

PROCUREMENT POLICY

NORTHAMPTON COUNTY, VIRGINIA

Adopted June 13, 1983
in accordance with the
Virginia Public Procurement Act

Amended August 13, 1991
Amended April 26, 1999
Amended June 27, 2005

SECTION 1

PURPOSE AND APPLICABILITY

These regulations are for the use of all Departments of Northampton County. They were prepared to assist all employees with the purchasing function and its activities. Authority for these regulations is Virginia Procurement Act of 1982, as amended. These regulations are adopted to obtain high quality goods and services at a reasonable cost, to conduct all procurement procedures in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety and to provide access to public business for all qualified vendors, including small businesses and businesses owned by women and minorities in procurement transactions. Rules governing contract awards will be made clear in advance of the competition, specifications will reflect the procurement needs of the County rather than being drawn to favor a particular vendor, and the County and the vendor will freely exchange information concerning what is sought to be procured and what is offered, and will cooperate with the Department of Minority Business Enterprise, the United States Small Business Administration, and other public and private agencies. In addition, surplus property is to be disposed of on a competitive basis.

Procurement of goods and services and disposal of surplus property will be conducted in accordance with the Virginia Procurement Act of 1982, as amended, hereinafter referred to as the Procurement Act, except as amended by alternative policies adopted by the Board of Supervisors. The provisions of the Procurement Act are incorporated herein by reference, except as amended by alternative policies, and reference is made to that Act in the event further information or clarification is required.

SECTION 2
GENERAL REQUIREMENTS

A. With the exception of information technology needs, it is the responsibility of each Department Head to obtain necessary goods or services according to County procedures. Department Heads should select a vendor for all estimated expenditures in accordance with approved operational procedures and the Procurement Act. For purchases less than \$2,000, competitive telephone or written price quotations from more than one vendor are suggested, but not required. For purchases over \$2,000, competitive quotes or formal bids will be required. All quotes and bid information should be documented in departmental files.

B. For information technology needs, the Department Head should coordinate all purchases with the Information Technology department in order to ensure compatibility throughout the County. Generally, all information technology needs will be included in the Information Technology budget.

C. No obligation will be made for any purchase in excess of the amount appropriated for that purpose as reflected in the line item budgetary accounts of the County of Northampton.

D. In all procurements, regardless of dollar value, special efforts shall be made to include Northampton and Accomack County vendors and contractors in all solicitations for goods and services.

E. The County Administrator's office will conduct necessary advertising for the procurement of budgeted items. The cost of advertising will be charged to the department requiring the goods or services unless the County Administrator approves an alternative.

F. Department Heads should submit a purchase requisition for all necessary purchases over \$2,000. The requisition should include a summary of the quotes or bids obtained as required in compliance with this policy and the Procurement Act. After verifying the availability of funds, the Finance Director will approve purchase orders for requisitions between \$2,000 and \$15,000. The County Administrator will approve purchase orders for requisitions between \$15,000 and \$30,000.

G. The Board of Supervisors will approve all purchases in excess of \$30,000 prior to the issuance of a purchase order.

H. A vendor list will be maintained in the Accounts Payable Office. Any vendor may be placed on the list by written request. Department Heads may mail notices of invitation to bid, requests for proposals, or quotations to all vendors listed in the appropriate category.

I. Any purchase not made in accordance with these Regulations will be deemed an unauthorized purchase, for which the County will not be obligated.

J. Any employee who engages in purchasing goods or services in a manner inconsistent with these Regulations will be subject to disciplinary measures, as well as to **financial responsibility for his actions**.

K. Purchases may not be arbitrarily “split” in order to qualify for a lower level purchasing procedure.

L. All contracts must be approved by the County Attorney as to form.

SECTION 3 METHODS OF PROCUREMENT

A. Petty Cash – Petty cash accounts may be used for small purchases such as postage, tolls, and reimbursements. Petty cash is limited; therefore its use may not be feasible depending on the available balance at the time of the request. Receipts for proper documentation are required and must be submitted for reimbursements.

