

	Administrative Policy and Procedure No.		200-05
	Title:	Small Purchase Policy and Procedures	
	Category:	Administrative	
	Effective Date:	July 1, 2004	
	Revised Date:	January 1, 2014	March 1, 2014

SMALL PURCHASE POLICY AND PROCEDURES

I. Policy:

In order for the Roanoke Regional Airport Commission (“Commission”) to obtain high quality goods and services at a reasonable cost, it is the Commission’s policy that purchases shall be awarded based on the lowest responsive and responsible bid reasonably and practically available. All purchases shall be undertaken in a fair and impartial manner providing for competition whenever practicable. All qualified bidders shall be afforded equal opportunity to quote on equal terms. In addition to the price, the Commission may take into consideration the qualifications, workmanship, experience, availability, facilities, quality of previous work and suitability for a particular purpose of the bidder. The Commission may waive informalities in bids and reserves the right to accept or reject any and/or all bids.

II. Purpose:

The purpose of this Administrative Policy and Procedure is to establish procedures to be used in Small Purchases. Small Purchases include the purchase or lease of goods and services, other than professional services, whether for a single time or for a period of time, where the aggregate or the sum of all phase of such contracts are not expected to exceed \$100,000.00. Small Purchases also include the procurement of professional services not requiring competitive negotiation for single or term contracts if the aggregate or the sum of all phases is not expected to exceed \$60,000.00.

III. Applicability:

This Administrative Policy and Procedure applies to all employees of the Commission.

IV. Definitions:

A. Brand names – Unless otherwise specifically stated in the bid specification, the name of a certain brand, make, or manufacturer does not restrict the bidder to the specific brand, make, or

manufacturer named. Brand names may be used to convey the general style, type, character, and quality of the item desired. The Commission may at its sole discretion accept an item determined to be the equal of that which has been specified, considering quality, workmanship, operation, and suitability for the purpose intended.

- B. Buyer** – Any Commission employee who obtains quotes or proposals for goods or services with the intent of initiating a requisition, purchase order, project request, bid specification or request for proposal for the purchase of such goods or services by the Commission.
- C. Competitive negotiation** – a method of contractor selection which includes a written Request for Proposal indicating the general terms of that which is sought to be procured and the factors which will be used in evaluating the proposals and containing by reference the other applicable terms and conditions including any unique capabilities or qualifications which will be required of the contractor.
- D. Confirming purchase order number** - A purchase order number issued by the Commission's Finance Division upon request for emergency orders, or when the vendor requires a purchase order number prior to accepting the order.
- E. Contract Administrator** – A designated Commission employee responsible for providing assistance to other employees in the purchase of goods and services for the Commission and ensuring that policies and procedures are followed in bid specifications and the evaluation of bids. The Contract Administrator also ensures contracts are executed in accordance with bid specifications and contract terms are followed.
- F. Construction** – the building, altering, repairing, improving, or demolishing of any structure or building and any draining, dredging, excavation, grading, or similar work upon real property.
- G. Drug Free Workplace** – A worksite where the employees are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession, or use of any controlled substance or marijuana during the performance of work done in connection with a specific contract awarded by the Commission.
- H. Evaluation of bids** – In determining the lowest responsive and responsible bidder, in addition to price, evaluation of bids may be based on special qualifications of potential contractors, life cycle costing, value analysis, and other criteria such as inspections,

testing, quality, workmanship, availability, equipment available, prior performance for the Commission and/or others, shipping/delivery terms, and suitability for a particular purpose.

- I. **E-Verify Program** – the electronic verification of work authorization program of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 operated by the U.S. Department of Homeland Security to verify the work authorization status of newly hired employees.
- J. **Form contract** – In most cases the Commission will require that its own contract govern any purchase transaction. In the event that a vendor or service provider presents its form contract to a Buyer for signature by a Commission representative, such contract must first be presented to the Contract Administrator for review. Once approved, with or without modification, it will be forwarded to the Executive Director for execution. Refusal by a vendor to accept the Commission's contract may be used as a factor in the evaluation of a bid or proposal.
- K. **Goods** – any material, equipment, supplies, printing, hardware, or general software.
- L. **Informality** – a minor defect or variation of a bid or proposal from the exact requirements of the bid specification or request for proposal, which does not affect the price, quality, quantity, or delivery of goods, services, or construction being procured.
- M. **Invoice** – an itemized list prepared by a vendor of goods shipped or services performed or construction undertaken which specifies price, terms, and a request for payment.
- N. **Manager** – Shall include the Executive Director, Deputy Executive Director, Department Director, Assistant Department Director, Division Manager, Assistant Division Manager, or Division Supervisor.
- O. **Pre-bid meeting** – a meeting of potential bidders at a set time and place prior to submitting a bid that is arranged by the Buyer or Contract Administrator for construction or service contracts so the bidders will be given an equal opportunity to view the site and ask questions. All attendees are to be provided the same information. Any information or clarification of the bid specifications before or after the pre-bid meeting must be given to all potential bidders and must be in writing. It is the Buyer's responsibility to determine if a

pre-bid meeting could result in a lower bid or otherwise assist in the receipt of responsive bids.

