

## PRE-PROPOSAL CONFERENCE

RFP2000001824

An optional pre-proposal conference will be held at 11:00 A.M. on December 9, 2015 at the Fairfax County Government Center, 12000 Government Center Parkway, Conference Room 7, Fairfax, Virginia. The purpose of this conference is to allow potential offerors an opportunity to present questions and obtain clarification relative to any facet of this solicitation.

While attendance at this conference will not be a prerequisite to submitting a proposal, offerors who intend to submit a proposal are encouraged to attend. Bring a copy of the solicitation with you. Any changes resulting from this conference will be issued in a written addendum to the solicitation.

All questions pertaining to this RFP should be submitted in writing to the contract specialist at [dpsmteam1@fairfaxcounty.gov](mailto:dpsmteam1@fairfaxcounty.gov) prior to the pre-proposal conference.



# FAIRFAX COUNTY

## DEPARTMENT OF PURCHASING & SUPPLY MANAGEMENT

12000 GOVERNMENT CENTER PARKWAY, SUITE 427

FAIRFAX, VIRGINIA 22035-0013

[www.fairfaxcounty.gov/dpsm](http://www.fairfaxcounty.gov/dpsm)

# VIRGINIA

TELEPHONE: (703) 324-3201 FAX: (703) 324-3228 TTY: 1-800-828-1140

<b>ISSUE DATE:</b> November 25, 2015	<b>REQUEST FOR PROPOSAL NUMBER:</b> IFB2000001824	<b>TITLE:</b> Procurement Card (P-card) Services
<b>DEPARTMENT:</b> Purchasing & Supply Management	<b>DUE DATE/TIME:</b> January 5, 2016 @ 2:00 P.M.	<b>CONTRACT SPECIALIST:</b> Jamie Pun at 703-324-3653 or <a href="mailto:ji.pun@fairfaxcounty.gov">ji.pun@fairfaxcounty.gov</a>

**Proposals** - In accordance with the following and in compliance with all terms and conditions, unless otherwise noted, the undersigned offers and agrees, if the proposal is accepted, to furnish items or services for which prices are quoted, delivered or furnished to designated points within the time specified. It is understood and agreed that with respect to all terms and conditions accepted by Fairfax County the items or services offered and accompanying attachments shall constitute a contract.

**Note:** Fairfax County does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment in the performance of its procurement activity.

### NAME AND ADDRESS OF FIRM:

Telephone/Fax No.:

E-Mail Address:

Federal Employer Identification No or

Federal Social Security No.(Sole  
Proprietor)

Prompt Payment Discount: \_\_\_% for payment within \_\_\_days/net  
\_\_\_days

State Corporation Commission (SCC)  
Identification No.

**By signing this proposal, Offeror certifies, acknowledges, understands, and agrees to be bound by the conditions set forth in the General Conditions and Instructions to Bidders as described in Appendix A, the Certification Regarding Ethics in Public Contracting set forth in Appendix B, and by any other relevant certifications set forth in Appendix B.**

**BUSINESS CLASSIFICATION – Described in Appendix B - CHECK ONE:** ☐ LARGE (Y) ☐ SMALL (B)

☐ MINORITY-OWNED SMALL (X) ☐ MINORITY OWNED LARGE (V) ☐ WOMEN-OWNED SMALL (C)

☐ WOMEN OWNED LARGE (A) ☐ NON PROFIT (9)

CHECK ONE: ☐ INDIVIDUAL ☐ PARTNERSHIP ☐ CORPORATION

State in which Incorporated: \_\_\_\_\_

Vendor Legally Authorized  
Signature

Date

Print Name and Title

Sealed proposals subject to terms and conditions of this Request for Proposal will be received by the Fairfax County Purchasing Agent at 12000 Government Center Parkway, Suite 427, Fairfax, Virginia 22035-0013 until the date/time specified above.

AN EQUAL OPPORTUNITY PURCHASING ORGANIZATION



## **SPECIAL PROVISIONS**

### **1. SCOPE OF SERVICES:**

- 1.1. The purpose of this Request for Proposal is to solicit sealed proposals to establish a contract or contracts through competitive negotiation for the provision of procurement card (p-card) services by the County of Fairfax, Virginia.

### **2. PRE-PROPOSAL CONFERENCE:**

- 2.1. An optional pre-proposal conference will be held on December 9, 2015 at 11:00 A.M. in the Fairfax County Government Center, Conference Center Room 7, 12000 Government Center Parkway, Fairfax, Virginia. To request reasonable ADA accommodations, call the Department of Purchasing and Supply Management ADA representative at (703) 324-3201 or TTY 1-800-828-1140. Please allow seven working days in advance of the event to make the necessary arrangements.
- 2.2. The purpose of the pre-proposal conference is to give potential offerors an opportunity to ask questions and to obtain clarification about any aspect of this Request for Proposal. Offerors may submit any questions pertaining to the RFP, in writing, prior to the pre-proposal conference to [ji.pun@fairfaxcounty.gov](mailto:ji.pun@fairfaxcounty.gov).

### **3. CONTRACT PERIOD AND RENEWAL:**

- 3.1. This contract will begin on date of award, and terminate 48 months after award. The contract will have three (3) two-year renewal options by mutual agreement of the parties.
- 3.2. The obligation of the County to pay compensation due the contractor under the contract or any other payment obligations under any contract awarded pursuant to this Request for Proposal is subject to appropriations by the Fairfax County Board of Supervisors to satisfy payment of such obligations. The County's obligations to make payments during subsequent fiscal years are dependent upon the same action. If such an appropriation is not made for any fiscal year, the contract shall terminate effective at the end of the fiscal year for which funds were appropriated and the County will not be obligated to make any payments under the contract beyond the amount appropriated for payment obligations under the contract. The County will provide the contractor with written notice of non-appropriation of funds within thirty (30) calendar days after action is completed by the Board of Supervisors. However, the County's failure to provide such notice shall not extend the contract into a fiscal year in which sufficient funds have not been appropriated.

