



# \$0 - \$5,000 Purchases

Small Dollar – High Maintenance

Presented by:

Kelly Langley  
Pete Stamps



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

## **\$10,001 - \$100,000**

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

## **\$5,001 - \$10,000**

Competitive (Unsealed)  
Micro-Business  
Quick Quote

## **\$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



# Safety Training Workshop



# 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

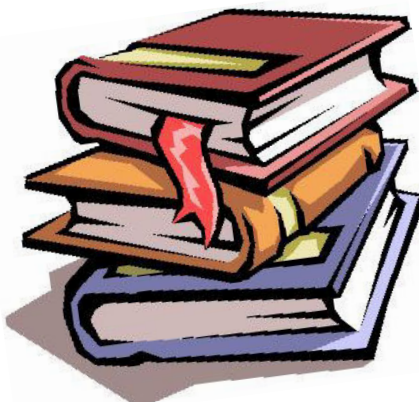
## Non-Mandatory Sources

- 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)*



# Safety Training Workshop

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?

# Safety Training Workshop

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.

# Safety Training Workshop



- 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)

# Safety Training Workshop

## Payment





# Contract Administration

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

Why Not ?

# Safety Training Workshop

## 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...

