



## PURCHASING AND DISPOSAL POLICY

2024

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### **I. Purpose**

The purpose of these purchasing procedures is to provide County officials and employees with information and guidelines for the procurement of goods and services on behalf of the County. This policy also addresses the disposal of County property.

Per Sec. 2-24 (Procurement of goods and services) of the County Code:

- (a) *The County hereby adopts and incorporates the provisions of Code of Virginia, § 2.2-4300 et seq., as amended, otherwise known as the Virginia Public Procurement Act, to govern its procedures for the procurement of services and goods from non-governmental sources.*
- (b) *The County Administrator shall be responsible for the procurement of goods, services, insurance, and construction in accordance with this article, as well as the management and disposal of goods. His duties shall include the following:*
  - (1) *Purchase or supervise the purchasing of all goods, services, insurance, and construction needed by the County;*
  - (2) *Sell, trade, or otherwise dispose of surplus goods belonging to the County;*

- (3) *Establish and maintain programs for specifications development, contract administration, inspection and acceptance, in cooperation with the public agencies using the goods, services and construction;*
- (4) *Ensure that a using department has available funding sufficient for a given procurement; and*
- (5) *Perform such other functions and duties as he may deem necessary.*
- (c) *The County Administrator shall establish policies and procedures to support County procurement in accordance with applicable law. Any procurement shall be done in accordance with the applicable provisions in the State code with such competition as may be practical under the circumstances. As allowed by the Code of Virginia, the County may enter into contracts without competition for the following:*
  - (1) *Procurement of goods or services which are produced by or are available through State contracts or the State warehouse, or which are produced by nonprofit sheltered workshops or other nonprofit organizations that offer transitional or supported employment services serving the handicapped, or Virginia Correctional Enterprises;*
  - (2) *Procurement of legal services, expert witnesses, and other services associated with litigation or regulatory proceedings;*
  - (3) *Procurement involving small purchase contracts;*
  - (4) *Procurement done under a cooperative procurement agreement, pursuant to Code of Virginia, § 2.2-4304;*
  - (5) *Procurement in emergency situations; and*
  - (6) *Procurement where only a single source is practicably available for that which is to be procured.*
- (d) *The County Administrator may delegate authority to purchase goods, services, insurance, or construction to other County officials if such delegation is deemed necessary for the effective and efficient procurement of those items.*

As the County's designated Purchasing Agent, the County Administrator will designate an accounts payable officer and may assign procurement agent authority to County employees who, by the act of authorizing outlays of County funds via individual procurement, shall be accountable for following this policy.

## **II. Methods of Procurement**

All County contracts with nongovernmental contractors must be awarded through a formal procurement process, i.e., competitive sealed bidding (Invitation for Bids, "IFB") or competitive negotiations (Request for Proposals, "RFP"),<sup>1</sup> ***except for the following:***

- **Cooperative procurement.** Goods and services may be purchased, without a local IFB or RFP, through contracts currently held by other public bodies,<sup>2</sup> such as:
  - Cooperative procurement agreements with other localities
  - Contracts held by the Commonwealth of Virginia ("state contract" purchases)

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<sup>1</sup> Va. Code §2.2-4300 et seq.

<sup>2</sup> See Va. Code §2.2-4304

- Contracts awarded by the U.S. General Services Administration (GSA) or other U.S. government agencies

Procurement via this method shall be noted on the purchase order and/or invoices by the procuring agent who shall attach appropriate documentation proving the cooperative procurement exception applies to the purchase order.

- Sole source.<sup>3</sup> Goods and services may be purchased without an IFB or RFP when there is only one source practicably available. If a County official or employee arranges for a sole-source contract, then the following is required:
  - A written determination signed by the procuring agent, documenting the reason(s) why there is only one source practically available under the circumstances. A copy of this determination shall be included as documentation of procurement via this method with the purchase order by the procuring agent.
  - A written notice, prepared by the official or employee authorizing the purchase. The notice shall include a statement that only one source was determined to be practicably available, and identifying the item(s) being procured, the contractor selected, and the date on which the contract was or will be awarded. This notice shall be posted at the office of the County Administrator and on the County web site by the procuring agent on the day the contract is awarded.
- Emergency contracts.<sup>4</sup> Goods and services may be purchased without an IFB or RFP in cases of emergency. If a County official or employee arranges for an emergency contract, then the following is required:
  - Some competition, as much as is practicable under the circumstances (for example, obtaining quotes from more than one vendor)
  - A written determination signed by the County official or employee authorizing the purchase, describing the basis of the emergency. A copy of this determination shall be included as documentation of procurement via this method with the purchase order by the procuring agent.
  - A written notice, prepared by the official or employee authorizing the purchase. The notice shall include a statement that the contract is being awarded on an emergency basis, identify the contractor selected and the item(s) or service(s) being procured, and the date on which the contract was or will be awarded. This notice shall be posted at the office of the County Administrator and on the County web site by the procuring agent on the day the contract is awarded.
- Purchases from Public Auction Sales.<sup>5</sup> Goods, products and commodities may be purchased without an IFB or RFP from a public auction sale,

