

July 23, 2002

**MEMORANDUM**

TO: Purchasing Offices  
Departments, Institutions, Agencies  
Commonwealth of Virginia

FROM: Ron Bell  
Director

SUBJECT: Procurement Information Memoranda (PIM) #98-012

Enclosed is PIM #98-012 representing changes to the September 1998 edition of the *Agency Procurement and Surplus Property Manual (APSPM)*. The changes are noted in the table below. All changes to the *APSPM*, including PIM 98-012, are incorporated into a web-based *APSPM*, which is downloadable from the eVA and Division of Purchases and Supply web sites at [www.eva.state.va.us](http://www.eva.state.va.us) and [www.dgs.state.va.us/dps](http://www.dgs.state.va.us/dps), respectively. The location of text changes is indicated by an arrow in the margin (→) with the corresponding PIM number identified next to the changes. Replaced forms and flowcharts will show the PIM number or revision date. Sections are identified by the cite number. Changes to Chapter 8 of the *APSPM* and updated process flowcharts in other chapters are attached for your convenience.

The *APSPM*, Chapter 14, Section 14.9a, items numbered 1 through 9, were inadvertently omitted from Chapter 14 when it was uploaded to the DGS/DPS and eVA web sites on 7/1/02. Chapter 14 has been corrected on the web site. Please make the appropriate change in your manual.

There have been several changes to the Commonwealth of Virginia Vendors Manual, dated December 1998. The changes have been incorporated into a web-based Vendors Manual and are posted on the DGS/DPS web site at [www.dgs.state.va.us/dps](http://www.dgs.state.va.us/dps). The web site also identifies the changes made and the effective dates of those changes in a separate Word document.

Appendix C contains a log in which to list the PIM number and date of revision. This letter and the corresponding PIM #98-012 should be filed in the back of the Appendix C log.

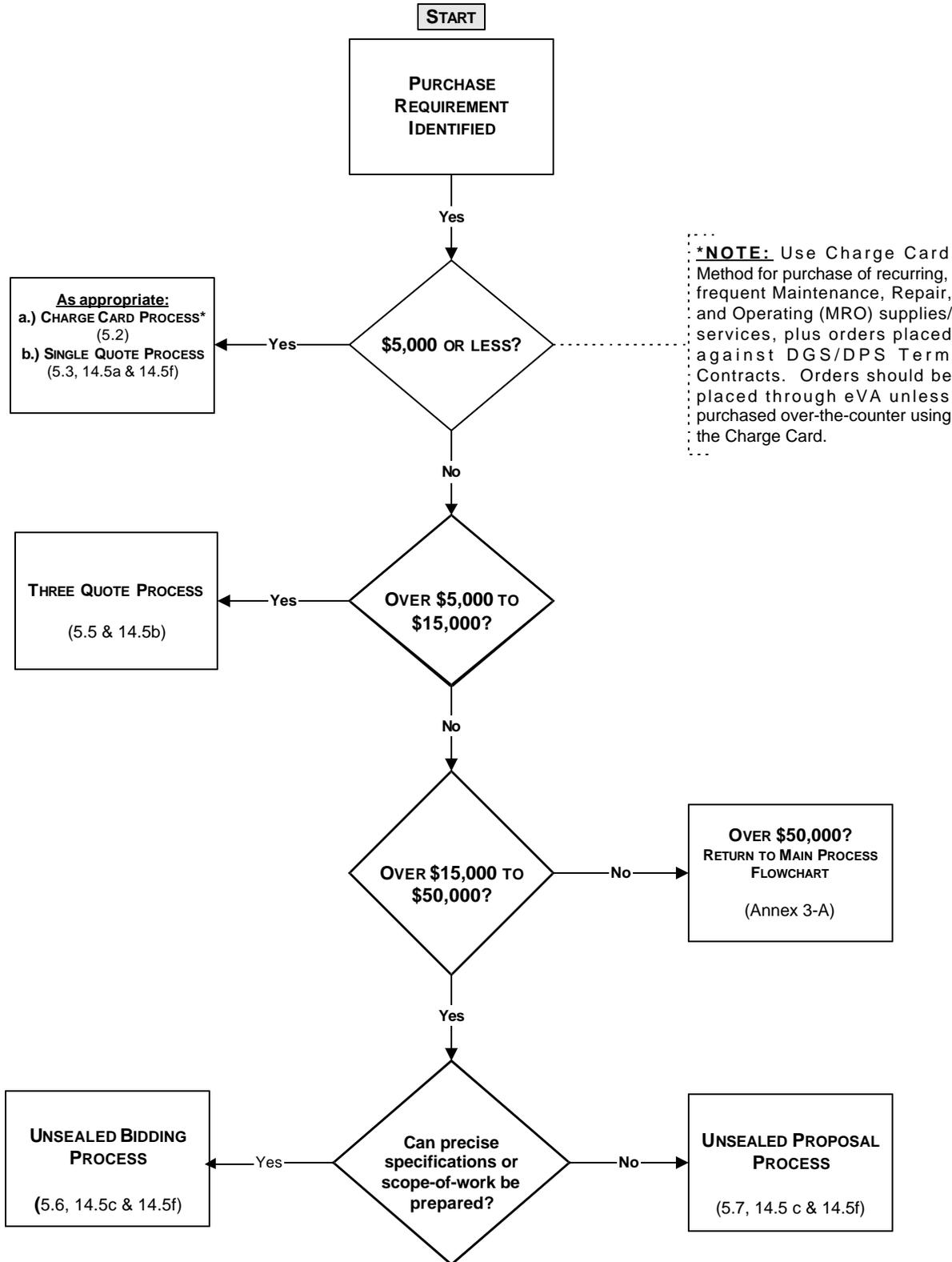
Section	Summary of Changes
Annexes 5-A, 5-B, 5-C, 5-D, 5-E, 5-F, 6-A, 7-A, 8-A, and 9-A.	Flowcharts in Chapter 5, 6, 7, 8, and 9 are revised and updated with current references and process steps.

