



Procurement Practices

Purchasing and Contracting at the City of Virginia Beach

*Department of Finance
Purchasing Division*

Revised November 1, 2018

PURCHASING DIVISION’S PROFESSIONAL STAFF

The Purchasing Division’s staff will acquaint you with the City procurement policies and procedures, and direct you to the appropriate contacts for your goods and services. While our staff is almost always available, vendors are encouraged to call for an appointment prior to stopping by the office. This will ensure that the person familiar with your product category is available. The following information is provided to assist vendors when dealing with the City.

Address: City of Virginia Beach
Department of Finance/Purchasing Division
Liberty Tax Executive Park
2388 Liberty Way
Virginia Beach, VA 23456
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Staff Members:

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INTRODUCTION

The City of Virginia Beach's Purchasing Division acts as a liaison between **contractors/vendors/suppliers** and all City agencies, exclusive of the Virginia Beach School System. The goal of the Purchasing Division is to provide goods and services, in the proper quantity and quality, at the lowest possible cost, to all City of Virginia Beach departments and agencies. All procurement activities are performed in accordance with applicable Federal, State and City laws and ordinances, to provide an equal opportunity for all vendors to compete in the procurement process.

The purpose of this handbook is to assist you, the vendor, in understanding the procurement policies and procedures of the City of Virginia Beach, while helping you become more familiar with the City's needs and requirements as related to various goods and services.

MISSION

Purchasing's mission is to assist City agencies in the procurement of quality goods and services, at the proper place and time, and in the appropriate quantity to meet their needs, while promoting maximum competition and fairness, complying with legal and budgetary requirements, and saving taxpayer dollars.

FUNDAMENTAL PURCHASING PRINCIPLES

The fundamental principles for competitive procurement are set out in §2.2-4300© of the *Virginia Public Procurement Act (VPPA)*, *Code of Virginia*, 1950 as amended, which promotes that:

- All procurement procedures are conducted in a fair and impartial manner, with avoidance of any impropriety or the appearance of impropriety;
- All qualified vendors have access to public business;
- No offeror is arbitrarily or capriciously excluded;
- Competition be sought to the maximum feasible degree;
- Rules governing contract award be made clear in advance of the competition;
- Specifications reflect the procurement needs of the City rather than being drawn to favor a particular vendor; and
- The City and vendors freely exchange information concerning what is sought to be procured and what is offered.

ETHICS

The ethical responsibilities of City employees and agents of the City having responsibility for a procurement transaction are set out in *VPPA*, §2.2-4367, et seq, Ethics in Public Contracting, and it will be the responsibility of the Purchasing Agent to assure that all procurement practices and transactions are within the framework and guidelines set for by the City Code.

EMPLOYMENT DISCRIMINATION PROHIBITED

VPPA, §2.2-4311 prohibits employment discrimination by contractors hired by the City and requires that every City contract over ten thousand dollars (\$10,000) include the language to this effect.

OFFICE HOURS

City business hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding holidays.

VISITS

Sales representatives are a valuable resource for obtaining specifications and information on product advancements. The City values their visits, and staff is available to discuss their ideas and concerns. However, Purchasing recommends that sales representatives call for an appointment to ensure the buyer familiar with their product category is available.

BIDDERS LIST

The Purchasing Division maintains a list of perspective bidders categorized by class and type of commodity. To be placed on the bidders list, a vendor must complete and return a bidders application. Vendors may obtain a copy of the bidders application from Purchasing.

It is the responsibility of each vendor to keep their business profile current by notifying the Purchasing Division when changes occur regarding the products or services offered, address, ownership, or status as a bidder. Placement on the bidder's list does not guarantee receipt of a request for quotation, invitation to bid, or request for proposal. It is the vendor's responsibility to check the bid notices posted by the Purchasing Division.

Bidders may be removed from the bidders list if they do not respond to solicitations. However, a bidder may be retained on the bidders list by simply responding with a “no bid” if they are interested in bidding on the item(s) in the future.