B. Direct Purchase – The user department may purchase goods or services not expected to cost more than \$2,000 when the vendor charges the County “on account” (the vendor will invoice the County). The department should seek competitive quotes whenever practicable. If more than one quote is obtained, all quote material should be retained in the departmental files. If more than one quote is obtained, the purchase must be made from the lowest responsive and responsible bidder. Purchase orders will not be issued unless the department or vendor requests it.

C. Informal Quotes – Informal quotes are required for purchases between \$2,000 and \$15,000. For the purchase of professional or non-professional services, however, informal unsealed proposals may be a better alternative (see D). (For a definition of professional and non-professional services, please refer to section G “Competitive Negotiation”.) Informal quotes may be obtained by telephone, facsimile, e-mail or other means. A minimum of three vendors must be contacted for each purchase, if available. A summary of the quotes will be recorded on a requisition for purchase order and forwarded with any supporting documentation to the accounts payable office. Upon review of the requisition and verification of available funds, a purchase order will be issued and forwarded to the requesting department. Only after the purchase order is approved may the requesting department place the order for goods or services. The Director of Finance will approve the issuance of purchase orders for goods and services between \$2,000 and \$15,000.

D. Informal Unsealed Proposals – May be used for professional or non-professional services between \$2,000 and \$15,000. (For a definition of professional and non-professional services, please refer to section G “Competitive Negotiation”.) For informal unsealed proposals, if the user department has developed a clearly defined scope of services, it should be sent to at least three vendors, when available. If a clearly defined scope of services has not been developed, telephone or personal discussions about the scope of services must be conducted with at least

three vendors, when available. Following these discussions, a “Request for Proposals” document including a clearly defined scope of services should be sent to each vendor contacted. The department head should evaluate the proposals received based on vendor qualifications, capability to meet requested schedules, proposed fees, and any other pertinent criteria. A written contract with the selected vendor is recommended. A summary of the proposals will be recorded on a requisition for purchase order and forwarded with any supporting documentation to the accounts payable office. Upon review of the requisition and verification of available funds, a purchase order will be issued and forwarded to the requesting department. Only after the purchase order is approved may the requesting department place the order for services. The Director of Finance will approve the issuance of purchase orders for services between \$2,000 and \$15,000.

E. Formal Quotes – Formal written quotes are required for purchases between \$15,000 and \$30,000. For the purchase of professional or non-professional services, however, competitive negotiation may be a better alternative (see G). For formal quotes, written solicitations will be mailed to qualified vendors from the vendor list maintained in the accounts payable office, or to other vendors deemed qualified by the department head. A minimum of three written quotes is required unless an exception for fewer quotes is approved by the County Administrator. A summary of the quotes will be recorded on a requisition for purchase order and forwarded with the original written quotes to the accounts payable office. Upon review of the requisition and supporting documentation, and verification of available funds, a purchase order will be issued and forwarded to the requesting department. Only after the purchase order is approved may the requesting department place the order for goods or services. When the formal quote method is used for services, a written contract with the selected service provider is recommended. The County Administrator will approve the issuance of purchase orders for goods and services between \$15,000 and \$30,000.

F. Sealed Bid – Sealed bids are required for purchases in excess of \$30,000 when a contract may be awarded based only upon price. The sealed bidding method of purchasing includes the following elements:

1. Distribution of written invitations to bid (ITB) to potential bidders. The ITB must contain or incorporate by reference the specifications and contractual terms and conditions applicable to the procurement. Unless bidders have been prequalified, the invitation to bid will include a statement of any requisite qualifications of potential contractors. When it is impractical to prepare initially a purchase description to support an award based on prices, an invitation to bid may be issued requesting the submission of unpriced offers to be followed by an invitation to bid limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.
2. Public notice of the invitation to bid at least ten days prior to the date set for receipt of bids by posting in a designated public area, or publication in a newspaper of general circulation in Northampton County or other appropriate area or trade publications. In addition, bids may be solicited directly from potential contractors.

