



Purchasing Manual

June, 2005

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NEW RIVER COMMUNITY COLLEGE PURCHASING MANUAL

I. PURCHASING POLICIES OF NRCC

- A. Prior to generating a purchase request (PR) in the State of Virginia Electronic Procurement System (eVA) or a bid sheet using the Purchasing and Receiving Support System (PARSS), the requestor or user must:
1. determine need,
 2. determine the goods or services to meet this need,
 3. determine the quantity needed,
 4. identify one or more vendors to provide the needed goods or services, **including women and minority-owned vendors.**
 5. develop specifications for goods or scope of work for services.
- B. A PARSS bid sheet shall be generated for each purchase; however each item shall be ordered through eVA to eVA registered vendors. The PARSS bid sheet will ensure each purchase is encumbered in the accounting system. To avoid duplicate shipments, the user shall select the option in PARSS “user will place the order.” Recording each purchase in PARSS and eVA will cease when these two systems are interfaced.
- C. Goods or services must not be ordered, picked up or purchased until the Buyer has generated a contract or purchase order. This policy provides the opportunity to ensure we have complied with State policies and procedures stated in the Agency Procurement and Surplus Property Manual (APSPM). An end user who orders, picks up or purchases goods or services before the related purchase order is approved and issued may be required to use personal funds to pay for the unauthorized procurement.
- D. Employees initiating expenditure or purchasing documents shall obtain the approval of the functional area manager responsible for the account being charged. Approval on these documents shall occur before these documents are submitted through eVA or to the Business or Payroll and Personnel Offices. Examples of documents include, but are not limited to, the following: bid sheets, honoraria and stipend forms, inter-agency invoices, inter-departmental charge forms, invoices, requests for payment from local funds, travel vouchers, wage authorization forms, etc.
- E. Functional area managers are persons responsible for the areas listed in the online chart of accounts. Please note that accounts are frequently re-assigned from one area to another. The chart of accounts may not be current in this respect. Please contact the Associate Vice President for Finance and Technology who will assist you in determining the responsible functional area manager for an account.
- F. The user must obtain the signature of the Vice President for Finance and Technology on all purchase requests for technology before entering the purchase request into eVA and delivering the PARSS Bid Requisition to the Purchasing Office.

- G. Procurement of any goods or services shall be restricted to items necessary to the mission of NRCC. Items that cannot be purchased with State funds, include but are not limited to, books for classes, baby sitting, non-business related newspapers or magazine subscriptions, personal articles that are lost or stolen, tuxedos or other formal wear, non-uniform clothing or repairs to clothing damaged in the work place, holiday decorations, alcoholic beverages, charitable contributions, gifts and flowers. Please contact Managers of both the Business Office and the Payroll and Personnel Office about retirement parties and employee going-away parties.
- H. All procurement activities must be conducted openly, fairly, impartially, effectively and economically so that high quality goods and services are obtained at reasonable costs.
- I. The participation of small, women-owned, and minority-owned (SWAM) businesses in procurements is required. Please refer to Appendix A for more information about NRCC's SWAM Procurement Plan.
- J. The purchase of goods or services for personal use is strictly prohibited.
- K. Goods or services provided by mandatory sources must be purchased from mandatory sources as stipulated by the APSPM. Requests for authorization to purchase these goods and services from other vendors must be submitted to the Purchasing Office. Please refer to Section III-F for more information on mandatory sources.
- L. Goods or services that are exempt from competitive requirements, meaning DPS has determined that competition normally is either not practicable or available for purchases, is not required to be entered through the eVA system. Please refer to Section V-B for more information on exempt goods and services.
- M. All required written documentation supporting procurement transactions will be prepared by users and submitted to the Purchasing Office. This documentation will become part of the procurement records for public review and audit. For example, written requests or determinations to support use of emergency or sole source procurement procedures must be developed by users and approved by the Vice President for Finance and Technology or the President prior to procuring the related goods or services.
- N. Petty cash may be used for vendor payment only when the vendor will not accept a purchase order or American Express small purchases charge card. The fact that a vendor will not accept a purchase order must be stated on the bid sheet or other documentation submitted to the Business Office authorizing payment. State regulations permit petty cash payments up to \$200 in cash and up to \$750 by check. The available amount in NRCC's Petty Cash fund can restrict the amount of the vendor payment. Most sponsors of conferences will accept a purchase order. In these cases, the use of petty cash to pay conference registrations is inappropriate.
- O. NRCC employees authorized to generate or issue purchase orders are the Procurement Officer, Fixed Asset Technician in the Business Office and the Business Manager.
- P. The President of NRCC is ultimately responsible for ensuring that the acquisition of goods and services does not violate or circumvent State law, executive orders, appropriations, regulations or provisions of the APSPM. Authority to satisfy this responsibility has been delegated to the Vice President for Finance and Technology.

II. DELEGATED PURCHASING AUTHORITY

The Division of Purchases and Supply (DPS) has delegated NRCC authority to purchase goods, services and technology as follows:

1. Goods up to \$50,000
2. Goods on State Contracts - unlimited
3. Nonprofessional Services - unlimited
4. Technology Goods up to \$50,000
5. Technology Goods on State Contracts up to \$99,999

Purchase requests that exceed NRCC's delegated purchasing authority must be submitted to DPS, after review and approval by the Procurement Officer or the Associate Vice President for Finance and Technology.

Nonprofessional services include all services except accounting, actuarial, architecture, land surveying, landscape architecture, law, medicine, optometry, pharmacy and professional engineering. Reference to service or services in this Purchasing Manual means nonprofessional services. The procurement of contractors to perform construction-related services should be coordinated with the Director of Facilities Services. The procurement of construction-related services may be regulated by the Construction and Professional Services Manual.

Please refer to Section IV-A, Small Purchases, for information about purchasing goods and services costing between \$0 and \$50,000.

III. PROCUREMENT PLANNING

A. General

Proper planning is an essential element of good procurement. An essential ingredient of proper planning is a commitment of time and effort by the user so that needed goods and services will be received or provided when needed. Generating a purchase request one to five days before goods or services are needed may indicate improper planning on the part of the user.

The initial step in procurement planning is the determination of what is needed, how much, and where and when. The purchasing objective is to provide goods and services in the proper quantity and of the proper quality at the time and place needed, and to secure such goods and services at the lowest possible cost.

B. Procurement and Delivery Lead Time

1. Administrative Lead Time. Administrative Lead Time is the period of time between delivery of a purchase request, or adequate specifications or scope of work, to the Buyer by the end user and the issuance of a Purchase Order or contract.
 - a. For purchases of goods and services between \$1 and \$5,000, the Buyer is provided three working days for administrative lead time.
 - b. For purchases of goods or services costing \$5,001 to \$50,000, the Buyer is provided two to four weeks of administrative lead time.
 - c. For purchases of goods costing more than \$50,000, staff at DPS requires eight to ten weeks of administrative lead time. Administrative lead time for DPS begins when DPS receives NRCC's purchase request and NRCC answers all questions related to the purchase request.
 - d. Request for Proposals (RFP's) may require twelve weeks of administrative lead time.
2. Order/Ship Time (OST). Order/Ship Time is the time after award required by suppliers to fill an order and ship by designated means (truck, rail, or air) to the delivery point. These times vary widely by industry. Consideration must be given to market conditions which will affect delivery. Except for the most routine of expendable supplies, e.g., off the shelf items, a range of 30-60 days should be estimated in determining the OST. Custom made and complex items of equipment normally take longer to obtain.