- P. Professional service** – work performed by an independent contractor or business within the scope of practice of: accounting, actuarial services, architecture, land surveying, landscape architecture, law, medicine, dentistry, and professional engineering.
- Q. Project Review Committee** - an informal, advisory committee comprised of various Commission staff members and chaired by the Deputy Executive Director. The Committee's function is to review proposed projects and procurements to identify possible disciplines involved in and potential issues/recommendations arising from the proposed purchase or project. The Project Review Committee recommendations are to assist the requester in moving forward with a purchase/project and also to assist the Director of Finance, the Deputy Executive Director and/or the Executive Director in making final decisions regarding possible purchases or projects. The Committee recommendations are not binding on the Directors.
- R. Purchase order** – a numbered document generated by the Finance Division from data gathered from an approved requisition. The purchase order is a commitment to purchase goods or services from a vendor in accordance with the agreed upon terms including the product ordered, quantity, price, shipping address, delivery terms, deadlines and payment terms.
- S. Requisition** – an internal form used to request the purchase of goods or services and used as documentation of the product ordered, quantity, price, vendor and that the required approvals have been given. The requisition may also indicate delivery terms, funding source, cost center, account and job number and division, and any other information relevant to the purchase. The Contract Administrator maintains a log of all requisitions, sequentially numbered, to insert as a numerical reference in subsequent documentation used in the procurement process, such as Purchase Orders.
- T. Responsible bidder** – a person or business who has the capability, in all respects, to perform fully the requirements of the contract for service or goods requested and the moral and business integrity and reliability that will assure a good faith performance.

- U. Responsive bidder** – a person or business which has submitted a bid or quote that conforms in all material respects to the specifications of goods or services requested.
- V. Services** – any work performed by an independent contractor wherein the service rendered does not consist primarily of the acquisition of equipment or materials, or the rental of equipment, materials and supplies.
- W. Single or sole source supplier** – Goods or services for which it is determined that there is only one source practicably available and that can only be purchased from a single supplier. In order for a vendor to meet the requirements of a sole source, one or more of the following must apply:
- an absence of responsive or responsible competition exists for the product or service;
 - the supplier or provider possesses exclusive capabilities or a franchise to provide the product or service;
 - the supplier or provider owns patent, trademark, or proprietary rights which make the product or service unavailable from another source;
 - the supplier or provider is considered uniquely critical to the successful completion of the task to be performed.

Justification for use of a sole source supplier including the method used to determine meeting the above requirements must be documented on the requisition, and is subject to review and approval by the Director of Finance and Administration.

- X. Specialized Services** - Work performed by an independent contractor or business which requires specialized skills, knowledge, resources, data and/or experience wherein the procurement shall be for their services rather than for traditional goods or manual labor. For purposes of these Small Purchase Policy and Procedures, Specialized Services include, but are not limited to: marketing and public relations, proprietary software and software development for Commission, specialized data subscriptions related to air service, personnel consulting services, temporary employment agency services, specialized aviation/airport related consulting services, telecommunications, computer support services, research, surveys, planning and other studies requiring expertise in a specialized field such as air service, transportation, concession and master planning.

V. Implementation:

A. General:

1. Goods and non-professional services, not expected to exceed \$100,000.00 in cost, may be procured without competitive sealed bids or competitive negotiation for a single or term contract provided such Small Purchases shall provide for competition whenever practicable.
2. Professional Services not expected to exceed \$60,000.00 in cost may be procured without competitive negotiation for a single or term contract if the aggregate or the sum of all phases is not expected to exceed \$60,000.00.
3. Goods and services expected to be greater than \$100,000.00 in cost, or professional services expected to be greater than \$60,000.00, shall be procured in accordance with Virginia Public Procurement Act, Sections 2.2-4330 et seq., code of Virginia (1950), as amended, as implemented through the Procurement Regulations adopted by the Commission, as they may be amended from time to time, and may not be purchased pursuant to this Administrative Policy and Procedure for Small Purchases.
4. Non-recurring Maintenance services or the purchase of maintenance equipment exceeding \$5,000.00, which are funded in whole or part with state aviation Maintenance Grant Funds, require a solicitation of at least three (3) bids unless the requirement is waived by the Virginia Department of Aviation. If state aviation Entitlement Grant Funds are used for such projects, the provisions of this Administrative Procedure, and not those related to the Maintenance Grant Funds, shall be followed.
5. If state funds have been appropriated or made available by grant-in-aid or loan to be used to fund, in whole or part, construction of or an addition to or improvement of any building, then such contract shall be procured by competitive sealed bidding or competitive negotiation in accordance with the Commission's regulations for procurements that are not Small Purchases.
6. Any form contract submitted to the Commission by any bidder or proposer must be submitted for review by the

Contract Administrator. In most cases, the Commission will require that its own contract govern the transaction.

Under no circumstances is any Buyer authorized to sign a contract that commits the Commission to any terms or conditions for goods or services.

