



Virginia Department of Corrections

Financial Management and Procurement

Operating Procedure 260.1

Procurement of Goods and Services

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REVIEW

The Content Owner will review this operating procedure annually and re-write it no later than three years after the effective date.

The content owner reviewed this operating procedure in July 2024 and determined that no changes are needed.

COMPLIANCE

This operating procedure applies to all units operated by the Virginia Department of Corrections (DOC). Practices and procedures must comply with applicable State and Federal laws and regulations, American Correctional Association (ACA) standards, Prison Rape Elimination Act (PREA) standards, and DOC directives and operating procedures.

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DEFINITIONS

Agency Procurement and Surplus Property Manual (APSPM) - The manual issued by Department of General Services Division of Purchases and Supply (DPS) containing the policies and procedures for Commonwealth of Virginia agencies to fulfill procurement responsibilities other than information technology within their delegated procurement authority limits.

Buyer - (Buyer Specialist, Procurement Specialist, Contract Officer) The individual whose Employee Work Profile duties and responsibilities primarily are for the procurement of goods and services, the DOC has Buyers in the Headquarters Procurement Unit, Virginia Correctional Enterprises (VCE), Regional Offices, Infrastructure & Environmental Management Unit (IEMU), the Academy for Staff Development, and Agribusiness.

Chief Procurement Official - The individual whose Employee Work Profile details the responsibility for the day-to-day management of the purchasing function and those having delegated authority to bind the agency in making contractual commitments; the Chief Procurement Official for the DOC is the Director of Procurement and Risk Management.

Community Corrections Facility - A residential facility operated by the Department of Corrections to provide Community Corrections Alternative Programs.

Confirming Purchase Order - A purchase order issued after the fact by a procuring agency to a vendor for goods or services ordered orally or by some other informal means; the end-user must include the comment, "CONFIRMING ORDER DO NOT DUPLICATE" on the Purchase Requisition before submitting to the procuring official. If an organizational unit finds it necessary to issue an eVA confirming order, the confirming order must be placed in eVA within five business days after directing the contractor to proceed.

Construction - Construction will mean building, altering, repairing, improving, or demolishing any structure, building or highway, and any draining, dredging, excavation, grading, or similar work upon real property (Code of Virginia, § 2.2-4301 *Definitions*).

Contract - An agreement enforceable by law, between two or more competent parties, to do or not do something not prohibited by law; contracts include but are not limited to: state contracts, eVA purchase orders, vendor contracts, and memoranda of agreement.

Delegated Budget Approval Authority - The ability of a manager to commit funds from their budget towards a procurement activity.

Delegated Procurement Authority - The ability to requisition a good/service, such as an eVA requisition or SPCC purchase.

Delegated Signature Authority - The ability to bind the agency to a contractual agreement. Only the Director of Procurement or designee has the authority to sign such agreements. These agreements include, but not limited to purchase orders, contracts, contract awards, contract renewals, contract modifications, sole source justifications, and emergency procurement justifications.

Demand Payment List - A list of commodities and services that do not require an Agency Purchase Order as per the APSPM 14.9.

eVA - The Commonwealth of Virginia's automated procurement system

Facility - Any Community Corrections facility or institution.

Goods - Material, equipment, supplies, printing, and automated data processing hardware and software (Code of Virginia, § 2.2-4301 *Definitions*).

Headquarters Procurement Unit - The Procurement and Risk Management Unit located at the DOC Headquarters. The Headquarters Procurement Unit purchases for the DOC operating units located at Headquarters, some Community Corrections operations, some Field Units, Farmers Market, and the Virginia Parole Board.

Institution - A prison facility operated by the Department of Corrections; includes major institutions, field units, and work centers.



IT Procurement Manual - The manual issued by the Virginia Information Technologies Agency (VITA) containing the policies and procedures for Commonwealth of Virginia agencies to fulfill information technology procurement responsibilities within their delegated procurement authority limits.

Memorandum of Agreement (MOA) - A written agreement involving financial consideration between DOC and another government entity; must be submitted to the Director of Procurement and Risk Management or designee before signature.

Memorandum of Understanding (MOU) - A written collaborative understanding between DOC and another government entity without financial consideration establishing the parameters of the collaboration between DOC and any entity. Must be approved by the Director of Administrative Compliance or designee before signature.

Micro Business - For the purposes of classification and reporting, a micro business is a certified Small Business under the SWaM Program with no more than twenty-five (25) employees AND no more than \$3 million in average annual revenue over the three-year period prior to their certification. Nothing in this definition prevents the Agency from complying with the qualification criteria of a specific state program or a federal guideline to be following a federal grant or program.

Organizational Unit - A DOC unit, such as a correctional facility, Regional Office, Probation and Parole Office, Virginia Correctional Enterprises, Academy for Staff Development, Corrections Construction Unit, Agribusiness Unit, and individual headquarters unit (e.g., Human Resources, Offender Management, Internal Audit).

Organizational Unit Head - The person occupying the highest position in a DOC organizational unit, such as a correctional facility, Regional Office, Probation and Parole Office, Virginia Correctional Enterprises, Academy for Staff Development, Corrections Construction Unit, Agribusiness Unit, and individual Headquarters unit e.g., Human Resources, Offender Management, Internal Audit.

Price Reasonableness - A price reasonableness determination is required to determine if prices bid or offered are fair and reasonable when: (a) competition is restricted or lacking; (b) the prices offered do not appear to be fair and reasonable; or (c) the decision is made to award to other than the lowest Bidder or highest-ranking offer or appropriate award clause must have been included in the solicitation. Specific guidance is provided in the APSPM.

Procurement - The procedures for obtaining goods or services, including all activities from the planning steps and preparation and processing of a requisition, through receipt and acceptance of delivery and processing of a final invoice for payment.

Purchase Order - A purchase order, or PO, is a legal document an end user sends to a supplier or vendor to authorize a purchase. Purchase orders outline what the user would like to purchase and how much of it they would like to receive and the agreed upon price along with all applicable terms and conditions.

Requisition - Is the document that initiates the procurement action. It should contain all the essential information buyer needs to blend the appropriate contract terms and conditions with a full, clear, and concise description of the requirement into a purchase order or solicitation which can be issued to qualified bidders or offerors. Any approvals required or exceptions granted regarding the procurement should also be furnished.

Services - Services are any activities performed by an independent contractor wherein the service rendered does not consist primarily of acquisition of equipment or materials, or the rental of equipment, materials, and supplies (Code of Virginia, § 2.2-4301 *Definitions*).

Small Business - For the purposes of classification and reporting, a small business enterprise is at least 51% independently owned and controlled by one or more individuals who are U.S. citizens or legal resident aliens operated business which, together with affiliates, has 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years. One or more of these individual owners will control both the management and daily business operations of the small business. Nothing in this definition prevents the Agency from complying with the qualification criteria of a specific state program or a federal guideline to be following a federal grant or program.

Sole Source - A product or service that is practicably available from only one source.



Term Contract - A contract that is for a specified period of time that is named in the contract.

Unit Cost Code Manager - The manager of the operating unit who is responsible for the unit's budget.

Virginia Public Procurement Act (VPPA) - COV §2.2-4300 et seq. that enunciates the public policies pertaining to governmental procurement from nongovernmental sources, to include governmental procurement that may or may not result in monetary consideration for either party; the chapter shall apply whether the consideration is monetary or nonmonetary and regardless of whether the public body, the contractor, or some third party is providing the consideration.



PURPOSE

This operating procedure provides guidance for Department of Corrections (DOC) units to comply with sound, ethical practices governing the procurement of goods and services to include but not limited to the Code of Virginia (COV), Virginia Public Procurement Act, the Agency Procurement Surplus Property Manual, the Commonwealth of Virginia Vendor's Manual, the IT Procurement Manual, and other regulations applicable to the procurement of goods and services.