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<sup>3</sup> Va. Code §2.2-4303(E)

<sup>4</sup> Va. Code §2.2-4303(F)

<sup>5</sup> Va. Code §2.2-4303(I)

including online public auctions, with the advance written approval of the County Administrator. Documentation of procurement via this method shall be included with the purchase order by the procuring agent.

- Small Purchases. The Code of Virginia indicates that a contract for goods or services may be entered into without conducting an IFB or RFP, when the aggregate or sum of all phases of the contract will not exceed \$200,000 (contracts for goods and non-professional services) or \$80,000 (contracts for professional services). All purchases made under this category must be in accordance with the County's approved Small Purchase Procedures, set forth below.<sup>6</sup>

### **III. Small Purchase Procedures**

#### **Contract Price: <\$2,500**

- Procurement agents are expected to be able to justify that the vendor selected represents the best combination of price, quality and service for each purchase. Verbal or written price quotes are encouraged, but not required
- Use of local vendors/contractors is preferred
- The procurement agent must verify that budgeted funds are available prior to purchasing goods or authorizing performance of services
- Written receipts of the purchases must be obtained and provided to the accounts payable officer
- State contract prices shall be checked periodically

#### **Contract Price: \$2,501 to \$10,000**

- At least **three (3) verbal or written price quotes** must be requested
- Use of local vendors/contractors is preferred
- State contract prices shall be checked
- The procurement agent must verify that budgeted funds are available prior to purchasing goods or authorizing performance of services
- A purchase order shall be prepared to document the specific goods or services to be provided, date(s) of delivery, the price of the goods or services, and any other specific terms or conditions applicable to the purchase and filed with the accounts payable officer. A written summary of quotes received, or requested but not received, shall be attached to the purchase order.
- A written invoice or statement must be received from the vendor/contractor, detailing the specific goods or services delivered, date(s) of delivery, and the amount(s) for which payment is requested. Upon receipt of an invoice from a vendor/contractor, the procurement agent must certify whether the invoice is suitable for payment and forward the document to the accounts payable officer for payment. If there is a defect or impropriety in the invoice, or in the goods or services received, the official or employee shall notify the contractor/vendor in writing immediately.

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<sup>6</sup> Va. Code §2.2-4303(G) and (H)

**Contract Price: \$10,001 to \$200,000**

- The procurement agent shall prepare a written “Request for Quotes” (RFQ) for approval by the County Administrator. The RFQ shall then be used to solicit written quotes from potential vendors. Since all contracts in excess of \$10,000 are subject to the requirements of Va. Code §2.2-4311 (prohibiting employment discrimination by contractors) and §2.2-4312 (requiring contractors to maintain drug-free workplaces), such solicitations shall contain language articulating those requirements.
- **Three (3) written price quotes** shall be solicited from potential vendors/contractors.
- State contract prices shall be checked
- Selection of a vendor/contractor shall be made upon a determination of the overall combination of quality, price and requirements/specifications that, in total, are optimal relative to the County’s needs. Where local and non-local vendors/contractors are otherwise equal, the local vendor/contractor is preferred
- A written contract document shall be utilized, in a form approved by the County Administrator. The procuring agent must certify in writing that budgeted funds are available, and the County Administrator must approve the terms and conditions of the purchase.
- A tabulation of the quotes along with a copy of the quote from the successful vendor/contractor shall be attached to the purchase order and filed with the accounts payable officer.
- A written invoice or statement must be received from the vendor/contractor, detailing the specific goods or services delivered, date(s) of delivery, and the amount(s) for which payment is requested. Upon receipt of an invoice from a vendor/contractor, the procurement agent must certify whether the invoice is suitable for payment and forward the document to the accounts payable officer for payment. If there is a defect or impropriety in the invoice, or in the goods or services received, the official or employee shall notify the contractor/vendor in writing immediately.