C. Specifications

Specifications can either enhance or inhibit competition. State policy requires that competition be sought to the maximum feasible degree. This can be accomplished by describing goods or services in a manner which meets NRCC's needs and encourages competition. The following specification (descriptive) categories are listed in the preferred order of use:

1. Generic (Performance and Design). Users should analyze requirements with a view towards soliciting the requirement on a generic specification basis. Under appropriate circumstances, performance specifications (setting forth the performance requirements), design specifications (setting forth the essential characteristics of the items solicited), or a qualified products list may be used.
2. Brand Name or Equal. When it is determined to be impractical to develop a generic specification, a brand name may be used to convey the general style, type, character and quality of the article desired. Unless otherwise provided in the Information for Bid (IFB), the name of a certain brand, make or manufacturer, does not restrict bidders to the specific brand or manufacturer named. Any article which the State, in its sole discretion, determines to be the equal of that specified, considering quality, workmanship, economy of operation and suitability for the purpose intended, shall be accepted. When brand or manufacturers' names are specified, and one or more of these are known to be Virginia brands or manufacturers, those known to be Virginian shall be listed first prior to listing non-Virginia brands or firms.
3. Proprietary. A proprietary specification restricts the acceptable products to those of one manufacturer. It is appropriate to use a proprietary specification when the desired product must be compatible with or is an integral component of existing equipment or products, or where pre-qualification of products is necessary to support specific needs of a program; is covered by a patent or copyright; must yield absolute continuity of results; or is one with which a user has had extensive training and experience, and the use of any other similar piece of equipment would require considerable reorientation and training. Every effort must be made to obtain full competition among the distributors which carry the manufacturer's product. The determination for the use of a proprietary specification shall be made in advance, in writing, and be sent to the Buyer.
4. Vendor Assistance in Specification Preparation. Whenever advice or assistance is received from a vendor in preparing specifications, the name of the vendor providing assistance must be submitted with the purchase request to the Purchasing Office. Such information is helpful to the Buyer or staff at DPS when identifying restrictive or proprietary features which could be challenged by other bidders or offerors causing delays and/or cancellations.

D. Preparing the Solicitation (IFB or RFP)

1. General. Solicitations must convey to the reader, in a clear, concise and logical sequence, the information necessary to answer the basic questions of who, what, why, where, when and how.
2. Terms and Conditions. Terms and conditions must be in writing, be clear and concise, and express the intent of NRCC. If there is an ambiguity in a written contract which results in a dispute, generally its resolution will be against the party who wrote the contract.

E. Source Selection

1. Source Lists. Care must be taken to solicit sources capable of providing, as a regular part of their business, the goods or services needed. The maintenance and use of appropriate and current source lists are essential to competitive procurement. The Buyer should be able to assist in identifying appropriate sources for goods and services.
2. Suppliers' Catalogs. Suppliers' catalogs are an excellent source of descriptive information and current technology. Users must not employ prices in catalogs as vendors' quotes. Frequently, vendors will offer discounts not reflected in prices in catalogs.
3. Contact with Vendors. Suppliers and manufacturers' representatives are valuable sources of information and should be contacted when developing purchase requirements. Vendors' visits should be arranged in a manner which will assure a full, courteous, and mutually beneficial exchange of information. Such assistance must be considered normal sales effort and does not entitle a vendor to any preference in a competitive program. Users should caution vendors' personnel that commitments cannot be made which would lead vendors to believe they will subsequently receive an order. **If NRCC personnel receive vendor assistance in preparing a specification, a written notification to that effect must accompany the purchase request to the Business Office. Under no circumstances shall a bidder or offeror be permitted to evaluate or assist in evaluating competitors' bids or offers.**

F. Mandatory Sources

Mandatory sources are vendors from whom certain goods and services must be purchased. Mandatory sources are selected either by legislation enacted by the General Assembly or through contracts negotiated by DPS or NRCC. Mandatory sources are listed below.

1. VCE must be employed for purchases of furniture, file cabinets, modular furniture or office systems, and printed letterhead. Catalogs are available online at <https://secure01.vipnet.org/vce/cgi-bin/vcecatalog.cgi?>
2. CORPRINT is a division of Virginia Correctional Enterprises (VCE) and must be employed for the printing of:
 - a. flat forms,
 - b. NCR-type forms up to five-part (not snap-apart or continuous);
 - c. padded forms;
 - d. envelopes (regular and window) including long kraft envelopes;
 - e. one-color booklets up to 9 x 12, and
 - f. one-color brochures with no more than two folds.
3. Department for the Blind and Visually Impaired must be employed for purchases of writing utensils, mattresses, food service, mailing services, contract office services, mopheads and handles, spices and teas and examination gloves.

4. Virginia Distribution Center (VDC) purchases, stores, and distributes staple foods, food products, frozen foods, janitorial supplies, paper products, and other selected items to state agencies. An agency must not use its delegated purchasing authority to purchase from another source an item which is available from the VDC without a written waiver from the VDC Manager.
5. Department of Transportation (VDOT) must be employed to purchase or lease motor vehicles and to purchase automotive repair parts for all state agencies. Automotive repair parts may be purchased from other vendors within NRCC's delegated purchasing authority for goods.
6. Office of Graphic Communications (OGC) is a full service creative group that offers concepts and marketing strategies, creative writing and design, desktop publishing, photography direction, illustration, project management, and, printing management. Typical projects produced consist of promotional, informational and public educational campaigns, college recruitment packages, press kits, logos and identity systems, annual reports, economic development and travel publications, magazines, calendars and posters, museum catalogs and brochures, etc. Users, when planning to procure graphic design services, desktop publishing, or preparation of camera ready artwork in excess of \$750, must first contact OGC to determine if requirements can be provided by OGC. Other sources may be used if OGC cannot satisfy the requirements.
7. State and NRCC Contracts
 1. Term contracts are established by DPS and NRCC to obtain more favorable prices through volume purchasing and to reduce procurement lead time and administrative effort. In accordance with the terms and conditions, NRCC may issue purchase orders in any amount for any good or service on a term contract. If an item is available on state or NRCC contract, NRCC cannot use its local purchasing authority to purchase from another source unless the purchase is exempt by contract terms such as not meeting the contract's minimum order requirement. Vendors who intentionally sell or attempt to sell goods or services to NRCC which are under contract with another vendor may result in suspension and/or debarment by DPS. The purchase by users of goods or services which are on DPS contracts from non-contract sources may result in reduction or withdrawal of NRCC's delegated purchasing authority by DPS.
 2. Contracts are for the benefit of the Commonwealth of Virginia, its agencies and institutions. They do not apply to State employees or other individuals, and purchasing from state contracts by individuals directly or by using NRCC purchase orders with subsequent reimbursement to NRCC is prohibited. A master listing of contract items and supply catalogs are available to users. These are located online at <http://www.eva.state.va.us/Contracts/contracts.htm> Users are requested to check with the Buyer for information on contracts prior to processing a purchase request.

IV. METHODS OF PROCUREMENT

The Virginia Public Procurement Act authorizes the methods of procurement listed below.

A. Small Purchases

1. Purchases up to \$5,000. Where the agency's estimated cost of goods or nonprofessional services is \$5,000 or less, purchases may be made upon receipt of a minimum of one (1) written or telephone (oral) quotation from a minority or women-owned business. To avoid allegations of collusive or other related fraudulent practices, a record of the quotation must be kept with the file. If a telephone quote is solicited, a record shall be kept and attached to the PARSS bid sheet and sent to the Purchasing Office for processing. Additional sources may also be solicited. Please refer to eVA's e-Mall catalog (non-contract) for written quotes from vendors or contact vendors to obtain telephone quotes. Use of the Small Purchases Charge Card is encouraged for purchases up to \$5,000. Please refer to Section IV-A-3 (below) for more information on the Small Purchases Charge Card.
2. Purchases over \$5,000 to \$50,000. Quick Quote shall be used to solicit bids or quotes for goods and nonprofessional services from \$5,000 to \$50,000. Any appropriate special conditions must be stated in or attached to the Quick Quote, such as specifications from any bidder must be attached to the Vendors Quick Quote bid or sent directly to the Purchasing Office.

Quick Quote requires soliciting from a minimum of four (4) valid sources, including a minimum of two (2) minority or women-owned businesses in writing or electronically. The quotations may be faxed, mailed or electronically submitted. All specifications shall be reviewed by the Buyer before they are posted on Quick Quote. This policy is intended to ensure specifications are adequate and appropriate. The bid period for using Quick Quote shall be for at least five business days.

The Best Value concept can be used providing that a Best Value purpose statement is included in the solicitation. A Best Value award will be made to the responsible bidder whose proposal, conforming to the solicitation, is the most advantageous and represents the best value to the Commonwealth, costs and other factors considered.

3. Small Purchases Charge Card. The Commonwealth has established a contract allowing agencies and institutions to use charge cards for transactions to \$5,000 for the purchase of maintenance, repair and operating (MRO) supplies and services as well as for placing orders against DPS Term Contracts. Charge card purchases shall be processed through eVA unless the purchase is made over the counter at the site of the sale and picked up by the individual card holder. These transactions are exempt from eVA guidelines but are not exempt from the quote requirement of a minimum one (1) written or telephone (oral) quotation from a minority or women-owned business. Information on the American Express Small Purchases Charge Card can be obtained by contacting the Program Administrator in the Purchasing Office.