3. Public opening and announcement of all bids received.
4. Evaluation of bids based upon the requirements set forth in the invitation, which may include special qualifications of potential contractors, life cycle costing, value analysis, and any other criteria such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose, which are helpful in determining acceptability.
5. Award to the lowest responsive and responsible bidder by the Board of Supervisors. When the terms and conditions of multiple bids are so provided in the invitation to bid, awards may be made to more than one bidder.
6. Construction services must be procured by competitive sealed bidding, unless bidding is not practicable or fiscally advantageous to the public and this fact is documented in writing.
7. Competitive sealed bidding will not be required for procurement of professional services.

G. Competitive Negotiation – Competitive negotiation is a method of contractor selection which is used in cases where sealed bidding would be impractical because of the difficulty in specifying exactly what is to be purchased, or where price is only one of a number of important factors bearing on contractor selection. It is the required procedure for professional services over \$30,000, but may also be used for non-professional services (ex. systems integration, software development) or goods. Professional services are defined as work performed by an independent contractor within the scope of the practice of accounting, architecture, land surveying, landscape architecture, medicine, optometry, or professional engineering. If competitive negotiation is used for other than professional services, the Board of Supervisors must find in writing that competitive sealed bidding is not in the public's best interest. The following elements will be included in competitive negotiation:

1. Issuance of a written Request for Proposal (RFP) indicating in general terms that which is sought to be procured, specifying the factors which will be used in evaluating the proposal (experience, qualifications, etc.) and the relative weight given to each; and containing or incorporating by reference the other applicable contractual terms and conditions, including any unique capabilities or qualifications which will be required of the contractor. The Code specifies that the RFP shall not, however, request that offerors furnish estimates of man-hours or costs for services.
2. Public notice of the Request for Proposal at least ten days prior to the date set for receipt of proposals by posting in a public area normally used for posting of public notices or by publication in a newspaper of general circulation in Northampton County or other appropriate areas, or trade publications. In addition, proposals may be solicited

directly from potential contractors.

3. Selection will be made of two (2) or more offerors deemed to be fully qualified and best suited among those submitting proposals, on the basis of the factors involved in the request for proposal. At this stage, nonbinding estimates of project costs may be discussed. Negotiations will then be conducted, beginning with the offeror ranked first. If a contract satisfactory and advantageous to the public body can be negotiated at a price considered fair and reasonable, the award will be made to that offeror by the County Administrator, if authorized, or the Board of Supervisors. Otherwise, negotiations with the offeror ranked first will be formally terminated and negotiations conducted with the offeror ranked second, and so on until such a contract can be negotiated at a fair and reasonable price. Should the Board of Supervisors or the County Administrator determine in writing and in their sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror.

SECTION 4 CLASSIFICATION OF PURCHASES

Purchases of goods and services will be classified as follows:

1. Expenditures Under \$2,000: The Department Head will select a vendor for all estimated expenditures of less than \$2,000 in accordance with approved operational procedures for petty cash or direct purchases providing for competition whenever practicable.

2. Expenditures of \$2,000 to \$15,000: The Department Head will select a vendor for all estimated expenditures between \$2,000 and \$15,000 by solicitation of informal quotations or informal unsealed proposals, in accordance with approved operational procedures as outlined above.

3. Expenditures of \$15,000 to \$30,000: The Department Head will select a vendor for all estimated expenditures between \$15,000 and \$30,000 by solicitation of formal quotations or competitive negotiation, in accordance with approved operational procedures as outlined above.

4. Expenditures Over \$30,000: The Board of Supervisors will select a vendor for all estimated expenditures over \$30,000 by solicitation of sealed bids or by competitive negotiation, in accordance with approved operational procedures.