**IV. Policies on Purchasing Card Use, Meals, Mobile Telephones, Travel and Conferences**

**Purchasing cards**

County-sponsored purchasing cards (including credit cards and gas cards) are to be used only for Madison County business purposes to expedite procurement when establishing a vendor account is impractical or for any other good reason pertaining to operational efficiency.

Records pertaining to purchasing card purchases, including purchase orders, invoices and receiving tickets, are to be signed with the first and last name of the employee making the purchase, include the appropriate “charge code” and delivered to the accounts payable office immediately after the purchase. The Assistant County Administrator/Director of Finance shall be responsible for reconciling statements with individual purchasing documents and remitting payments so as to avoid late penalties and interest charges.

The named cardholder is responsible for all transactions made on his account. No individual may sign documents related to a County-sponsored purchasing card other than the named cardholder.

The duty to establish County-sponsored purchasing card accounts, issue such cards to County employees and adjust credit limits as authorized by the County Administrator, and facilitate payments is assigned to the Director of Finance/Assistant County Administrator.

### **Meals**

The costs for meals for members of the Board of Supervisors, County committee members, employees and others as appropriate may be charged to the County only if they are part of a meeting or conference or specifically authorized by the Board of Supervisors. Employee supervisors are responsible for reviewing the appropriateness and approving or denying employee meal costs and for forwarding approved reimbursement requests to the accounts payable office.

**No alcoholic beverages shall be charged to Madison County.**

### **Mobile Phones**

County-issued mobile phones may only be used for County business and, except for incidental use, may not be used for personal or other non-County purposes. Employees are reminded that any recordings of voice, text, email or other electronic communication or documentation created by or stored on County devices is subject to records retention and freedom of information act laws.

The duty to establish County-sponsored mobile telephone accounts, procure and issue equipment to County employees and arrange data and calling plans as authorized by the County Administrator, and facilitate payments is assigned to the Director of Finance/Assistant County Administrator.

### **Travel and Conferences**

Travel by any County Employee on County business to more than 50 miles beyond the Madison County line by a County employee is subject to approval in advance by the County Administrator, and any travel requiring overnight lodging that would be funded by the County is subject to approval in advance by the employee's supervisor. Only travel expenses and conference fees for members of the Board of Supervisors, County committee members and County employees may be charged to the County.

## **V. Contract Pricing Arrangements**

- Except in case of emergency affecting the public health, safety or welfare, no contract may be awarded on the basis of cost plus a percentage of cost.
- Contracts may be awarded on a fixed price or cost reimbursement basis, or any other basis that is not specifically prohibited.

## **VI. Required Payment Clauses**

Contracts must contain the following clauses<sup>7</sup>:

- A payment clause that requires that, prior to receipt of any payment from the County: (i) individual contractors must provide their social security numbers and (ii) proprietorships, partnerships and corporations must provide their federal employer identification numbers.”
- An interest clause that states “Unless otherwise provided under the terms of this contract, interest shall accrue at the rate of one percent per month.”
- For any contracts awarded to a main contractor who will utilize subcontractors, the following payment clauses are required:
  - A payment clause that obligates the contractor to take one of the two following actions, within seven (7) days after receipt of amounts paid to the contractor by the County for work performed by the subcontractor: (i) pay the subcontractor for the proportionate share of the total payment received from the County attributable to the work performed by the subcontractor, or (ii) notify both the County and the subcontractor in writing of the contractor’s intention to withhold all or a part of the subcontractor’s payment and the reason(s) for the withholding
  - An interest clause obligating the contractor to pay interest to the subcontractor on all amounts owed by the contractor that remain unpaid after seven (7) days following receipt by the contractor of payment from the County for work performed by the subcontractor (except for amounts permissibly withheld)
  - A payment clause obligating the contractor to include in each of its subcontracts a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.

## **VII. No Discrimination**

In the solicitation or awarding of contracts, no County official or employee shall discriminate against a bidder or offeror because of race, religion, color, sex, national origin, age, disability or any other basis prohibited by federal or state law relating to discrimination in employment.