B. Competitive Sealed Bidding

Competitive sealed bidding is the preferred method for acquiring goods and nonprofessional services for public use when the estimated cost is over \$50,000 (or may be used for lesser cost amounts). The goods or services to be procured must be capable of being described so that bids submitted by vendors can be evaluated against the description in the IFB. This description or requirements usually involve cost or some monetary value or measure. An award typically is made to the “low cost” bidder.

Competitive sealed bidding includes the issuance of a written IFB containing the specifications or scope of work/purchase description and the contractual terms and conditions applicable to the procurement. The requirements set forth in the IFB may include special qualifications required of potential contractors, life cycle costing, value analysis, and any other criteria such as testing, quality, workmanship, delivery and suitability for a particular purpose which may help in determining acceptability. IFB’s must describe the requirements accurately and completely. Unnecessarily restrictive specifications or terms and conditions that unduly limit competition must be avoided.

Potential contractors or bidders are solicited by publicly posting the IFB’s in the Virginia Business Opportunities (VBO) section on the eVA web site and mailing IFB’s to a minimum of six (6) valid sources, including a minimum of four (4) minority or women-owned businesses. Any such direct solicitations shall include businesses selected from a list made available by the Department of Minority Business Enterprise (DMBE).

In the competitive sealed bid process, bids are publicly opened and bid prices are read aloud. The bids are evaluated based upon the requirements set forth in the invitation, and an award is made to the low cost, responsive and responsible bidder.

Staff at DPS handles IFB’s involving goods and technology exceeding NRCC’s delegated purchasing authority (Refer to Section II). The Buyer handles the IFB’s involving services. In many cases, the Buyer can obtain copies of model IFB’s. Model IFB’s are IFB’s developed and issued by other state agencies for comparable goods or services. Model IFB’s can reduce the time and effort required to develop a scope of work.

C. Two-Step Competitive Sealed Bidding

Two-step competitive sealed bidding is used when it is impractical to initially prepare a definitive purchase description to support an award based on prices. In such instances, an IFB is issued requesting the submission of un-priced technical proposals. Later, bidders submit prices for their technical proposals. However, these bidders must have their technical proposals qualified under the criteria established in the IFB. There is no negotiation in the two-step competitive bid process; however, the Commonwealth, at its option, may request information from a bidder to clarify material contained in their technical proposal.

The two steps can be combined by requiring the firms who respond to the solicitation to furnish their un-priced technical proposals in one sealed envelope and their bid prices in a second sealed envelope at the same time. The instructions issued must specify that the responses are to be submitted in two separate sealed envelopes; one marked "Technical Proposal" and the other "Bid Price." The technical proposals are opened and evaluated, then only the price envelopes for those technical proposals selected as acceptable are opened. The award is made to the lowest responsive and responsible bidder. The award document will incorporate by reference the terms and conditions of the solicitation and include the contractor's technical proposal and the bid price.

Please contact the Buyer if you are interested in using this method of procurement. Staff at DPS handles the bidding process involving goods and technology exceeding NRCC's delegated purchasing authority (Refer to Section II).

D. Competitive Negotiation

Competitive negotiation (RFP) is used when it is not practicable or not fiscally advantageous to use competitive sealed bidding. Competitive negotiation provides the flexibility of describing what is wanted in general terms and the opportunity through negotiations to change the content of an offer and pricing after opening. Negotiation is the discussion to mediate differences, to arrive at an agreement acceptable to both parties, and is the means by which the buyer or contracting officer and an offeror or seller bargain to reach agreement on the contents and terms and conditions of a contract. Competitive negotiation is not "horse trading," "haggling," or conducting an auction. Competitive negotiation, properly carried out, requires skill and extensive preparation on the part of the negotiators. Staff at DPS handles RFP's involving goods and technology exceeding NRCC's delegated purchasing authority (Refer to Section II).

Potential contractors or offerors are solicited by publicly posting the RFP's in the Virginia Business Opportunities (VBO) section on the eVA web site, advertising in the local newspaper and mailing RFP's to a minimum of six (6) valid sources, including a minimum of four (4) minority or women-owned businesses. Any such direct solicitations shall include businesses selected from a list made available by the Department of Minority Business Enterprise (DMBE).

Additional, selected information about a RFP is provided below.

1. The user shall write a determination that lists reasons why competitive sealed bidding is not practicable or fiscally advantageous to the public. This determination shall be approved by the President or Vice President for Finance and Technology and delivered to the Buyer before the procurement process may begin.
2. A written RFP is issued to describe in general terms that which is to be procured. The RFP must specify and list the specific requirements to be addressed by the offerors which will be used in evaluating the proposals and will contain other applicable contractual terms and conditions, including any unique capabilities or qualifications which will be required of the contractor.

3. The factors for use in evaluation shall be stated in the RFP and the weights assigned to them must be included in the RFP or shall be posted in the location used for public posting of procurement notices prior to the opening and evaluation of proposals. Price shall be one of the factors considered but need not be the determining one.
4. All pre-proposal conferences or site visits must be mentioned in the RFP and any advertisement of it. If attendance at such a conference or site visit is a prerequisite for submitting a proposal, the public notice period must be at least ten days in advance to provide adequate opportunity for potential offerors to obtain a copy of the RFP and attend.
5. Public openings of proposals are not required.
6. The proposals are evaluated by the buyer, contracting officer or an evaluation team. The evaluators, at their option, may request a formal presentation or hold discussions with the offerors to clarify the material in their proposals in order to determine those fully qualified and best suited. Proposals are then evaluated on the basis of the criteria set forth in the RFP, using the scoring weights previously determined. Two or more offerors determined to be fully qualified and best suited are then selected for negotiation. Price is considered but need not be sole determining factor.
7. Negotiations are conducted with each of the offerors so selected. Negotiation allows modification of proposals including price. Offers and counter-offers may be made as many times with each offeror as is necessary to secure a reasonable contract. After negotiations have been conducted with each of the selected offerors, the Commonwealth selects the offeror which, in its opinion, has made the best proposal, and the contract is awarded to that offeror. In all cases, written confirmation shall be obtained from the offeror on any modifications of the original proposal. Once an intent to award notice is posted, no further negotiations shall be conducted.
8. Offerors may inspect the proposal records after evaluation and negotiations are complete but prior to award.
9. NRCC may cancel a RFP or reject proposals at any time prior to making an award.
10. The award documents shall incorporate by reference the terms and conditions of the RFP and the contractor's proposal together with all written modifications thereof.

E. Sole Source Procurement

A sole source procurement is authorized when there is only one source practicably available for the goods or services required. Competition is not available in a sole source situation. Competition is available in a proprietary purchase situation. A proprietary product is manufactured by only one company, but is sold through distributors and competition between them can be obtained. Sole source justification based solely on a single vendor's capability to deliver in the least amount of time is not appropriate since availability alone is not a valid basis for determining a sole source procurement. NOTE: For sole source procurement that exceed \$5,000, a written quotation must be obtained from the vendor, and over \$50,000.00 requires approval from DPS/DGS.

Agency Head Approval. A determination written by the user and approved by the President or Vice President for Finance and Technology, documenting that there is only one source practicably available for that which is to be procured, must be sent to the Buyer prior to ordering the goods or services. Questions to answer in the determination are as follows:

1. Why is the good or service the only one that can meet your needs?
2. Why is the vendor selected the only source from which the good or service can be obtained?
3. Why is the price considered reasonable?
4. What efforts were expended to conduct noncompetitive negotiations to obtain the best possible price for taxpayers?

Sole Source Procurements Exceeding \$50,000. All justifications for sole source procurements exceeding \$50,000 must be submitted to the Buyer. The Buyer is responsible for routing the justifications to the President and DPS or VITA. When approval of the procurement request is received at NRCC, the Buyer may proceed to negotiate a contract, if the estimated cost of the procurement is within NRCC's delegated purchasing authority.

Negotiating a Contract. Upon satisfying the requirements of the above paragraphs, a contract may be negotiated and awarded without competitive sealed bidding or competitive negotiation. In making a sole source procurement, the Buyer and user are responsible for negotiating a contract that is in the best interests of the Commonwealth. The Buyer and user should carefully research the product or services and determine in writing what is a fair and reasonable price. Negotiations can be conducted on adding terms and conditions favorable to the Commonwealth and deleting or changing terms that are one-sided in favor of the contractor. It is important to know the market and the contractor's situation in regard to the market.

F. Emergency Procurements

An emergency procurement is an occurrence of a serious and urgent nature that demands immediate action. Emergency procedures may be utilized only to purchase that which is necessary to cover the emergency. Subsequent requirements shall be obtained using normal purchasing procedures. The potential loss of funds at the end of a fiscal year is not considered to be an emergency.

