

**BOARD OF SUPERVISORS  
FINANCE/GOVERNMENT OPERATIONS AND ECONOMIC DEVELOPMENT  
COMMITTEE  
INFORMATION ITEM**

**SUBJECT:** Procurement Overview

**ELECTION DISTRICT:** Countywide

**STAFF CONTACTS:** Cheryl L. Middleton, Finance and Procurement  
John Sandy, County Administration

**PURPOSE:** To provide a high level overview of competitive thresholds and the type of contract-related items that will be presented for approval.

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**BACKGROUND:** The mission of the Division of Procurement is to achieve the economical, efficient, and effective acquisition of goods and services in accordance with the Virginia Public Procurement Act (VPPA) and ensure contract awards are made in a fair and impartial manner with avoidance of even the appearance of impropriety, while giving all qualified vendors access to the County's business. The VPPA governs public contracting in Virginia. The VPPA authorizes public bodies to fashion certain details of how to carry out the provisions of the Act. In addition, the Board of Supervisors adopted the Procurement Resolution on June 11, 2011 which incorporates these details and provisions. While the Procurement Resolution follows the principals of the VPPA, it serves as a comprehensive end user guide and cites several sections of the VPPA while also providing more detailed procedures on day-to-day Procurement functions.

Highlights of the Procurement Resolution:

1. Contracting Authority
  - a. The County Administrator or designated Purchasing Agent has the authority to award, renew, and amend contracts up to \$500,000, without approval by the Finance/Government Operations and Economic Development Committee (FGOED) or the Board of Supervisors (Board). The competitive requirements are as follows:
    - i. Purchases up to \$5,000 require only one (1) written quote.
    - ii. Purchases over \$5,000 but up to \$30,000 require at least three (3) written quotes.

- iii. Purchases for goods and nonprofessional services over \$30,000 up to \$100,000 (professional services up to \$60,000) require the Procurement Division to issue written Requests for Quotes (RFQ) to at least 4 vendors.
          - iv. Purchases for goods and nonprofessional services over \$100,000 (and professional services over \$60,000) require formal competition and may only be awarded by the Procurement Division.
        - b. Contract awards or renewals in excess of \$500,000 require approval by the FGOED and Board.
        - c. For non-construction contracts over \$500,000 authorized by the Board, the County Administrator or designated Purchasing Agent may amend contracts, including single or cumulative increases up to twenty-five percent (25%) of the original contract price, without prior approval of the FGOED. However, on such contracts, the FGOED shall approve single or cumulative increases exceeding twenty-five percent (25%) of the original contract price before the County Administrator or designated Purchasing Agent authorizes the change. Items for these changes are typically referred to as award authority increases.
        - d. For construction and/or design build contracts over \$500,000, the County Administrator or designated Purchasing Agent may amend the contract, including increases up to five percent (5%) of the original contract amount for those items reasonable and incidental to the normal course of construction, including but not limited to, field changes, unforeseen existing conditions, and errors and omissions. Individual changes exceeding five percent (5%) require approval by the FGOED. Items for these changes are typically referred to as award authority increases.
        - e. Staff updates the Finance/Government Operations and Economic Development Committee every quarter of upcoming contracts that exceed \$1 million or contracts that affect service delivery that will require future action by the FGOED and Board.
2. There are no provisions in the VPPA which allow for a local preference except in the case of a tie bid.
  - Procurement staff can target local businesses when selecting vendors for informal purchases (less than \$100,000).
  - Procurement sends all formal solicitations to the Department of Minority Business for their members to access.
  - Procurement holds monthly vendor information meetings to educate local firms on how to do business with the County.
3. All contracts for the purchase of goods or services must go through the Procurement Division. Only Procurement staff may sign contracts. Procurement must have all contracts approved as to form by the County Attorney's Office prior to signing.

4. Methods of Procurement:

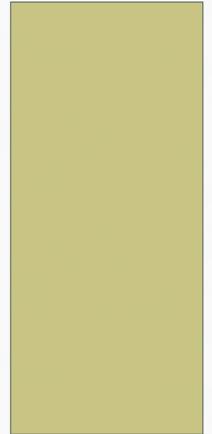
- a. Invitation for Bid (IFB) - award to the lowest responsive and responsible bidder. Also referred to as competitive sealed bidding.
- b. Request for Proposal (RFP) - award to the “best proposal” with cost not being the only consideration. Also referred to as competitive negotiation.
- c. Sole Source – After a determination in writing that there is only one source practicably available for that which is to be procured, a contract may be negotiated and awarded to that source without competitive sealed bidding or competitive negotiation. Sole source contract awards exceeding \$500,000 require approval by the FGOED and Board.
- d. Emergency - a threat to life or property or an unforeseen situation, which curtails or greatly diminishes an essential service, as determined by the County Administrator or designated Purchasing Agent. Emergency contracts expected to exceed \$500,000 may be awarded by the County Administrator or designated Purchasing Agent without the prior approval of the Finance/Government Services and Operations Committee or the Board of Supervisors; however, the purchase shall be reported to the FGOED at the first possible meeting.
- e. Public Private Education Facilities and Infrastructure (PPEA) - The PPEA provides public entities an option for either approving an unsolicited proposal from a private entity or soliciting RFPs or IFBs from private entities for qualifying projects. A few examples of qualifying projects are education facilities, any building or facility that meets a public purpose, technology infrastructure, any improvement related to the public safety or security of a public building, or a recreation facility.
- f. Public Private Transportation Act of 1995 (PPTA) - The PPTA provides public entities an option for either approving an unsolicited proposal from a private entity or soliciting RFPs or IFBs from private entities for roadway and other qualifying transportation related projects.