- B. Goods and Non-Professional Services:** Upon recognition of a need to purchase an item, have services performed or seek construction of an improvement, quotes or proposals are to be obtained by the Division Manager, Departmental Director or his/her designee, within the guidelines established by this policy and procedure. Any employee may initiate a purchase request for items required to do his/her job; however, they are encouraged to first seek the concurrence of their Division Manager or Department Director. Often employees are more familiar with the items they use and research of an item can provide an opportunity for the employee to increase his/her job knowledge. Therefore, a Director or Manager may delegate the purchase of an item to a subordinate employee. However, the Manager/Director shall ensure that all employees designated with purchasing authority are aware of these procedures and that such procedures are followed. The employee may research the item, obtain quotes or proposals, and complete the requisition form. However, no purchase shall be made by an employee without the written approval of the Division Manager, Departmental Director, and/or Executive Director as required by this policy and procedure.
1. **Goods and Non-Professional Services \$100.00 or less** are to be purchased with petty cash or a Commission Credit Card whenever possible. The original purchase receipt is to be presented to the Accounting Office in the Finance Division for reimbursement. If needed, a cash advance may be requested in accordance with Administrative Policy and Procedure No. 200-01, Petty Cash and Credit Card Procedures. Items purchased with petty cash do not require quotes or completion of a purchase requisition, however, employees must obtain Manager approval before making any purchase and the original receipt must be signed by the Manager.
 2. **Goods and Non-Professional Services expected to be \$100.00 or more, but less Than \$1,000.00:**
 - a. May be purchased with the approval of the Division Manager with one quote. Additional quotes should be

quotes, a statement documenting the suppliers contacted must accompany the requisition.

- c. Items may not be purchased as a single or sole source item because of the Manager's/Director's or Contract Administrator's familiarity with one supplier or lack of effort to obtain additional quotes. Single or sole source items must meet the definition of such as defined in this policy and procedure (see Definitions, Section IV.), must be properly justified and documented on a properly completed purchase requisition, and are subject to normal review and approval.
 - d. Non-Professional Services which will be undertaken at the airport (including, but not limited to, maintenance, repair and construction services) shall be acquired pursuant to a short written contract, which should include, as applicable, a statement of the services to be provided and the time within which they must be completed, cost of the services, hours when work is permitted, indemnity for the Commission, liability insurance with the Commission as an additional insured, any requirement for badging or escort, any safety requirements for the benefit of the tenants or traveling public, compliance with applicable laws, disposal of waste, clean up, terms required by state or federal law, and any other provision relevant to the work being performed. See also Section VIII below.
4. **Goods and Non-Professional Services expected to be \$5,000.00 or more, but less than \$20,000.00:**
- a. Requires presentation to the Project Review Committee and then the written approval of the Executive Director, the Director of Finance and Administration prior to issuance of the specification, and three written quotes. Proposed bidders shall be given written minimum specifications (see d. below for suggested items to be included in the specifications) and a bid form, or proposal criteria when applicable. No request should be made to any bidder who has failed to perform in the past, defaulted or performed poorly. Unless a consultant has been hired to undertake one of more of the following duties, the

Contract Administrator will develop the specifications and proposal criteria, as well as seek the written, and perhaps electronic, bids. The requesting Manager/Director shall provide assistance to the Contract Administrator by providing a listing of potential bidders, if known, and assisting with the content and/or review of the specifications.

- b.** All qualified bidders should be given an equal opportunity to quote and every effort should be made by the Contract Administrator to obtain three quotes. In the event a proposed bidder does not respond to a request for a bid, additional potential bidders should be contacted whenever available. Follow up e-mail or calls should be done to ask proposed bidders why they failed to respond. In the event the Consultant or Contract Administrator is unable to obtain three quotes, a statement documenting the suppliers contacted and the methods used to obtain additional quotes must accompany the recommendation for bid award made to the Director of Finance and Administration.
- c.** Items may not be purchased as a single or sole source item because of the Manager's/Director's or Contract Administrator's familiarity with one supplier or lack of effort to obtain additional quotes. Single or sole source items must meet the definition of such as defined in this policy and procedure (see Definitions, Section IV.), must be properly justified and fully documented on a written recommendation to the Director of Finance, and are subject to review and written approval of the Director of Finance and the Executive Director prior to the contract for purchase being executed.
- d.** Non-Professional Services which will be undertaken at the airport (including, but not limited to, maintenance, repair and construction services) shall be acquired pursuant to a short written contract, which may include a statement of the services to be provided and the time within which they must be completed, cost of the services, hours when work is permitted, indemnity for the Commission, liability insurance with the Commission as an additional insured, any requirement for badging or escort, any

safety requirements for the benefit of the tenants or traveling public, compliance with applicable laws, disposal of waste, clean up, terms required by state or federal law, and any other provision relevant to the work being performed. See also Section VIII below.