8.2	Section 8.2 on Sole Source Procurements Over \$10,000 is revised. New sub-sections a and b are included covering non-technology and technology sole source procurements over \$10,000.
Annex 8-C and 8-C-1	The Sole Source Procurement Approval Request form in Annex 8-C, #DGS-41-080, is revised and should be used for non-technology procurements. Annex 8-C-1 contains a new Sole Source Procurement Approval Request form, #DGS-41-096, and should be used for technology procurements. The forms are available for download from the DGS/DPS web site <a href="http://www.dgs.state.va.us/dps">www.dgs.state.va.us/dps</a> under DPS Forms. The Sole Source Procurement Instructions are revised to describe the process for approval of sole source procurements by either DGS/DPS for non-technology procurements or DIT for technology procurements. Additionally, sole source procurements of \$100,000 or more must first be submitted to DTP for recommendation prior to DIT's final approval.

If you should have questions about the changes noted, please contact Nancy M. Davis at 804-786-0323 or [ndavis@dgs.state.va.us](mailto:ndavis@dgs.state.va.us).

Annex 5-A

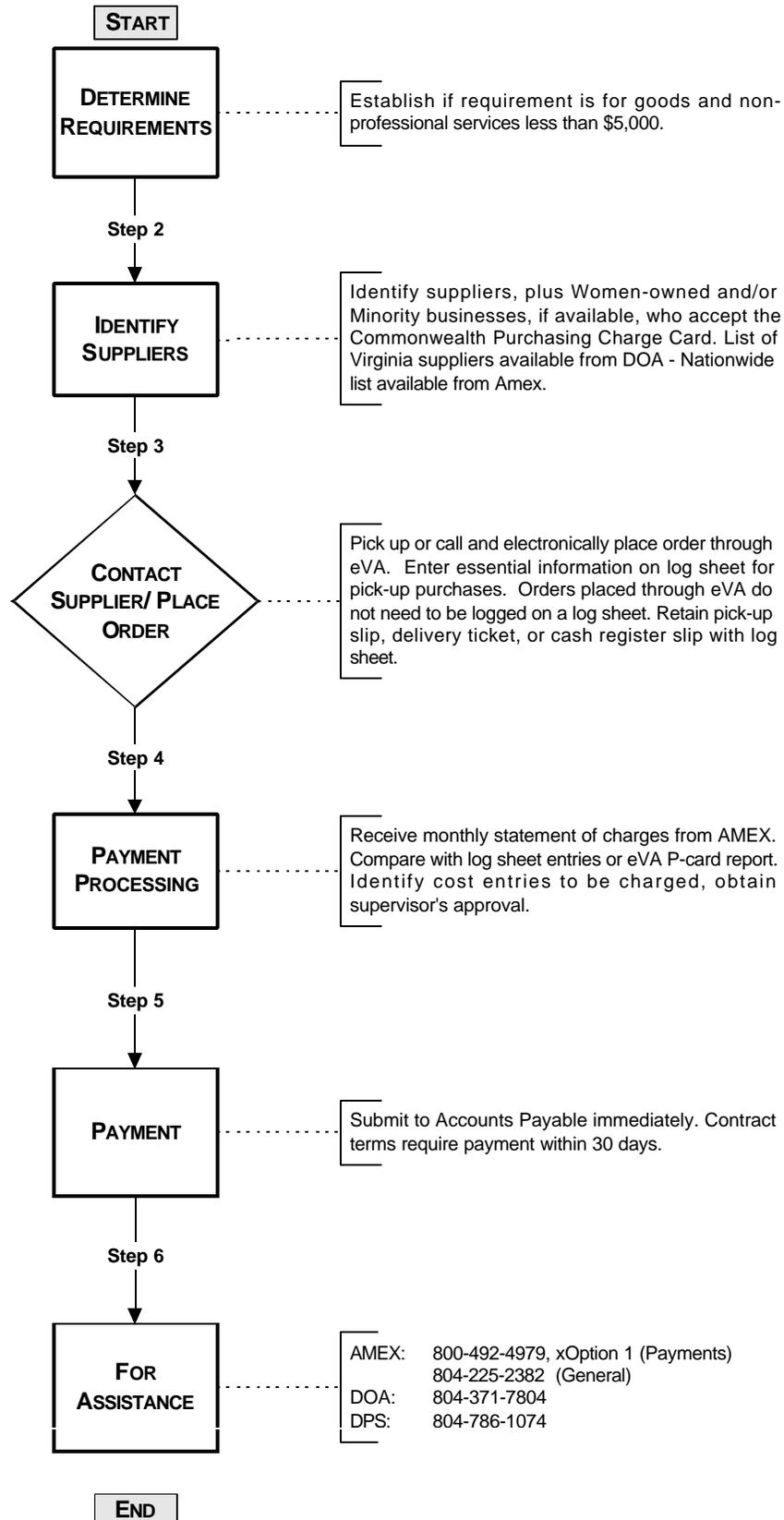
**SMALL PURCHASE PROCEDURES (CODE OF VA § 2.2-4303G)**  
 Small Purchase Process (up to \$50,000)



