

Chapter 22. Small Purchases

Summary

This chapter establishes the procedures to be followed when the cost of the goods or services to be procured is not expected to exceed \$50,000. If goods, ~~or~~ nonprofessional services, or non-transportation-related construction are sought to be procured, one of the three following procedures shall apply, depending on the expected cost of the procurement: (1) procurements up to and including \$5,000; and (2) procurements greater than \$5,000 up to and including \$50,000. A separate procedure applies when professional services are being procured.

Essential Information in this Chapter	
• The using department shall make a good faith determination as to whether the cost of the procurement is expected to exceed \$50,000. • Neither the purchasing agent nor the using department shall procure goods or services in a piecemeal manner in order to avoid formal procurement procedures that would otherwise apply. • The receipt of written quotations is preferred, even if verbal or telephone quotations are authorized. • If goods, or nonprofessional services, <u>or non-transportation-related construction</u> are sought to be procedural, one of three informal procurement procedures applies. A separate procedure applies when professional services are sought to be procured.	
Key References to the Code of Virginia Applicable to this Chapter	
Section 2.2-4303(G): Small purchases for goods, nonprofessional services, <u>and non-transportation-related construction</u>	
Section 2.2-4303(H): <u>Small purchases for professional services</u>	

22-1 General

This chapter establishes the procedures to be used for single or term contracts when the aggregate or the sum of all phases is not expected to exceed \$50,000.

The following general principles apply to all procurements made pursuant to this chapter:

- Determination of estimated cost of procurement: The using department shall make a good faith determination as to whether the cost of the procurement is expected to exceed \$50,000 as provided in section 4-5.

- Providing for competition: These small purchase procedures are intended to provide for competition whenever practicable, and shall be applied to further this intent.
- Piecemealing of procurement prohibited: Neither the purchasing agent nor the using department shall procure goods or services in a piecemeal manner, otherwise split a procurement into multiple procurements, or request or require that the selected vendor invoice the County at intervals, for the purpose of reducing the estimated cost of the procurement to below the \$50,000 threshold.
- Written price quotations are preferred: The receipt of written quotations is preferred, even if verbal or telephone quotations are authorized, in the event that a dispute arises after the order is placed regarding terms or pricing.
- Travel and training expenses whose costs not expected to exceed \$50,000 exempt: Travel and training expenses whose costs are not expected to exceed \$50,000 are exempt from the procedures set forth in sections 22-2, 22-3 and 22-4. These costs, which may include those for job-related training, continuing education, and associated meals, lodging and other related and authorized expenses, are subject to the approval of the using department and the purchasing agent.
- Purchase Order required over \$5,000: A Purchase Order is required on any purchase over \$5,000.

22-2 Goods, or Nonprofessional Services, or Non Transportation-Related Construction: Cost Not Expected to Exceed \$5,000

- Where the estimated cost of goods, or nonprofessional services, or non-transportation-related construction is \$5,000 or less unless exempted (see Part 4), purchases may be made upon receipt of a minimum of one (1) written or telephone (oral) quotation. Additional sources may also be solicited. Other quotes received that were not solicited shall be considered. If more than one quote is received, the award shall be made to the lowest responsive and responsible bidder. A record of the quotation must be kept with the file. If a telephone quote is solicited, a record shall be kept of the name and address of the vendor(s) contacted, the item description or service offered, price quoted, delivery dates and terms, names of persons giving and receiving the prices and the date the information was obtained. Notation on the requisition form is considered to be an adequate record.
- Additional competition should be sought whenever there is reason to believe a quotation is not a fair and reasonable price.

22-3 Goods, or Nonprofessional Services, or Non Transportation-Related Construction: Cost Expected to be Greater Than \$5,000 up to and including

\$50,000

If the cost of the goods, or nonprofessional services, or non-transportation-related construction is expected to be greater than \$5,000 up to and including \$50,000, the following procedure shall apply:

- Scheduling: The using department should allow at least five business days to complete a procurement.
- Price quotation: The using department shall obtain at least three (four, if the cost is expected to exceed \$30,000) written price quotations from vendors. When soliciting a price quotation, the using department shall describe the goods or services desired, the quantity, the date by which delivery or performance is expected to be made, that the County is seeking competitive quotations, and the date by which written price quotations must be received in the office of the using department.
- Posting of public notice: Purchases under this section that are expected to exceed \$30,000 shall require the posting of a public notice on the County's website, the Virginia Department of General Services' central electronic procurement website, and/or other appropriate website(s).
- Contents of written price quotation: A written price quotation submitted by a vendor shall contain the following information: (1) the name of the vendor quoting the price; (2) the name of the individual quoting the price; (3) the manufacturer and model of the goods or a description of the services; (4) the unit price; (5) the payment terms; (6) the promised delivery or performance date; and (7) the date the quotation was made.
- Selection of vendor: The using department shall select the vendor providing the lowest price quotation. However, if the vendor fails to provide a written price quotation which contains all of the information required by the preceding paragraph or if the purchasing agent determines that the vendor is not responsible, then the purchasing agent shall select the vendor providing the next lowest price quotation and shall state the basis for the decision in writing and place it in the procurement file.

The purchasing agent may require that any procurement of goods or services otherwise subject to this section comply with the competitive sealed bidding or competitive negotiation procurement procedures set forth in parts 2 or 3.

22-4 Professional Services: Cost Not Expected to Exceed \$50,000

If the cost of professional services (as defined in section 1-5 of this Manual) is not expected to exceed \$50,000, the following procedure shall apply:

- Scheduling: The purchasing agent should allow at least five business days to complete the procurement.

- Negotiation with one or more vendors: If the cost is not expected to exceed \$15,000, the using department is authorized to negotiate with one or more vendors. If the cost is expected to be greater than \$15,000 up to and including \$50,000, the using department shall contact and interview a minimum of three vendors. The negotiations may be conducted either in person or by telephone, and shall consist of identifying the services desired, the date by which performance is expected to be made, the qualities of the vendor described in the following paragraph, and the cost for such services.
- Selection of vendor: The using department shall recommend to the purchasing agent the vendor to be selected. If the using department negotiated with more than one vendor, the using department shall recommend the vendor it determined to be the most qualified, responsible and suitable; cost shall not be the sole determining factor. The purchasing agent shall notify the selected vendor, whose selection shall be contingent upon the County and the vendor entering into a written agreement.
- Written agreement: The purchasing agent shall prepare a written agreement approved by the county attorney which shall contain, at a minimum, the following information: (1) the name of the selected vendor; (2) a detailed description of the services to be provided; (3) the cost of the services to be provided; (4) the payment terms; and (5) the promised performance date.

The purchasing agent may require that the procurement of professional services otherwise subject to this section comply with the competitive negotiation procedure set forth in part 3.