PROCEDURE

I. Standards of Conduct and Ethics

- A. The laws of the Commonwealth dictate a higher standard of conduct for procurement officials than for public employees because of the extraordinary trust and responsibility exercised by public officials conducting procurement transactions and because of the legitimate expectation by the public that this trust and responsibility be exercised properly. All state employees having official responsibility for procurement transactions will conduct business with vendors in a manner above reproach in every respect. Transactions relating to the expenditure of public funds require the highest degree of public trust.
- B. No state employee having administrative or operating authority, whether intermediate original, to initiate, approve, disapprove or otherwise affect a procurement transaction or any claim resulting there from will solicit, demand, accept or agree to accept from a bidder, offeror, contractor or subcontractor any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal or minimal value present or promised, unless consideration of substantially equal or greater value is exchanged.
- C. No public employee having official responsibility for a procurement transaction will 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 it to contain any false, fictitious, or fraudulent statement or entry, COV §2.2-4376 *Misrepresentations prohibited*.
 1. Misrepresentations include:
 - a. Declaring a vendor to be a sole source knowing that it is not.
 - b. Declaring a situation to be an emergency to limit competition or negate proper procurement processes.
 - c. Describing requirements in such a manner to limit competition.
 - d. Soliciting other than valid sources to limit competition.
 - e. Signing for receipt of goods or services not yet received or completed.
 - f. Altering any procurement document to disguise or change the outcome.
 2. Any person convicted of a willful violation of any provision of this article will be guilty of a Class I misdemeanor.
 3. Upon conviction, any public employee, in addition to any other fine or penalty provided by law, will forfeit their employment, COV §2.2-4377 *Penalty for violation*. Official responsibility is defined as any employee who has administrative or operating authority, whether immediate or final, to initiate, approve, disapprove, or otherwise affect a procurement transaction, or any claims resulting there from.
- D. The Ethics section of the Virginia Public Procurement Act (VPPA) outlines the conduct of public employees in procurement transactions. COV §2.2-4369 *Proscribed participation by public employees in procurement transactions* states: "... no public employee having official responsibility for a procurement transaction shall participate in that transaction on behalf of the public body when the employee knows that:
 1. The employee is contemporaneously employed by a bidder, offeror or contractor involved in the procurement transaction;



2. *The employee, the employee's partner, or any member of the employee's immediate family holds a position with a bidder, offeror or contractor such as an officer, director, trustee, partner or the like, or is employed in a capacity involving personal and substantial participation in the procurement transaction, or owns or controls an interest of more than five percent;*
3. *The employee, the employee's partner, or any member of the employee's immediate family has a pecuniary interest arising from the procurement transaction; or*
4. *The employee, the employee's partner, or any member of the employee's immediate family is negotiating, or has an arrangement concerning, prospective employment with a bidder, offeror or contractor.*

II. Conflict of Interest

- A. A conflict of interest may be actual or potential and most often occurs when an employee has a financial interest in a private firm which is doing business or is attempting to do business with the agency. A conflict of interest can also result in a situation where the employee's immediate family member has the financial interest.
- B. The following policies provide detailed guidance regarding what is considered a qualifying financial interest and the disclosure procedure:
 1. COV §2.2-3100 *State and Local Government Conflict of Interests Act*
 2. Department of Human Resource Management Policy 1.60, *Standards of Conduct*
- C. Public employees are bound by standards of conduct which prohibit the solicitation or acceptance of gifts, gratuities, favors or rewards from bidders, offerors, contractors, subcontractors and/or persons seeking to do business with the agency; see COV §2.2-4371 *Prohibition on solicitation or acceptance of gifts; gifts by bidders, offerors, contractor, or subcontractors prohibited* for further details. Give-aways at trade fairs which are available to all participants are generally acceptable.

III. General Procedures

- A. This operating procedure is intended to supplement but not replace provisions of the Department of General Services Division of Purchases and Supply (DPS) *Agency Procurement and Surplus Property Manual (APSPM)*. Please refer to the APSPM, COV §2.2-4300 et seq., *Virginia Public Procurement Act*, *Commonwealth of Virginia Vendor's Manual*, Virginia Information Technologies Agency (VITA) *IT Procurement Manual*, *Commonwealth Accounting Policies and Procedures Manual (CAPP)*, and any other applicable sections of other Commonwealth of Virginia manuals providing detailed instructions on the purchase of goods and services.
- B. This operating procedure governs the requisition and purchase of supplies, services, and equipment, including the purchasing procedures and criteria for the selection of bidders and vendors, excluding procurement of capital outlay projects. (5-ACI-1B-14; 4-ACRS-7D-25; 2-CO-1B-09; 1-CTA-1B-02)
- C. This operating procedure governs the process by which funds are made available for purchasing community services to supplement existing programs and services. (5-ACI-1B-15; 4-ACRS-5A-11, 4-ACRS-7D-26)
- D. Purchases for architectural or engineering services or construction that require a building permit and/or plans, drawings, or specifications prepared by an architect or engineer will be procured in accordance with the *Construction and Professional Services Manual (CPSM)* as managed by the Infrastructure and Environmental Management Unit. The *CPSM* issued by Department of General Services, Division of Engineering and Buildings (DEB) governs all capital outlay project purchases including construction projects, renovation projects, and professional architectural and engineering services.



IV. Responsibilities of Procurement Staff**A. Headquarters Procurement Unit**

1. Conduct and manage agency-wide solicitations and establish agency-wide contracts.
2. Conduct and manage high-risk solicitations and contracts.
3. Manage eVA processes.
4. Manage the SPCC program.
5. Manage the agency surplus property program.
6. Ensure agency compliance with all applicable purchasing policies, procedures, and laws.
7. Provide SWaM training and outreach, along with SWaM reporting.
8. Provide procurement assistance to all DOC units to include, but not limited to:
 - a. Train and assist DOC employees on procurement procedures.
 - b. Assist all locations to solicit and award purchases of goods and services and develop final contract documents.

B. Regional Offices

1. Manage institution specific solicitations and contracts within their delegated authority
2. Manage small dollar regional contracts (to include refuse collection & disposal, portable toilets, grease trap cleaning, recycling, K9/vet services, elevator maintenance, medical/pharmaceutical waste disposal)
3. Manage Memoranda of Agreement (MOAs)/Memoranda of Understanding (MOUs) (to include vending services, operational agreements) for the institutions.
4. Provide procurement assistance to institutions to include, but not limited to:
 - a. Training and assistance to institution employees on procurement procedures.
 - b. Assisting institutions to solicit and award purchases of goods and services and developing final contract documents.
 - c. Review and approval of requisitions.

C. Virginia Correctional Enterprises (VCE)

1. Manage material purchases for VCE production line.
2. Purchase of raw material for inmate work program.
3. Purchase equipment for the production line.
4. Manage small dollar VCE specific solicitations.

D. Agribusiness

1. Manage Agribusiness specific solicitations and contracts within their delegated authority.
2. Manage small dollar solicitations and contracts, to include maintenance and repair, manufacturing and merchandising supplies, equipment lease and rentals, master lease installment, agricultural and vehicular equipment purchases.
3. Manage Agricultural construction and service contracts (Grants).
4. Manage MOAs/MOUs with other state agencies.

E. Infrastructure and Environmental Management (IEMU)

1. Manage trade job order procurements.
2. Manage large-scale construction and repair procurements.



3. Manage architectural/engineering professional service procurements.
4. Manage capital and non-capital outlay project procurements.
5. Manage energy and environmental procurements, including but not limited to; hazardous chemical handling and disposal, pollution prevention and air permitting, water and wastewater production, boiler and power plants, solar panel projects, and sustainability (Recycling, Composting, Remediation, and Deconstruction).

F. Academy for Staff Development (ASD)

1. Manage small dollar ASD specific solicitations and contracts.
2. Manage maintenance and repair solicitations and contracts for ASD East/ASD Central/ASD West.
3. Manage Human Resources Unit service awards and drug procurements.
4. Manage Background Investigations Unit procurements.

V. Delegation, Approval, and Signatory Authority

A. The Department of General Services, Division of Purchases and Supply (DPS) has authority to delegate dollar levels of procurement authority to Commonwealth of Virginia agencies.