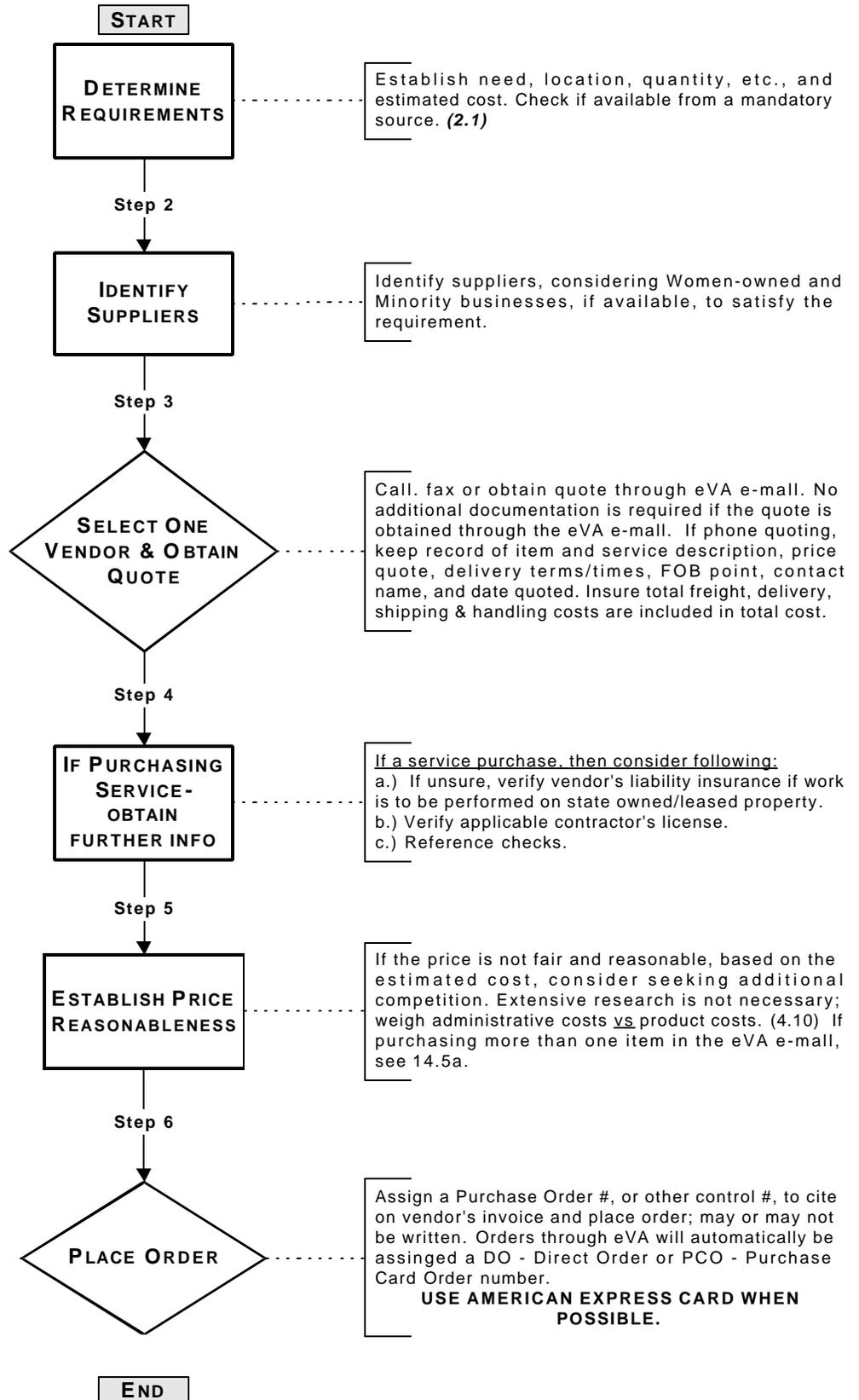
Annex 5-B

**CHARGE CARD PROCESS**

For Goods and Non-professional Services to \$5,000

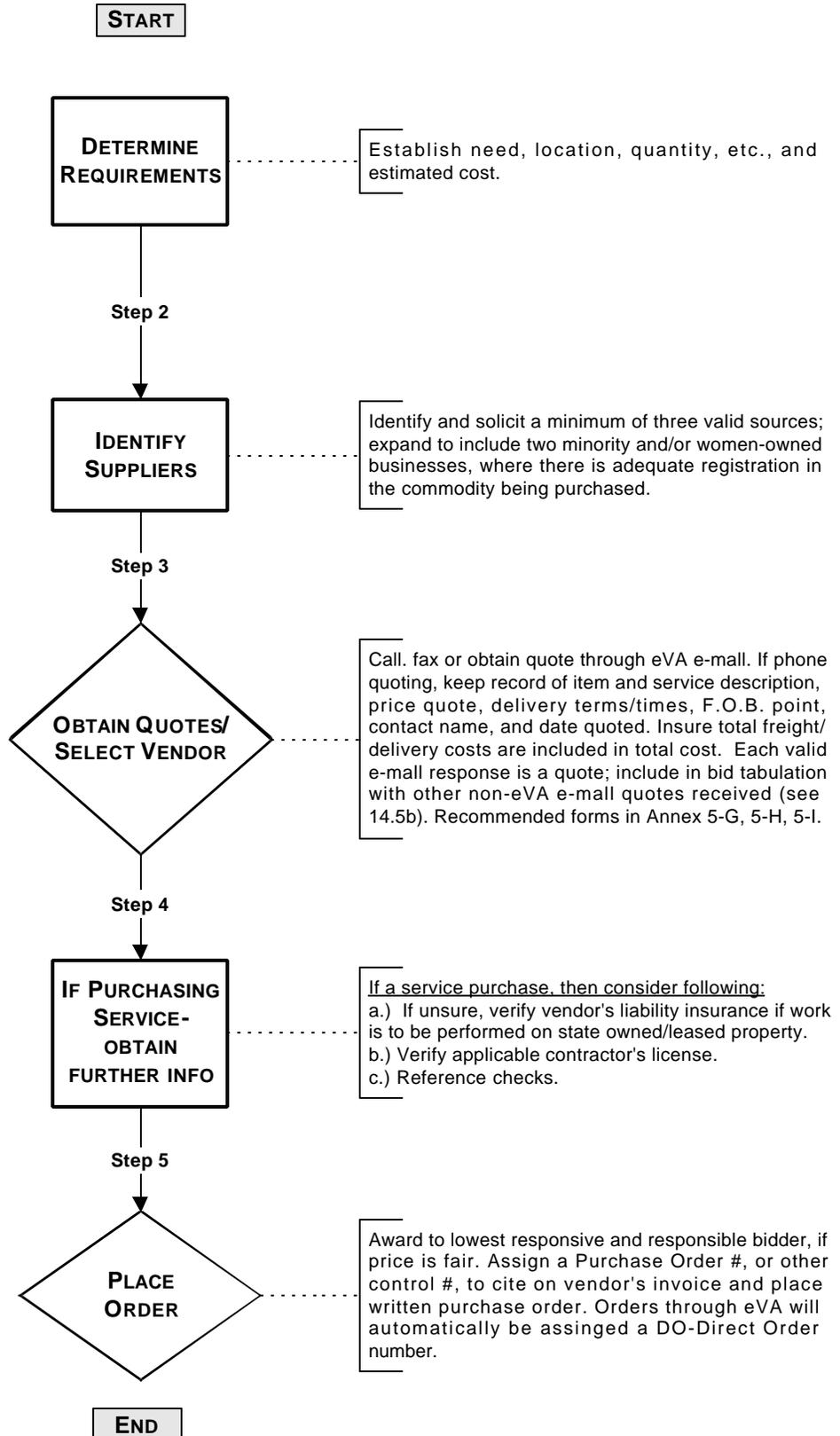


**SINGLE QUOTATION PROCESS**  
 For Goods and Non-professional Services to \$5,000



