERGENCY JUSTIFICATION AUTHORIZATION BY PROCUREMENT DIVISION, ONLY

APPROVED BY PURCHASING: _____

DATE: _____

IF DISAPPROVED, THIS FORM WILL BE RETURNED TO THE ORIGINATOR UNSIGNED WITH AN EXPLANATION.

Fauquier County, Virginia
Procurement Division

PURCHASE ORDER

SAMPLE
Number references located in 5.1,
pages 4-5, of this document.

PURCHASE ORDER NO.	CHANGE ORDER NO.

(1) FY2013 BLANKET PURCHASE ORDER

Order Not Valid Unless Purchase Order No. is Shown
Purchase Order Number must appear on all
Packages, invoices and shipping papers

VENDOR: (SEE REVERSE SIDE FOR INSTRUCTIONS, TERMS AND CONDITIONS)

(2)
Office Depot
PO Box 633301
Cincinnati, OH 45263

BILL TO:

(3)
Fauquier County Procurement Division
Attn: Katelyn Verrill
320 Hospital Dr., Suite 23
Warrenton, VA 20186

SHIP TO:

(4)
Same As Above

ORIGINATOR PH: (5) 540-422-8351

PH: (2) 800-890-4914 FAX: (2) 703-208-3800 VENDOR NO. (2) 630971 FAX: (5) 540-422-8355

ISSUE DATE	DATE REQUIRED	PAYMENT TERMS	F.O.B.	CONTRACT NO.	
(6) 7/1/2012	(7) See Below	(8) NET 30	(9) Destination	(10) TCPN# R5023	
ITEM	QTY	UNIT	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
			(11) Misc. Office Supplies, based on the terms and conditions of referenced contract PO Term: 7/1/12 thru 6/30/2013 Contract Term: 1/3/11 - 2/28/15, no renewals	Not to Exceed:	\$1,000.00

DO NOT PROCESS THIS ORDER IF PRICE IS INCORRECT. CONTACT BILL-TO DEPARTMENT FOR APPROVAL.

BUDGET CODES	AMOUNT
(12) 4-100-12723-6001	(12) \$ 700.00
4-100-12723-6025	\$ 300.00

- Fauquier County a Political Subdivision of the Commonwealth of VA.
- Fauquier County School Board a Political Subdivision of the Commonwealth of Virginia.

(13) Susan R. Monaco
ORIGINATOR/AUTHORIZED SIGNATURE CHECK 1 BOX ABOVE

PURCHASING AGENT
THIS ORDER NOT VALID WITHOUT PURCHASING AGENT SIGNATURE UNLESS ITEM NO. 1 ON REVERSE SIDE APPLIES