B. The DOC Director has the ultimate responsibility to ensure that the acquisition of goods and services does not violate or circumvent state law, executive orders, appropriations, regulations, or the provisions of the manuals referenced. To that end, the Director may delegate procurement, signature, and/or budget authority to individuals responsible for such actions. In addition, the Director must identify the chief purchasing official, e.g., the individual responsible for the day-to-day management of the purchasing function and those having delegated authority to bind the DOC in making contractual commitments.

C. Purchase Requisition Approval

1. The Director has sole authority to delegate procurement authority within the DOC and delegates as follows:
 - a. Authority is delegated as listed in Attachment 2, *Authorization to Approve Purchase Requisitions for Goods and Services*.
 - b. Small Purchase Charge Card (SPCC) - The Director delegates authority to the DOC SPCC Program Administrators to evaluate each request for a SPCC and to delegate SPCC procurement authority in accordance with the *CAPP Manual Topic 20355* and Operating Procedure 260.3, *Small Purchase Charge Card Program*
2. The Purchase Requisition is the initial request indicating intent to purchase goods and services. Per COV §2.2-1110 *Using agencies to purchase through Division of Purchases and Supply; exception, Using agencies to purchase through DPS, Executive Order 35 (2019) Advancing Equity for Virginia's Small, Women, and Minority Owned (SWaM) and Service Disabled Veteran-Owned Businesses, and the APSPM*. The Purchase Requisition begins at the point of requisitioning for all procurement actions including, but not limited to, technology, transportation, and construction.
 - a. The Purchase Requisition must be submitted electronically via eVA unless exempt under APSPM 14.9.b. and the Demand Payment List.
 - b. A Purchase Requisition is a request to purchase and not a Purchase Order.
 - c. VCE utilizes Syteline, an Enterprise Resource Planning system for purchases of raw materials and purchased goods used in manufacturing and production. This system directly interfaces with eVA at the purchase order level.
3. In Approving a Purchase Requisition, the Organizational Unit Head, or designee, approver:
 - a. Indicates that the funds for the purchase are available from the organizational or operating unit.
 - b. Ensures that the correct allocation/budget codes are used.

- c. Ensures that the goods/services being requested are needed/necessary to support the department's mission and that the expenditure is a proper use of state funds.
4. Attachment 2, *Authorization to Approve Purchase Requisitions for Goods and Services* lists titles of individuals authorized to approve the expenditure of funds for a DOC organizational unit with the attendant dollar limits. The approval flow in eVA should mirror this authorization and if required, approvers must be inserted into the eVA approval flow.
5. The individuals listed in Attachment 2, *Authorization to Approve Purchase Requisitions for Goods and Services* cannot delegate their authority to approve the expenditure of funds, except under the following circumstances:
 - a. Vacation
 - b. Emergency
 - c. Extended periods of leave

D. Statement of Work (SOW) Approval

1. End-users may sign a SOW when it references an existing contract or with approval of the respective procurement unit.
2. If an SOW does not reference an existing contract, such as referencing the VITA CAI contract, then end-users should not sign the SOW.

E. Contract Approval and Signatory Authority

1. A contract is the legal document obligating the vendor to provide the indicated goods and services in accordance with the terms of the contract and obligating the DOC to pay the vendor for the goods and services provided.
2. As stated in the APSPM, "If there is to be a contract between a state agency and a non-governmental vendor, the Virginia Public Procurement Act and regulations set forth in the APSPM and the Vendor's Manual apply regardless of the source of funds by which the contract is to be paid or in the absence of any monetary consideration flowing to either party."
3. All contracts or agreements for goods and services, regardless of dollar amount or whether between government and non-government or government and government must be forwarded to the proper procurement unit for review, i.e., Headquarters Procurement Unit, Regional Procurement Units, etc.
 - a. All high-risk contracts must be reviewed by the Office of the Attorney General (OAG).
 - b. VCE has unlimited authority for purchases of goods and services related to production.
 - c. VCE will consult with the Deputy Director for Administration for any contract with an annual value over \$500,000.
4. Goods and Printing
 - a. DOC Headquarters has unlimited delegated purchasing authority for goods and printing.
 - b. The Infrastructure and Environmental Management Unit has delegated authority up to \$250,000 for the procurement of goods and printing.
 - c. Regional Offices have delegated authority up to \$50,000 for the procurement of goods and printing.
 - d. Institutions must forward all procurements over \$10,000 that require solicitation to their respective Regional Office's procurement staff for processing.
 - e. The Academy for Staff Development have delegated authority up to \$ 50,000 for the procurement of goods and printing.
 - f. Agribusiness has delegated authority up to \$100,000 for the procurement of goods and printing.
 - g. Virginia Correctional Enterprises (VCE) has a delegation of \$100,000 for the purchase of goods that do not support its production facilities including but not limited to equipment, software, hardware, and printing. Any purchase for these commodities that exceeds \$100,000 must be sent

to DPS or VITA, whichever is applicable, for approval prior to solicitation.

- i. COV §2.2-4345 *Exemptions from competitive sealed bidding and competitive negotiation for certain transactions; limitations*; exempts VCE from competitive sealed bidding or competitive negotiations when procuring materials, supplies, or services for use in and support of its production facilities, provided the procurement is accomplished using procedures that ensure as efficient use of funds as practicable and, at a minimum, includes obtaining telephone quotations. Such procedures must require documentation of the basis for awarding contracts; however, VCE must consult with the Deputy Director for Administration on all purchases that exceed \$500,000 in value. VCE has the authority to enter into direct contracts without prior headquarters and/or DPS approval.
 - ii. Exemption from the competitive sealed bidding or competitive negotiations process does not relieve VCE from adhering to the remainder of the APSPM, such as proper Contract Administration, Surplus Property, etc.
 - h. Institutions, Regional Offices, Agribusiness, and the Academy for Staff Development must send procurements for goods and printing that exceed their delegation to DPS for processing. If DPS delegates back to the Organizational Unit to process the procurement, the Organizational Unit must place documentation of the approval in the procurement file.
5. Non-professional Services
- a. DPS has delegated authority for the procurement of services to all organizational units, subject to the dollar level signatory approval authority in Attachment 1, *Contract Approval and Signatory Authority for Goods and Services*.
 - b. DOC Headquarters Procurement Unit, Regional Procurement Units, IEMU, Academy for Staff Development, Agribusiness, and VCE have unlimited delegated authority for the purchase of non-professional services.
6. Professional Services
- a. Professional Services as defined in COV §2.2-4301, *Definitions* of the VPPA means work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy, professional engineering, and the services of an economist procured by the State Corporation Commission. These services are procured differently than non-professional services.
 - b. All procurements for Professional Services must be forwarded to the Headquarters Procurement Unit for processing. This does not include the Professional Services that fall under the purview of IEMU and the CPSM.
7. Information Technology Hardware
- a. DOC Headquarters has up to \$250,000 delegated purchasing authority for IT goods.
 - b. Institutions must forward all IT procurements over \$10,000 that require solicitation to their respective Regional Office's procurement staff for processing.
 - c. VCE) has a delegation of \$100,000 for the purchase of IT goods that do not support its production facilities.
8. Information Technology Services
- a. IT Services include, but are not limited to, services, licensing, software, maintenance, web hosting, and telecommunication services.
 - b. The Headquarters Procurement Unit has unlimited delegated authority for the purchase of IT services.
 - c. For the Regional Procurement Unit, IEMU, Academy for Staff Development, Agribusiness, and VCE, all procurements for IT Services must be forwarded to the Headquarters Procurement Unit for processing.
9. Construction