## **VIII. Contracts for Construction**

- No County official or employee shall allow any contractor to perform any work on a County construction project, until the contractor has provided evidence that he has obtained, and will maintain for the duration of the work, workers’ compensation coverage required by Virginia law. If subcontractors are being utilized, the contractor must be required to provide evidence that each of its subcontractors has obtained and will maintain the required workers’ compensation coverage for the duration of the work performed by the subcontractor.<sup>8</sup>

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<sup>7</sup> Va. Code §2.2-4354

<sup>8</sup> Va, Code §2.2-4332

- Every solicitation, RFQ, IFB and RFP for construction services must require contractors to submit their contractor's license or certificate number as part of their responses. No price quote, bid or proposal from a construction contractor shall be given consideration unless the contractor has provided his license or certificate number.<sup>9</sup>
- Every construction contractor shall be required to provide evidence of its general liability insurance coverage, prior to commencement of any work on a County construction contract. If subcontractors are being utilized, the main contractor must be required to provide evidence of the subcontractors' general liability insurance coverage prior to allowing them to commence any work.

#### **IX. Formal Procurement Transactions (IFBs and RFPs)**

- An IFB process *must* be used for construction contracts, except in a limited number of circumstances authorized by state law.<sup>10</sup>
- An RFP process (competitive negotiation) *must* be used for "professional services", if the aggregate or sum of all work to be performed by the contractor will exceed \$80,000 (e.g., contracts for accounting, architecture, landscape architecture, engineering services, land surveying).<sup>11</sup> An RFP process *may* be used, under certain circumstances, for procurement of insurance, construction or other contracts, when authorized by the Virginia Public Procurement Act.
- IFB and RFP documents for construction, professional services and irregular/hid value contracts must be approved in advance by the County Administrator
- The County Administrator shall be provided a list of the person(s) and businesses to whom IFBs or RFPs have been sent, and a copy of the public notice of the IFB or RFP shall be posted at the County Administrator's office by the procuring agent.
- Whenever IFBs or RFPs are issued, the procuring agent shall send a notice of the procurement transaction to potentially qualified businesses selected from a list published by the Virginia Department of Minority Business Enterprise.<sup>12</sup>
- In the case of a tie bid, preference will be given to goods, services and construction produced within Madison County or provided by persons, firms or corporations having principal places of business in Madison County, if such a choice is available; otherwise, a tie shall be decided by lot unless the provisions of Virginia Code §2.2-4324 applies (preference for Virginia products and firms)

#### **X. Debarment**

The County may, in the public interest, debar a prospective contractor (including a prospective subcontractor) for any of the causes listed below, using procedures described in this policy. The existence of a cause for debarment, however, does not necessarily require that a contractor be debarred. The seriousness of the contractor's acts or omissions and any mitigating factors should be considered in making any debarment decision.

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<sup>9</sup> Va. Code §54.1-115(A)(6)

<sup>10</sup> Va. Code §2.2-4303(D)

<sup>11</sup> Va. Code §2.2-4303(B)

<sup>12</sup> Va. Code §2.2-4310



A prospective contractor may be debarred for any of the following causes:

- Conviction of, or civil judgment establishing the contractor's:
  - Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public contract or subcontract;
  - Violation of federal or state antitrust statutes relating to the submission of offers;
  - Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; or
  - Commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of a government contractor or subcontractor.
- Violation of the terms of a government contract or subcontract so serious as to justify debarment, such as willful failure to perform in accordance with the terms of one (1) or more contracts, or a history of failure to perform, or of unsatisfactory performance of one (1) or more contracts.
- Debarment by a federal, state or local government, a public authority, or other agency or entity subject to public procurement laws and requirements.
- Any other cause of so serious or compelling a nature that it affects the present responsibility of a government contractor or subcontractor.

The following procedures governing the debarment decision-making process are designed to be as informal as practicable, consistent with principles of fundamental fairness:

- *Notice to contractor.* Debarment shall be initiated by the County Administrator advising the prospective contractor in writing that debarment is being considered. This notice shall be provided to the contractor by hand-delivery or by certified mail, return receipt requested. The notice shall include the reasons for the proposed debarment in terms sufficiently detailed to put the contractor on notice of the conduct or transaction(s) upon which the debarment is based, and shall identify the specific period of debarment under consideration. Unless a response is received from the prospective contractor within thirty (30) days of the date of this notice, the County Administrator's decision shall be final. For the purposes of this subsection the "date of the notice" shall be deemed to be the date on which the notice is hand-delivered to the contractor or is deposited in the United States Mail.
- *Opportunity of contractor to respond.* The prospective contractor or his authorized representative may submit to the County Administrator, in writing, and within thirty (30) days of the date of the notice described in subparagraph (1), any information or argument that the contractor deems relevant to the proposed debarment, including, without limitation, any specific information that raises a genuine dispute as to a fact that is material to the County's findings or

conclusions. Following timely receipt of information from the contractor, the County Administrator shall review the proposed debarment and shall, within fifteen (15) days thereafter, render a final determination. During the fifteen-day review period, the prospective contractor shall provide the Administrator with such additional information as she may request in order to complete her review of the proposed debarment.

