

Selling To Frederick County

Summary of Guidelines, Policies &
Procedures for becoming a vendor
for Frederick County

4/1/2012

Agenda

- **Doing Business with Frederick County**
 - **Why do business with us?**
 - **Selling to Us**
 - Purchasing Policies & Procedures
 - Solicitation Notifications
 - Bidder & Vendor Registrations
 - Procurement Types
 - Payment Policies & Procedures
 - P-Card
 - ACH Enrollment
 - Tax Exemptions

Doing Business with Frederick County

Guide to Purchasing and Payments

Why do business with the County?

- Over \$115 million in procurement dollars in FY12 for goods and services
- Prompt payments to merchants
- Financially stable customer
- Legal duty to be fair, honest and professional in our choice and treatment of suppliers
- Ethical and non-discriminatory practices that benefit those who live and work in the county

Purchasing

Current Policies & Procedures

Selling to Us

- No centralized purchasing department
- Finance Department assists the County in purchasing goods/services in conformance with
 - Code of Virginia, Volume 1, Title 2.2
 - Virginia Public Procurement Act, Chapter 43
 - Board of Supervisors Policies & Regulations
- Finance Department processes all vendor payments
 - Purchasing Card administration
 - Check & ACH payments

Solicitation Notifications

- Purchases under \$50,000
 - County department staff responsible for purchases
 - Vendors should make contact and establish relationship directly with the department
- Purchases \$50,000 and greater
 - IFB & RFP notices posted on eVA at least 10 days prior to the due date
 - RFP notices advertised in the Winchester Star at least 10 days prior to the due date
 - Vendors should register with eVA – www.eva.virginia.gov

Bidders List & Vendor Registration

- Bidders List – Register with eVA – www.eva.virginia.gov. County uses eVA to:
 - Distribute notices of formal solicitations
 - Publish Invitations for Bid (IFB) and Requests for Proposals (RFP) specifications and awards
- Vendor Registration – Frederick County
 - Required when/if payment is necessary – used to set up payment & tax identification information
 - Substitute W-9/ACH/Vendor Registration form

Purchasing Policies & Procedures

- **Purchasing Cycle** (expanded process details illustrated later)
 - Department identifies the need for good/service
 - Department determines method of purchase
 - Direct purchase – under \$1,500 (p-card or vendor invoice)
 - Quotes – verbal or written for purchases \$1,500 - \$49,999
 - Formal procurement – purchases \$50,000+
 - Invitation for Bid (IFB)
 - Request for Proposal (RFP)
 - Department makes purchase
 - Good/Service received by department
 - Payment processed by Finance Department

Direct Purchase

- Under \$1,500
- County department staff may purchase goods/services directly from vendors
- No PO issued
- Payment by p-card preferred

Quotes

Verbal (Informal)

- \$1,500 - \$4,999
- County department staff will gather and document verbal quotes directly from vendor
- Minimum of 3 quotes required
- PO required (see exceptions) if goods/services or group of items reach \$2,500
- Payment by p-card preferred

Written

- \$5,000 - \$49,999
- County department staff will solicit written quotes directly from vendor
- Minimum of 4 quotes required
- PO required (see exceptions)
- Payment by p-card preferred

Formal Procurement

- \$50,000 and greater
- Solicitation for goods/services that requires the return of a sealed bid/proposal.
- 2 types
 - Invitation for Bid (IFB) – awarded to the lowest responsive & responsible bidder
 - Request for Proposal (RFP) – awarded to the negotiated best value or most advantageous proposal
- Specifications prepared by County department staff
- Oversight, advertisement, and receipt performed by Finance Department staff
- PO required
- Payment by p-card preferred and consideration made in award

IFB/RFP Submission & Receipt

- Sealed envelope
- Clearly marked with IFB/RFP title
- **Delivered to:** Frederick County Finance Department, ATTN: Julie Cotterell, 107 North Kent Street, 3rd Floor, Winchester, VA 22601
- **Vendor assumes risk for method of delivery → allow for normal delivery time**
- No faxes or electronic submittals
- IFB publicly opened and results read allowed
- RFP becomes public information once evaluations, negotiations and awards are made (offeror, upon request, can view after evaluation & negotiation, but before award)
- Detailed instructions included in advertisement

County's Terms & Conditions

- **General Conditions and Instructions to Bidders** - (shall be incorporated by reference in the resulting contract and become a part of said contract)
 - **Late bids, modification of bids, withdrawal of bids**
 - **Tax Exemptions**
 - **Payment Methods – Bidder/Offeror Acknowledgement of Payment Procedures**
 - Preferred: P-card Others: ACH, check
 - **Business license required**
 - **State Corporation Commission (SCC) registration**
 - **Freedom of Information Act (FOIA)**
 - **Cooperative Purchasing**

PO still required!!!

