

To: Sarah McCoy, General Counsel
Matthew Barnes-Smith, Chief Administration Officer
From: Marissa Blanco, Director, Supply Management
Date: August 14, 2020
Subject: VPA Procurement Manual – Updates for Review and Approval

Below you will find a summary of the sections that were updated in the Virginia Port Authority Procurement Manual. As per section 1.2.4, The VPA Executive Director is granted the authority to make non-material changes to this Policy Handbook, which will be reported to the Board at their next scheduled meeting. The Board can veto any change with a simple majority. The Executive Director is also granted the authority to waive provisions and requirements of this Policy Handbook so long as those waivers do not exceed the Executive Director's approval authority of \$2.5 million and do not materially change the intent of this document.

Subsequent changes to the Policy Handbook that materially impact policy will be reviewed, approved, and adopted by the VPA Board of Commissioners.

Colleen has reviewed these updates on behalf of Legal and Compliance.

Expanded Language/ Updates in Section:

Section 2.9 Vendor and Supplier Conduct

Updated "VPA's Third Party Code" to "VPA's Code of Conduct"

Section 3.2 VPA Purchasing Authority

Expanded Authority language and requirements as below:

All Contracts will be signed by the Executive Director, unless the Executive Director designates colleagues to sign on his behalf for contracts up to \$2.5 million by written confirmation, sent to the Procurement Head.

Budget Holders, shall have the authority in an individual transaction to procure goods or services up to 10% of their discretionary spend or \$100,000, whichever is less. Procurements for goods or services under \$100,000 should be done by a Purchase Order ("PO") or contract following the procedures highlighted in 4.2 Informal Solicitations. All procurements not involving SPCC will be initiated by a PeopleSoft Requisition. The VPA Budget Holder shall approve purchase at the requisition stage. The Contracts Head must approve the terms and conditions of the contract prior to signature.

Prior to the issuance of any contract or purchase order for goods or services (not paid by Small Purchase Charge Card) by any VPA colleague the Requestor will obtain budget check approval during the Requisition process. The budget check will serve as a confirmation that funds are available. No procurement will proceed until this step is complete.

Section 4.6.1 Term Contracts

Renamed from “Term Contracts” to “Term Contracts or Master Service Agreements”

Added: “Sole/Single Source as another method that can result in Term Contracts or Master Service Agreements”

Section 5.1 Audit Reviews

Renamed from “Audit Reviews” to “Internal Audit Reviews”

Added: “VPA Compliance Department” to the list of departments that can audit procurement process

In the Procedures: Replaced “Finance Department” with “Compliance Department”

Section 5.2 Audit of Procurement Contracts

“Audit of Procurement Contracts” was added to break up the existing procedures as they applied to contracts. The new section starts from where step 3 in the previous procedure through the remainder of what was previously Section 5.1. No language was added just separated into a new section.

Section 6.1 Responsible Bidder

Renamed from “Responsible Bidder” to Responsible Bidder or Offeror”

Expanded definition for Responsible Bidder to include Offeror:

A bidder or offeror is responsible if they are capable or qualified to perform the work as promulgated in the Scope of Work (SOW) or other such language describing the requirement, in an RFI, RFP or IFB.

Section 6.2 Responsive Bidder

Renamed from “Responsive Bidder” to “Responsive Bidder or Offeror”

Expanded definition for Responsive to include Offeror:

Responsive means, in relation to a Bidder or Offeror, that the vendor has submitted a bid response to an RFI, RFP or IFB that conforms in all material respects to the invitation to tender.

Responsiveness relates to compliance with the provisions of the solicitation, including specifications and terms and conditions.

Chapter 12 Definitions

Added Bidders: Vendors or suppliers who may prepare a response to an IFB.

Replaced “Supply Management Head” with “Procurement Head”, as this is used throughout the manual.

Added Sections:**Section 4.1 Credit Cards**

Added credit card policy

Small Purchase Charge Cards (the “SPCC”) offers Virginia Port Authority colleagues the opportunity to procure and pay for small dollar goods and services. The SPCC program reduces the volume of accounts payable transactions and the associated administrative costs by eliminating vendor invoices and consolidating multiple vendor payments into one monthly payment to the charge card vendor. Vendors are paid directly by the SPCC contractor, currently Bank of America VISA. In addition, the SPCC contractor provides a variety of management information reports to assist agencies in maintaining control over purchases and payments

While the use of the SPCC leads to accounting efficiencies, VPA must maintain strict internal control over the use of cards and ensure that the Virginia Port Authority Procurement and Capital Outlay Manual is strictly adhered to. The SPCC should be viewed at all times as an efficient means of payment, not a substitute for proper procurement procedures.

The following policies and procedures apply to the use of the Small Purchase Charge Card by all colleagues of the Virginia Port Authority.

VPA assumes ultimate liability for the colleague’s use of the SPCC. SPCC shall only be issued to full-time colleagues.