SECTION 5
EXCEPTIONS

A. Northampton County may enter into contracts without competition in the following transactions:

1. For the purchase of goods and services that are produced or performed by persons, or in schools or workshops, under the supervision of the Virginia Department for the Visually Handicapped; or by nonprofit sheltered workshops serving the handicapped.
2. For legal services, expert witnesses and other services associated with litigation or regulatory proceedings.

B. Northampton County may enter into contracts without competitive sealed bidding or competitive negotiation in accordance with applicable exemptions as specified in the VPPA Code of Virginia § 2.2-4345 for public bodies.

SECTION 6
COOPERATIVE PROCUREMENT

The County or any other agency or board of the County of Northampton may participate in a cooperative procurement effort with one or more public bodies, or agencies of the United States, for the purpose of combining requirements to increase efficiency or reduce administrative expenses associated with the procurement of goods and services subject to the provisions of the VPPA Code of Virginia, § 2.2-4304.

SECTION 7
EMERGENCY PURCHASES

A. An emergency will be deemed to exist when goods or services are needed to restore or continue an essential service and where the time required to follow normal purchasing procedures may endanger the safety, health or welfare of the public or of the County's employees or facilities.

B. For purchases under \$10,000, the following procedures will be used in emergency circumstances:

1. Procedures during office hours

The user department will immediately notify the County Administrator, who will either purchase directly or authorize the purchase of the needed supplies or services. A "Request for Payment" form should be submitted with the invoice when received documenting the

approval for emergency purchasing procedures and describing the circumstances.

2. Procedures during other than office hours

The user department will purchase directly any supplies or services needed to meet an existing emergency. A written determination of the basis for the emergency and for the selection of the particular vendor or contractor if selected by the using department and a written determination clearly marked "emergency purchase confirmation" will be delivered to the County Administrator within twelve (12) working hours after the identification of the emergency. A "Request for Payment" form should be submitted with the invoice when received documenting the emergency circumstances.

C. For purchases over \$10,000, the following procedures will be used in emergency circumstances:

In case of emergency, a contract may be awarded without competitive sealed bidding or competitive negotiation; however, such procurement shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file. The Board of Supervisors shall issue a written notice stating that the contract is being awarded on an emergency basis, and identifying that which is being procured, the contractor selected, and the date on which the contract was or will be awarded. This notice shall be posted in a designated public area or published in a newspaper of general circulation on the day the Board of Supervisors awards or announces its decision to award the contract, whichever occurs first, or as soon thereafter as is practicable. Public Notice may also be published on the Department of General Services' central electronic procurement web site and other appropriate web sites.

SECTION 8
SOLE SOURCE PROCUREMENT

The Board of Supervisors must approve all instances of sole source procurement. Upon a determination in writing that there is only one source practicably available for that which is to be procured, a contract may be negotiated and awarded to that source without competitive sealed bidding or competitive negotiation. The writing shall document the basis for this determination. The Board of Supervisors shall issue a written notice stating that only one source was determined to be practicably available, and identifying that which is being procured, the contractor selected, and the date on which the contract was or will be awarded. This noticed shall be posted in a designated public area or published in a newspaper of general circulation on the day the Board of Supervisors wards or announces its decision to award the contract, whichever comes first. Public Notice may also be published on the Department of General Services' central electronic procurement web site and other appropriate web sites.

SECTION 9
PREQUALIFICATION OF BIDDERS

A. The County Administrator, upon consultation with Department Head, is authorized to prequalify bidders prior to any solicitation of bids, whether for goods or services, by requiring prospective bidders to submit such information as the County Administrator and Department Head deem appropriate, including samples, financial reports, and references; provided, however, that opportunity to prequalify will be given to any prospective bidder, and a determination of failure to qualify will be documented by the Department Head.

B. In considering any request for prequalification, the County Administrator and Department Head will determine whether there is reason to believe that the bidder possesses the management resources, financial soundness, and history of performance which indicate apparent ability to successfully complete the plans and specifications of the invitation to bid. The County Administrator and Department Head may employ standard forms designed to elicit necessary information.