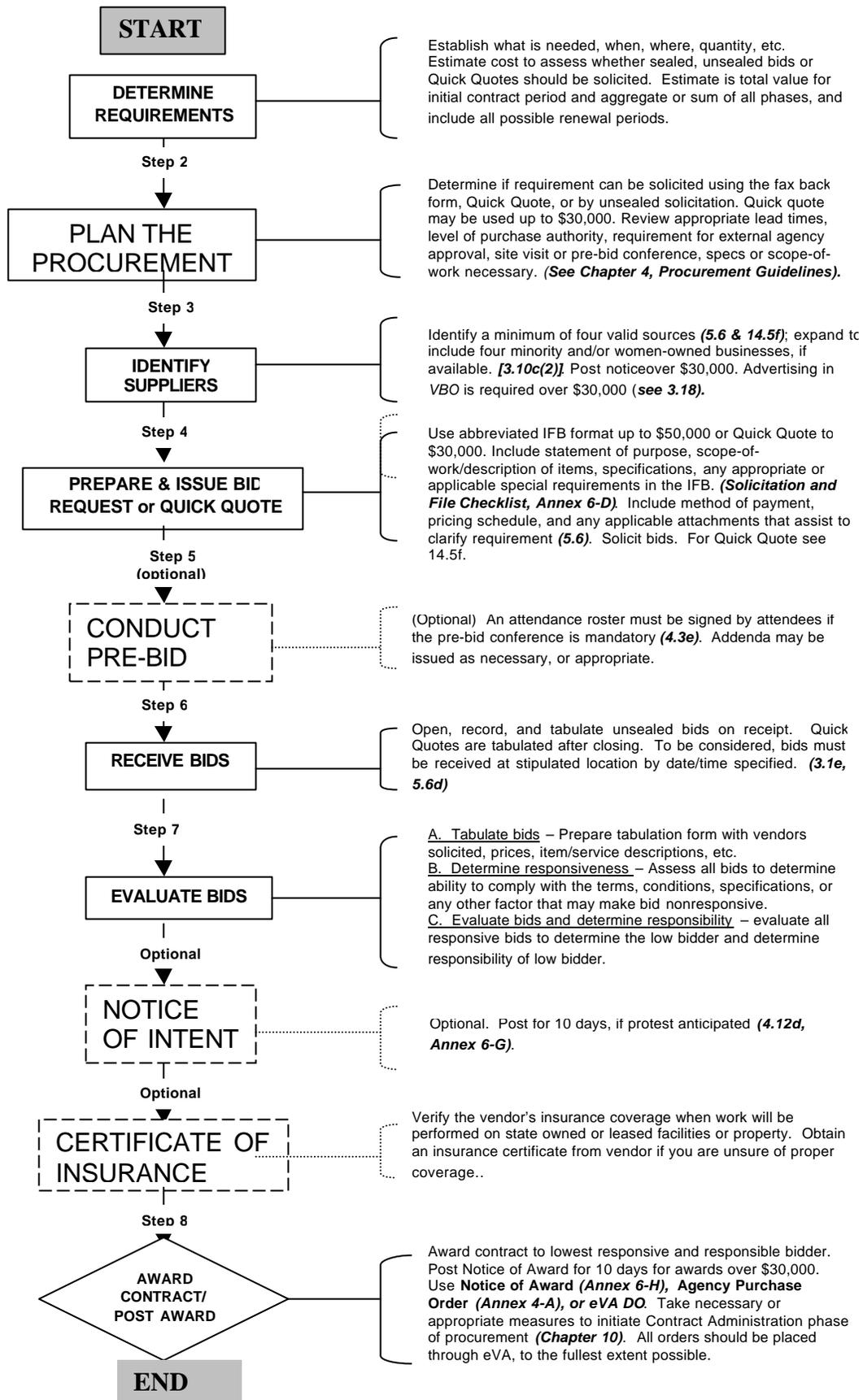
### THREE QUOTATION PROCESS

For Goods and Non-professional Services over \$5,000 to \$15,000



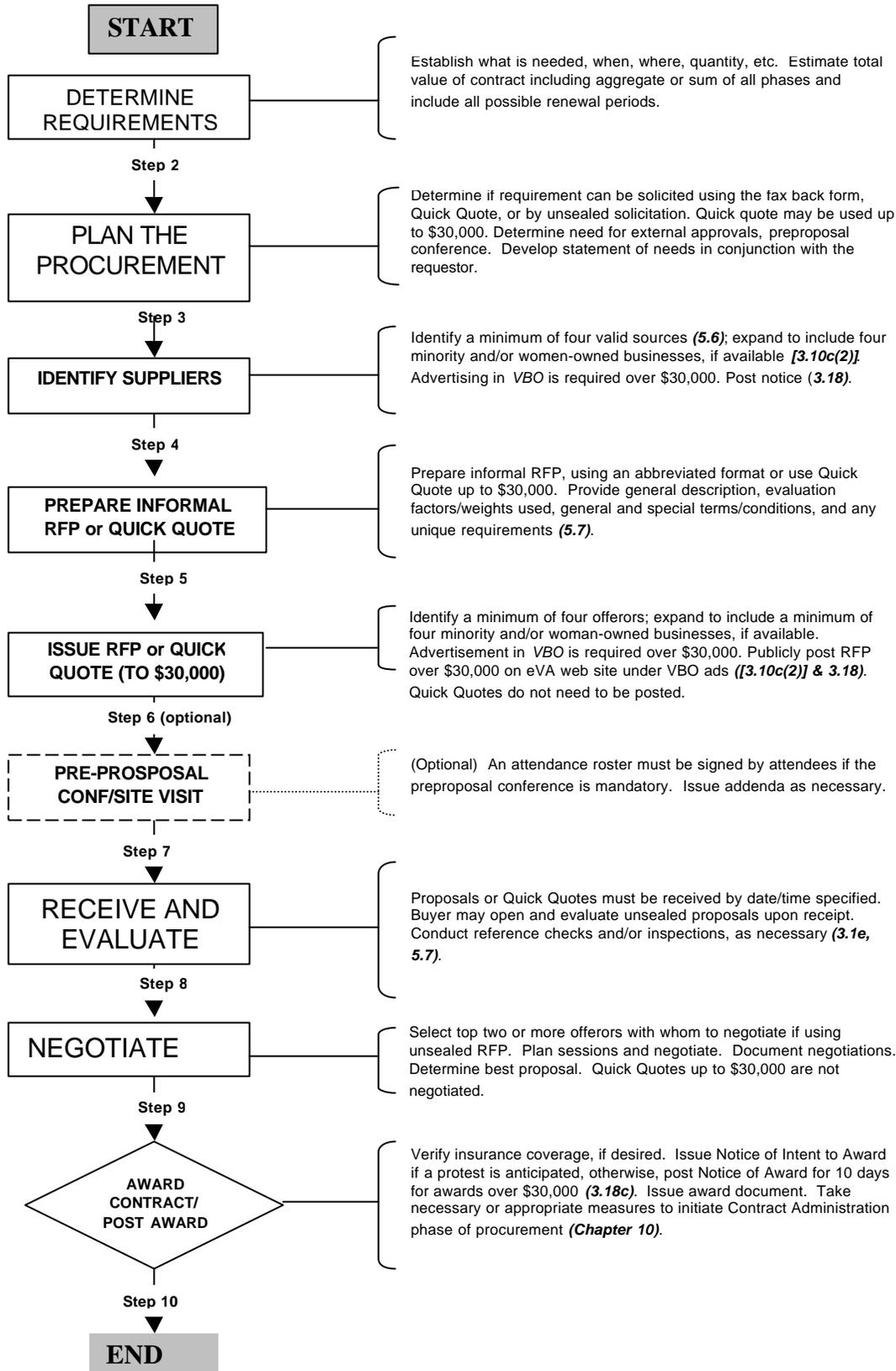