The Procurement Resolution can be found on the Division of Procurement’s website under Policies and Procedures <https://www.loudoun.gov/index.aspx?NID=2203>.

ATTACHMENT: Procurement Overview Presentation

# PROCUREMENT OVERVIEW

FINANCE/GOVERNMENT OPERATIONS AND ECONOMIC DEVELOPMENT  
COMMITTEE  
JANUARY 12, 2016



# BACKGROUND

## **Division of Procurement**

- **Part of the Department of Finance and Procurement**
- **Provides consultancy to the Board of Supervisors, County Administration, and County Departments on procurement related matters**
- **Responsible for the acquisition of goods and services for all County departments**
- **Administers the PCard program**

# BACKGROUND

## **Mission**

- Achieve economical, efficient, and effective acquisition of goods & services.
- Be in accord with the Virginia Public Procurement Act (VPPA).
- Ensure contract awards are made in a fair and impartial manner.
- Avoid even the appearance of impropriety.
- Give all qualified vendors access to the County's business.

## **VPPA**

- Governs all public contracting in Virginia.
- Authorizes public bodies to fashion certain details of how to carry out the provisions of the Act.

# BACKGROUND

## **Procurement Resolution**

- The Board of Supervisors adopted the Procurement Resolution on June 11, 2011.
- Resolution incorporates details and provisions on how to carry out the provisions of the VPPA.
- Staff has authority to update the Resolution based upon policy changes and annual updates to the VPPA.

# COMPETITIVE LIMITS

Dollar Value	Solicitation Method
Up to \$5,000	One written quote
\$5,001-\$30,000	Three written quotes
\$30,001-\$100,000 (non professional services) \$30,001-\$60,000 (professional services*)	Informal Request for Quotation issued to at least 4 vendors by the Procurement Division
\$100,001 and above (non professional services) \$60,001 and above (professional services*)	Formal competition, advertised publically by the Procurement Division

\*Professional services are defined in the VPPA as the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy or professional engineering.

# CONTRACTING AUTHORITY

- The Purchasing Agent has authority to award, renew, amend contracts up to \$500,000.
- Contract awards or renewals exceeding \$500,000 require approval by the FGOEDC and Board.

# CONTRACTING AUTHORITY

## **Change Orders/Award Authority Increases after Board Approval**

Approval from the FGOEDC is required for:

- Non-construction contracts: single or cumulative increases over 25% of the original contract price.
- Construction and/or Design Build: individual changes over 5% of the original contract amount for those items reasonable and incidental to the normal course of construction.

# LOCAL PREFERENCE

## **No Local Preference Permitted by VPPA**

### **However, Procurement**

- May target local businesses when selecting vendors for informal purchases (less than \$100,000).
- Holds monthly vendor information meetings to educate local firms on how to do business with the County.

# METHODS OF PROCUREMENT

## **Invitation for Bid (IFB)**

- Award to lowest responsive and responsible bidder
- Competitive sealed bidding

## **Request for Proposal (RFP)**

- Award to “best proposal” with cost **not** being the only consideration
- Competitive negotiation

## **Sole Source**

- Only one source when practicably available
- Contract may be negotiated and awarded **without** competitive sealed bidding or competitive negotiation.
- Sole source contract awards exceeding \$500,000 require approval by the FGOEDC and Board.

# METHODS OF PROCUREMENT

## **Emergency**

- A threat to life or property or an unforeseen situation
- Curtails or greatly diminishes an essential service
- Emergency contracts exceeding \$500,000 reported to the FGOEDC at the first possible meeting for informational purposes
- Determined by the County Administrator or Purchasing Agent

## **Task Order Contracts**

- Solicited via IFB or RFP
- Indefinite delivery contracts based upon unit costs and rates
- Allow for faster delivery of projects

# METHODS OF PROCUREMENT

## **Public Private Education Facilities and Infrastructure (PPEA)**

- Provides public entities an option for either approving an unsolicited proposal from a private entity, or soliciting proposals from private entities
  - Qualifying Projects:
    - Education facilities,
    - Any building or facility that meets a public purpose,
    - Technology infrastructure,
    - Any improvement related to the public safety or security of a public building, or
    - Recreation facility.

## **Public Private Transportation Act of 1995 (PPTA)**

- Provides public entities an option for either approving an unsolicited proposal from a private entity or soliciting RFPs or IFBs from private entities
- Qualifying Project:
  - Roadway and other qualifying transportation related projects
  - Example: Parking Garages at Silver Line Metro Stations in Loudoun

# QUESTIONS?

[www.loudoun.gov/procurement](http://www.loudoun.gov/procurement)