Emergency procedures are listed below:

1. Personal Safety in Jeopardy or Property in Danger. Contact supervisor, President or Vice President for Finance and Technology to inform them of the emergency. Locate a source for the needed goods or services, obtaining as much competition as is practicable and direct the vendor to proceed. Request the Buyer to issue the purchase order or award document. NRCC may exceed delegated authority without DPS' approval. If the procurement is over \$50,000, the Buyer will publicly post the award notice on the eVA web site.

The user shall develop a written determination documenting the nature of emergency, actions taken to mitigate the negative effects of emergency and rationale for vendor selection. The user shall submit the determination for written approval by President or Vice President for Finance and Technology within three business days after the occurrence of the emergency.

2. Other emergencies in which personal safety not in jeopardy or property not in danger. Buyer or end user should contact vendors about the needed goods and services. Competition among vendors for goods and services should be sought to the maximum extent practicable.

Evaluate bidders' or vendors' quotes as described herein. If only one price is received for goods and services, the user and Buyer need to ensure price reasonableness. The user will need to document price reasonableness for written approval by the President or Vice President for Finance and Technology.

If services are being procured, then also consider (a) verifying vendor's liability insurance coverage's if vendor will work on state owned or leased property, (b) verifying vendor is a licensed contractor by obtaining license number, and (c) contacting references for vendor.

The user, after receiving approval from the Buyer, may select vendors and may instruct vendors to provide needed goods and services. Purchase orders and award documents may be issued later by the Buyer.

The user will develop a written determination as described previously. This determination will be signed by the President or Vice President for Finance and Technology.

The Buyer will publicly post the award on the eVA web site for 10 days for all procurements exceeding \$50,000. The Buyer will state the contract was awarded on an emergency basis, identify goods or services purchased, the vendor selected and the date the contract was or will be awarded.

The user and the Buyer will research and challenge all charges by the vendor that appears unreasonable. The Buyer will comply with the policies and practices in DPS' manuals in resolving these situations.

V. Use of eVA and eVA Exclusions

- A. Use of eVA. All purchase transactions, regardless of funding source, shall be processed through eVA to eVA registered vendors except as excluded in Section B below.
- B. Exclusions from eVA. Exclusions, regardless of dollar value, include the procurement types listed below.
 1. Real estate leases
 2. Advertisements such as in newspapers, magazines, journals, radio, television, etc.
 3. Professional organizational membership dues and training classes sponsored by the professional organization when payment is made directly to the professional organization sponsoring the training class.
 4. Conference registrations
 5. Petty cash purchases
 6. Honoraria
 7. Entertainment (speakers, lecturers, musicians, performing artists)
 8. Accreditation fees and academic testing services

9. Exhibition rental fees for exhibitions of historical artifacts or original works of art. (The rental fee may include charges other than the rental of the exhibition, such as transportation costs.)
10. Goods or personal services for direct use by the recipients of programs specified in the *Code of Virginia*, § 2.2-4345.
11. Award of grants by agencies and institutions to public bodies or tax exempt non-profit charitable organizations. This exception does not apply to the expenditure of grant funds by agencies and institutions for the purchase of goods and/or services.
12. Medical (Health Care) Services when the service is provided by a hospital or an individual licensed and authorized by law to engage in the prevention, diagnosis, or treatment of human illness, injury, or physical disability, mental health, mental retardation, substance abuse, or emotional condition.
13. Public Utilities (electric, natural gas, water, sewer)
14. Purchases made via closed-loop systems or automated inventory control systems for items for resale, e.g., ABC, drugs
15. Purchases made using the DPS-authorized multi-state drug contract
16. Purchases made using DPS Contract #91026, Express Delivery Services
17. Over the counter charge card purchases that are made at the site of the sale and picked up by the individual card holder (i.e., SPCC).
18. Revenue contracts, e.g., scrap, recycling or contracts with \$0 payment made by the Commonwealth, e.g., contracted out Bookstore, Food service operations.
19. Government-to-government purchases, other than purchases from mandatory sources
20. Purchases from public auctions (non-electronic)
21. Surplus property
22. Contracts with commercial fisherman for replenishment, research and stock assessment activities
23. Individual travel and lodging
24. Financing when goods/services procured from one source are being financed by another (i.e., third party) source. The financing exclusion does not apply to lease purchases.
25. Business and/or financial transactions to which public procurement regulations do not apply. Examples include debt service payments, Medicare and Medicaid payments, and child support payments.

C. Orders to Vendors Not Registered In eVA and Related Fees. There may be times when NRCC is compelled to do business with vendors who refuse to register in eVA and the specific purchase transaction is not included in the above exemption list. In such cases, NRCC is required to process the order through eVA in accordance with one of the following processing options.

1. Vendors Accepting eVA Terms and Conditions. If the vendor agrees to accept the eVA terms and conditions regarding vendor payment of the eVA transaction fee, NRCC shall document the vendor's agreement in an eVA purchase order comment and process the order.
2. Vendors Refusing to Accept eVA Terms and Conditions. If the vendor refuses to accept the eVA terms and conditions regarding vendor payment of the eVA transaction fee, NRCC shall document the vendor's refusal in an eVA purchase order comment and process the order. In such cases, NRCC will be required to pay the eVA transaction fee, which is 1% of the total purchase order price.

VI. PROCUREMENT ADVERTISING

All IFB's, RFP's, addenda, amendments, cancellations and award actions over \$5,000 shall be posted on the eVA web site. Only award notices for emergency and sole source procurements are required to be posted on eVA. The location of these documents should be provided in eVA for the benefit of bidders and offerors. Also, RFP's estimated to be over \$50,000 shall be advertised in a newspaper in the area in which the contract is to be performed. The cost of the advertisement shall be paid by the department responsible for the goods or services being procured. IFB's, RFP's and award notices over \$50,000 shall be posted on the procurement bulletin board outside the Cashier's window of the Business Office. The Buyer is responsible for posting documents in eVA and the procurement bulletin board.

VII. TRAVEL

See the State Travel Regulations for information about procuring rail or airline tickets, rental cars, and rooms and lodging for non-employees. State Travel Regulations can be found online at <http://www.nr.edu/nrccfamily/regulate/travel.htm>

The Commonwealth has established a contract allowing agencies and institutions to use travel charge cards for charging expenses incurred while conducting official State business. Charges are the employee's responsibility. Typically, employees who travel overnight at least twice per year are issued cards. Information on the American Express Corporate Travel Card can be obtained by contacting the Program Administrator in the Purchasing Office.

VIII. SHALL NOT'S OF PURCHASING

- A. NRCC employees, or persons affiliated with NRCC, shall not purchase or otherwise contract for any good or service without first:
 - 1. generating a PARSS and eVA purchase request,
 - 2. obtaining signed approval on the PARSS purchase request of the manager responsible for the account to which the procurement is being charged, and
 - 3. waiting until a purchase order is generated by the Buyer.
- B. A person who or firm which has been engaged as an architect or engineer for a project under a separate contract shall not be eligible to bid on or submit a proposal for any such contract or to have the contract awarded to him/her.
- C. Building materials, supplies or equipment for any building or structure constructed by or for NRCC shall not be sold by or purchased from any person employed as an independent contractor by the public or NRCC to furnish architectural or engineering services (but not construction) for such building or structure; or from any partnership, association or corporation in which such architect or engineer has a personal interest as defined by the Code of Virginia.