## UNSEALED BIDDING PROCESS

For Goods and Non-professional Services over \$15,000 to \$50,000



## UNSEALED PROPOSAL PROCESS

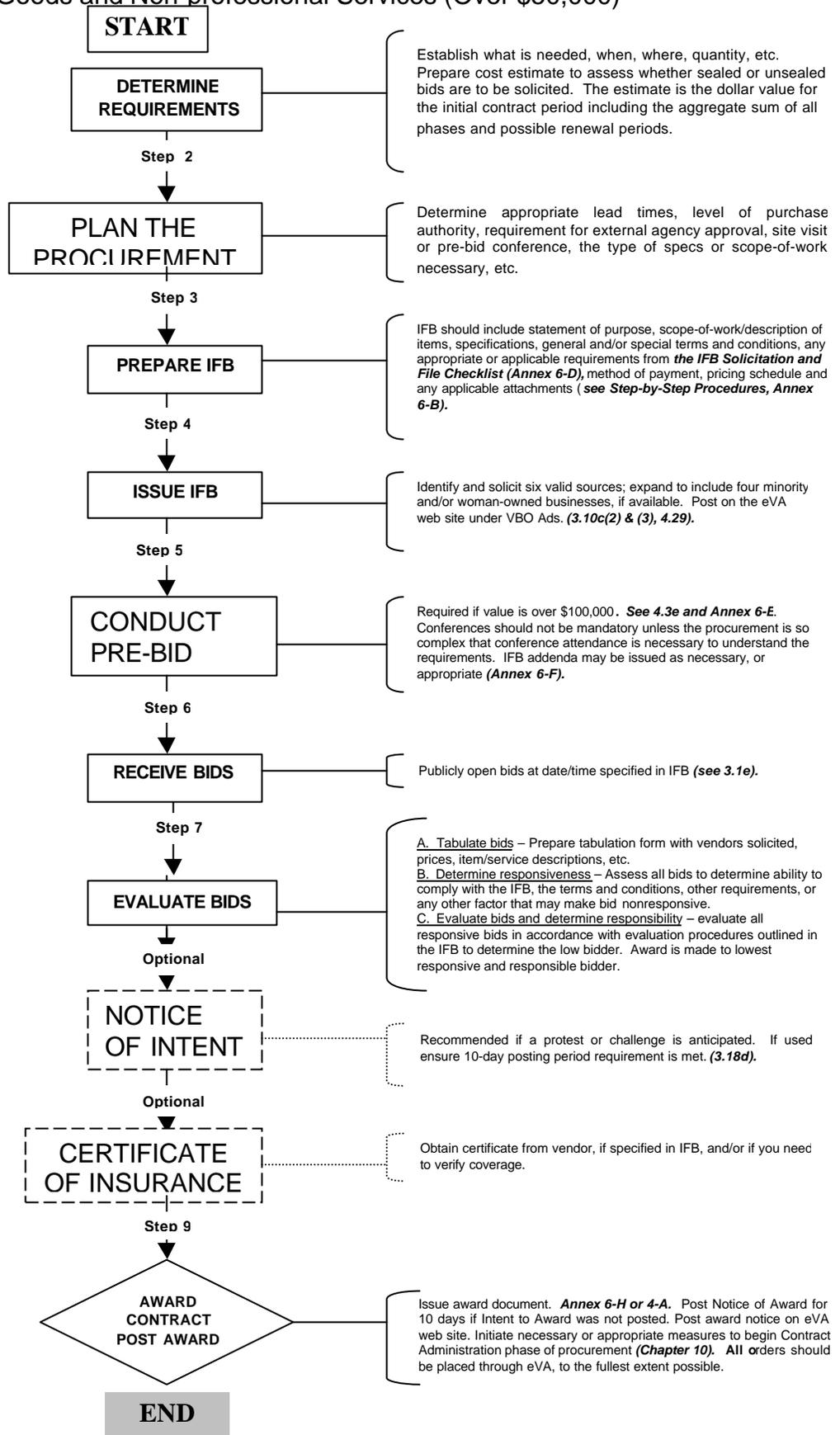
For Goods and Non-professional Services over \$15,000 to \$50,000