- a. The procurement of “construction” for “Capital Outlay Projects” is governed by the rules of the *Construction and Professional Services Manual*. All procurements for these goods/services must be forwarded to the IEMU Procurement Unit for processing for which IEMU has unlimited delegated authority for these types of purchases.
 - b. Construction procurements for work that does not require issuance of a building permit, either by Division of Engineering and Buildings (DEB) or the agency through the annual permit process as approved by DEB may be procured in accordance with the *APSPM* and the *VPPA*. All procurements for these goods/services must be forwarded to the IEMU Procurement Unit for processing.
10. Attachment 1, *Contract Approval and Signatory Authority for Goods and Services* lists the titles of individuals authorized to approve and sign contracts on behalf of the DOC with the delegated dollar limits.
- a. Contract approval and signatory authority for DOC organizational units, for Purchase Orders and Unilateral Contracts, must not exceed \$75,000, annual value. Exceptions include:
 - i. VCE - which has authority up to \$500,000, annual value or \$100,000 for the purchase of goods that do not support its production facilities.
 - ii. DOC Headquarters and Corrections Construction Unit - which have unlimited authority.
 - b. Purchasing authority is unlimited for purchases from state contracts and mandatory sources such as VCE, Virginia Distribution Center, and the Department for the Blind and Vision Impaired, however, purchases with an annual value of \$500,000 and above that result from competitive sealed bidding, competitive negotiation, or sole source must be submitted to the Headquarters Procurement Unit in accordance with this operating procedure. VCE has unlimited authority for purchases of goods and services related to production. VCE will consult with the Deputy Director for Administration for any contract with an annual value over \$500,000.
 - c. Contracts exceeding the delegated authority must be forwarded to the Headquarters Procurement Unit for review and signature; see Attachment 1, *Contract Approval and Signatory Authority for Goods and Services*.
 - d. All MOAs, including Government-to-Government MOAs, except those specifically excluded below, must be forwarded to the Headquarters Procurement Unit for review and approval before being signed by the Director, regardless of if financial consideration is provided by the agency, the contractor, or some third party. All other contracts must be forwarded to the Headquarters Procurement Unit for review and approval before being signed based on the Organization Unit’s signature authority, utilizing the *Contract Approval Form 260_F1*.
 - e. All MOAs for water, wastewater, and/or steam services should be forwarded to IEMU for approval and signature.
 - f. All MOUs, or other agreements that do not financially impact the agency and no financial consideration is provided by the agency, the contractor, or some third party must be forwarded to the Administrative Compliance Unit for review. The Director of Administrative Compliance will decide which MOUs require the Director’s signature and which MOUs may be signed by other DOC employees.
 - g. A *Contract Approval Form 260_F1* must be submitted to the Headquarters Procurement Unit by institutions, VCE, CCU, Agribusiness, and ASD when submitting contracts to the Headquarters Procurement Unit for review and signature.

F. Contract Modifications and Renewals

1. Contract Modifications

- a. Buyers may approve, in writing, contract modifications that comply with the *APSPM* including increases if the modification does not exceed the buyer’s signatory authority; see Attachment 1, *Contract Approval and Signatory Authority for Goods and Services*. Contract modifications exceeding the Organizational Unit Head’s signature authority must be sent to the Headquarters



Procurement Unit utilizing the *Contract Approval Form 260_F1* for approval prior to execution.

b. Cumulative Modifications Over \$50,000

- i. A public contract may include provisions for the modification of the contract during performance, but no fixed-price contract may be increased by more than \$5,000, without the advance written approval of the DOC Director of Procurement and Risk Management along with DOC Director and DPS if the increase is more than 25% of the original contract or \$50,000, whichever is greater; see *Contract Modification Approval 260_F15* and Attachment 3, *Authorization to Approve Determinations*.
- ii. Buyers are authorized to approve and sign contract modifications within their delegated authority to increase fixed-price contracts if the particular cumulative increase(s) does not exceed \$5,000.
- iii. For non-production goods and services, VCE may approve, in writing, contract modifications that comply with the APSPM, including increases if the increase is no more than 25% of the original contract or \$50,000, whichever is greater. When procuring materials, supplies, or services for use in and support of its production facilities, provided the procurement is accomplished using procedures that ensure as efficient use of funds as practicable, modifications less than \$500,000 will be approved by the VCE Chief Executive Officer. For modifications greater than \$500,000, VCE will consult with the Deputy Director for Administration.

2. Contract Renewals

- a. Any contract may be renewed by the Organizational Unit provided the original contract included a renewal clause and funding for the renewal is identified prior to renewal.
- b. The amount to be paid to the contractor during the renewal period may not be increased beyond the original contract price unless the original contract has identified the methodology for increasing the price to be paid during the renewal period and the Buyer is able to document the procurement file with justification for the price increase.
- c. The Director's signature is not required for modification or renewal for any agreement MOA signed by the Director unless there is a substantial change to the MOA agreement. Solely renewing or extending the period of agreement of the MOA agreement is not deemed to be a substantial change. Substantial changes are those that include changes to the cost, quantity, or quality of the good/service being procured and/or changes to the terms and conditions of the original agreement.

G. Contract Monitoring

1. Each operating unit must implement and maintain a system to monitor expiration dates of its term contracts, government to nongovernment and government to government, in order to initiate contract replacement and renewal actions in a timely manner.
2. At the beginning of each fiscal quarterly basis, each operating unit must submit a list of all term contracts, government to nongovernment and government to government, to the Director of Procurement and Risk Management. The Director of Procurement and Risk Management must consolidate the list and post it to the Department external website.
3. The Contract Officer and the Contract Administrator, or designated staff, must complete the Contractor Performance Evaluation Report annually. If there are issues with contractor performance and/or contractual terms, the contract officer and the contract administrator must meet with the contractor providing program services to review the program. (2-CO-1B-10)
4. Each MOA should be provided to the Headquarters Procurement Unit for review and tracking purposes.
5. Each MOU should be provided to the Administrative Compliance Unit for review and tracking purposes.

H. Goods and Services Requiring Additional Approval, Review, and Coordination



The following classes of goods and services require additional approval, review, and coordination:

1. Technology Goods and Services including Telecommunication Systems
 - a. The DOC Information Technology Unit (ITU) Chief Information Officer or designee must review, approve, and coordinate all requests for the purchase of technology goods and services including telecommunication systems.
 - b. All VITA in-scope purchase requisitions will be routed to the Information Security Services (ISS) at ITRequests@vadoc.virginia.gov.
 - c. The purchase of portable electronic communication devices and related services require approval of the appropriate Deputy Director or Regional Administrator. The appropriate Deputy Director or Regional Administrator approve any change order request for the equipment or services.
2. The DOC General Services Unit must coordinate the review and approval of all requests for rental, lease, and purchase of radio equipment and services to include providing guidance on authorized radio frequencies.
3. The Director of IEMU must coordinate the review and approval of all requests for the lease of real property.
4. The DOC Procurement and Risk Management Director must coordinate the review and approval of all requests for the purchase of insurance.
5. The Director of IEMU must approve all requests for the purchase of engineering related services, i.e., architectural, landscape architecture, land surveying, professional engineering and construction service procured in accordance with the *Construction and Professional Services Manual*.
6. The DOC Fleet Manager must coordinate the review and approval of all requests for the purchase of vehicles through the appropriate Deputy Director or Regional Administrator. Information sent to the Fleet Manager must include an *Application for Assignment/Purchase/Lease of State Vehicle* (OFMS-1) and a *DOC Vehicle Request 323_F5*; see Operating Procedure 323.1, *Vehicle Acquisition, Operations, and Maintenance*, a Purchase Requisition that states the vehicle requested including all "add-on options" requested; and other supporting documentation that may be required by the Fleet Manager.
7. Security Equipment, Supplies, and Uniforms for DOC Employees
 - a. The Director of Security and Correctional Enforcement must coordinate the review and approval of all requests to purchase of the following:
 - i. New and replacement DOC metal badges
 - ii. New and replacement Electronic Key Control/ Distribution Systems
 - iii. Restraint Equipment
 - iv. Chemical Agents/Delivery Systems
 - v. Electronic Control Devices
 - vi. Distraction Devices
 - vii. Impact Weapons and Munitions
 - viii. Firearms and Ammunition
 - ix. All new security equipment, supplies, and uniforms not currently authorized for use in the DOC.
 - b. The Mental Health Services Steering Committee (MHSSC) in conjunction with the Director of Security and Correctional Enforcement will coordinate the review and approval of all new clinically approved restraints and safety cell equipment for use in the DOC.
 - c. The Regional Administrator or designee must coordinate the review and approval of all other requests for security equipment, supplies, and uniforms unless the items have been approved for procurement as correctional items and are available from VCE.
 - d. The Corrections Administration Manager for the Division of Administration will coordinate the review and approval of all requests for equipment, supplies, and uniforms for Headquarters and the

Academy for Staff Development. For training, the Academy for Staff Development will only purchase authorized security equipment and supplies as approved by the Director of Security and Correctional Enforcement.

