



FINANCE & HUMAN SERVICES
COMMITTEE MEETING
AGENDA

August 30, 2022
5:30 PM

Council Chambers, Rocky Mount Municipal Building
345 Donald Avenue, Rocky Mount, Virginia

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1. Roll Call
 2. Approval of Agenda
 3. Review of Draft Procurement Policy
 - 3.1. Draft Procurement Policy
 4. Adjournment

ITEM(S) TO BE CONSIDERED UNDER:

Other

FOR COUNCIL MEETING DATED:	August 30, 2022
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STAFF MAKING REQUEST:	Robert Wood, Town Manager
BRIEF SUMMARY OF REQUEST:	Town staff have been working to update the Town's Procurement Policy. The staff recommendation is to refer the draft procurement policy to the Finance and Human Services Committee for review and discussion. The draft policy will be presented at the Finance and Human Services Committee.
ACTION NEEDED:	Referral to the Finance & Human Services Committee

Attachment(s): 1. Draft Procurement Policy

FOLLOW-UP ACTION: (To be completed by the Town Clerk)
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**TOWN OF ROCKY MOUNT
CURRENT PURCHASING POLICY**

- Purchases under \$5,000 can be authorized at the department level. No purchase order is needed.
- Purchases from \$5,000-\$10,000 must have quotes (can be verbal or written) and be approved by Town Manager and Finance Director before the purchase is made. Purchase order is needed.
- Purchases over \$10,000 must have 3 quotes and be approved by the Town Manager, Finance Director and Town Council before the order is placed. Quotes must be written. Purchase order is needed.

TOWN OF ROCKY MOUNT
PURCHASING POLICY & PROCEDURES
August 5, 2022

This policy is adopted to guide the Town of Rocky Mount in obtaining high quality goods and services at reasonable cost, and conducting all procurement procedures in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety. The Town of Rocky Mount provides an equal competitive opportunity to all vendors by promoting competitive bidding and/or negotiation, while establishing and maintaining trust, confidence, and cooperation with all vendors. The statutes governing the procurement of goods and services by government entities are contained in the Virginia Public Procurement Act (VPPA). In addition to the requirements of the VPPA, the Town of Rocky Mount has established the following purchasing policies and procedures.

Quick Reference Guide

Purchase Amount	Requisition Required*	Three Documented Telephone, Written, Catalog or Electronic Quotes	Four Written or Electronic Quotations	IFB¹, RFP², RFQ³ and approval by Town Council
Less than \$5,000	N/A			
\$5,000 - \$29,999	Yes*	Yes		
\$30,000 - \$99,999	Yes*		Yes	
\$100,000 and above	Yes*			Yes

*A requisition is an electronic document that is accessed and completed in the Town's financial system, Municipal Uniform Information System (MUNIS), to purchase goods or services. After the appropriate system approval (s) a requisition becomes a purchase order. Requisitions must be submitted and approved in MUNIS prior to placing any order and receiving invoices.

¹Invitation for Bid (**IFB**)

²Request for Proposal (**RFP**)

³Request for Qualifications (**RFQ**)

1. PURCHASES OF LESS THAN \$5,000

This level of purchase is delegated to the applicable department head or designee(s) without obtaining quotations or keeping records for procurement purposes. Users are encouraged to compare pricing and utilize previous research when purchasing at this level. A requisition is not required. See section 5 if your purchase is considered professional services.

2. PURCHASES BETWEEN \$5,000 AND \$29,999.

This level of purchase shall be made on the open market on the basis of terms most financially advantageous to the Town. It shall be accomplished through the use of a least three attempted telephone, written, catalog, or electronic quotations. See section 5 if your purchase is considered professional services. For any purchase over \$5,000, please refer to "Exceptions to the Procurement Policy". The applicable department should obtain these quotations and forward with the requisition in MUNIS for appropriate approvals. Approvals in MUNIS will be as follows:

- Department Head
- Finance Director or designee

3. PURCHASES BETWEEN \$30,000 AND \$99,999

This level of purchase shall be made on the open market on the basis of terms most financially advantageous to the Town. It shall be accomplished by obtaining at least four attempted written or electronic quotations (Telephone quotes cannot be accepted). See section 5 if your purchase is considered professional services. For any purchase over \$5,000, please refer to "Exceptions to the Procurement Policy". The applicable department should obtain these quotations and forward with the requisition in MUNIS. Approvals in MUNIS will be as follows:

- Department Head
- Finance Director or designee
- Town Manager or designee

4. PURCHASES OF \$100,000 AND ABOVE

This level of purchase requires that an IFB or RFP be issued. This shall be accomplished by soliciting interested bidders and vendors. A legal ad shall also be published in the local newspaper after approval by the Finance Director and Town Manager or their designee. Town Council must also approve any purchase greater than \$100,000.

Notation: The IFB and RFP are two distinctly different methods of procurement. In general, an IFB is the most common and contains specifications, a public bid opening, posted bid tabulations, and a firm price offer from a vendor which may not be changed (unless the cost is over the town's budgeted amount). The RFP differs in that it is a negotiated procurement. Responses to a RFP may be opened in private with no information regarding contents and prices being released until after the negotiation process.