- D. Building materials, supplies or equipment for any building or structure constructed by or for NRCC shall not be sold by or purchased from any person which has provided or is currently providing design services specifying a sole source for such materials, supplies or equipment to be used in such building or structure to the independent contractor employed by NRCC to furnish architectural or engineering services in which such person has a personal interest as defined by the Code of Virginia.
- E. Except in cases of emergency or when only one source is practicably available for both the defining of contract requirements and the performance of those requirements, an independent contractor employed by NRCC to design a project, develop a scope of work, write specifications or otherwise define contract requirements shall not be eligible to compete for or receive the resulting contract. In addition, the contractor may not be a subcontractor or supplier for the entity which is awarded the contract or any of that entity's subcontractors, however far removed.
- F. Users shall not place multiple orders within other than a reasonable time period to one or more vendors for the same, like, or related goods or services to avoid using the appropriate method of procurement or to remain within NRCC's delegated purchasing authority.
- G. In the solicitation, awarding or administration of contracts, users shall not discriminate because of the race, religion, color, sex, or national origin of the bidder, offeror, or contractor.
- H. Late bids or proposals, those received after the time and date specified for receipt in the solicitation, shall not be considered. Late sealed bids or proposals shall be marked "late" and returned to the bidder or offeror. Late **unsealed** bids or proposals, those solicited for requirements under \$50,000.00, may be marked "late" and placed in the contract file or they may be returned to the bidder or offeror.
- I. State employee having administrative or operating authority, whether intermediate or final, to initiate, approve, disapprove, or otherwise affect a procurement transaction, or any claim resulting therefrom:
1. shall not solicit, demand, accept, or agree to accept from a bidder, offeror, contractor or subcontractor any payment, loan, subscription, advance, deposit of money, meals, services or anything of more than nominal or minimal value present or promised, unless consideration of substantially equal or greater value is exchanged.
 2. shall not accept employment from any bidder, offeror or contractor with whom the employee dealt in an official capacity concerning procurement transactions for a period of one year from the cessation of employment by the State unless the employee or former employee provides written notification to the agency head prior to commencement of employment by that bidder, offeror or contractor.
 3. shall not knowingly falsify, conceal, or misrepresent a material fact; knowingly make any false, fictitious or fraudulent statements or representations; or make or use any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry. Willful violation of any provision of this article shall constitute a Class 1 misdemeanor. Upon conviction, any user, in addition to any other fine or penalty provided by law, shall forfeit his employment.

- J. Users shall not purchase items, for personal or non-business use, from state or NRCC contracts or by using NRCC purchase orders. Use of contracts or purchase orders and reimbursement to NRCC for such purchases is prohibited.
- K. Users shall not purchase and use cellular telephones without the approval of the President or Vice President for Finance and Technology. An approved written request and justification must be on file for each telephone.

Appendices

- A. SWAM Procurement Plan
- B. Competitive Sealed Bidding Process
- C. Competitive Negotiation Process
- D. American Express SPCC Policy and Procedures Manual

Appendix A

SWAM Procurement Plan



SWAM PROCUREMENT PLAN

I. Commitment

New River Community College (NRCC) is committed to supporting the objective of increasing procurement opportunities by ensuring fair consideration of all suppliers in its day-to-day procurement of services, supplies and construction. We have seen that working with a wide range of suppliers provides a competitive edge in producing high-quality, low-cost innovative products and services. All employees with purchasing responsibility or who are involved in procurement decisions for goods and services are expected to notify and give every consideration to using qualified, small, women-owned and minority (SWAM) suppliers in a manner that is consistent with state and federal laws and regulations. As always, business will be conducted in the highest professional manner.

II. Diversity Champion

NRCC has appointed the following member as its Diversity Champion:

Mark Hamric
Associate Vice President for Finance & Technology
P.O. Box 1127
Dublin, VA 24084
540-674-3600 x3653
nrhamrm@nr.edu

III. Purchasing Process

NRCC encourages and promotes the certification of all women, minority-owned and small businesses with the Department of Minority Business Enterprise and the Department of Business Assistance. NRCC suppliers will be registered in eVA, the portal for all procurements. eVA's ability to provide NRCC access to registered small, women and minority-owned businesses will promote additional opportunities with these suppliers in the future. NRCC posts all solicitations on eVA and eVA serves as the primary means of communication between NRCC and its suppliers for notification of business opportunities with the Commonwealth.

NRCC has been delegated \$50,000 procurement authority to order goods; \$99,999 for software and hardware purchases on contract and an unlimited amount for nonprofessional services. However, if there is an existing statewide contract for

purchases of goods and services in any amount, that contract must be utilized. For purchases of goods or services where there is no existing statewide contract, NRCC follows small purchase procedures. NRCC's Small Purchase Procedures will promote business with small, women and minority-owned suppliers:

- ❖ Purchases up to \$5,000 - solicit a minimum of one (1) quote from a minority or women-owned business.
- ❖ For purchases over \$5,000 to \$50,000 - solicit a minimum of four (4) valid sources, including a minimum of two (2) minority or women-owned businesses. Solicitations can be made, in writing or electronically, using Quick-Quote for bids or quotes from \$5,000 to \$50,000. Using eVA's e-mail, quick-quote functionality allows for the user to request quotes from small, minority or women-owned businesses and to consider those first in purchasing.
- ❖ For purchases over \$50,000 to \$100,000 - Utilizing competitive sealed bidding, two-step competitive sealed bidding or competitive negotiation. NRCC will solicit a minimum of six (6) valid sources, including a minimum of four (4) minority or women-owned businesses, in writing, including electronically through eVA. NRCC will also include participation and contribution of small, women and minority-owned businesses into consideration of the best overall value solution proposed for the business need.

NRCC's solicitations and website outreach inform all potential women or minority-owned suppliers that they must be certified by the Department of Minority Business Enterprise (DMBE) in order to be classified as a small, women or minority-owned business. NRCC's website provides a link to DMBE's website.

IV. SWAM Business Outreach

NRCC's Procurement Office is responsible for assisting in establishing and growing the current and future supplier diversity initiative for NRCC. NRCC will develop the core operating principles that define supplier diversity opportunities within the Commonwealth and collaborate with business units, customers and functions to develop processes and procedures to achieve results. NRCC will help identify, analyze and design supplier diversity business policies, strategies and processes based on industry best practices and opportunities for significant improvement to supplier diversity efforts.

NRCC will develop outreach activities to ensure diverse representation within supplier base by participating in diversity supplier business activities. NRCC's outreach consists of participating in existing outreach programs, such as trade fairs and supplier training, partnering with DMBE to identify high opportunity targets for NRCC and host information sharing sessions with interested suppliers to increase communications. NRCC provides accessible information through the web and contact mailbox.

V. Utilization of Race and Gender-Neutral Options

NRCC utilizes the following race and gender-neutral options to increase participation of small, minority and women-owned suppliers:

- ❖ Small procurements – see above.
- ❖ User access to certified SWAM vendors through DMBE's website.
- ❖ Consultation with DMBE.

VI. Internal Monitoring Mechanisms

NRCC has appointed the following members to be responsible for monitoring SWAM purchases:

- ❖ Melissa Anderson
- ❖ Monica Carden

NRCC has identified the following points of review in the procurement process where review for SWAM procurement will take place:

- ❖ SWAM spend reporting on small dollar agency procurements to ensure compliance with small purchase procedures promoting SWAM usage. Track all small purchase spending to determine if procedures are being following to utilize SWAM.
- ❖ Once a contract award has been posted, if an unsuccessful bidder was one or more SWAM suppliers, NRCC may conduct a review which will include obtaining feedback from the successful SWAM suppliers concerning the procurement process, contract sizing or other factors which affected the contract award.
- ❖ Internal controls will be set to review each purchase no matter what the purchase amount.

VII. Projected SWAM Business Purchases

Approximately \$1.6 million of NRCC's \$14 million budget for FY-05 is expected to be available for SWAM businesses. Based on an analysis of New River Community College's FY-05 budget, a target of approximately \$450,000 will be spent for direct SWAM business with another \$46,000 for Tier 2 business (subcontracting) bringing the total SWAM target (Tier 1 and Tier 2) to \$496,000.

