



\$0 - \$5,000 Purchases

Small Dollar – High Maintenance

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FORUM2016

Points of Interest

- What is a Small Purchase
- Thresholds
- Statistics
- Policy
- PMRs
- Point of Sale
- PCards
- Sources of Supply
- Exceptions/Exemptions
- eVA Usage
- Price Reasonableness
- Documentation
- Insurance & Other Risk
- Contract Administration
- Resources and Training

Interactive Session





What is a Small Purchase

- *VPPA* permits public bodies to establish small purchase procedures
- Purchases up to and including \$100K
- Small Purchases are set-aside for DSBSD certified small business (including micro)

Small Purchase Thresholds

Up to and including...

\$0 - \$5,000

Single Quotation
Micro-Business
eMall

\$5,001 - \$10,000

Competitive (Unsealed)
Micro-Business
Quick Quote

\$10,001 - \$100,000

Competitive (Unsealed)
Small-Business
Quick Quote, IFB/RFP

\$100,001 – and up

Competitive (Sealed)
VBO or
Sourcing & Contracting

Dollar Value and Percentages of Spend

- \$0 - \$5K
2% - \$130,517,641
- Between \$5K and \$100K
13% - \$828,087,946
- Greater than \$100K
85% - \$5,396,394,593

Based on FY2016 data. (Percentages rounded)



Number of Purchase Orders

Under \$5K

618,273 – Average PO \$211

Between \$5K and \$100K

64,121 – Average PO \$12,914

Greater than \$100K

10,973 – Average PO \$491,788

Based on FY2016 data.



95%

Under \$5K

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Policy

- Legislation
- APSPM
- Agency Policy and Procedure Updates
 - Review Yearly
- Procurement Management Review
 - Main Non-Compliance– Small Purchases

Procurement Management Reviews

Non-Compliance Findings - Small Dollar

- Set-Aside Award Priority not followed
- No documentation of micro/small
- Not using mandatory sources
- Not orders placing in eVA within stipulated number of business days (5 or 30)

Sources of Supply

Mandatory Sources

- Term Contracts
- VCE
- VA Dept for the Blind and Vision Impaired
- VDC
- DGS/DPS Office of Graphic Communications
- VITA
- DGS/Fleet Mngt

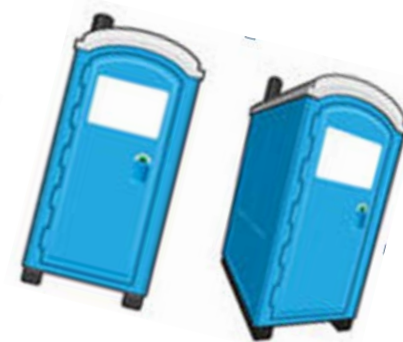
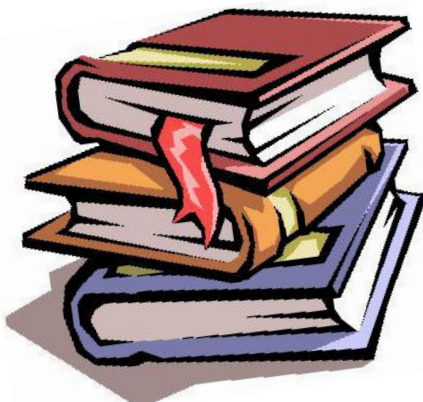
Non-Mandatory Sources

- Optional Use Term Contracts
- Surplus Property
- Employment Services Organizations

Special Releases

VCE, VDC, DBVI, DPS, OGC, etc.

Changes!!!



Exemptions

Set-Aside Requirements, 3.10g

Mandatory and Non-Mandatory
Sources 2.1 & 2.2

*VIB, VCE, ESOs,
Statewide Contracts*

If Competition Not Required

1.5 b,d and some of 14.9 b & c

eVA Use, 14.9

CHANGED!!

Mandatory Use
Optional Use

Fee Exemptions

eVA Usage

- All purchase transactions shall be processed through eVA unless an exempted in 14.9b and 14.9c.
- Proper use of R01, P01, VR1, etc.
 - Includes Mandatory Sources
- Confirming Orders – 5 business days
- Change Orders – At Request of Contractor – any \$\$
- Government-to-Government (non-mand - X02)

Exceptions

Competitive Requirements, 1.5b

- Up to \$5K
One quote must be obtained and documented
- New per PIM 34
Home grown foods up to & Including \$100K (annually)

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Exemptions
Exceptions



Insurance & Other Risk

Why Is This Topic Important?

Do You.....

- Check contractor's license & other license/regs
- Add Special Terms & Conditions under \$5K
 - Make sure you use updated T&Cs
- Check responsibility
- Check debarment list/deactivated list
- Ensure contractor has not made T&C exceptions
- Price Reasonableness
- Run Reports, #205, #215
- Check Insurance under \$5K



Insurance

Do I Need to Verify Insurance or Not?

- UPS delivers onsite?
- Contractor is installing a fence onsite?
- Janitorial services?

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License
Insurance



Price Reasonableness

- Does price appear to be fair and reasonable?
- Is competition lacking?
- Written Price Reasonableness Determination Required:
 - *Single Response Purchases*
 - *Sole Source*
 - *Change Orders*
 - *Contract Renewals*
 - *Used Equipment*



Price Reasonableness

- Care must be taken to ensure the price is fair and Reasonable

*Government-to-Government
Emergency Purchases
VA Grown Foods*



Documentation

Why Document?

- Serves as a trail of the procurement process
- Should tell a story
- Compliance with rules and regulations
- Transparency

We serve the public and maintain trust with public monies and processes.

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- Price Reasonableness
- Documentation



Point of Sale

What is the Point of Sale?

- The time/place where a retail transaction is completed.
- The point at which a customer makes a payment to a merchant in exchange for Goods or Services
- Invoice/receipt – can be sent electronically

PCard

Is PCard use Considered Over-the-Counter?

What if....

- I call for item availability, then I pay/pick-up at store?
- I call, place order/pay, then I pick it up later?
- I call, place order/pay, & someone else picks it up for me?
- I call, place item on hold and someone else pays & picks up item?



PCard

PCard is Method of Payment not Procurement

Set-Aside Applies to Over-the-Counter Point of
Sale Purchases

Cardholders Improperly Defining a Purchase as
an OTC/POS is a Common PMR Finding
(misuse of eVA exceptions)

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Payment





Contract Administration

- Designate in Writing
- Monitor Performance
- Maintain Records of Lessons Learned

Why Not ?

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Contract Administration



Resources and Training

- eVA Resources – *APSPM* & Vendor's Manual
- CBT's – eVA Functionality
- Available VIP Training
VCA, VCO, VCM, APSPM, Contract Management
- Training from DGS/DPS Staff
eVA Bureau, Account Executives
- Combine Resources for On-Site Training
- Vendor Outreach and Training

What's In Your File?





Questions...