- e. Employees are not authorized to use this equipment until they have successfully completed the required training approved by the Training Director.
8. Security System Installation
 - a. All purchases of closed-circuit TV surveillance equipment, perimeter intrusion detection fences, surveillance cameras, electronic controlled locking door systems and similar electronic security equipment must be reviewed and approved by the Chief of the Electronic Security Unit.
 - b. For the purchase of security systems that include security detection equipment, perimeter fences, surveillance cameras, monitoring, or electronically controlled locking door systems; the service must be provided by a licensed private security services business licensed with the Virginia Department of Criminal Justice Services. This requirement does not apply if security systems are installed during the construction of the facility.
 - c. Contact the Department of Criminal Justice Services at 804-786-1198 to determine the vendor's licensure status. This requirement does not apply if security systems are installed during the construction of the facility.
 9. Medical Services
 - a. All contracts for professional medical services; physicians, dentists, optometrists, and psychiatrists, must be solicited and managed by the Headquarters Procurement Unit.
 - b. Requests for professional medical service contracts must be submitted to the DOC Health Services Director for review and approval before submission to the Headquarters Procurement Unit.
 10. Purchases of food from sources other than DOC Agribusiness along with purchases of food service equipment must be submitted to the Director of Food Service for review and approval, in accordance with the Food Service Manual - Chapter 7, *Purchasing*.
 11. Printing
 - a. Each DOC organizational and operating unit should periodically ensure review of each publication it or subordinate units customarily issue to determine if hard copies are necessary or whether electronic posting is more appropriate.
 - b. Units that develop and issue publications must strive to control costs using standard size paper, inks, and bindings.
 - c. Paper must be 100% recycled content except where equipment limitations or the nature of the document preclude the use of recycled paper.
 - d. If printing is necessary, maximize use of post-consumer recycled paper, climate positive inks, and print on both sides of paper; see Operating Procedure, 302.3, *Sustainability Plan*.
 - e. In-house graphic services must be utilized whenever possible.
 - f. Multiple colored printing and high-cost paper must be avoided whenever possible. All multi-color print jobs require a written justification to the Director or applicable Deputy Director for approval detailing the intended audience for the publication and the benefit to the state for processing a multi-color print job.
 12. All inmate or probationer/parolee drug testing supplies and services must be reviewed and approved by the inmate or probationer/parolee Drug Testing Contract Administrator.
- I. Small Purchase Procedures for Professional Services:
 1. The small purchase threshold for the procurement of professional services is \$80,000.
 2. Following small purchase procedures, procurements for professional services, up to and including \$80,000, may only be secured by other than competitive negotiation.

3. Professional services procurements up to and including \$10,000 will be set-aside for micro businesses.
 4. For purchases over \$10,000 up to and including \$80,000, procurements will be set-aside for small businesses, including micro businesses.
 5. Small purchase procurements will follow this operating procedure and include the DPS tiered award clause.
 - a. For purchases over \$10,000, the DOC will contact a minimum of four small businesses to obtain information, including but not limited to, their qualifications and professional competence to provide the requested professional service.
 - b. The proposals or information received will be reviewed and evaluated by one or more DOC employee(s) knowledgeable and qualified to evaluate the proposals or information received.
 - c. The evaluator will select and rank the two offerors whose professional qualifications and proposed services are deemed most meritorious.
 - d. The DOC then will negotiate with the offeror ranked first. If a contract satisfactory and advantageous to the public body can be negotiated at a price considered fair and reasonable and pursuant to contractual terms and conditions acceptable to the DOC, the award will be made to that offeror. Otherwise, negotiations with the offeror ranked first should be terminated and negotiations conducted with the offeror ranked second, and so on until such a contract can be negotiated at a fair and reasonable price.
- J. All contracts for the confinement of DOC inmates or probationers/parolees must include in any new contract or contract renewal the entity's obligation to adopt and comply with the PREA standards. (§115.12[a], §115.212[a]) Any new contract or contract renewal must provide for agency contract monitoring to ensure that the contractor is complying with the PREA standards. (§115.12[b], §115.212[b])
1. Only in emergency circumstances in which all reasonable attempts to find a private agency or other entity in compliance with the PREA standards have failed, will the DOC enter a contract with any entity that fails to comply with these standards. In such a case, all unsuccessful attempts to find an entity in compliance with standards must be documented. (§115.212[c])
 2. The DOC must not enlist the services of any contractor who may have contact with inmates or probationers/parolees, who: (§115.17[a,b], §115.217[a])
 - a. Has engaged in sexual abuse in a prison, jail, lockup, community confinement facility, juvenile facility, or other institution, as defined in 42 U.S.C. 1997 et seq. *Civil Rights of Institutionalized Persons*.
 - b. Has been civilly or administratively adjudicated to have engaged or has been convicted of engaging or attempting to engage in sexual activity in the community facilitated by force, overt or implied threats of force, or coercion, or if the victim did not consent or was unable to consent or refuse.
 - c. The DOC must consider any incidents of sexual harassment in determining whether to enlist the services of any contractor, who may have contact with inmates or probationers/parolees. (§115.17[b], §115.217[b])
 - d. The DOC must also perform a criminal background record check and any applicable drug test before enlisting the services of any contractor who may have contact with inmates or probationers/parolees. (§115.17[d], §115.217[d])
- K. Purchases with an annual value of \$1,000,000 and above that result from competitive sealed bidding, competitive negotiation, or sole source must be submitted to the Headquarters Procurement Unit using Attachment 4, *Secretariat Request to Purchase*, for obtaining the Director's and the Secretary of Public Safety and Homeland Security's approval.
1. Headquarters Procurement Unit must assign a purchase transmittal number to the *Secretariat Request to Purchase* and submit it accordingly.
 2. The *Secretariat Request to Purchase* is not required for purchases from mandatory sources,

commissary contracts, against revenue-generated contracts, or purchases off State Contracts.

3. Modification to a term contract or spot purchase, which initially required an approved *Secretariat Request to Purchase* do not require a new or revised *Secretariat Request to Purchase*, if the modification document, usually the eVA purchase order, references the original *Secretariat Request to Purchase* transmittal number.
4. Virginia Correctional Enterprises is self-funded and is exempt from the *Secretariat Request to Purchase* process.

L. Procurement Boilerplates

1. All Procurement Units must use the boilerplate templates listed on the Procurement and Risk Management's intranet homepage located on iDOC.
2. If any errors are noticed, notification should be provided to the Director of Procurement and Risk Management or the Procurement Manager for corrective action.

VI. Procure to Pay

A. Requisitions

1. Catalog

- a. Catalog shopping means that a buyer selects items from one or more supplier catalogs available in eVA. Items fall into one of two categories:
 - i. Catalog Items - This includes a list of items provided by a supplier, that are "built in" to eVA.
 - ii. Punchout Items - This includes items the supplier makes available by connecting their website to eVA, so buyers are 'punching out' to that site.
- b. The predominant type of shopping is through catalogs; therefore, it is important buyers complete the required eVA training before beginning the catalog shopping process in eVA.

2. Contract

- a. A contract orders is when the buyer creates a requisition from an existing contract record.
- b. Contract order will become the preferred method of shopping; therefore, it is important buyers complete the required eVA training before beginning the contract shopping process in eVA.

3. Non-catalog

- a. A buyer may create a non-catalog requisition when neither a contract nor a catalog is available for the good/services a buyer wishes to procure.
- b. A non-catalog requisition will allow the buyer chooses to populate the required fields of the requisition manually.