Annex 6-A

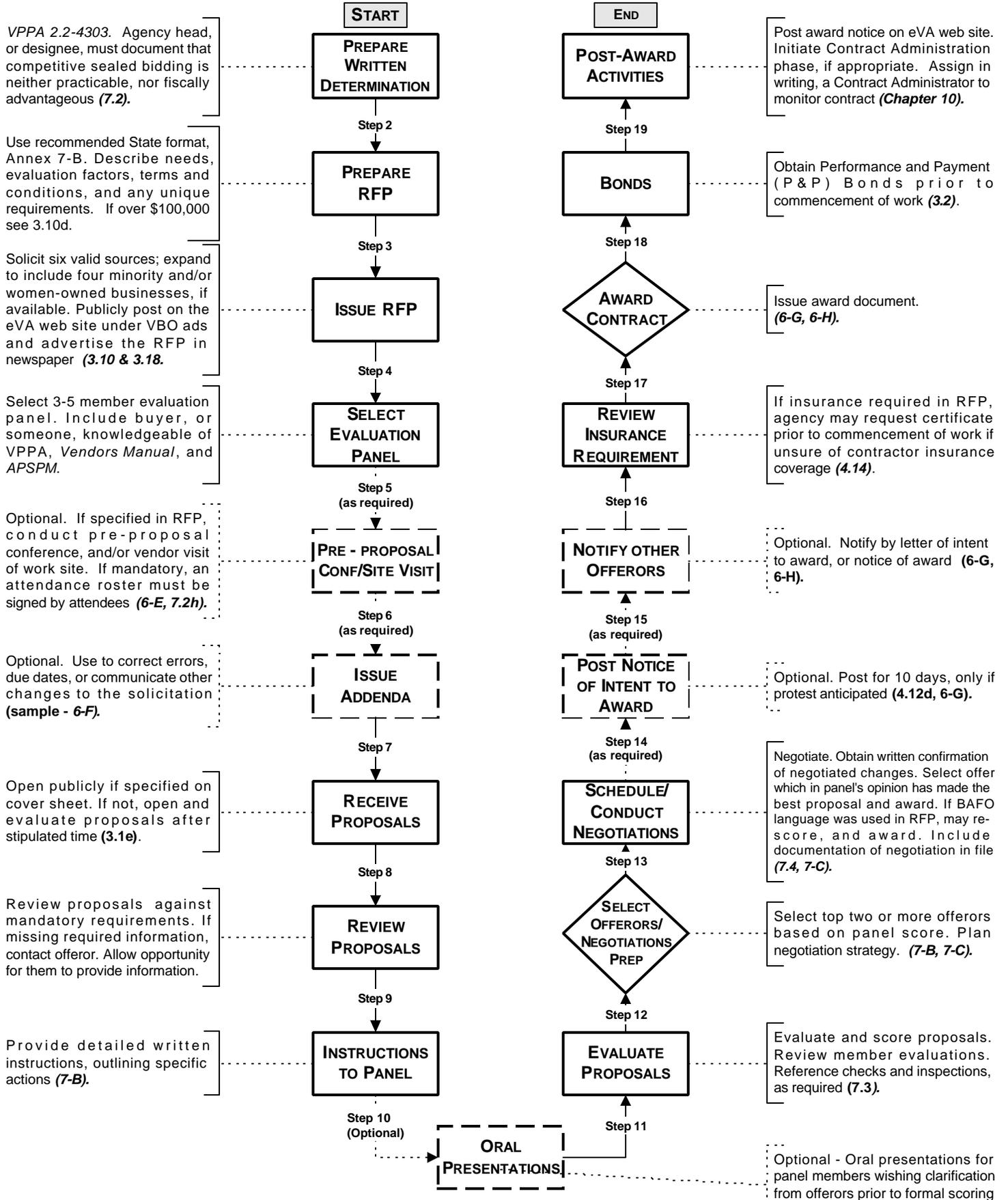
**COMPETITIVE SEALED BID PROCESS (CODE OF VA §§ 2.2-4301, 2.2-4303A)**

For Goods and Non-professional Services (Over \$50,000)



Annex 7-A

**COMPETITIVE NEGOTIATION PROCESS (CODE OF VA §§ 2.2-4301, 2.2-4303c)**  
For Goods and Non-professional Services over \$50,000



PIM 98-012  
8.2

**Procurements Over \$10,000.** All sole source procurements over \$10,000 must be approved by either DGS/DPS or DIT, as specified in 8.2a or 8.2b below, using the appropriate Sole Source Procurement Approval Request form found in Annex 8-C or 8-C-1, as applicable. Sole source procurements that originally included a renewal provision, for which approval for multi-years was obtained, do not need to be forwarded for approval until expiration of the term for which approval was obtained. In addition, a memorandum must accompany the request form, which addresses the following four points:

- ? Explain why this is the only product or service that can meet the needs of the purchasing agency.
- ? Explain why this vendor is the only practicably available source from which to obtain this product or service.
- ? Explain why the price is considered reasonable.
- ? Describe the efforts that were made to conduct a noncompetitive negotiation to get the best possible price for the taxpayers.