The City reserves the right to validate and update the bidders list from time to time, which may require the bidder to renew the bidders application which is on file.

POSTING BID NOTICES

The Purchasing Division seeks maximum competition. In achieving this goal, the City publicizes outstanding Bids and RFPs as follows:

- Posted on the Bid Board in the Purchasing Division, Liberty Tax Executive Park, Kempsville Building, 1st Floor, 2388 Liberty Way, Virginia Beach, Virginia 23456;
- Televised via Cox Cable, channel 47, interaction by touch-tone telephone (757) 385-VBTv (4288);
- Bid/RFP notices are posted on the Internet, www.vbgov.com, which will link with;
- **DemandStar by Onvia.** DemandStar will notify all prospective bidders based on the NIGP commodity code classification for each individual Invitation to Bid (IFB) or Request for Proposal (RFP). This service to vendors includes a nominal fee. For more information, please contact DemandStar by Onvia at their website www.demandstar.com or by phone 1-800-711-1712; and
- Advertised in newspapers having general circulation, at the discretion of the buyer.

METHODS OF PROCUREMENT/SOLICITATION

The City and the Purchasing Division use five (5) primary methods of procurement when soliciting competition for goods and services, as follows:

1. **Small purchases**, for the procurement of goods and services less than \$100,000.
2. **Competitive sealed bidding**, a formal process, used for the procurement of services with a dollar value of \$100,000 or more [VPPA, §2.2-4303]. Formal sealed bids are solicited using a written *Invitation to Bid*.
3. **Competitive negotiations**, also a formal process, used for the procurement of services or insurance, upon written determination by Purchasing that competitive sealed bidding is neither practicable nor fiscally advantageous [VPPA, §2.2-4303(C)].

Services procured through competitive negotiations fall into two categories:

- a. **Professional Services**
All professional services expected to exceed \$50,000 will be procured through competitive negotiations [VPPA, §2.2-4303(B)]. Professional services include work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, medicine, optometry, pharmacy or professional engineering [VPPA, §2.2-4303].
 - b. **Other Than Professional Services**
Competitive negotiations for other than professional services are solicited by a Request for Proposal (RFP) [VPPA, §2.2-4303]. RFPs are posted in the Purchasing Division, and will be published in a newspaper of general circulation at least ten (10) calendar days prior to the closing date.
4. **Sole source**, used when “upon determination in writing that there is only one source practicably available for which that is to be procured, a contract may be negotiated and awarded to that source without competitive sealed bidding” [VPPA, §2.2-4303(E)].
 5. **Emergency purchases**, used in an emergency situation in which the immediate public health, safety, or welfare is involved, or the purchase is required to protect or preserve public properties without delay [VPPA, §2.2-4303(F)].

ERRORS IN SUBMITTING BIDS

If an error is detected prior to the bid closing date or the proposal opening date, the vendor may retrieve the bid or proposal from the Purchasing Division. Proper identification showing proof of employment will be required. The error may be corrected by drawing a single line through the mistake, making the correction, and initialing it in ink.

CONTRACT AWARD

Contracts will be awarded as follows:

- **Invitation to Bid:**
Will be awarded to the lowest responsive and responsible bidder. A responsive bidder is defined as one who has the capability, in all respects, to perform fully the contract requirements, and the moral and business integrity reliability which will ensure good-faith performance.
(The Purchasing Agent reserves the right to award **bids** on the **overall low total** or the **split low total**, whichever is in the best interest of the City.)
- **Request for Proposal (Competitive Negotiations):**
Professional Services and *Non-Professional Services* contracts will be awarded to the Offeror that has made the best proposal. Offerors will be selected for negotiations based on the evaluation factors specified in the Request for Proposal.

