

**CITY OF CHESAPEAKE, VIRGINIA**

**NUMBER: 4.13**

**ADMINISTRATIVE REGULATION**

**EFFECTIVE DATE: 12/21/2018**

**SUBJECT: PURCHASING  
SMALL PURCHASE POLICY**

**SUPERCEDED: N/A**

## **I. GENERAL**

The *Virginia Public Procurement Act (VPPA)* permits a public body to establish small purchase procedures, if adopted in writing, not requiring the use of competitive sealed bidding or competitive negotiation for single or term contracts if the aggregate or sum of all phases is not expected to exceed \$100,000; however, such small purchase procedures shall provide for competition wherever practicable (*Code of Virginia*, § 2.2-4303G). The following small purchase procedures have been established for acquiring materials, supplies, equipment, printing, nonprofessional services and non-transportation-related construction up to \$100,000 (excluding information technology and telecommunications goods and services). Procurements made pursuant to these procedures do not require public bid openings or newspaper advertising of competitively negotiated procurements. Small purchases that are expected to exceed \$5,000 shall require the posting of a public notice.

## **II. COMPETITIVE REQUIREMENTS**

Departments shall estimate the total cost, including all possible renewal periods of a term contract, to determine if the procurement will exceed \$100,000. If the procurement is expected to exceed \$100,000 over the entire term of the contract, including all possible change orders, and renewal periods, the department shall use competitive sealed bidding or competitive negotiation. The expected trade-in value of equipment shall not be considered when determining the anticipated total value of a contract. Departments are highly encouraged to utilize the Purchasing Division services to utilize electronic procurement websites including eVa, DemandStar or the City's website for solicitation and or posting of public notice.

## **III. REQUESTS FOR QUOTATIONS (UP TO \$5,000)**

Refer to Administrative Regulation 4.12 - Delegation of Procurement Authority totaling \$4,999.99 or less per transaction.

## **IV. UNSEALED BIDDING (OVER \$5,000 UP TO \$100,000)**

- a. Unsealed bidding may be used to solicit bids and quotes for goods and nonprofessional services over \$5,000 up to \$100,000. All purchases over \$5,000 shall be processed by the Purchasing Division with the assistance of the departments' specifications and expertise. All appropriate City terms and conditions must be stated in or attached to the solicitation, including an award term. The solicitation shall be open for the period of time stated in the solicitation but must be open for a minimum of three (3) business days (24 business hours). A reasonable amount of time

should be allowed for vendors to respond based on the nature of the procurement and any subsequent amendments.

- b. For procurements over \$5,000, an award may be made to the lowest priced responsive and responsible bidder if the price is fair and reasonable<sup>1</sup>. If the Purchasing Division determines that the prices do not appear to be fair and reasonable, the Purchasing Division shall document the procurement file to that effect, including stating the basis for the determination and then the procurement may be cancelled and re-solicited.
- c. All purchases made under this subsection that are expected to exceed \$5,000, in addition to the above criteria, shall require (a) public notification of solicitation to a minimum of four (4) bidders or offerors and (b) posting of a public notice for a minimum of three (3) business days (24 business hours) prior to the date set for receipt of bids or proposals and (c) posting of the notice of award. The City may utilize the City's procurement website, eVa, DemandStar or other appropriate procurement websites for solicitation and posting. All departments must maintain a purchasing file for each procurement that can be audited by the Purchasing Division at any time.
- d. The Purchasing Administrator may at his or her discretion require a more formal solicitation process where such solicitation appears to be more advantageous.

#### V. **UNSEALED REQUEST FOR PROPOSALS (OVER \$5,000 UP TO \$100,000)**

Goods or nonprofessional services up to \$100,000 may be procured using the Unsealed Request for Proposal process. All purchases over \$5,000 shall be processed by the Purchasing Division with the assistance of the departments' specifications and expertise. A written determination for the use of competitive negotiation is not required for unsealed Request for Proposals. The solicitation shall be open for the period of time stated in the solicitation but must be open for a minimum of three (3) business days (24 business hours). The solicitation for unsealed proposals shall include a cover sheet, a general description of what is being sought, the award term, the evaluation criteria and weights to be used in the evaluation, the current version of the General Terms and Conditions, and any Special Terms and Conditions including any unique capabilities or qualifications that will be required.

- a. Offers may be opened and evaluated upon receipt. All responses must be received at the designated location by the date and time stated in the solicitation.

---

<sup>1</sup> **Fair and Reasonable Price Determination.**

A written fair and reasonable price determination is required to determine if prices bid or offered are fair and reasonable when: (a) competition is restricted or lacking, or (b) the prices offered do not appear to be fair and reasonable. The written determination of a fair and reasonable price requires that the price is acceptable to both the City and the bidder or offeror considering all circumstances. Circumstances include, but are not limited to, the degree of competition, market conditions, quality, location, inflation, value, technology and unique requirements of the City. The written determination may be based on price analysis (comparison with prices previously paid, prices charged for functionally similar items, prices paid by other consumers, prices set forth in a public price list or commercial catalog, or state estimates) or through the analysis of price-to-unit variations, value analysis (make-or-buy study), or cost analysis. Advice and assistance can also be obtained from the appropriate Purchasing Buyer Specialist or the Procurement Administrator. The written analysis must be supported by factual evidence in sufficient detail to demonstrate why the proposed price is deemed to be reasonable. If a determination is made that the prices offered are not fair and reasonable, then a decision has to be made whether to rebid seeking broader competition, revise specifications and rebid the requirement, or to negotiate a better price as may be identified through the price analysis process. A combination of these methods may be necessary. If it is a negotiated procurement, then the price should be negotiated to one that is fair and reasonable.

- b. In lieu of an evaluation committee, the department and Purchasing Division may solely evaluate and rank offers. Upon completion of the evaluation, negotiations shall be conducted with the offerors selected.
- c. Award shall be made to the highest ranking offeror in accordance with the criteria listed in the solicitation.
- d. All purchases made under this subsection that are expected to exceed \$5,000, in addition to the above criteria, shall require (a) public notice of solicitation to a minimum of four (4) bidders or offerors and (b) posting of a public notice for a minimum of three (3) business days (24 business hours) prior to the date set for receipt of bids or proposals and (c) posting of the notice of award. The City may utilize the City's procurement website, eVa, DemandStar or other appropriate procurement websites for the solicitation and posting.
- e. Purchasing Administrator may at his or her discretion require a more formal solicitation process where such solicitation appears to be more advantageous.

  
\_\_\_\_\_  
James E. Baker, City Manager

12/21/18  
\_\_\_\_\_  
Date

Approved as to Form:

  
\_\_\_\_\_  
Jacob P. Stroman, City Attorney