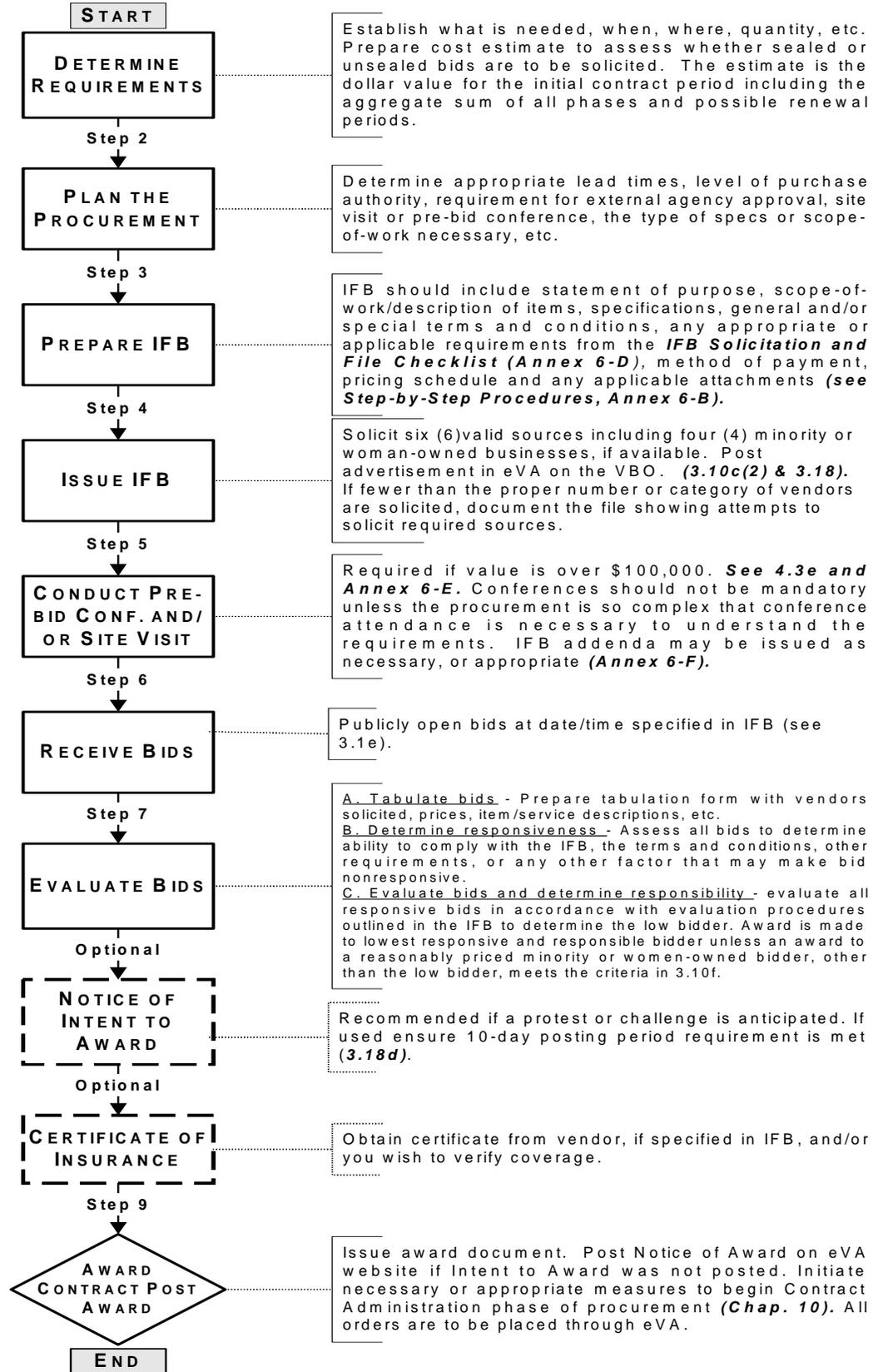
The projected Tier 1 and Tier 2 aspirational goals/dollar values for the following purchasing categories are:

Small	\$369,000.00
Women-Owned	\$28,000.00
Minority-Owned	\$99,000.00

Appendix B

Competitive Sealed Bidding Process

COMPETITIVE SEALED BID PROCESS (CODE OF VA §§ 11-37, 11-41A)
 For Goods and Non-professional Services (Over \$50,000)



Appendix C

Competitive Negotiation Process

COMPETITIVE NEGOTIATION PROCESS (CODE OF VA §§ 2.2-4301, 2.2-4303C)
For Goods and Non-professional Services over \$50,000

VPPA 2.2-4303. Agency head, or designee, must document that competitive sealed bidding is neither practicable, nor fiscally advantageous (7.2). Best Value Acquisition (BVA) may be used (see 7.5)

Use recommended format, Annex 7-B. Describe needs, evaluation factors, terms and conditions, and any unique requirements. If over \$100,000 see 3.10d. If using BVA, see Annex 7-F.

Solicit six (6) valid sources, including four (4) minority or women-owned businesses, if available. Publicly post on the eVA web site under VBO ads and advertise the RFP in newspaper (3.10 & 3.18).

Select 3-5 member evaluation panel. Include buyer, or someone, knowledgeable of VPPA, Vendors Manual, and APSPM.

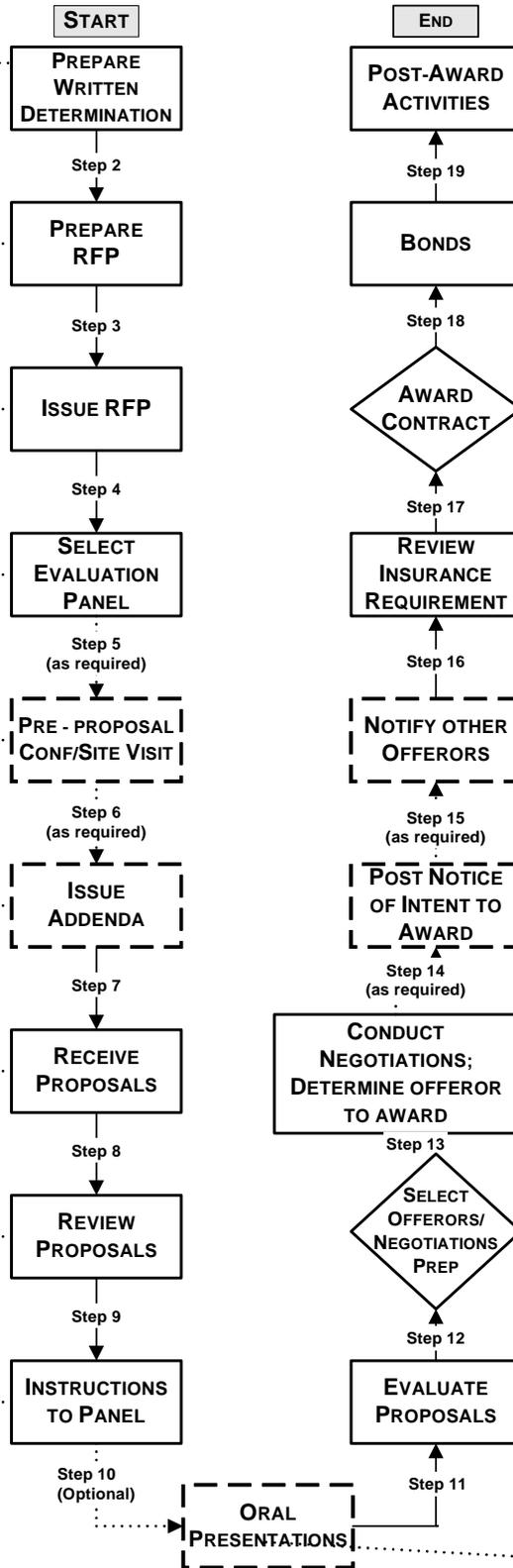
Optional. If specified in RFP, conduct pre-proposal conference, and/or vendor visit of work site. If mandatory, an attendance roster must be signed by attendees (6-E, 7.2h).

Optional. Use to correct errors, due dates, or communicate other changes to the solicitation (use addenda feature in VBO; if posting elsewhere see sample in Annex 6-F).

Open publicly if specified on cover sheet. If not, open and evaluate proposals after stipulated time (3.1e).

Review proposals against mandatory requirements. If missing required information, contact offeror. Allow opportunity for them to provide information.

Provide detailed written instructions, outlining specific actions (7-B).



Initiate Contract Administration phase, if appropriate. Assign in writing, a Contract Administrator to monitor contract (Chapter 10).

Obtain Performance and Payment (P & P) Bonds prior to commencement of work, if required (3.2).

Issue award document and post award in eVA. (6-G, 6-H).

If insurance required in RFP, agency may request certificate prior to commencement of work if unsure of contractor insurance coverage (4.14).

Optional. Notify by posting letter of intent to award, or notice of award in eVA (see 6-G, 6-H for hard copy sample notices).

Optional. Post for 10 days, only if protest anticipated (4.12d, 6-G).

Negotiate. Obtain written confirmation of negotiated changes. Select offer which in panel's opinion has made the best proposal and award. May award other than highest ranking offeror (see 7.4 & 3.10f). If BAFO language was used in RFP, may re-score, and award. Include documentation of negotiation in file (7.4, 7-C).

Select top two or more offerors based on panel score. Plan negotiation strategy. (7-B, 7-C).

Evaluate and score proposals. Review member evaluations. Reference checks and inspections, as required (7.3).

Optional - Oral presentations for panel members wishing clarification from offerors prior to formal scoring (7.3b).