Once written approval has been given, agencies and institutions are delegated the authority to proceed with awarding the contract.

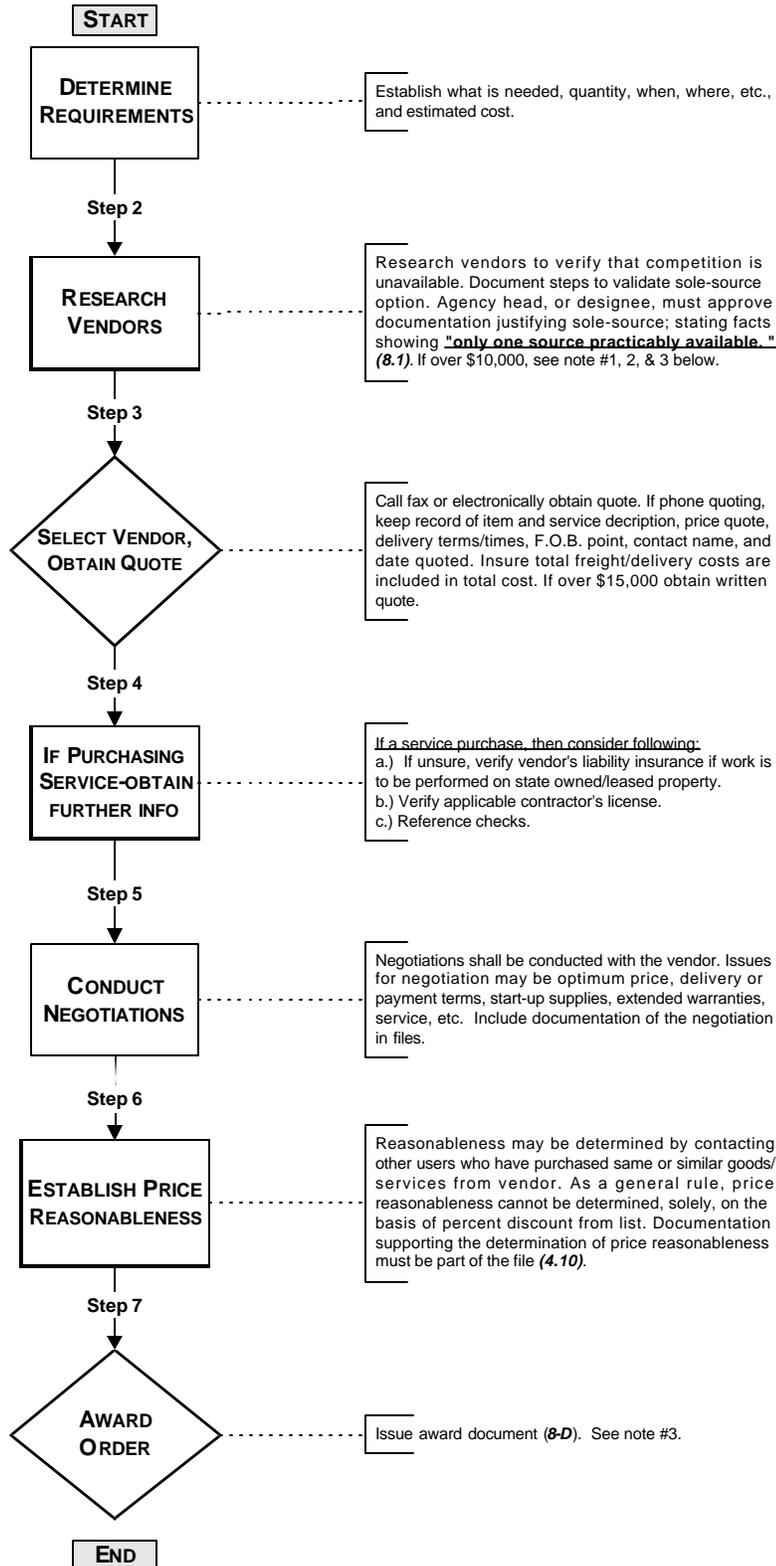
PIM 98-012

- a. **Non-Technology Procurements Over \$10,000.** All non-technology sole source procurements and renewals over \$10,000 must be submitted to DGS/DPS for review and approval. A copy of the request form can be found in Annex 8-C. In addition, a memorandum must accompany the request form, which addresses the four bullet points noted below in 8.2b.
- b. **Technology Procurements Over \$10,000.** All sole source procurements and renewals for IT products, IT services, and telecommunication products over \$10,000 must be forwarded to the Department of Information Technology (DIT). Any sole source technology procurement \$100,000 or more must be submitted to the Department of Technology Planning (DTP) for review prior to being forwarded to DIT for final approval. A copy of the request form can be found in Annex 8-C-1.

Annex 8-A

**SOLE SOURCE PROCESS (CODE OF VA § 2.2-4303E)**

For Goods and Non-professional Services when competition is not practicably available.



**Note:**

1. For non-technology purchases over \$10,000, complete the Sole Source Procurement Approval Request and send, with applicable attachments, to DGS/DPS (8-C)
2. For technology purchases over \$10,000, complete the Sole Source Procurement Approval Request and send, with applicable attachments, to DTP. (8-C-1).
3. For sole source purchases over \$30,000 a *Notice of Award* must be publicly posted on the eVA web site (see 3.18), and verification of posting must be included in file.