5. Goods and Non-Professional Services expected to be \$20,000.00 or more, but less than \$50,000.00:

- a. Requires presentation to the Project Review Committee, and then the written approval of the Director of Finance and Administration and the Executive Director prior to preparation of the bid package or request for proposals. Proposed bidders shall be given a short form written bid package, including technical specifications, instructions to bidders, bid forms and the proposed contract. No request should be made to any bidder who has failed to perform in the past, defaulted or performed poorly. Unless a Consultant has been hired to undertake some or all of the following duties, the Contract Administrator will, with possible assistance by the appropriate Manager/Director, develop and issue the bid package and seek written, and perhaps electronic, bids. Formal advertising is not required unless three potential bidders cannot be identified for informal solicitation; however, the bid opportunity should be included on the Commission's website. A formal bid opening is not required.
- b. All qualified bidders should be given an equal opportunity to bid and every effort should be made by the Consultant or Contract Administrator to obtain three bids. In the event a proposed bidder does not respond to a request for a bid, additional potential bidders should be contacted whenever available. Follow up e-mail or calls should be done to ask proposed bidders why they failed to respond. In the event the Consultant or Contract Administrator is unable to obtain three bids, a statement documenting the suppliers contacted and the methods used to obtain additional quotes must accompany the recommendation for bid award made to the Director of Finance and Administration.

instructions to bidders, bid forms, general conditions, technical specifications, the proposed contract, bid bond form, and if applicable, evaluation criteria. Except for Specialized Services, Bidders and proposers (if applicable) shall be required to post bid security (bond, cash or check) and bidders shall be informed of any requirements for a performance bond, and, if applicable, a labor and material payment bond. No request should be made to any bidder who has failed to perform in the past, defaulted or performed poorly.

- c. Formal advertising is required unless specifically waived by the Director of Finance and Administration when warranted. In any event the bid opportunity must be included on the Commission's website. If formal advertising is waived, then the solicitation of a minimum of three (3) bidders must occur.
- d. Unless a Consultant has been hired to undertake some or all of the following duties, the Contract Administrator will, with possible assistance by the appropriate Manager/Director, develop, and issue the bid package, review the bids for completeness and compliance with bid requirements, arrange for legal review of any proposed contract submitted by a proposer for Specialized Services, and make a formal recommendation of bid award to the Director of Finance and Administration for his/her approval. A formal bid opening is required and bids/quotes submitted electronically will not be accepted.
- e. All purchases shall be undertaken pursuant to a written contract. Contracts for the purchase of goods shall include a detailed description of the item(s) being purchased, the timing of delivery, the cost per unit and delivery cost, the term of the contract, place of delivery, and any other provisions relevant to the purchase. Contracts for services must include a statement of the services to be provided and the time within which they must be completed, cost of the services, hours when work is permitted, a listing of any subcontractors, indemnity for the Commission, liability insurance with the Commission as an additional insured, any requirement for badging or escort or meeting security requirements, any safety

requirements for the benefit of the tenants or traveling public, compliance with applicable laws, disposal of waste, clean up, terms required by state or federal law, and any other provision relevant to the work being performed. Contracts for Specialized Services shall generally follow the recommendations of Section C.3. below.

See also Section VIII below required contract terms.

- f. Sole source purchases must meet the definition of such as defined in this policy and procedure.

C. Professional and/or Specialized (“Consultant”) Services

1. Professional or Specialized Services expected to be less than \$5,000.00:

- a. For all services, requires a written proposal from the professional/specialized service provider which shall include the services to be undertaken, the schedule for completion of all work and the fee to be paid. Electronic delivery of a proposal is permissible.
- b. So long as the Consultant will not be provided with unescorted access to the airport secured areas, no written contract shall be required and the award may be made by purchase requisition, with the written proposal attached, signed by the Department Director and the Director of Finance and Administration. If unescorted access will be required, Section 2.c. below shall be followed.

2. Professional or Specialized Services expected to be \$5,000 or more, but less than \$30,000.00:

- a. For all services, requires a written proposal from the professional/specialized service provider which, at a minimum, shall include the services to be undertaken, the schedule for completion of all work, a listing of subcontractors, and the fee to be paid. Electronic delivery of the Proposal is permissible.
- b. For services related to planning, environmental, testing, land surveying, engineering, architecture, or project inspection, presentation to the Project Review

Committee and then the written approval of the Director of Finance and Administration and the Executive Director shall occur prior to issuance of a purchase requisition or drafting of a written contract, as applicable, For other professional/specialized services, e.g. legal, financial, internal audits, appraisals, various studies, air service, public relations, personnel services, data subscriptions, proprietary software purchase or development, etc., the Project Review Committee review is permissible, but not required.

- c. Professional/Specialized Services which will be undertaken at the airport (including, but not limited to, audits, testing, construction oversight, pre and post construction inspections) shall be acquired pursuant to a written contract, which shall be prepared or reviewed by General Counsel prior to issuance, and which must include a statement of the services to be provided and the time within which they must be completed, cost or fee basis for the services, a listing of subcontractors, indemnity for the Commission, professional liability insurance if applicable, general liability insurance with the Commission as an additional insured, motor vehicle insurance if applicable, any requirement for badging or escort or meeting security requirements, compliance with applicable laws, and any other provision relevant to the work being performed. See also Section VIII below. If the vendor has already contracted with the Commission for "as needed" services, then such contract can be amended to add the Work.