C. Prequalification of a bidder will not constitute a determination that the bidder is responsible, and such bidder may be rejected as nonresponsible on the basis of subsequently discovered information. Failure of a bidder to prequalify with respect to a given procurement will not bar the bidder from seeking prequalification as to future procurements, or from bidding on procurements which do not require prequalification.

SECTION 10
WITHDRAWAL OF BID DUE TO ERROR

A. A bidder for a public construction contract may withdraw his bid from consideration if the price bid was substantially lower than the other bids due solely to a mistake therein, provided the bid was submitted in good faith, and the mistake was a clerical mistake as opposed to a judgment mistake, and was actually due to an unintentional arithmetic error or an unintentional omission of a quantity of work, labor, or material made directly in the compilation of a bid, which unintentional arithmetic error or unintentional omission can be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn.

B. The procedure for bid withdrawal must be stated in the advertisement for bids and in the invitation. The County Administrator will select one of these procedures for withdrawal of bids:

1. The bidder will given notice in writing of his claim of right to withdraw his bid within two business days after the conclusion of the bid opening procedure; or

2. The bidder will submit to the County Administrator his original work papers, documents and materials used in the preparation of the bid within one day after the date fixed for submission of bids. The work papers will be delivered by the bidder in person or by registered mail at or prior to the time fixed for the opening of bids. The bids will be opened one day following the time fixed by the County for the submission of bids. Thereafter, the bidder will have two hours after the opening of the bids within which to claim in writing any mistake as defined herein and withdraw his bid. The contract will not be awarded by the County until the two hour period has elapsed. Such mistake will be proved only from the original work papers, documents and materials delivered as required herein.

C. No bid may be withdrawn under this section when the result would be the awarding of the contract on another bid of the same bidder or of another bidder in which the ownership of the withdrawing bidder is more than five percent. If a bid is withdrawn under the authority of this section, the lowest remaining bid will be deemed to be the low bid. No bidder who is permitted to withdraw a bid will, for compensation, supply any material or labor to or perform any subcontract or other work agreement for the person or firm to whom the contract is awarded or otherwise benefit, directly or indirectly, from the performance of the project for which the withdrawn bid was submitted. If the County Administrator desires the withdrawal of a bid under the provisions of this section, the bidder will be notified in writing stating the reasons for the decision.

SECTION 11 REJECTION AND AWARD OF BIDS

The County of Northampton reserves the right to accept or reject any or all bids or parts of bids, to waive irregularities, and to request rebids. The County also reserves the right to award the contract as it deems will best serve its interest. It further reserves the right to award the contract on a split order basis, lump sum, or individual item basis, or such combination as will best serve the interest of the County unless otherwise specified.

SECTION 12 COMMENTS CONCERNING SPECIFICATIONS

Any vendor wishing to make comments concerning specifications or other provisions of County Invitations to Bid or Requests for Proposals, may do so by submitting such comments in writing to the County Administrator no later than seven (7) working days prior to the specific date of opening.

SECTION 13 SURPLUS PERSONAL PROPERTY

The following procedures will be used in declaring County personal property surplus and disposing of same:

A. Any item or group of items of personal property of the County which are declared surplus by

the department head or agency to which such items are assigned and further by the Board of Supervisors will be sold by the County Administrator, unless the Board approves the donation of such items to another local entity, non-profit or charitable organization that provides services to the citizens of the County.

B. Sales will be conducted whenever feasible by competitive bids.

C. Sales will be made subject to the following:

1. An item or group of items having a fair market value of Five Thousand Dollars (\$5,000) or more will be advertised at least once in a newspaper having general circulation within the County at least ten (10) days prior to sale. Sale will be to the highest bidder by sealed bids opened publicly, or at public auction, or as advertised.

2. An item or group of items having a fair market value less than Five Thousand Dollars (\$5,000) will be sold by the County Administrator through competitive practices wherever practicable.

3. The County Administrator may withdraw the offer of sale on any personal property at such time as in his opinion, it is in the best interest of the County to do so.