Annex 8-B

**SOLE SOURCE CHECKLIST**

PIM 98-012

PIM 98-012

- \_\_\_\_\_ 1. Written determination signed by the agency head or designee.
- \_\_\_\_\_ 2. Approval for sole source procurements over \$10,000.
  - a. Approval from DGS/DPS for non-technology procurements.
  - b. Approval from the Department of Information Technology for IT products, IT services, and telecommunication products and services. For sole source procurements that are \$100,000 or greater, a recommendation for approval must first be obtained from the Department of Technology Planning (DTP). After DTP's review, DTP will forward the sole source forms to DIT for final approval.
- \_\_\_\_\_ 3. Noncompetitive negotiation shall be conducted. The file shall include the results of the negotiations.
- \_\_\_\_\_ 4. Evidence that a determination of price reasonableness was conducted.
- \_\_\_\_\_ 5. Sole source notice of award posted for purchases over \$30,000.
- \_\_\_\_\_ 6. PO or contract issued.

**Annex 8-C**

**Sole Source Procurement Approval Request  
Non-Technology Goods and Services**

All requests for non-technology sole source purchases must meet the criteria established under § 2.2-4303 E. of the *Code of Virginia*. The agency head must sign this form. The Department of General Services/Division of Purchases and Supply (DGS/DPS) must review and approve all non-technology requests exceeding \$10,000 before issuance of any contract or purchase order. In addition, the agency must also (1) assign an identifying number to the request, (2) attach a brief description of the contract, and (3) attach the sole source justification in accordance with the instructions contained in Annex 8-C, Agency Procurement and Surplus Property Manual.

Agency Code \_\_\_\_\_ Request Number \_\_\_\_\_ Date \_\_\_\_\_

Agency Name \_\_\_\_\_

Agency Head Signature \_\_\_\_\_

Print Agency Head Name \_\_\_\_\_

Contact Person \_\_\_\_\_ Telephone Number \_\_\_\_\_

Total Amount of Sole Source \$ \_\_\_\_\_ Facsimile Number \_\_\_\_\_

Commodity Code \_\_\_\_\_ Description \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Division of Purchases and Supply**

**Approved** ?

**Disapproved**

**More information needed (specify and return to agency)** ?

Signature \_\_\_\_\_ Date \_\_\_\_\_

Note: This form must be filed with the contract/purchase order. Agencies and institutions are delegated authority to make contract award after appropriate approval. (Purchase using noncompetitive negotiation.)

**Annex 8-C-1**

**Sole Source Procurement Approval Request  
Technology Goods and Services**

All requests for sole source purchases must meet the criteria established under Section 2.2-4303 of the *Code of Virginia*. The agency head must sign this form. The Department of Information Technology must review and approve all IT products, IT services, and telecommunication products requests before issuance of any contract or purchase order. If the request is \$100,000 or greater, then the Department of Technology Planning must review the request. The agency must also (1) assign an identifying number to the request, (2) attach a brief description of the contract, and (3) attach the justification for the sole source request.

Agency Code \_\_\_\_\_ Request Number \_\_\_\_\_ Date \_\_\_\_\_

Agency Name \_\_\_\_\_

Agency Head Signature \_\_\_\_\_

Print Agency Head Name \_\_\_\_\_

Contact Person \_\_\_\_\_ Telephone Number \_\_\_\_\_

Total Amount of Sole Source \$ \_\_\_\_\_ Facsimile Number \_\_\_\_\_

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Commodity Code \_\_\_\_\_ Description \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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**Information Technology-Related Request**

All sole source requests over \$10,000 for IT products, IT services, and telecommunication products must be reviewed by the DIT. Additionally, all sole source requests \$100,000 or greater must be reviewed by the DTP.

**DTP Recommended Approval** ?

**DTP Recommended Disapproval**

**More information needed (specify and return to agency)**

?

Signature \_\_\_\_\_ Date \_\_\_\_\_

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**DIT Approval** ?

**DIT Disapproval**

**More information needed (specify and return to agency)** ?

Signature \_\_\_\_\_ Date \_\_\_\_\_

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Note: This form must be filed with the contract/purchase order. Agencies and institutions are delegated authority to make contract award after appropriate approval. (Purchase using noncompetitive negotiation.)

## SOLE SOURCE PROCUREMENT INSTRUCTIONS

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*It is the policy of the Commonwealth of Virginia that contracts be awarded on a competitive basis and that the use of a sole source procurement must be limited to those instances where only one source is practicably available.*

Sole source requests must contain a memorandum from the purchasing agency that addresses in a direct and concise manner the following four points (by number and in order):

1. Explain why this is the only product or service that can meet the needs of the purchasing agency.
2. Explain why this vendor is the only practicably available source from which to obtain this product or service.
3. Explain why the price is considered reasonable.
4. Describe the efforts that were made to conduct a noncompetitive negotiation to get the best possible price for the taxpayers.

Agencies must use the appropriate Sole Source Procurement Approval Request form, either 8-C or 8-C-1, as the cover routing form for all sole source procurements. Complete the "Agency" portion of the appropriate form and forward the sole source procurement request to the appropriate organization for review and approval action:

Sole source procurement requests that exceed \$10,000 and are not related to information technology shall be forwarded directly to the Division of Purchases and Supply.

Sole source procurement requests for IT products, IT services, and telecommunication products that exceed \$10,000 shall be forwarded to:

Department of Technology Planning  
Suite 135  
110 S. 7<sup>th</sup> Street  
Richmond, Virginia 23219

Or e-mail to:  
[Pir@dtp.state.va.us](mailto:Pir@dtp.state.va.us)

Or fax to:  
804-786-1940

The Department of Information Technology approves all IT sole source procurements over \$10,000. Additionally, the Department of Technology Planning must review all IT procurements \$100,000 or greater. Agencies need only submit sole source forms once for both DTP review and DIT review and approval.

Questions one through four (noted above) and their respective answers must be submitted with the Sole Source Procurement Approval Request.

Annex 9-A

**EMERGENCY PROCUREMENT PROCESS (CODE OF VA 2.2-4303F)**  
For Goods and Services