4. Blanket

- a. A *Blanket Purchase Order* may be entered into eVA to obtain small dollar value, expendable operating supplies, or services. A *Blanket Purchase Order* is the ability to enter ONE purchase order in eVA to cover an entire fiscal year for a good/service that has multiple deliveries with varying quantities and pricing. Additionally, it allows delegation of ordering authority to the user level, resulting in quicker access to the goods and/or services.
- b. End-users must cancel the unused balance by entering a change order to reflect to actual expenditure. This will reverse the eVA fees charged on the unused balance to the vendor and reconcile the purchase order as closed in eVA.

5. Confirming

- a. Confirming Orders should not be used as a routine basis and should be used predominately for emergency purchases. When the use of a confirming order is necessary for a non-emergency purchase, the order shall be clearly marked "confirming" and will be processed for payment purposes only. NOTE: This does not relieve the end-user from seeking competition to the



maximum extent possible and following other applicable procurement policies.

- b. eVA purchase orders should be issued prior to contractors performing any work or delivery of goods. When it necessary to issue any eVA confirming orders, the confirming orders must be placed in eVA within 5 business days after directing the contractor to proceed.
- c. Confirming purchases require the issuance of a confirming purchase order, even though the vendor may not require an eVA Purchase Order.
- d. Services: If the total cost of the services to be rendered is unknown, the end-user should not issue a notice to proceed without first obtaining an estimated quote, price list, or hourly rate of the work to be done. The end-user must compare that information with the eventual confirming order and invoice.
- e. Goods: If the total cost of the goods to be purchased is not known at the time of order, usually because the quantity is unknown, the end-user should first obtain a price quote breaking down the unit costs before proceeding. The end-user must compare that information with the eventual confirming order and invoice.
- f. Perishable goods: Final costs for the purchase or perishable goods is usually unknown due to variance in what is delivered. However, the end-user should have a price list that breaks down the unit price of the goods being purchased. This pricing should be reconciled against the final invoice and confirming order.
- g. A "confirming purchase" slows down the payment process because that type of purchase processes through a Purchasing Office before it arrives in the Accounts Payable's Office. The "thirty-day clock" starts on receipt of the goods/service or receipt of the invoice, whichever is later. The Accounts Payable's Office cannot process the payment until the purchase order is entered and received.

B. Solicitations and Contract Types

1. Sole Source

- a. A sole source procurement is one in which there is only one source of supply that is practicably available. DOC will avoid the use of sole source procurement methodology whenever possible because it inherently restricts the ability of qualified vendors to have access to public business. Whenever there is factual evidence to support the rationale for a sole source purchase, then DOC and Procurement will proceed accordingly.
- b. All Sole Source requests must be approved in advance by the Director of Procurement and Risk Management or designee using the *Sole Source Procurement Determination 260_F2* for all non-technology purchases and the *IT Goods and Services Sole Source Procurement Approval Request Form* for technology purchases.
- c. All Sole Source requests for non-technology purchases for goods and services over \$50,000 must be approved by DPS electronically through the DPS Administrative Request module in eVA.
- d. The requestor/end user must submit the appropriate Sole Source Determination form; *Sole Source Procurement Determination 260_F2* or *IT Goods and Services Sole Source Procurement Approval Request Form*, in a Microsoft Word format to their respective Procurement Unit, e.g., institutions submit requests to their respective Regional Office Procurement Unit, requests from the ASD are submitted to the ASD Procurement Unit, and Headquarters requests are submitted to the Headquarters Procurement Unit etc.
- e. The Buyer will review and verify the authenticity of *Sole Source Procurement Determinations*.
 - i. The Buyer may request additional information and clarification from the requestor as needed.
 - ii. The Buyer will complete and submit the Sole Source request to the Director of Procurement and Risk Management for review.
 - iii. If the request for is a non-technology Sole Source procurement, all agency employees having official responsibility for the procurement must complete the *Conflict-of-Interest Agreement* for Sole Source Procurement 260_F20.



- iv. For all technology purchases, the *IT Goods and Services Sole Source Procurement Approval Request Form* must be used. The *IT Goods and Services Sole Source Procurement Approval Request Form* must not be sent to VITA for approval until the Director of Procurement and Risk Management has approved the sole source request.
- v. Upon the Buyer's satisfaction, the Buyer must forward the *Sole Source Procurement Determination*, along with any supporting documentation, to the Director of Procurement and Risk Management.
- vi. The Director of Procurement and Risk Management or designee will review the *Sole Source* request for approval. If additional approvals or more information is required, the Director of Procurement and Risk Management or designee will notify the Buyer.
- vii. The Buyer, upon receipt of the approved *Sole Source* request, will post the *Sole Source Award* to the eVA Virginia Business Opportunities (VBO) through the Sourcing module in eVA and forward the copy to the requestor.
- viii. The requestor/end user will submit the purchase requisition in eVA using the "SO-1" selection and attach the approved *Sole Source Procurement Determination* e-form. Purchase requisitions issued against established Sole Source term contracts do not require new *Sole Source Approvals*.
- ix. For term contracts, the Procurement Unit will create a contract in the Contracts module in eVA and place a copy of the approved *Sole Source Determination* form, in the contract file for audit purposes.

2. Emergency

- a. An emergency procurement is an occurrence of a serious and urgent nature that demands immediate action. The nature of the emergency determines what actions must be taken.
 - i. For an emergency purchase required to protect personal safety or property, efforts should be directed to finding a source and directing the contractor to proceed; however, such procurement must be made with such competition as is practicable under the circumstances, COV §2.2-4303 F Methods of procurement. This does not relieve the agency from negotiating a fair and reasonable price and subsequently documenting the procurement action.
 - ii. For other types of emergencies, in cases where the situation impacts the ability of the agency to conduct business, the DOC should seek competition and follow other applicable procurement policies to the maximum extent practicable.
- b. The Organizational Unit Head or designee must submit to their Buyer, in writing, an *Emergency Procurement Determination 260_F3* for emergency purchase requirements. Competition should be sought to the extent practicable. The Buyer must review and approve the authenticity of the *Emergency Procurement Determination* before submitting for approval in accordance with Attachment 3, *Authorization to Approve Determinations*. Refer to the APSPM for details regarding types of emergencies.
- c. If the emergency purchase exceeds the Organizational Unit Head's authority, efforts should first be made to obtain advance verbal approval from the Headquarters Procurement Unit or, if not possible, from the appropriate member of the Executive Staff under which the requirement falls. The *Emergency Procurement Determination* must be routed to the Headquarters Procurement Unit as soon as possible and generally no greater than one week after contracting for emergency goods and/or services.

3. Sealed and Unsealed Invitation for Bid

- a. This solicitation method is used when the goods or service to be procured are capable of being described precisely so that bids submitted by potential contractors can be evaluated against the description in the *Invitation for Bids* (IFB) and an award made to the lowest responsive and responsible bidder.
- b. If competitive bidding is used for a purchase expected to be \$100,000 or less, the solicitation must include the Set-Aside for Award Priority clause.
- c. This method of procurement and functionality within eVA is reserved only for the procurement

staff located at Headquarters Procurement Unit, VCE, Regional Offices, IEMU, ASD, and Agribusiness.

4. Sealed and Unsealed Request for Proposals

- a. This solicitation method is used when procuring professional services and when the requesting unit can only describe in broad general terms the goods/services needed. Use of this method also includes additional criteria beyond pricing.
- b. If competitive negotiation is used for a purchase expected to be \$100,000 or less, the solicitation must include the Set-Aside for Award Priority clause.
- c. For solicitations expected to exceed \$100,000, the offeror will include a Small Business Subcontracting Plan as part of their proposal and the plan shall be evaluated per the evaluation criteria of the RFP.
- d. This method of procurement is reserved only for the procurement staffs located at Headquarters Procurement Unit, VCE, Regional Offices, IEMU, ASD, and Agribusiness.