- *Appeals.* A final decision of the County Administrator may be appealed by the prospective contractor by initiating legal action as provided within the Virginia Public Procurement Act.
- *Period of debarment.* A debarment shall be and remain effective for a period commensurate with the seriousness of the cause, as determined by the purchasing manager in his discretion.

## **XI. Ethics in Public Contracting Requirements**

- The provisions of Virginia Code §2.2-4367 et seq. (Ethics in Public Contracting) apply to procurement transactions conducted by County officials and employees. Among the prohibitions of this law are the following:
  - No County employee having official responsibility for a procurement transaction may participate in the transaction on behalf of the County, when the employee: (i) is contemporaneously employed by an offeror or contractor involved in the transaction; (ii) the employee, the employee's business partner, or any member of the employee's immediate family holds a position with an offeror or contractor (e.g., corporate officer, director, trustee, partner, etc.), or is employed in a capacity involving personal and substantial participation in the procurement transaction, or owns or controls an interest of more than 5%; (iii) the employee, the employee's business partner, or any member of the employee's immediate family has a monetary interest arising from the procurement transaction; or (iv) the employee, the employee's business partner, or any member of the employee's immediate family is negotiation, or has an arrangement concerning, prospective employment with the offeror or contractor.
  - No person who, for compensation, has prepared any portion of this IFB shall (i) submit a bid, or (ii) disclose to any other potential bidder information concerning the procurement transaction that is not otherwise available to the general public, unless the County has determined in advance that exclusion of such person would limit the number of potential qualified bidders in a manner contrary to the best interests of the County.
- Certain contractual relationships are generally prohibited by Virginia's State and Local Government Conflict of Interests Act (§2.2-3100 et seq.), such as: (i) no officer or employee of County government may have a personal interest in a contract with the agency or department of which he is an officer or employee (other than his own employment contract), and (ii) no officer or employee of the County government may have a personal interest in a contract with any other

agency or department of the County government, unless the contract was awarded after an IFB or RFP process.

## **XII. Administration**

The County Administrator shall have the authority to establish administrative procedures consistent with the Virginia Public Procurement Act, as he deems necessary to ensure that the County may obtain high quality goods and services at a reasonable cost; that all procurement transactions are conducted in a fair and impartial manner; and that all qualified vendors have access to public business.

## **XIII. Surplus Asset Policy**

- Purpose and Scope. The intent of this policy is to authorize and establish clear processes and procedures for the disposal of Madison County's surplus assets. This policy shall apply to all assets under the authority of the Madison County Board of Supervisors. Such assets includes those used by constitutional officers but not those for which use, management and disposal is the responsibility of the Madison County Social Services Board, the Madison County Parks and Recreation Authority or the Madison County School Board.

This policy shall not be construed as limiting the authority of the Madison County Board of Supervisors to directly donate or sell any County property to any specific individual or organization without an open sale procedure or its authority to authorize an alternate disposal procedure on a case-by-case basis.

This policy shall not affect the authority of the Purchasing Agent to exercise opportunities to trade in any item for a similar item.

- Definitions
  - A. Department means any organizational unit funded all or in part by Madison County including the department of social services, the school board, parks and recreation authority and constitutional officers.
  - B. Material means personal property including, but not limited to, any tangible or intangible property, materials, supplies, equipment, and recyclable items and owned by Madison County. *Reference § 2.2-1124.*
  - C. Purchasing Agent means the Madison County Administrator or his designee.
  - D. Property means an interest in land and any improvements thereon, including the privileges and appurtenances of every kind belonging to the land, held by Madison County and under the control of any of its departments, agencies, or institutions. *Reference § 2.2-1147.*
  - E. Surplus means anything no longer required, obsolete or no longer substantially functional, impractical or not cost effective to repair for use.
- Responsibilities

The Board of Supervisors has the authority for and responsibility to direct the proper disposition of surplus items owned by Madison County.

