

Doing Business with the City of Chesapeake VIRGINIA

A Guide to Procurement Information and Opportunities



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Understanding The Procurement Process

- The Rules – Procurement Laws and Ethics
- The Procurement Process and Methods
- Request for Proposals (RFP)
- Construction
- Sole Source and Emergency Procurements
- Internet Resources

FOREWORD

Each year, the City of Chesapeake makes purchases and enters into contracts for millions of dollars worth of goods and services. These contracts range from food to office supplies, computers, equipment leases, building services, and roadway construction. Our suppliers include firms, individuals, licensed professionals, contractors, and others.

The City of Chesapeake seeks to purchase goods and services at competitive prices, and encourages all qualified vendors to submit bids/proposals. The City of Chesapeake recognizes the need for vendors to understand how the public procurement process works if they are to be successful. This guide offers a brief overview of the City of Chesapeake's procurement process, including construction.

Should you need additional information or if you have any questions, please contact us at 757-382-6359.

Michael Thomas
Procurement Administrator

City Solicits Competitive Offers

INTRODUCTION

This guide is designed to provide an overview of the City's procurement process— what the rules are, how bids are solicited, and how contracts are awarded. Understanding the process is simple, but it is essential for success.

A. THE RULES –PROCUREMENT LAWS AND ETHICS

Public procurement is governed by state law and various City Codes and policies. They require the City to handle procurements in a manner that is fair, ethical and above reproach. The City's procurement methods are designed to meet those requirements and, in the process, foster fair and open competition.

B. THE PROCUREMENT PROCESS

When purchasing goods or services, the City must follow certain procedures called a solicitation. This usually involves defining requirements, advertising, obtaining competitive bids, and awarding a contract. Sole Source and Emergency Solicitations (Sections D-5 and D-6) are handled differently. The basic process is as follows:

1. A department specifies what it needs, estimated cost, etc. The City prepares a solicitation – an Invitation For Bids (IFB), Request For Quotes (RFQ), or Request For Proposals (RFP).
2. Estimated cost determines who handles a given procurement: the Purchasing Division handles procurements estimated at \$5,000 or more. The individual departments handle procurements estimated at less than \$5,000.
3. Procurements are advertised: Those estimated at more than \$50,000 are posted in the Purchasing office and on the City's web-site. Internet sites listing City, state, and federal procurements are in Section G.

**Professional
Services,
Complex
Systems,
Over \$50,000**

4. Procurements from \$5,000 to \$50,000 are generally posted to the City's web-site.

5. Bids are submitted as directed in the solicitation. They are opened publicly and results are usually certified and posted in Purchasing and on the City's web-site within several business days.

6. The successful vendor signs a contract and the City authorizes the vendor (now Contractor) to supply the goods and/or work specified in the contract. The contractor submits an invoice which the City pays after determining that the goods or services meet contract specifications.

7. All City contracts contain certain General and sometimes Special Terms and Conditions. Contractors must comply fully with the contract, and deliver on schedule at the agreed price. Therefore, read all portions of the contract before signing. If you have any questions, contact the Purchasing Division immediately.

C. REQUEST FOR PROPOSALS (RFP): The RFP is used to solicit proposals for procurements estimated at more than \$50,000, and for those involving consulting, research, information technology, complex systems, and professional services. As defined by the State of Virginia, the latter includes work done by a licensed professional in the practice of accounting, actuarial services, architecture, landscape architecture, land surveying, law, medicine, optometry, pharmacy or professional engineering. The RFP states:

- What the City needs and for what purpose;
- The scope of work and technical specifications;
- Responsibilities, deliverables, and acceptance criteria;
- Criteria for evaluating proposals and awarding contracts;
- Terms, conditions and contractual issues;
- Contact information.

D. PRIMARY PROCUREMENT METHODS

Most procurements involve one of the competitive methods described below, but circumstances may require a non-competitive Sole Source or Emergency procurement.

Some methods involve the concepts of “responsibility” and “responsiveness”. “Responsibility” refers to a bidder’s capability, integrity, and reliability, based on experience, references, and financial solvency. It suggests whether the bidder can, and likely will, perform as required. “Responsiveness” indicates whether an offeror complies with the specifications – that is, offers everything the specification requires.

1. COMPETITIVE SEALED BIDDING

This method is used primarily for information technology, accounting, other complex systems, and *non*-professional services; that is, any services not specifically identified as professional services by the state of Virginia. The solicitation presents detailed specifications and vendors offer bids. A contract is awarded to the lowest responsive bid by a responsible bidder. Bidders must submit evidence of responsibility with their bids.