Appendix D

American Express SPCC Policy And Procedures Manual



**SMALL
PURCHASE
CHARGE
CARD
(SPCC)**

Policy and Procedures Manual

NEW RIVER COMMUNITY COLLEGE
Policies and Procedures
American Express Small Purchases Charge Card Program
(SPCC)

I. INTRODUCTION

The following policies and procedures apply to the use of the AMEX Small Purchases Charge Card Program at New River Community College.

Purchasing charge cards (purchasing cards) offer the opportunity to streamline procedures for procuring and paying for small dollar goods and services. Purchasing cards may be employed to purchase needed goods and services that assist in accomplishing New River Community College's mission of providing instruction to students. The purchasing card shall be viewed at all times as an efficient means of payment, not a substitute for proper procurement procedures.

Maximum use of the SPCC program in conjunction with other electronic commerce initiatives is a best practice, essential to the statewide effort to reduce the costs associated with paying for goods and services for the Commonwealth.

The Procurement Officer acts as the Program Administrator and the Associate Vice President for Finance and Technology serves as the backup Program Administrator. This person is responsible for card issuance, card cancellation, and communicating to the charge card vendor who, within NRCC receives the cards, monthly billings, additional statements and management reports.

II. POLICY

The small purchase transaction limit is \$5,000 per charge. **The cardholder may not, under any circumstances, authorize any charge in excess of the transaction limit set by the Program Administrator.** Violation of this policy will result in revocation of charge privileges for a minimum of six months. Repeat offenses will result in permanent revocation.

New River Community College assumes ultimate liability for the employee's use of the purchasing card. Purchasing cards must be used for official Commonwealth of Virginia purchases only and all purchases must comply with the same State procurement regulations in effect for any other means of payment. The purchasing card must not be used to circumvent procurement guidelines, particularly those designed to maximize the Commonwealth's purchasing power through State contracts. Efforts should be made to use State contract vendors who accept the purchasing card, where appropriate, and in order to maximize administrative cost savings. Questions regarding the appropriate use of the purchasing card should be directed to the Program Administrator.

The purchasing card shall not be employed for personal purchases, cash advances and business travel expenses, with the exception of airline and mass transit tickets. Airline ticket purchases, like all other purchases made with the card, may not exceed the card limits. Note: The new airline travel regulations require that passengers who purchase electronic tickets with a charge card must produce the card at check-in.

Web-based purchases, particularly through eVA, are encouraged provided the requirements of the Department of General Services' (DGS) Electronic Commerce Policy are followed in all cases. This policy is available in Exhibit A and also available online at: <http://www.eva.state.va.us/dps/Manuals/docs/ecpolicy.htm>

Purchasing cardholders shall be set up in eVA in order to maximize the benefits provided by using the purchasing card on eVA orders. All cardholders are prohibited from faxing card information or sharing card information with anyone to make a purchase. eVA encrypts all purchasing card information. Vendors equipped for electronic transmission will receive the card information in a secure format. eVA enables orders to be prepared "On Behalf of" purchasing cardholders where an employee can place an order to a cardholders purchasing card. However, the cardholder is required to be included in the eVA workflow for approval and notification.

III. PROCEDURES

Card Issuance: Upon receipt of a Purchasing Charge Card Request Form from the President's staff or Functional Area Manager to the Program Administrator, the Program Administrator reviews the request and completes the required enrollment form. The Program Administrator forwards the enrollment form to the charge card vendor, who is American Express. Cards are issued with the name of the cardholder and the cardholder's agency name embossed on the front. **Cardholders must receive training and sign an Employee Agreement Form (See Exhibit B) prior to obtaining the purchasing card.** After receipt of the purchasing card, the Program Administrator notifies the cardholder of the receipt and schedules training with that individual. Each signed Employee Agreement Form shall be retained in the Purchasing Office and the Program Administrator shall give a copy to the new cardholder.

Training: Prior to issuance of a purchasing charge card, the Program Administrator or designee shall provide training to each cardholder and the cardholder's supervisor in the proper use of the card. Listed below are examples of the topics to be covered during the training. A more detailed discussion of each area follows the examples.

- Card Security
- General requirements for card usage
- Returns, credits and disputed items
- Monthly purchasing log
- Reconciling the charge card statement

- Payment request form
- Monthly invoice processing
- Use of mandatory supply sources

Card Security: Cardholders are prohibited from loaning their purchasing charge cards or account numbers to other individuals, nor may they share their account number with others. The card, and related account number, must be secured and shall not be posted or left in a place where other individuals may gain access to them. In the event that the cardholder is going to be absent from work for an extended period of time, the applicable supervisor may request an additional card for issuance to another employee through the Program Administrator. If a card is lost or stolen, the cardholder must immediately notify the Program Administrator who will then notify American Express. If the cardholders' employment terminates, it is the responsibility of the cardholder's supervisor to immediately obtain the card and all related materials from the cardholder and return them to the Program Administrator for cancellation.

General Requirements for Card Usage: Under the purchasing charge card program, vendors are paid directly by American Express. When practical, the cardholder should not both order and receive the items ordered. However, the supervisor's signature on the monthly Payment Request Form will be deemed as sufficient authorization for item(s) ordered and received. The cardholder shall:

1. Identify eVA registered vendors who accept the purchasing charge card.
2. Go on-line (must comply with DPS' E-Commerce Policy), or go to the vendor's place of business and place the order. Call-in orders are only allowed if the purchase is exempt from eVA.
3. If receiving is directed to the Facilities Services area in Godbey Hall, the cardholder should provide the receiving person with a listing of what was ordered if the item(s) was not documented in eVA. The cardholder should ensure that someone verifies the items received to the sales receipt or packing slip, and that the incoming items are inspected for damage prior to removing them from the receiving point. **All documentation pertaining to the purchase, such as packing slip or sales receipt, shall be forwarded to accounts payable along with the cardholder's applicable Monthly Purchasing Log (see Exhibit C) before the 3rd of each month.**
4. When placing an order, inform the vendor that as a State agency, New River Community College is generally exempt from paying state sales tax. The Business Office shall provide all cardholders with copies of the State's Sales and Use Tax Certificate of Exemption form ST-12, which the cardholders shall furnish to vendors upon their request. The cardholder will inform the vendor not to send an invoice to NRCC for the purchase being made with the charge card.

The purchase will be billed on the cardholder's monthly charge card statement, which represents the only acceptable vendor billing document.

5. Log all pertinent information relating to each purchase on the cardholder's Monthly Purchasing Log (see Exhibit C).

Returns, Credits and Disputed Items: In most cases, disputes can be resolved directly between the cardholder and the vendor supplying the goods or services. The cardholder shall adhere to the following guidelines when returning an item:

1. If an item needs to be returned for any reason, the cardholder shall send the item back to the vendor in the manner agreed upon.
2. The vendor should issue a credit to the cardholder for items that are returned. The credit will appear on a subsequent charge card statement. If the credit does not appear on a subsequent statement within 60 days following the date of notification of the problem to the vendor, the cardholder shall notify the Program Administrator.
3. Documentation of the return (such as a credit receipt) should be issued by the vendor at the time the merchandise is returned. All documentation pertaining to the return must be kept by the cardholder and attached to the Monthly Purchasing Log.
4. The return shall be entered on the cardholder's Monthly Purchasing Log.
5. If the cardholder and the vendor supplying the goods or services cannot resolve a problem, the cardholder should contact the Program Administrator for assistance.

Monthly Purchasing Log: In order for the spending limits to be monitored and purchasing activity to be reconciled to the monthly charge statements, cardholders shall maintain a Monthly Purchasing Log of their purchases (see Exhibit C for a sample format). A new log shall be established at the beginning of each new monthly billing cycle, which starts on the 21st and runs through the 20th of the following month. The cardholder may customize and/or automate the Monthly Purchasing Log as long as it contains the same information as Exhibit C.

Reconciling the Monthly Charge Card Statement: Within a few days after the close of the monthly billing cycle, American Express sends a monthly charge card statement to each cardholder for use in verifying that the purchases and returns are accurately listed on the statement. After comparing the statement to the Monthly Purchasing Log, the cardholder is responsible for noting any discrepancies on the log for subsequent resolution with the vendor(s). The reconciliation process shall be completed by the 3rd day of each month following the end of the billing cycle.