Services which will involve little or no "on Airport" presence or risk by the vendor's employees can be undertaken pursuant to a purchase requisition, with the Consultant's proposal attached.

3. **Professional/Specialized Services expected to be \$30,000.00 or more, but not more than \$60,000.00 for Professional Services or more than \$50,000.00 for Specialized Services:**
 - a. For services related to planning, environmental, testing, land surveying, project inspection,

engineering, and architecture, presentation to the Project Review Committee and then the written approval of the Director of Finance and Administration and the Executive Director shall occur prior to requesting one or more proposals from one or more Consultants, For other professional services, e.g. legal, financial, audits, appraisals, various studies, personnel consulting services, data subscriptions, proprietary software purchase or development, etc., the Project Review Committee review is permissible, but not required.

- b.** After the presentation and review by the Project Review Committee, if applicable, and the preliminary written approval of the Director of Finance and Administration and Executive Director, either: i) a written RFP shall be drafted by the requesting Manager or the Contract Administrator with the assistance of the Manager, and sent to at least two potential Consultants, with or without formal advertising; or ii) an Informal Process involving a meeting or meetings shall be held with one or more potential Consultants to discuss and help frame a project scope of work, timing and budget. If the firm is not already under contract with the Commission for “as needed” services, than a copy of a draft of the proposed contract should be included in any RFP or presented prior to the request for a written proposal as its terms may impact the Consultant’s fee, or, particularly in the case of the purchase or development of items such as software or data subscriptions, the potential Consultant must provide a copy of its form of contract for review by the Commission prior to its continuing to consider the purchase.
- c.** A Request for Proposal shall indicate what is being procured and the factors that will be used to evaluate the proposal. Qualified proposers should be asked to submit a written proposal indicating their qualifications, experience, availability to do the work, approach to the job or interpretation of the scope of services, staffing plan, evidence of required licenses, references, other relevant information and either a fixed fee amount or a not to exceed estimate with

hourly rates. The Buyer should always check references for any proposer who has not performed work for the Commission in the past.

When an RFP process is followed, the determination of the most qualified proposer shall be based upon the criteria listed in the RFP document and the information provided in the written response, during any interviews, and in response to reference checks.

- d.** Both the RFP process and the Informal Process shall require a written detailed proposal from the potential Consultant(s) which shall include a detailed scope of work, schedule and fee proposal. While the RFP may request that an electronic (disc) version of the Proposal be included in the proposal package delivered to the Commission, an emailed version shall not be used to meet the RFP deadline. The Manager or Director shall review the proposal for completeness and reasonableness and then negotiate whatever terms are incorrect, unreasonable or unacceptable.
- e.** At the completion of the negotiation process, the Manager or Director shall make a recommendation of contract award to his/her immediate supervisor, which shall be forwarded to the Director of Finance and Administration and the Executive Director for approval.
- f.** All services shall be provided pursuant to a written contract, or if applicable, a written contract amendment, which shall be requested from the Contract Administrator by the requesting Manager. Such request shall contain the Consultant's written detailed proposal, a listing of changes negotiated to the proposal and any other pertinent information. At a minimum and in most cases the contract shall contain provisions for indemnity for the Commission, a listing of subcontractors, professional liability insurance, general liability insurance with the Commission as an additional insured, license requirements, any requirement for badging or escort or meeting security requirements, compliance with applicable laws and state requirements, and any other provision relevant to the work being performed. See Section VIII below.

D. Exceptions to Requirement for Competitive Procurement:

1. The Commission may enter into contracts without competition for the purchase of goods or services that are performed or produced by the following:
 - a. persons in, or schools or workshops under the supervision of the Virginia Department for the Blind and Vision Impaired; or
 - b. employment services organizations that offer transitional or supported employment services serving individuals with disabilities.
2. The Commission may enter into contracts without additional competition for the purchase of goods or services when purchasing from a vendor who has been awarded a state or federal contract by competitive procurement and the vendor grants the Commission the right to purchase from such contracts at the price established by the state or federal contract.

In such case and dependent upon the cost of the item being proposed for purchase, the Contract Administrator shall follow the approval process specified above (i.e., Project Review, Director approvals, etc.), and the Director of Finance and Administration shall make the final written recommendation for purchase after a complete review of the bid documentation, price proposal, etc. to confirm that the procurement meets the requirements of this section.

3. The Commission may enter into contracts without additional competition for the purchase of goods or services by participating in a cooperative procurement agreement in conjunction with one or more other public bodies, or public agencies or institutions or localities of the several states, of the United States or its territories, the District of Columbia, or the U.S. General Services Administration, for the purpose of combining requirements to increase efficiency or reduce administrative expenses in any acquisition of goods and services.

In such case and dependent upon the cost of the item being proposed for purchase, the Contract Administrator shall follow the approval process specified above (i.e., Project

Review, Director approvals, etc.), and the Director of Finance and Administration shall make the final written recommendation for purchase after a complete review of the bid documentation, price proposal, etc. to confirm that the procurement meets the requirements of this section.

4. The Commission may purchase from another public body's contract even if it did not participate in the request for proposal or invitation to bid, if the request for proposal or invitation to bid specified that the procurement was being conducted on behalf of other public bodies, except for architectural or engineering services.