Purchasing Method Exceptions

- Used Equipment
- Emergency Procurement (PO may possibly be excused)
 - Purchases made to alleviate a situation in which there is a threat to health, welfare or safety that does not allow the time for normally accepted purchasing procedures to occur.
- Sole Source Procurement
 - Purchases made with one source that possesses a unique item and singularly available capability that meets the requirements of a specific need.
- Procurement from governmental sources and other public bodies
- Procurement through Virginia State Contract
- Cooperative purchasing procurement through other contracts competitively solicited by a lead public agency
 - [US Communities](#), [NJPA](#), [National IPA](#), other localities, etc.

Purchase Orders (PO)

- Required for purchases \$2,500+
- Exceptions (quote/bid/proposal still required)
 - Existing Standing POs
 - Approved object codes
- PO Requisition submitted electronically to Finance Department for review
- County Administrator approves requisition
- Finance Department finalizes and issues PO

PO Terms & Conditions

- **PO Terms, Conditions & Instructions to Vendors**
(Merchant accepts when PO is accepted, unless notification provided to County within 10 days)
 - Tax Exemptions
 - Delivery
 - Billing & Payments
 - Licensing requirements
 - Freedom of Information Act (FOIA)
 - Cooperative purchasing

Payments

Current Policies & Procedures

Payment Methods

- VISA Purchasing Card (p-card) – VISA credit card is the County’s preferred method of payment for all goods/services.
- Automated Clearing House (ACH) – ACH electronically transfers funds from the County’s bank account to your designated bank account.
- Check – default method of payment unless set up for payment by p-card or ACH. Paper check is generated and mailed through the USPS.

Pcard Pros & Cons to Vendor

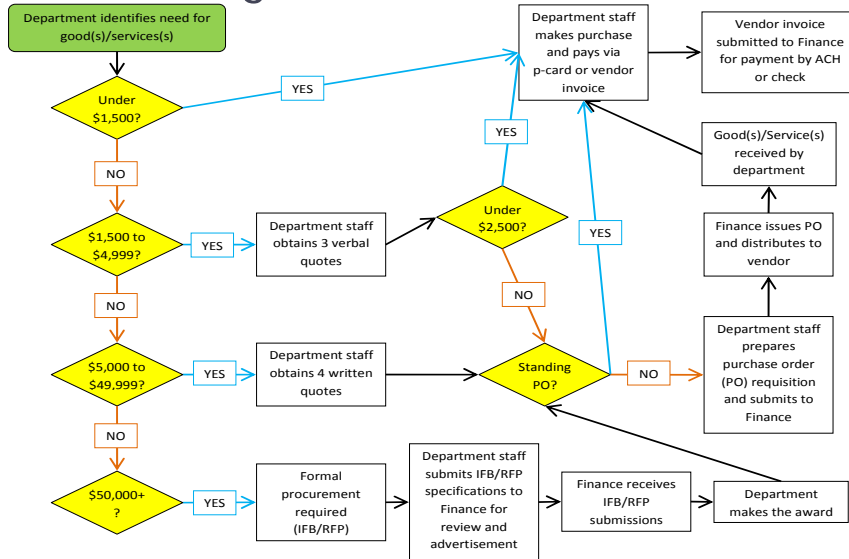
Merchant Benefits

- Instant, guaranteed payments
 - Improved cash flow
- Eliminate receivables
 - invoicing, handling, mailing, deposits & collections
- Customer satisfaction
- Increased sales

Merchant Drawback

- Cost to process credit card

Purchasing Methods & Process



Tax Exemptions

- Commonwealth of Virginia Sales and Use Tax Certificate of Exemption (ST-12)
- Commonwealth of Virginia Communications Sales and Use Tax Certificate of Exemption (CT-10)
- Rental Tax (Code of VA 58.1-3510.6 D)
- Consumer Utility Tax – includes City of Winchester and Frederick County taxes. (Code of VA 58.1-3812; City of Winchester Code Article V, Section 27-64; Frederick County Code Article VIII, 155-38,A)
- E 911 Fee – excludes Federal E 911 Fee. (Code of VA 56-484.17 subsection B; City of Winchester Code Article VIII, Section 27-112; Frederick County Code Article VIII, 155-38, A)
- Public Rights-of-Way Use Fee (City of Winchester Code Article XV, Section 27-192; per Edward T. Land, Transportation Engineer Right of Way and Utilities at VDOT)
- Federal Excise Tax (Internal Revenue Code Section 4253(i))
- Regulatory Cost Recovery Fee – Land lines only. (per FCC)