C. Cooperative Purchases

1. Utilization of Cooperative Contracts or other cooperative agreements must be approved beforehand by the DOC Director or designee.
2. To utilize this type of agreement there must be language included in that document, such as an "Additional Users" clause or other language indicating that entities, other than those specifically delineated in the agreement, may obtain goods or services from that contract.
3. VITA Joint and Cooperative Procurement Requests require that a completed *IT Joint and Cooperative Approval Request Form* be emailed to: scminfo@vita.virginia.gov for processing. After the DOC Chief Information Officer (CIO) approval is obtained, agencies may proceed with purchase, utilizing eVA.
4. Use of Cooperative Contracts, MOAs, or other cooperative agreements over \$50,000 for goods and services or \$250,000 for IT goods and services must be approved by the Agency head or their designee.

D. All solicitations for Brand-Name Only (proprietary specs) require the approval of the individuals listed in Attachment 3, *Authorization to Approve Determinations*.

E. Virginia Public Building Authority (VPBA) Purchases

1. Goods that are included on a VPBA listing of equipment approved by the State Treasury Department for purchase by the DOC are subject to the laws and regulations of the Commonwealth of Virginia. DOC Business Offices must maintain a listing of all items purchased under VPBA guidelines.
2. Privatization services procured for VPBA funded facilities are subject to *Private Activity Bond Regulations and Revenue Procedures*.
3. All management contracts entered into or modified after May 16, 1997, must be subject to the *Regulations and Revenue Procedures*, which state that if a Contractor has a legal entitlement to use greater than 5% of the facility's space, there are restrictions regarding compensation and term of the contract.
4. Additional restrictions may not apply to management contracts where compensation is based upon a fixed fee or capitation fee and the term does not exceed five years.
5. The Headquarters Procurement Unit and the Infrastructure and Environmental Management Unit will coordinate review and approval by the Department of Treasury for privatization service contracts at VPBA funded facilities.

F. Loan Agreements

1. Vendors will sometimes offer goods to agencies to test for a limited time.
2. A *Loan Agreement 260_F5* must be processed when accepting goods for testing purposes.



3. The Headquarters Procurement Unit must review and approve *Loan Agreements*.

G. Vending Services

1. The Department for the Blind and Vision Impaired (DBVI) is a mandatory source for the provision of vending services when annual sales are estimated to be \$5,000 or greater.
2. If DBVI is unable to provide the required services and an exemption is granted, vending services must be procured competitively.

H. Purchases from Small, Women-Owned, and Minority-Owned Businesses (SWaM)

1. Each organizational unit is required to make every effort to achieve the Department's aspirational spend goals with SWaM as established and detailed in the DOC annual *Supplier Diversity Plan* posted on iDOC.
2. Procurements up to \$100,000 will be set-aside exclusively for the Virginia Department of Small Business and Supplier Diversity (SBSD) certified small businesses, which includes the business that are certified as "micro business". However, the procurement is exempted from the set-aside requirement if exempted from competitive requirements or is available from mandatory sources, such as the Virginia Industries for the Blind, Virginia Correctional Enterprises, Virginia Distribution Center, nonprofit sheltered workshops, as well as purchases made from existing mandatory or optional DOC, DPS, VITA, and/or other available contracts.
3. For competitive purchases up to and including \$10,000, the award will be made to the lowest priced or highest ranked SBSB certified micro business bidder/offeror that is responsive and responsible (for bids) or fully qualified and most suitable (for proposals) if such micro business bid or offer is available and the price is fair and reasonable.
 - a. If an award/purchase is made from a SBSB certified micro business that is not the lowest bid, the micro-business bid price will not exceed 5% of the lowest responsive and responsible noncertified bidder. If there are no reasonably priced bids/offers meeting the above criteria received from certified micro businesses, an award will be made to the lowest priced or highest ranked SBSB certified small business bidder/offeror that is responsive and responsible (for bids) or fully qualified and most suitable (for proposals) if such small business bid or offer is available and the price is fair and reasonable.
 - b. If an award/purchase is made from a SBSB certified small business that is not the lowest bid, the small-business bid price will not exceed 5% of the lowest responsive and responsible noncertified bidder. If there are no reasonably priced bids or offers meeting the above criteria received from certified micro or small businesses, an award may be made to the lowest priced bidder or highest ranked offeror of any size that is responsive and responsible (for bids) or fully qualified and most suitable (for proposals) if the price is fair and reasonable.
 - c. If the agency or Institution determines and documents that no bid/offered price is fair and reasonable then the procurement may be cancelled and re-solicited removing the set-aside award priority.
4. For competitive purchases from \$10,001 up to and including \$100,000, an award will be made to the lowest priced or highest ranked SBSB certified small business bidder/offeror that is responsive and responsible (for bids) or fully qualified and most suitable (for proposals) if such small business bid or offer is available and the price is fair and reasonable.
 - a. If an award/purchase is made from a SBSB certified small business that is not the lowest bid, the small-business bid price shall not exceed 5% of the lowest responsive and responsible noncertified bidder.
 - b. If there are no reasonably priced bids/offers meeting the above criteria received from certified micro or small businesses, an award may be made to the lowest priced bidder or highest ranked offeror of any size that is responsive and responsible (for bids) or fully qualified and most suitable (for proposals) if the price is fair and reasonable.

- c. If the agency or Institution determines and documents that no bid/offered price is fair and reasonable then the procurement may be cancelled and re-solicited removing the set-aside award priority.
5. To request a waiver to the set-aside requirement, a *Waiver for Small Business Enhancement Award Priority 260_F16*, must be completed and submitted to the appropriate Support Services Manager or Procurement Manager for approval.
6. For procurements over \$100,000, unless a determination has been signed by the Director of Procurement and Risk Management or designee and supported by factual evidence explaining in sufficient detail why no subcontracting opportunities exist, all agencies and institutions must include in the terms and conditions, the requirement for a *Small Business Subcontracting Plan* for the award of any prime contract.
 - a. To request a waiver to remove this requirement, a *Waiver for Small Business Enhancement Award Priority 260_F16*, must be completed and submitted to the Director of Procurement and Risk Management for approval.
 - b. A Waiver for Pre-Bid or Pre-Proposal Conference may be used if it is deemed unnecessary to conduct a meeting because specifications are clearly defined, or other viable justifications.
 - i. The SBSB posts certified SWaM businesses on-line.
 - ii. Documented attempts to identify SWaM businesses if the required number of SBSB SWaM certified businesses are not solicited.
 - iii. When using contracts that were awarded to multiple contractors and one or more of the contractors is a SWaM vendor, the end-user must make reasonable efforts to place the order with the SWaM vendor; if the prices are fair and reasonable and the goods/services meet the DOC's needs.
7. Set-aside Award Priority (order of solicitation):
 - a. Micro Business Set-Aside Award Priority under \$10,000.00
 - i. Micro Business
 - ii. Small Business
 - iii. Open to all
 - b. Small Business Set-Aside Award Priority \$10,000 up to/including \$100,000.
 - i. Small Business (including micro businesses)
 - ii. Open to all
8. The Department should not accept a bad business deal or a lower quality product or service in order to meet SWaM business goals. Quality, price, and contractual terms should not be sacrificed in any meaningful way to achieve SWaM procurement goals.

VII. Electronic Commerce

- A. The DOC will conduct electronic procurement using Virginia's online e-procurement portal, hereinafter referred to as eVA, in accordance with the DPS eVA Implementation Guide. eVA use will encompass:
 1. Central vendor registration.
 2. Source selection.
 3. Electronic requisitioning, electronic ordering, and electronic order delivery to the vendor.
 4. Formal and informal solicitation development.
 5. Soliciting and receiving bids and proposals.
 6. Bid/proposal tabulation and evaluation.
 7. Public posting of sealed and unsealed bids/proposal, sole source procurements, and emergency procurements.