In such case and dependent upon the cost of the item being proposed for purchase, the Contract Administrator shall follow the approval process specified above (i.e., Project Review, Director approvals, etc.), and the Director of Finance and Administration shall make the final written recommendation for purchase after a complete review of the bid documentation, price proposal, etc. to confirm that the procurement meets the requirements of this section.

5. The purchase of legal services does not require competition.

E. Tie Bids:

In the case of a tie bid, preference shall be given to the following in the order listed below:

1. Goods, services, and construction produced in the area of Virginia generally served by the Airport ("Local") or provided by Local persons, firms, or corporations, if such a choice is available and made known to the Commission;
2. Goods produced in Virginia, goods or services or construction provided by Virginia persons, firms or corporations;
3. Goods containing the greatest amount of recycled content if such is made known to the Commission;
4. The tie shall be decided by lot.

VI. Process:

A. Requisition:

Except for cash purchases less than \$100.00, a requisition must be completed and the proper signatures obtained before placing an order for goods and services in accordance with Administrative Policy and Procedures No. 200-11, Purchase Requisition Procedures.

B. Shipping Terms:

Quotes/bids for purchases of goods shipped to the Commission by common carrier generally do not include freight charges which may be in addition to the purchase price. The Buyer should ask if freight and/or delivery costs are included in the price of the goods. If freight and/or delivery charges are not included in the quoted purchase price, then the vendor should be asked to provide an estimate of the freight/delivery cost to the Buyer. The quote and requisition should indicate the shipping terms and additional freight cost, if applicable. Freight and/or delivery costs should be considered in the evaluation of bids or quotes to determine the lowest price. You may find that in some cases, a local supplier may not charge any freight or delivery fee.

C. Receipt and Payment of Goods and Services:

1. Upon receipt of the goods that have been ordered, the packing list or delivery receipt included with the order should be checked to verify that all items ordered have been received in satisfactory condition in accordance with the specifications. Any damaged items or shortages are to be noted on the delivery receipt before signing. The packing list will be located somewhere on the merchandise. The boxes are to be opened and promptly verified with the packing list. After checking all merchandise, delivery receipts and packing lists are to be signed and dated in a legible handwriting and forwarded to the Accounting Office. Initials are not to be used.
2. Service Providers may request an employee to sign off on the provider's work after it is completed. A copy of the form should be obtained from the service provider, signed if accurate, dated, and forwarded to the Accounting Office as acknowledgement that the work has

been satisfactorily completed. If the employee is not trained to recognize that the work is satisfactory, (s)he must call for another properly trained employee or supervisor to sign the acknowledgment.

3. Documented delivery receipts, packing lists and service provider forms will be used by the Accounting Office to make proper payment to the Vendor upon receipt of an invoice. In the event an invoice is received and no proof of delivery or service has been received by the Accounting Office, a copy of the invoice will be placed in the Manager's mailbox for approval. If the order has been satisfactorily completed or work performed, then the invoice should be signed, dated and promptly returned to the Accounting Office. If the goods have not been received or the work satisfactorily performed, the Manager shall immediately notify the Contract Administrator, so that the proper action can be taken.
4. The receptionist may sign for deliveries from UPS, FedEx or other overnight carrier with small packages that can be left at the front desk. Any deliveries required to be unloaded at the loading dock or other Airport facility, such as Building 31, must be checked in and signed for by an employee of the Division which originated the order who is knowledgeable about the item being delivered. The receptionist is not authorized to sign service provider requests, as (s)he has no way of knowing if the work has been satisfactorily completed. Every effort should be made to respond promptly when notified by the receptionist that a delivery or service provider is at the airport.

D. Purchases Exempt from Sales Tax:

1. The Commission is a regional entity of government chartered by the Commonwealth of Virginia and therefore exempt from state and local sales tax on the purchase of goods. Services are non-taxable in the Commonwealth of Virginia. Vendors with whom the Commission has established credit should not charge sales tax. If an employee is purchasing goods from a retail store with a credit card or cash, the employee should first obtain a tax exempt certificate from the Finance Division and present it to the retailer prior to the sale. Sales tax may be paid on small cash purchases where the employee deems it impractical to first obtain a tax exempt certificate. The tax exempt

certificate may be used only for purchases for and on behalf of the Commission, and for no other person or entity.

2. When purchasing from a new vendor or service provider, the Buyer should tell the vendor the Commission is non-taxable prior to obtaining a quote or bid. Upon request the accounting office will furnish a vendor a signed tax exemption certificate.