County employees, through their supervisors, shall periodically notify the Purchasing Agent of all material and property under their oversight, management or control deemed to be surplus and shall provide information on surplus items and assist with the disposition of such surplus items (such as providing photographs and item descriptions) as requested.

The County Administrator shall review surplus items identified by employees. The County Administrator shall transfer a surplus material item to another department upon request if appropriate. No County material shall be sold, transferred or disposed of in any way unless approved by the County Administrator. The Board of Supervisors has the sole authority to approve the disposal of real property.

The Purchasing Agent shall be responsible for organizing the proper disposal of any surplus items not transferred to other County departments. Lists of recently transferred and disposed items shall be provided to the Board of Supervisors.

- Procedures and Methods of Sale

In general, disposal of County property shall be via a public auction or sealed bid procedure open to the public. Auctions shall be in conformance with the procedure established in Chapter 12, Section 7.4 of the Virginia Department of General Services Agency Procurement And Surplus Property Manual. *Reference §2.2-1124& §15.2-951; at [http://townhall.virginia.gov/L/GetFile.cfm?File=C:%5CTownHall%5Cdocroot%5CGuidanceDocs%5C194%5CGDoc\\_DGS\\_4359\\_v1.pdf](http://townhall.virginia.gov/L/GetFile.cfm?File=C:%5CTownHall%5Cdocroot%5CGuidanceDocs%5C194%5CGDoc_DGS_4359_v1.pdf)*

The Purchasing Agent shall give appropriate public notice of the disposal sale, listing conditions for purchase and type of material available. Terms will normally include (a) all sales are final and (b) payment is to be by cash, money order, certified check, or cashier's check.

Notice of sale shall be published in a newspaper of general circulation at least five days prior to sale if the material is valued at over \$500. If the amount of the sale is estimated by the county purchasing agent to exceed \$5,000, sealed bids shall, unless otherwise approved by the Board of Supervisors on a case-by-case basis, be solicited by public notice published at least once in a newspaper of countywide circulation at least five calendar days before the final date of submitting bids. *Reference §15.2-1236B*

The Purchasing Agent may enter into a cooperative arrangement with another public body (such as the Madison County School Board) to dispose of surplus items. If the other public body administers the process, the rules of that body may be followed for the sale of County property. Further, the purchasing agent may utilize appropriate and bona fide in-person or online auction services to manage a disposal process.

The Madison County Board of Supervisors has reserved the authority to authorize the sale of law enforcement animals to retired law enforcement offices as permitted by the Code of Virginia. *Reference §2.2-1124B8*

The Madison County Sheriff shall be responsible for the proper disposal of County-owned firearms. *Reference §59.1-148.3.*

No real property shall be disposed of until the Madison County Board of Supervisors has held a public hearing concerning such disposal. *Reference §15.2-1800B*

- Disposition of Proceeds

The Purchasing Agent shall supervise the sale of all property and material, turn the proceeds over to the Madison County Treasurer, and report the sale to the Board of Supervisors. Proceeds shall not be expended unless they have been appropriated by the Madison County Board of Supervisors.

- Conflict of Interest

County employees, members of the Board of Supervisors and their immediate families are not eligible to purchase any item through a County surplus sale procedure.

#### **XIV. Purchase Orders**

Purchase orders shall be prepared by the procuring agent in the following format and submitted with all appropriate documentation to the accounts payable officer for filing. The purpose of the purchase order is to document the details on the items purchased, such as the types of goods, quantity, and price for both the vendor and procurement agent, and to facilitate the business processes of receiving and paying invoices. As such, a copy of all approved purchase orders along with appropriate documentation shall be provided to the accounts payable officer.