Once a successful bidder or proposer is chosen, a requisition will need to be submitted in MUNIS to proceed through workflow as follows:

- Department
- Finance Director or designee
- Town Manager or designee

5. PROFESSIONAL SERVICES

This level of purchase shall be made on the open market and shall be accomplished using the documentation and monetary guidelines stated above. Emphasis shall be on qualifications, experience, suitability and timeliness to provide the required services. In most cases a RFQ will be used for the procurement of professional services. *Cost shall not be the sole determining factor.* A requisition is required based on the guidelines stated above and will require the applicable approvals in MUNIS.

6. EXCEPTIONS TO THE PROCUREMENT POLICY

- Purpose

This guideline establishes the policies and procedures concerning the purchase of items or services that are exempt from the requirements of applicable policies covering small, intermediate, or large purchases.

- Responsibility

Specific responsibility is assigned to the Town Manager and/or designee to review purchases made under the provisions outlined in this policy for compliance with these regulations and to all department heads for seeking to avoid using provisions of this policy that limit competition.

- Policy

Normal purchasing policies shall be suspended for purchases made under the following provisions:

- a) Sole Source - when determined in writing by the individual responsible for procurement of an item or service that there exists only one source capable of providing an item or service as specified or of equal quality, the Town Manager or designee may issue a requisition. The individual or department head making this request shall explain in writing the basis for determination of why this vendor is considered the sole source. The Town Manager or designee may require the department head to lessen the specifications in order to prequalify additional vendors and seek competitive bids. The designation of a vendor as sole source is applicable to a single requisition and permission for future sole source purchases will be considered on a case-by-case basis. If sole source designation is assigned, this fact is denoted on the requisition and all other documents related to the purchase. All other requirement of purchasing policies applicable to the value of the purchase shall remain in effect. Sole source documentation must be included with the requisition.
- b) Emergency Purchase - in cases of emergency, contracts may be entered into or purchases made without competitive bidding or competitive negotiations. However, this provision should be avoided if at all possible and practical under the circumstances. A formal, written documentation of the basis for the

emergency and the reasons for selection of the particular vendor or contractor shall be made available to the Town Manager as soon as possible. He/she shall then issue a written notice that the purchase or contract was awarded on an emergency basis, identifying that which was procured, and the date of the procurement or award of contract. This notice shall be posted in a public place within the Rocky Mount Municipal Building prior to actually making the purchase or awarding the contract for service, if possible, or as soon as practical thereafter.

This purchase will be placed on a requisition and forwarded to the Finance department as quickly as possible for processing. In the event the Town Manager is unavailable to make a determination of emergency purchases, his/her designee may be empowered to make such decision. All other requirements of purchasing policies applicable to the value of the purchase shall remain in effect.

- c) State Contract - items purchased off contracts negotiated by the Virginia Department of General Services (see DGS website) will not require any competitive bids. However, should a similar item of equal quality and at less cost be obtained from another vendor, the regular purchasing policies will still be effective, with the state contract or other price shown on quotation forms as a comparative bid. If the state contract is used, notation of such and contract number should be made on the requisition and forwarded to the approving authority for further processing according to the policy applicable to the value of the purchase. It is encouraged to ask vendors to provide the state contract number. The applicable department should denote the state contract number on the requisition when processing. All other requirements of purchasing policies applicable to the value of the purchase shall remain in effect.
- d) Cooperative Procurement - items or services purchased in conjunction with another public body or agency or other State and National associations for the purpose of combining requirements to increase efficiency or reduce administrative expense. A public body may also purchase from another public body's contract even if it did not participate in the IFB or RFP, if the IFB or RFP specified that the procurement was being conducted on behalf of other public bodies, except for instances stated in Section 2.2-4304 of the Virginia State Code. If cooperative procurement is utilized, the department head should identify the name of the cooperating agency/locality and include supporting documentation as required and approved by the Finance Director or designee.
- e) Repetitive Operating Services - for services of recurring operations of the government of the Town of Rocky Mount and which generally is available from a sole source and routine in nature. Examples include utilities such as power, natural gas, and telephone. While no requisition is needed, the authorizing department head must approve the invoice, but only after reviewing for

accuracy and discounting for expenses due from employees, such as long-distance personal telephone calls. Exempted items or services will only be charged to object codes identified for repetitive services or utilities.

- f) Contractual Items - items may be bid competitively on a recurring basis for goods or services deemed most cost effective to do such. Examples may include gasoline for Town vehicles, chemicals, asphalt, concrete, salt for snow removal, maintenance service agreements, communication equipment, and other goods and services fiscally feasible to procure on a contractual basis to guarantee long term costs. Contractual items must meet all purchasing requirements applicable to the aggregate costs of the term of the contract, including competitive bidding, but does not require a requisition One (1) copy each of any contract for goods or services must be forwarded to the Town Manager's office and to the Finance Director to be filed for audit purposes. Any invoices for these goods or services must be clearly marked "Contract Purchase" and approved by the appropriate department head prior to processing.

7. QUESTIONS

Questions concerning this document should be directed to the Finance Director. The Town Manager has final authority on interpretation of the purchasing policy.