If additional information is requested, it must be supplied in a timely manner or the bid shall be rejected. Therefore, read the specification carefully to ensure that your bid complies with it fully. No changes, exceptions, or negotiations are allowed.

2. TWO-STEP COMPETITIVE SEALED BIDDING

This method is used when it is not practical to use price as the sole determinant for an award. Vendors submit two separate proposals: Technical proposals are submitted first and evaluated on a pass/fail basis. Bidders whose technical proposals are accepted will submit sealed financial proposals for public opening. After evaluation, the lowest responsive bid shall receive the award if the bidder is deemed responsible. No discussion, revision or negotiation is allowed.

3. ON-LINE INTERACTIVE BIDDING

Also called “On-Line Auction” or “Reverse Auction”, this Internet-based process is used to purchase goods, materials, equipment, and *non*-professional services. It is *not* used for professional services or construction. The City’s Internet Service Provider (ISP) conducts auctions on its web-site. When one is scheduled, the ISP sends an IFB to vendors on a bidders list the ISP maintains. The IFB states what is needed, the date, time and Internet address of the auction.

**Lowest
Bidder**

Most Advantageous Offer

Bidders *must register* with the ISP for an orientation on auction procedure and be placed on the bidders list. Registration, training, notifications, bidding, and contract awards are free. During the bidding period, vendors bid on-line, compare with competitors' bids, and submit lower bids if they desire. After bidding closes, the City will direct the low bidder to submit a completed contract. When a purchase is made, the ISP will charge a small, pre-determined percentage fee on the purchase. There are no other charges.

4. COMPETITIVE NEGOTIATION

This method is used for professional and non-professional services, social, human, cultural, and technical services, estimated at more than \$50,000. It's also used when price cannot be used as the sole determinant for a contract award. Vendors submit sealed proposals in response to the City's RFP. The contract is awarded to the "Most Advantageous Offer" – the offer that provides the best value, or best combination of capabilities, technical merit and price.

If a pre-proposal conference is scheduled, vendors should obtain the RFP and attend. This allows all parties to address questions and clarify technical issues; it also enables vendors to identify potential deficiencies in their proposals and remedy them.

5. SOLE SOURCE PROCUREMENTS

When the city determines that only one vendor is capable of meeting its requirements, the City will publish a notice of intent to award a sole source contract on a specific date. This is to allow other vendors to determine whether they can meet the City's needs. If so, they should contact Purchasing to request a competitive procurement.

6. EMERGENCY PROCUREMENTS

Emergency situations demand immediate attention because they threaten the immediate health, safety, or welfare of the public or make it impractical to protect public property through normal purchasing procedures. The nature of the emergency dictates what shall be required before a contract may be awarded. However, if practicably feasible, the City shall seek a competitive

Insurance & Licensing Requirements

On-Line Business Leads

procurement and negotiate the fairest, most reasonable price available.

E. CONSTRUCTION

This includes building, altering, repairing, improving, or demolishing a structure, building, or highway; drainage, dredging, excavation, grading or similar work on real property. Competitive Sealed Bidding is the primary method, but Competitive Negotiation may be used if the purchasing and contracts manager determines that it is more practical or in the best interest of the City. Three key things to keep in mind concerning construction are life cycle cost, the role of the design professional, and licensing and insurance requirements.

Life cycle cost is a key evaluation factor: it considers operating and related costs as well as initial price. As for the design professional, if a project involves architectural or engineering services, the City will select a design professional to provide and coordinate all required services. And, all firms providing professional services must be licensed and registered in Virginia and must provide certification of insurance before starting work. Each solicitation explains the licensing, insurance, and certification requirements for the project.

F. UNSOLICITED PROPOSALS

These are handled on a case-by-case basis, and interested vendors may contact the Purchasing Division.

G. INTERNET RESOURCES

<http://www.cityofchesapeake.net>

Select BIDS & RFPs for solicitations and contract awards;

<http://www.state.va.us>

Enter search word PROCUREMENTS to see solicitations;

<http://www.eva.state.va.us/dps/Manuals/docs/vppa.htm>

Select link to see the Virginia Public Procurement Act;

<http://www.bidnet.com>

Click on GOVERNMENT SUPPLIER icon for information on this fee-based service.

OUR MISSION

To provide professional procurement services to our customers with the objective of ensuring that goods and services required by the City are acquired in a timely manner, at the lowest possible cost, consistent with required quality, and in compliance with applicable procurement laws.



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