<b>MADISON COUNTY BOARD OF SUPERVISORS</b>		<b>PURCHASE ORDER</b>		
P.O. Box 705 Madison, VA 22727				
The following number isto appear on all invoices, bills of lading, and acknowledgements relating to this PO: <b>P.O.#</b> Department#+YYMMDD format (i.e. 11100-190717)		<b>P.O. DATE</b> <b>PAYMENT TERMS</b> <b>F.O.B.</b> <b>SHIP VIA</b> <b>ADDRESS CORRESPONDENCE TO:</b>		
<b>TO:</b>		E-mail Phone FAX #		
Madison County is exempt from sales tax. <div style="text-align: right;">Route invoices to: <a href="mailto:accountspayable@madisonco.virginia.gov">accountspayable@madisonco.virginia.gov</a></div>				
QTY	UNIT	DESCRIPTION	UNIT PRICE	AMOUNT
			subtotal	0.00
<b>PLEASE NOTIFY US IMMEDIATELY IF THIS ORDER CANNOT BE SHIPPED COMPLETE ON OR BEFORE:</b>			SHIPPING OTHER OTHER	
<u>Method/Class of Procurement</u> <input type="checkbox"/> Cooperative procurement <input type="checkbox"/> Sole source <input type="checkbox"/> Emergency contracting <input type="checkbox"/> Public auction <input type="checkbox"/> Contract value <\$2,500 <input type="checkbox"/> Contract value \$2,500-\$10,000 <input type="checkbox"/> Contract value \$10,000-\$200,000 <input type="checkbox"/> Professional services <input type="checkbox"/> Construction contract <b>Attachments required for all but contract value &lt;\$2,500</b>			<b>I certify that this procurement conforms to the Purchasing and Disposal Policy and that there are sufficient appropriated monies available to fund</b>  <div style="text-align: center;">_____ Procuring Agent</div>	
			TOTAL	\$0.00
			Dept+Acct# Expense Code	
			DATE	

## **Appendix A: General Terms and Conditions for Non-Professional Services Contracts**

- A. **APPLICABLE LAW AND COURTS:** This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the Madison County courts. The contractor shall comply with all applicable federal, state and local laws, rules and regulations. This solicitation is also governed by provisions of County ordinances on procurement and any revisions thereto, as well as procurement policies, which are hereby incorporated into this contract by reference.
- B. **ANTI-DISCRIMINATION:** By submitting their (bids/proposals), (bidders/offerors) certify to the County that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the Virginia Public Procurement Act. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (Code of Virginia, § 2.2-4343.1E). In every contract over \$10,000 the provisions in 1. and 2. below apply:
1. During the performance of this contract, the contractor agrees as follows:
    - a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any 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 nondiscrimination clause.
    - b. 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.
    - c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.
  2. The contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

- C. **ETHICS IN PUBLIC CONTRACTING:** By submitting their (bids/proposals), (bidders/offerors) certify that their (bids/proposals) are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other (bidder/offeror), supplier, manufacturer or subcontractor in connection with their (bid/proposal), and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.
- D. **IMMIGRATION REFORM AND CONTROL ACT OF 1986:** By submitting their (bids/proposals), (bidders/offerors) certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.
- E. **DEBARMENT STATUS:** By submitting its proposal, the Offeror certifies that it is not currently debarred from submitting proposals or bids on contracts by any agency of the Commonwealth of Virginia.
- F. **ANTITRUST:** By entering into a contract, the contractor conveys, sells, assigns, and transfers to the County all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the County under said contract.
- G. **MANDATORY USE OF COUNTY FORM AND TERMS AND CONDITIONS FOR IFBs AND RFPs:**
1. **(For Invitation For Bids):** Failure to submit a bid on the official County form provided for that purpose shall be a cause for rejection of the bid. Modification of or additions to any portion of the Invitation for Bids may be cause for rejection of the bid; however, the County reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a bid as nonresponsive. As a precondition to its acceptance, the County may, in its sole discretion, request that the bidder withdraw or modify nonresponsive portions of a bid which do not affect quality, quantity, price, or delivery. No modification of or addition to the provisions of the contract shall be effective unless reduced to writing and signed by the parties.
  2. **(For Request For Proposals):** Failure to submit a proposal on the official County form provided for that purpose may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the County reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.
- H. **CLARIFICATION OF TERMS:** If any prospective (bidder/offeror) has questions about the specifications or other solicitation documents, the prospective (bidder/offeror) should contact the procurement agent no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the County.



**I. PAYMENT:**

**1. To Prime Contractor:**

- a. Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the County contract number and/or purchase order number.
- b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which County department is being billed.
- d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- e. **Unreasonable Charges.** Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the County shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve a department of its prompt payment obligations with respect to those charges which are not in dispute (Code of Virginia, § 2.2-4363).

**2. To Subcontractors:**

- a. A contractor awarded a contract under this solicitation is hereby obligated:
  - 1. To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the County for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
  - 2. To notify the department and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason.