NOTIFICATION OF SUCCESSFUL VENDOR

Successful vendors are notified by receipt of a signed purchase order or by any other contractual agreement indicating award. The Purchasing Division also posts a “notice of intent to award” for all formal solicitations on our Bid Board.

PUBLIC INSPECTION OF RECORDS

VPPA, §2.2-4342 states that all proceedings, records, contracts and other public records relating to procurement transactions will be open to inspection by any interested person, firm, or corporation in accordance with the Virginia Freedom of Information Act (§2.2-3700, et seq). Cost estimates prepared by the City relating to a proposed procurement transaction prepared by or for a public body will not be open to public inspection.

BONDING REQUIREMENTS

In some instances, to reduce the City’s financial risk in the event a contractor fails to perform or defaults on a contract, the City may require bonding. The five (5) types of bonds that are frequently used in contracts to procure goods and services, and their definitions, are as follows:

- A **bid bond** guarantees that the bidder will enter into a contract if selected as the lowest responsive and responsible bidder. If a bidder does not accept the award, the bid bond is forfeited.

VPPA, §2.2-4336(A)(1) require that, except in cases of an emergency, all bids or proposals for construction contracts in excess of \$100,000 be accompanied by a bid bond. The amount of the bid bond will not exceed five percent (5%) of the total contract. Bidders shall submit the bid bond with their bid. If the bid bond is not submitted with the bid, the Bidder is non-responsive.
- A **performance bond** guarantees that a contractor will perform the contract in accordance with the contract terms. The surety who issued the bond may complete either the contract or pay damages up to the bond limit. This bond is used most frequently in construction contracts.

VPPA, §2.2-4337(A) requires a performance bond in the sum of the contract amount for all public construction contracts exceeding \$100,000.
- A **contract bond**, similar to a performance bond, guarantees the contractor will perform pursuant to the terms and conditions of the contract. While performance bonds are used primarily for construction projects, contract bonds are used for service contracts such as microcomputer purchases, grass cutting services, janitorial services, and computer programming services.
- A **payment bond** guarantees the contractor will pay all suppliers and subcontractors who assist in the performance of the work.

VPPA, §2.2-4337 (A) requires a payment bond in the sum of the contract for any construction contract exceeding \$100,000.

- A **fidelity bond** is similar to insurance policy and guarantees against losses that may result from proven acts of dishonesty on the part of the contractor's employees. Fidelity bonds are often required in service contracts when the contractor's employees will handle cash or are exposed to opportunities for theft.

EQUAL OPPORTUNITY AND MINORITY BUSINESS PARTICIPATION

It is the City's policy to contribute to the establishment, preservation, and strengthening of businesses owned by minorities and to encourage their participation in City procurement activities. Notwithstanding these policies, City contracts will be awarded to the lowest responsive and responsible bidder as defined in this manual.

Definitions: City Code §2-224.1 defines the following terms:

- (a) *Good-faith minority owned business participation efforts:* The sum of total of efforts by a particular business to provide for the equitable participation of minority employees and subcontractors in the operations and contracts of such business:
 - (i) For the past efforts, this sum total shall be comprised of the record of minority participation over the past two (2) years through employment, retention, and promotion; subcontracting or joint ventures in the private sector; or a combination thereof.
 - (ii) In connection with the performance of a particular City contract, good faith efforts shall mean those measures which are proposed to allow equitable participation of minority employees and subcontractors.
- (b) *Minority-owned business:* A business or other entity that is at least fifty-one percent (51%) owned and controlled by one or more socially and economically disadvantaged person(s). For purposes of this definition, the term shall mean exercising the power to make policy decisions and being actively involved in day-to-day management. Such disadvantage may arise from cultural, racial, chronic economic circumstances or background, or other similar cause. Such persons include, but are not limited to, Black Americans, Hispanic Americans, Asian Americans, Eskimos and Aleuts.
- (c) *Minority contractors bid list:* A list of contractors who have completed and filed with the Purchasing Agent the City's bidder's application indicating their firm is a minority-owned business.