VII. Types of Purchases:

A. Credit Card Purchases:

1. The Commission has established credit card accounts with various local vendors such as Lowe's, Home Depot, and Office Max. Purchases from these vendors require the use of vendor-issued credit card at the time of purchase. Credit cards are maintained in the Accounting Office and may be released to an employee upon the request of the Division Manager or Department Director for a specific purchase. Division Supervisors are not authorized to make such requests. The Manager/Director shall make the request for a credit card or notify the Accounting Office of the employee's authorization prior to an employee requesting a credit card. The request will indicate the employee name, vendor name, item to be purchased, and the estimated amount of the purchase. Requests for release of a credit card without Manager/Director authorization will be denied. The employee will be required to sign for receipt of the credit card and return the credit card to the Accounting Office immediately after use. The credit card must be returned before the end of the workday on which it is provided to the employee, and, under no circumstances is a credit card to be taken home by an employee. A requisition for purchases over \$100.00 should be completed prior to a credit card purchase whenever possible. An approved requisition is required whenever the purchase exceeds the purchasing authority of the requesting Manager/Director. Credit card receipts are to be attached to the approved requisition upon return of the credit card to the accounting office.
2. A Commission bank credit card may be used whenever purchasing from a vendor with whom the Commission has not established credit. The card number may also be used for purchases by phone or on-line with prior approval of the Director or Assistant Director of Finance and Administration.

3. Any employee issued a Commission credit card in their name may not use the card for any purchase other than those on behalf of the Commission, will be accountable for all purchases made with that card number, and will be responsible for following these purchasing procedures. Cardholders shall maintain a log of all purchases. The log and all receipts must be submitted to the Accounting Office monthly. The employee will be responsible for maintaining the card in a safe place and will report lost or stolen cards to the Director of Finance and Administration as soon as (s)he realizes the card is missing.
4. Any misuse or unauthorized use of a Commission credit card will be considered a criminal act and handled accordingly. Misuse or unauthorized use of a Commission credit card by an employee will also subject the employee to disciplinary action, up to and including dismissal. Use of a Commission credit card for any type of personal use or any use other than legitimate Commission business will be considered misuse.
5. The Assistant Director of Finance shall be responsible for maintaining a master list of all credit cards issued in the name of the Commission including the card number and cardholder name. Buyers may contact the Accounting Office for information on credit cards on hand.

B. Emergency Purchases:

Where a delay in the purchase of an item or a service performed, which otherwise qualifies as a small purchase hereunder, may endanger airport users, employees, equipment, or the functional capability of the airport, the Manager shall be authorized to proceed with an emergency purchase without prior approval of the Director or Executive Director. Written or multiple quotes are not required for emergency purchases; however, the Manager should use discretion in order to obtain goods and services at a reasonable cost, providing for competition whenever possible. A confirming purchase order number may be issued for an emergency purchase if required by the vendor. An emergency purchase must be brought to the attention of the Departmental Director as soon as possible and an approved requisition must be forwarded to the appropriate Director by end of the next business day following the emergency purchase.

C. Reverse Auctioning:

A procurement method wherein bidders are invited to bid on specified goods or non-professional services through real time electronic bidding, with the award being made to the lowest responsive and responsible bidder. During the bidding process, bidders' prices are revealed and bidders have the opportunity to modify their bid prices for the duration of the time period established for the bid opening. Reverse auctioning may be used for the purchase of goods but not for construction contracts or professional services. Requests for procurement by reverse auctioning may be made to the Contract Administrator and will depend on the Commission's capability to perform the reverse auction within the specified time frame required for the procurement.

VIII. Other Contract Requirements:

A. Required Contract Terms

1. Authorization to Transact Business in the Commonwealth of Virginia:

The Commission shall include in **every written contract** a provision that a contractor shall be authorized to transact business in the Commonwealth of Virginia as required by law.

- a. Pursuant to competitive sealed bidding or competitive negotiation, Commission shall include in the solicitation a provision that requires a bidder or offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 to include in its bid or proposal the identification number issued to it by the State Corporation Commission. Any bidder or offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law shall include in its bid or proposal a statement describing why the bidder or offeror is not required to be so authorized.
- b. Any bidder or offeror that fails to provide the required information shall not receive an award unless a waiver of this requirement and the administrative policies and procedures established to implement this section is granted by the Executive Director.

- c. Any business entity that enters into a contract with the Commission pursuant to this chapter shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract.
- d. The Commission may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.

2. Discrimination Prohibited:

- a. In the solicitation or awarding of purchase orders or contracts, the Commission shall not discriminate because of the race, religion, color, sex, or national origin, age, disability, or status as a disabled veteran, nor any other status prohibited by state law relating to discrimination in employment, of the bidder or proposer. Whenever possible the Buyer shall seek solicitations from minority businesses.
- b. The Commission shall include in every contract of **more than \$10,000.00** the following provisions:

During the performance of this contract, the contractor agrees as follows:

- i. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
- ii. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.

- iii. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
 - iv. The contractor will include the provisions of the foregoing paragraphs a, b and c in every subcontract or purchase order of over \$10,000.00, so that the provisions will be binding upon each subcontractor or vendor.
- c. All contracts shall include a statement indicating the Commission does not discriminate against faith based organizations.

3. Drug Free Workplace to be Maintained by Contractor:

The Commission shall include in every contract of **more than \$10,000.00** the following provision:

During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000.00, so that the provisions will be binding upon each subcontractor or vendor.

4. Use of E-Verify Program Required; Compliance with Immigration Law:

- a. If the Commission enters into a contract in excess of \$50,000.00 with any agency of the Commonwealth of Virginia to perform work or provide services, the

Commission shall register and participate in the E-Verify program to verify information and work authorization of its newly hired employees performing work pursuant to such contract.