Payment Request: Each cardholder shall allocate the total dollar amount listed on the monthly charge card statement to FRS account codes for which the goods or services were purchased. The Monthly Purchasing Log, backup documentation (e.g., receipts, packing slips, sales receipts, etc.) and Receiving Report (see Exhibit D) with appropriate signatures must be given to accounts payable by the 3rd day of each month. NOTE: Both the cardholder and his/her supervisor must sign the Receiving Report form. In doing so, both individuals certify that the goods and services were received and were necessary, authorized, business expenses. Also, by signing the form both individuals certify that the charge card statement, Monthly Purchasing Log and Receiving Report have been reconciled and are in agreement, including any and all adjustments.

Monthly Invoice Processing: The total amount shown on the consolidated invoice should agree with the total combined charges listed on all monthly charge card statements submitted to the Business Office by cardholders. Upon receipt of the consolidated invoice from American Express, accounts payable shall process the payment of invoices with a payment due date of the 14th day of the month following the close of the billing cycle. **Accounts Payable must pay the full amount shown on the invoice by the payment due date and shall not reduce the invoice by any unapplied credits or disputed purchases.** If the cardholder had no purchases for the month, he/she must still submit the statement from American Express and a signed Receiving Report, in lieu of the reconciled Monthly Purchasing Log and backup documentation.

Mandatory Supply Sources: Cardholders may not use their cards to purchase goods and services that are available from Correctional Enterprises, Department of Visually Handicapped, VDOT, DPS/Virginia Distribution Center or the DGS Office of Graphic Communications.

If a state contract includes vendors who accept the purchasing charge card, the card may be used to purchase items from those vendors up to the cardholder's transaction spending limit. Please contact the purchasing department in the Business Office for contract and mandatory supply source information.

The Commonwealth of Virginia is liable for the use of the purchasing card by authorized users, provided that use is within the single per transaction dollar limit not exceeding \$5,000. The Commonwealth does not accept liability for the following:

- Unauthorized use of the purchasing cards.
- Account numbers that are fraudulently used.
- Purchases made with stolen or lost cards that are beyond the maximum limit of \$50.00 and the maximum length of liability of 24 hours after discovery and reporting of card loss or theft.

The cardholder must not purchase with state funds or accounts beginning with digits 1, 2 or 3, the items listed below:

1. Books, unless these books remain property of the state.
2. baby sitting services
3. non-business related newspaper or magazine subscriptions.
4. personal articles
5. tuxedos or other formal wear
6. non-uniform clothing or repairs to clothing damaged in the workplace.
7. goods or services related to retirement parties or employee going-away parties
8. holiday decorations
9. alcoholic beverages
10. charitable contributions
11. gifts and flowers

This list is not all inclusive and other state funded purchases may be questioned by the Accounts Payable Technician or Program Administrator.

Exhibit A

Department of General Services' Electronic Commerce Policy



Electronic Commerce Policy

3.25 Electronic Commerce

DGS/DPS has established an Electronic Mall (*e-Mall*) to facilitate the ordering of goods and services by agencies and institutions. The goal of the *e-Mall* is to leverage the Commonwealth's buying power, and to allow agencies and institutions the ability to place orders using either the Small Purchase Charge Card (SPCC) or an electronic purchase order (Agency or Vendor). The *e-Mall* is located on the DGS/DPS website, <http://dps.dgs.virginia.gov/dps/>, it includes, but will not be limited to, state contracts, electronic catalogs, SPCC vendors, mandatory sources, and surplus property. In addition, agencies and institutions are authorized to do on-line buying of goods and services through the Internet. Agencies and institutions are encouraged to develop policies, procedures, and internal controls to manage this process and perform audits/reviews for those employees who have been given the authority to place orders electronically. Some areas to consider when revising or developing internal policies and procedures are: purchase request approval process, how to incorporate terms and conditions, interface with finance and accounting, encumbrance process, receiving reports, and automated system interface. The following DGS/DPS policies and procedures have been developed to assist agencies and institutions when ordering through the *e-Mall* or on-line buying through the Internet:

a. *e-Mall*

- (1) SPCC - Agencies and institutions may purchase goods or services through the *e-Mall*, up to \$5,000 if purchased from state contracts or from another source. Contract terms and conditions govern purchases made from state contracts.
- (2) Electronic Purchase Orders - Agencies and institutions may purchase goods or services in unlimited dollar amounts, unless dollar amounts are specified in the contract, when placing an electronic purchase order from state contracts or mandatory sources. For all other purchases, agencies and institutions may purchase up to their delegated procurement authority after complying with all competitive requirements and file documentation per the *VPPA* and *APSPM*.
- (3) Vendor Participation/Registration - A Memorandum of Understanding (MOU) shall govern vendors participating in the DGS/DPS *e-Mall*. The purpose of the MOU is to verify the vendor's acceptance of the Commonwealth's terms and conditions and validate that controls are in place to accept the SPCC and electronic purchase orders. DGS/DPS will establish and manage the MOU.

- b. On-Line Buying. Agencies and institutions may purchase goods and services through the Internet by using the SPCC and transmitting the card number or by Electronic Purchase Order up to \$5,000.00.

Security Requirements - In order to procure goods or services through the Internet, the vendor must have a Secure Socket Layer (SSL) Version 2.0 or greater. It is the agency's responsibility to ensure the vendor meets the SSL 2.0 requirement before placing an order and using the SPCC as a method of payment. To ensure the vendor has a SSL, the *Address Window* must start with *https://*. This may not occur until the payment information is requested. For information about the vendor's security certification, check under *Help* on your browser's tool bar. Buying through the Internet might subject an agency or institution to the vendor's terms and conditions if no MOU exists. Agencies are encouraged to establish a MOU with vendors whom they conduct business with on a regular basis. See DGS/DPS website for sample MOUs.

Exhibit B

Employee Agreement Form

**NEW RIVER COMMUNITY COLLEGE
AMERICAN EXPRESS CORPORATE PURCHASING CARD
EMPLOYEE AGREEMENT**

I, _____, hereby request an American Express Corporate Purchasing Card.

As a Card member, I agree to comply with the following terms and conditions regarding my use of the Card.

1. I understand that I am being entrusted with a valuable purchasing tool and will be making financial commitments on behalf of NRCC and will strive to obtain the best value for NRCC by using “preferred suppliers.”
2. I understand that NRCC is liable to American Express for all charges made on the Card.
3. I agree to use this Card for approved purchases only and agree not to charge personal purchases, cash advances or **travel and entertainment expenses** to this Card. I understand that NRCC will review the use of this Card and the related management reports and take appropriate action on any discrepancies.
4. I will follow the established policies for the use of the Card. Failure to do so may result in either revocation of my privileges or other disciplinary actions, including termination of employment.
5. I agree to return the Card immediately upon request or upon termination of employment (including retirement). Should there be any organizational change which causes my department to likewise change, I also agree to return my Card and arrange for a new one, if appropriate.
6. If the Card is lost or stolen, I agree to notify the Program Administrator and American Express immediately.

Employee Signature

Date

Department

Employee Social Security Number

Supervisor’s Signature

Date

Program Administrator’s Signature Date

NOTE: One copy to employee
One copy to Program Administrator

Exhibit C

Monthly Purchasing Log

New River Community College
Purchase Log
American Express Purchasing Charge Card Program

_____ 21ST to _____ 20TH, 20_____

Department: _____ Cardholder _____

Purchase Order # Or Control #	Dept Code (FRS Account #)	Date of Purchase or Return	Vendor's Name	Description of Item Purchased or Returned	Amount	Purchase Order is Complete (F) or Partial (P) Cancelled (C)	Purchase or Return is on Cardholder Statement

FORM MUST BE FILLED OUT WHEN ORDER IS PLACED

Exhibit D

Receiving Report

*New River Community College
Receiving Report
American Express Purchasing Charge Card Program*

Also, I certify I have completed the reconciliations between the purchase log and the attached charge card statement and supporting documentation pertaining to purchases and returns and the attached charge card statement. Accordingly, I approve payment of the total amount due on the attached charge card statement for the billing cycle from

_____ 21st to _____ 20th, 2004.

Name of Cardholder

Name of Cardholder's Supervisor

Signature of Cardholder

Signature of Cardholder's Supervisor

Date

Date

Department

NOTE: This receiving report and the charge card statement must be given to the Accounts Payable Technician in the Business Office by the first business day of the month following the most recent billing cycle. For example, if the billing cycle ends on January 20, 2004, this document is due in the Business Office on February 1, 2004.

Also, the Accounts Payable Technician must be provided purchase order numbers corresponding to charges on the purchase log and charge card statement for this billing cycle. You must indicate if these purchase orders are complete or finalized (F) or if these purchase orders are partially complete (P). This information is needed to properly liquidate encumbrances recorded in FRS.