8. On-line receiving.
 9. Electronic invoicing (when available).
 10. Use of a dynamic approval workflow.
 11. Electronic data record-keeping and various reporting capabilities.
 12. If/when possible full electronic integration to ERP/Financial system.
- B. The Virginia Public Procurement Act (VPPA), other applicable sections of the Code of Virginia, as well as other provisions of the DPS Agency Procurement and Surplus Property Manual (APSPM) and Vendor's Manual will remain in full force and effect. Purchases processed outside of eVA will continue to be governed by applicable law and by the non-eVA policies and procedures contained in the DPS Agency Procurement and Surplus Property Manual and Vendor's Manual in effect at the time of the transaction.
- C. The eVA Security Officer (ESO) at DOC Headquarters is responsible for administration of the DOC eVA Security Program in compliance with the policy and standards pertaining to eVA and the DPS eVA Security Manual. Any requests regarding an eVA account must be sent to the DOCeVAaccounts@vadoc.virginia.gov mailbox for review and approval before being processed by the ESO or their designated back up.
- D. eVA Workflow
1. DOC facilities may not make changes to the DOC Buysense organizational structure without the approval of the Director of Procurement and Risk Management.
 2. To meet DOC requisition approval requirements a workflow will be developed and managed by the DOC Procurement Director and DOC eVA Security Officer. The goal of the workflow will be to capture all necessary approvals of any requisition. The workflow will be based on eVA requirements and limitations along with provisions of this procedure.
 3. To meet all DOC approval requirements and/or individual business units needs/wants, end-users may ad-hoc approvers into the requisition workflow.
- E. New eVA users
1. The Agency eVA Security Officer (ESO) is responsible for creating eVA accounts.
 2. To add a new eVA user, the employee supervisor must initiate, and sign, a completed *Request for eVA User Profile 260_F4*, the certificate of completion for the eVA Security Awareness Training, and the certificate of eVA training offered by DPS.
 3. Submission of forms is done by having the employee complete information such as name, email, phone number, etc., then the supervisor completes the other fields, such as Buysenseorg, Roles, Expenditure Limits and other Roles/Functions as required for the employee's job responsibilities.
Any inquiries on how to complete this form should be sent to the DOCeVAaccounts@doc.virginia.gov mailbox.
All three documents must be scanned into one PDF file and saved under the eVA Requestor's name (i.e. – Smith, Jane). The DOC Organizational Unit will then email the Request Packet to: DOCeVAaccounts@vadoc.virginia.gov.
 4. The ESO will contact the Requester to inform them of additional required training, which will be based upon the Role(s) assigned to the Requestor. Once the required training is completed, the Requester will then email the certificate(s) to the DOCeVAaccounts@vadoc.virginia.gov mailbox for new account processing.
 5. The ESO will send the completed packet(s) to the Director of Procurement and Risk Management for final approval of the user requests.
 6. eVA's Quick Quote (QQ) and the Virginia Business Opportunities modules are reserved only for the

Buyers located at Headquarters Procurement Unit, VCE, Regional Offices, IEMU, ASD, and Agribusiness.

F. Deactivation of eVA Users

1. The Agency eVA Security Officer (ESO) is responsible for deleting and/or blocking eVA accounts.
2. The eVA user's direct supervisor is responsible for notifying the ESO when an eVA user terminates employment and/or no longer needs access to the eVA system. Notification should be sent to the DOCeVAaccounts@doc.virginia.gov mailbox.
3. The Director of Procurement and Risk Management will generate and review reports on a weekly basis and inform the ESO on accounts that require deletion.
4. The ESO, in collaboration with the Director of Procurement and Risk Management, will ensure that deletion should occur within 10 business days of ESO being notified.
5. In instances where an eVA user will be out for more than 10 consecutive workdays, but not terminated, and is due to return to work, the user's supervisor shall notify the ESO and the decision whether to block the account or delete the account will be determined on a case-by-case basis.

G. eVA Delegation

1. eVA Users are responsible for updating their delegated approval profiles in their eVA accounts if they go out on vacation, emergencies, if possible, other types of leave, etc.
2. If an eVA User goes out of work unexpectedly and is not be able to update their delegated approval profile in eVA, their supervisor must contact the eVA Security Officer to receive custodial rights, for a period not to exceed 90 days, to that eVA User, so orders or approvals can be processed in eVA.

VIII. Compliance Reviews

- A. Procurement compliance reviews/audits conducted by DPS, APA, or other governmental groups or third parties conducted for organizational units that require a written response detailing corrective action must be approved by the Organizational Unit Head and the appropriate Deputy Director or Regional Administrator.
- B. A draft copy of the response must be sent to the Director of Procurement and Risk Management at DOC Headquarters before a final response is prepared for the above stated approval.
- C. A copy of the final written response must also be sent to the Director of Procurement and Risk Management at DOC Headquarters.
- D. Compliance Reviews/audits processed for Headquarters must be approved by the Deputy Director for Administration before being sent to the Compliance Agency.
- E. Final response to noncompliance issues must be submitted within timeframes established by the reviewing agency.

IX. Vendor Protests

- A. If the Bidder or Offeror submits a protest of award, the DOC Organizational Unit must notify and provide the Director of Procurement and Risk Management with a copy of the protest letter, a draft of the protest response, and a copy of the procurement file for review and approval before the response is sent to the Bidder or Offeror.
- B. All protest letters must be responded to in writing within 10 days of receipt.
- C. If the protest is denied by the Director of Procurement and Risk Management, the denial must be final unless the Bidder or Offeror appeals to the appropriate Circuit Court.
- D. All DOC facilities and Organizational Units for which the Headquarters Procurement Unit is responsible



for purchasing must adhere to the Demand Payment regulations detailed in the Demand Payments List posted on iDOC.

REFERENCES

42 U.S.C. 1997 et seq., *Civil Rights of Institutionalized Persons*
 COV §2.2-1110 *Using agencies to purchase through Division of Purchases and Supply; exception*
 COV § 2.2-3100, *State and Local Government Conflict of Interests Act*
 COV §2.2-4300 et seq., *Virginia Public Procurement Act*
 COV § 2.2-4301 *Definitions*
 COV § 2.2-4303 *F Methods of procurement*
 COV §2.2-4345 *Exemptions from competitive sealed bidding and competitive negotiation for certain transactions; limitations*
 COV §2.2-4369 *Proscribed participation by public employees in procurement transactions*
 COV § 2.2-4371 *Prohibition on solicitation or acceptance of gifts; gifts by bidders, offerors, contractor or subcontractors prohibited*
 COV §2.2-4376 *Misrepresentations prohibited*
 COV §2.2-4377 *Penalty for violation*
 Executive Order 35 (2019) *Advancing Equity for Virginia's Small, Women, and Minority Owned (SWaM) and Service Disabled Veteran-Owned Businesses*
 Department of Human Resource Management, (DHRM) Policy 1.60 *Standards of Conduct*
 Food Service Manual - Chapter 7, *Purchasing*
 Operating Procedure 260.3, *Small Purchase Charge Card Program*
 Operating Procedure 302.3, *Sustainability Plan*
 Operating Procedure 323.1, *Vehicle Acquisition, Operations, and Maintenance*
 Department for the Blind and Vision Impaired - *Products*
 DGS/DPS - *Agency Procurement and Surplus Property Manual (APSPM)*
 DGS - *Commonwealth of Virginia Vendor's Manual*
 DGS - *Construction and Professional Services Manual*
 DOA - *Commonwealth Accounting Policies and Procedures Manual (CAPP)*
 DOA - *CAPP Manual Topic 20355, Purchasing Card Program*
 Virginia Public Building Authority (VPBA)
 VITA – *IT Procurement Manual*

ATTACHMENTS

Attachment 1, *Contract Approval and Signatory Authority for Goods and Services*
 Attachment 2, *Authorization to Approve Purchase Requisitions for Goods and Services*
 Attachment 3, *Authorization to Approve Determinations*
 Attachment 4, *Secretariat Request to Purchase*

FORM CITATIONS

Contract Approval Form 260_F1
Sole Source Procurement Determinations 260_F2



Emergency Procurement Determination 260_F3

Request for eVA User Profile 260_F4

Loan Agreement 260_F5

Contract Modification Approval 260_F15

Waiver for Small Business Enhancement Award Priority 260_F16

Conflict of Interest Agreement for Sole Source Procurement 260_F20

DOC Vehicle Request 323_F5

IT Goods and Services Sole Source Procurement Approval Request Form