- b. The Commission shall provide in every written contract that the contractor does not and shall not during the performance of the contract for goods and services knowingly employ an unauthorized alien as defined by the federal Immigration Reform and Control Act of 1986.

5. License and permit requirements:

The Commission will include the following in all construction contracts:

- a. No contractor shall perform work on a construction project of the Commission unless licensed as a Class A, B or C contractor, as applicable, pursuant to the provisions of Article 1 of Title 54.1 of the Code of Virginia, as amended. Contractor shall provide evidence of a valid Contractor's license upon request of the Commission.
- b. No contractor shall perform work on a construction project for the Commission until it has obtained all required permits necessary to perform the work as may be required by all applicable local, state, and federal jurisdictions and regulatory agencies.

6. Insurance Requirements:

- a. **Workers' Compensation:** No contractor may perform work pursuant to a written contract with the Commission unless it has obtained and continues to maintain throughout the duration of such work, workers' compensation coverage as may be required pursuant to the provisions of the Code of Virginia, including, without limitation Chapter 8 of Title 65.2 of the Code of Virginia, as amended, and provides evidence of such coverage acceptable to the Commission prior to beginning work.
- b. **Liability Coverage:** Unless other higher limits and/or broader coverages are specifically required, or unless

lower limits are specifically approved by the Director of Finance and Administration, no contractor may perform work at the airport pursuant to a written contract for the Commission unless it has obtained and continues to maintain throughout the duration of such work, and provides confirmation in form acceptable to Commission of, commercial general liability and automobile liability insurance coverage, including all autos operated on Commission premises, if applicable, on a per occurrence basis, with limits of not less than \$1,000,000.00 per occurrence, and naming the Commission, its officers, board members, agents and employees as an additional insureds. If the contractor is required or desires to bring its autos into the secured area of the airport, then the contractor shall provide automobile liability insurance coverage with limits of not less than \$5,000,000.00 per occurrence.

7. Environmental Requirements;

Any contractor performing work for the Commission at the airport shall comply with all environmental laws. Contractor shall not dispose of or release wastes of any kind onto airport premises. Contractor shall remove from the airport all waste and debris arising from its work and shall dispose of it in accordance with all applicable laws. Contractor shall notify the Commission in writing of any release of hazardous waste whenever such release requires it to be reported to any federal, state, or local authority and pay for all cleanup and removal costs.

8. Security Requirements:

Specific, detailed security, training, fee, badging and/or escort requirements applicable to the area where work will occur, if any, must be included in any written contracts

Any contractor performing work for the Commission shall agree to comply with all airport security requirements and shall insure that none of its employees or representatives gains access to or enters any restricted access area unless authorized to do so by issuance of a Commission identification badge or escort by a duly authorized individual.

B. Bonds:

1. Bid Bond:

Except in the case of an emergency, all bids or proposals for construction contracts expected to be in excess of \$50,000.00 shall be accompanied by a bid bond or acceptable bid security equal to 5% of the amount bid. Bid bonds may also be required for other goods and services.

2. Performance Bond:

Upon award of a construction contract in excess of \$50,000.00 the contractor shall furnish to the Commission a performance bond in the sum of the contract amount conditioned upon the faithful performance of the contract in conformity with the plans, specifications, and conditions of the contract.

3. Labor and Materials Bond

Upon award of a construction contract in excess of \$50,000.00 the contractor shall furnish to the Commission a labor and materials bond for the protection of claimants who fulfill contracts to supply labor and materials to the prime contractor to whom the contract was awarded or to any subcontractors and shall be conditioned upon the prompt payment for all materials furnished or labor supplied in performance of the contract.

4. Each bond shall be executed by a surety company authorized to do business in Virginia.

5. The contractor may require each subcontractor to furnish a labor and materials bond in the amount of the contract with such subcontractor.

6. In lieu of a bond the contractor may be permitted to furnish a certified check or cash escrow in the face amount of the bond required.

7. The Commission may require a bid and/or performance bond for contracts for other goods and services or for construction contracts less than \$50,000, if so provided in the Invitation to Bid or Request for Proposal.

IX. Modification of the Contract:

- A.** No fixed price, unit price or not-to-exceed contract may be increased by more than \$1,000.00 without the express written approval of the Director of Finance and Administration.
- B.** No fixed price, unit price or not-to-exceed contract may be increased by more than \$5,000.00 without the express written consent of the Executive Director.
- C.** No contract may be increased by more than twenty-five percent of the contract amount or \$50,000.00, whichever is greater, without the advance approval of the Commission's Board.

X. Questions:

Questions or clarifications regarding this Administrative Policy and Procedure should be brought to the attention of the Director of Finance and Administration.

XI. Adoption:

This Administrative Policy and Procedure, as amended, is adopted pursuant to the authority of Roanoke Regional Airport Commission Resolution No. 03-011712, adopted January 17, 2012, as amended or as it may be amended or superseded in the future, and shall be effective June 12, 2014.