- b. The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the County, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the County.
- J. **PRECEDENCE OF TERMS:** Paragraphs A-J of these General Terms and Conditions shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.
- K. **QUALIFICATIONS OF (BIDDERS/OFFERORS:** The County may make such reasonable investigations as deemed proper and necessary to determine the ability of the (bidder/offeror) to perform the services/furnish the goods and the (bidder/offeror) shall furnish to the County all such information and data for this purpose as may be requested. The County reserves the right to inspect (bidder's/offeror's) physical facilities prior to award to satisfy questions regarding the (bidder's/offeror's) capabilities. The County further reserves the right to reject any (bid/proposal) if the evidence submitted by, or investigations of, such (bidder/offeror) fails to satisfy the County that such (bidder/offeror) is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.
- L. **TESTING AND INSPECTION:** The County reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.
- M. **ASSIGNMENT OF CONTRACT:** A contract shall not be assignable by the contractor in whole or in part without the written consent of the County.
- N. **CHANGES TO THE CONTRACT:** Changes can be made to the contract in any of the following ways:
  - 1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
  - 2. The County Administrator may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt. The contractor shall be compensated for any additional costs incurred as the result of such order and shall give the County a credit for any savings. Said compensation shall be determined by one of the following methods:
    - a. By mutual agreement between the parties in writing; or

- b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to Madison County's right to audit the contractor's records and/or to determine the correct number of units independently; or
  - c. By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the County with all vouchers and records of expenses incurred and savings realized. The County shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the County within thirty (30) days from the date of receipt of the written order from the County. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia Vendors Manual. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the County or with the performance of the contract generally.
- O. **DEFAULT:** In case of failure to deliver goods or services in accordance with the contract terms and conditions, the County, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the County may have.
- P. **TAXES:** The County reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to contract specifications.
- Q. **USE OF BRAND NAMES:** Unless otherwise provided in this solicitation, the name of a certain brand, make or manufacturer does not restrict (bidders/offers) to the specific brand, make or manufacturer named, but conveys the general style, type, character, and quality of the article desired. Any article which the County, in its sole discretion, determines to be the equal of that specified, considering quality, workmanship, economy of operation, and suitability for the purpose intended, shall be accepted. The (bidder/offers) is responsible to clearly and specifically identify the product being offered and to provide sufficient descriptive literature, catalog cuts and technical detail to enable the County to determine if the product offered meets the requirements of the solicitation. This is required even if offering the exact brand, make or manufacturer specified. Normally in competitive sealed bidding only the information furnished with the bid will be considered in the

evaluation. Failure to furnish adequate data for evaluation purposes may result in declaring a bid nonresponsive. Unless the (bidder/offeror) clearly indicates in its (bid/proposal) that the product offered is an equal product, such (bid/proposal) will be considered to offer the brand name product referenced in the solicitation.

- R. **TRANSPORTATION AND PACKAGING:** By submitting their (bids/proposals), all (bidders/offerors) certify and warrant that the price offered for FOB destination includes only the actual freight rate costs at the lowest and best rate and is based upon the actual weight of the goods to be shipped. Except as otherwise specified herein, standard commercial packaging, packing and shipping containers shall be used. All shipping containers shall be legibly marked or labeled on the outside with purchase order number, commodity description, and quantity.
- S. **INSURANCE:** By signing and submitting a bid or proposal under this solicitation, the bidder or offeror certifies that if awarded the contract, it will have the following insurance coverages at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the Code of Virginia. The bidder or offeror further certifies that the contractor and any subcontractors will maintain these insurance coverages during the entire term of the contract and that all insurance coverages will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

**INSURANCE COVERAGES AND LIMITS REQUIRED:**

1. Workers' Compensation - Statutory requirements and benefits.
  2. Employer's Liability - \$100,000.
  3. Commercial General Liability - \$500,000 combined single limit. Commercial General Liability is to include Premises/Operations Liability, Products and Completed Operations Coverage, and Independent Contractor's Liability or Owner's and Contractor's Protective Liability. The County must be named as an additional insured when requiring a Contractor to obtain Commercial General Liability coverage.
  4. Automobile Liability - \$500,000 - Combined single limit. (Only used if motor vehicle is to be used in the contract.)
- T. **ANNOUNCEMENT OF AWARD:** Upon the award or the announcement of the decision to award a contract over \$10,000, as a result of this solicitation, the County may publicly post such notice on the County's website for a minimum of 10 days.
- U. **DRUG-FREE WORKPLACE:** 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, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract. (Code of Virginia, § 2.2-4312)

- V. **NONDISCRIMINATION OF CONTRACTORS:** A bidder, offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, or disability, or against faith-based organizations. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the County shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.