The SPCC must be used for official VPA purchases only and all purchases must comply with the VPCOM. Use of the card for personal items, cash advances, or business travel expenses such as hotels is prohibited, with the exception of airline tickets, mass transit tickets and under certain conditions, car rentals and accommodations approved in advance by the VPA Program Administrator.

Section 4.5 Request for Information (RFI)

Added Policy and Procedure

Request for Information (RFI)

A Request for Information (RFI) may be used when there is limited information on the goods or services and/or supplier base. When a situation exists where we need more information about the capabilities of a vendor, product or service it may be necessary to prepare and advertise a Request for Information (RFI). An RFI will be primarily used to gather information to help make decisions on what steps to take next. RFIs are therefore seldom the final stage and are instead often used in combination with Request for Proposals (RFP’s 4.4) and Invitation for Bids (IFB’s 4.3). At the discretion of the Procurement Head an RFI can be used as a solicitation when there is a small vendor population or limited interest. All RFIs shall be conducted by the Procurement Head or designee.

PROCEDURES:

1. Requestor shall provide questions related to the goods or services they would like to procure in a standard format.
2. The Procurement Head or designee will prepare the RFI, which will include an overview, details of what’s required and guidance on how to respond.

3. The RFI will be advertised for a minimum of ten (10) days on the Commonwealth of Virginia's electronic procurement website (eVA).
4. All interested offerors will be provided with a reasonable and identical period of time (e.g. no less than 10 days from date of issuance) to provide a response.
5. The Procurement Head or designee, in conjunction with the requestor, may schedule and conduct an informational conference for all interested offerors, if the procurement is large/complex.
6. Any changes or clarifications, which are identified subsequent to issuance of the RFI, will be made in writing in the form of an addendum, and posted to eVA.
7. Once the responses are received they will be reviewed by Procurement and Requestor to determine next steps.

Section 4.7 Statewide Contracts (eVA)

Added Policy

Statewide Contracts (eVA)

State contracts on eVA allow VPA to procure goods and services without solicitation. This saves time and leverages spend that will be beneficial for future negotiations. eVA will be considered for all procurements as a matter of practice.

Section 4.14 Sustainable Procurement Program (SPP)

Added Policy and Procedure

Sustainable Procurement Program (SPP)

Sustainable procurement is the purchase of environmentally preferable products and services. The purpose of the SPP is to enhance and sustain mission readiness through cost effective acquisition that achieves regulatory compliance, reduces resource consumption, solid, and hazardous waste generation, and reduces gas emissions. The SPP applies to all acquisitions from major equipment to individual department supply and services requisitions. Budget Holders should make reasonable efforts to incorporate products from the categories below into equipment requests and sustainment planning when those products meet performance and scope of work requirements:

- Recycled content products.
- Energy Efficient products.
- Water Efficient products.
- Energy from renewable sources.
- Bio-based products.
- Environmentally preferable products and services.
- Alternative fuel vehicles and alternative fuels.
- Products with low, no toxic or hazardous constituents, where such products meet performance requirements.
- Non-ozone depleting substances.

Updates to Procedures:**Section 4.3 Competitive Sealed Bids/ Invitation for Bids (IFBs)**

Step 1. Removed “in paper of general circulation in the area of the project and” to now read “All IFB’s will be advertised for a minimum of ten (10) days on the Commonwealth of Virginia’s electronic procurement website (eVA).

Step 4. Replaced “will” with “may” to now read “Bids may be opened in public”

Section 4.4 Competitive Negotiations/ Request for Proposals (RFPs)

Step 2. Removed “at least 10 days prior to the date set in the receipt of proposals, in paper of general circulation in the area of the project and” to now read “All RFP’s will be advertised for a minimum of ten (10) days on the Commonwealth of Virginia’s electronic procurement website (eVA).

Section 6.4 Surplus/Unclaimed Property

Added procedures from internal procurement manual

PROCEDURES:

1. Contact Procurement before disposing or transferring any property that has exceeded its useful life or is no longer needed by the VPA
2. Asset Management will work with Finance to declare the property surplus.
3. The following methods of disposal will be considered:
 - Transfer and or sale to another state agency
 - Sale to political subdivision or school
 - Public sale or auction
 - Donation
 - Trade-in
 - Abandonment or destruction
4. Specialized container handling equipment such as ship to shore cranes, straddle carriers, etc. shall be advertised in the appropriate trade publications and websites such as the American Association of Port Authorities, Journal of Commerce, etc.
5. Third party contractors may be used to market specialized equipment so long as normal procurement procedures are followed in obtaining the services of a contractor and the fee for services is considered reasonable.
6. Approval for disposition of surplus property shall be as follows:
 - For surplus property with a book value of \$50,000 or less, disposition shall be approved by the Department Head
 - For surplus property with a book value of \$100,000 or less, disposition shall be approved by Division Head
 - For surplus property with a book value of \$1,000,000 or less, disposition shall be approved by Executive Director

- For surplus property with a book value over \$1,000,000, disposition shall be approved by Board of Commissioners by Resolution

Other changes include minor updates to formatting and grammatical errors.