### **4. BACKGROUND:**

- 4.1. Fairfax County (the County) is located in the state of Virginia, near Washington D.C. Its population is over one million, and it occupies an area of approximately 400 square miles. In the adopted budget for fiscal year 2015, combined General Fund Disbursements totaled \$3.72 billion. The County currently holds an AAA bond rating from Standard and Poor's, Moody's, and Fitch. Fairfax County Public Schools (FCPS) is the largest school system in the Commonwealth of Virginia and the twelfth largest system in the United States. The school system consists of approximately 196 schools and worksites, serving approximately 187,000 students.
- 4.2. The Director of the Department of Purchasing and Supply Management (DPSM) has delegated the authority to place small orders (under \$10,000) to authorized County departments, including FCPS. In FY2015, DPSM which directs purchasing for both the County and FCPS issued over 3300 purchase orders with an aggregate value in excess of \$613 million. Additionally, the County and FCPS together executed over 200,000 p-card transactions with an aggregate spend of approximately \$98 million.
- 4.3. The existing p-card program is intended to supplement the use of small purchase orders and petty cash. Most County p-cards have a \$2500 single purchase maximum limit, while FCPS has a maximum single purchase of \$5000. Cards with higher limits are sometimes allowed, as long as they support special programs and/or contracts; these cards have strict controls in place to safeguard their use. The County has approximately 1525 p-cards and FCPS has approximately

## **SPECIAL PROVISIONS**

2340, which includes categories called general use p-cards, FOCUS marketplace p-cards, and local school activities funded (LSAF) student activity (SA) p-cards. The program has grown in each of the last ten years, with the exception of 2009, when there was a slight decline. The County and FCPS p-card spend grew from \$57 million in calendar year 2006 to \$100 million in calendar year 2014. Moderate growth in the coming years is anticipated. Each of the County's 50 plus departments participate in the p-card program, as does each FCPS school and administrative office.

Both the County and FCPS have separate central billing accounts with the current provider for the shared program called the FOCUS marketplace. These p-card accounts have a separate credit line and use a separate interface/mapper (one each for County and FCPS.)

FCPS also uses declining balance p-cards for specific design and construction projects (e.g. school construction and renovation) to procure contracted equipment and supplies. The p-card account limits are established, based on the project cost. Once the balance is depleted, the p-card is closed.

The LSAF p-cards mentioned above are issued for use by student activity groups at 196 schools, using non-appropriated funds. Each school manages, reconciles and processes payments on a monthly basis, paying their bills separately and directly to the current p-card provider.

- 4.4. Copies of the current procedural memoranda governing p-card use are included as Attachments A and B to this RFP. Procedural Memorandum 12-02 *Use of the County Procurement Card* dated 7/17/13 (**Attachment A**) covers County policy and Regulation 5350.4 *Financial Services Office of the Comptroller Accounting Operations Procurement Card Management*, effective 2/11/15 (**Attachment B**) covers FCPS.
- 4.5. At this time, 26 jurisdictions in the metropolitan Washington D.C. area and four jurisdictions in southern Virginia are riding the current County contract. Over the life of this contract the aggregate spend of these jurisdictions plus Fairfax County/FCPS has increased from \$64 million in 2006 to \$288 million in 2014. Currently, rebates points earned are based on the aggregate spend of the consortium, which benefits all participants, both large and small.

## **5. TASKS TO BE PERFORMED:**

- 5.1. Qualified offerors are encouraged to submit a proposal for procurement card (p-card) services, to include the provision of p-cards for Fairfax County government and Fairfax County Public Schools, hereafter referred to as the "County", and support of the program as identified in these tasks to be performed.
- 5.2. The offeror's p-card shall be widely accepted by a variety of merchants commonly used by the County. For the p-card brand being offered, indicate the percentage of acceptance by card-accepting merchants in the United States.
- 5.3. Issuance of p-cards
  - a. The County Purchasing Agent or the designated authorized representative will determine who is eligible to receive p-cards. Describe your process for ordering the initial batch of p-cards after contract award and the process for ordering additional p-cards thereafter. The offeror shall indicate the time frame from the receipt of each p-card request to the issuance of the new p-card and the method of shipment to the County.
  - b. The County currently does not have p-cards with chip technology. Please advise if the initial batch of p-cards will contain chip technology, and describe the type of chip being offered and how that might impact the current County program.
  - c. Describe the parameters, if any, for the number of characters allowed for p-card names and an acronym which will appear on line two of the p-card, plus any restrictions on the number of segments allowed for chart of accounts information.

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- d. Currently, both the general use p-cards and the FOCUS marketplace p-cards are issued once every two years and all have a common expiration date. Indicate if p-cards may have the same expiration date. The offeror must also indicate the frequency of re-issue for p-cards.

The LSAF SA p-cards referenced in paragraph 4.3 expire on a two year revolving basis, which is determined by the initial card issue date.

- e. The offeror must describe its requirements for developing passwords for new p-cards and specify if the County can use its own naming convention for selecting passwords for each p-card.

#### 5.4. Card format and design

- a. The County and FCPS use two separate designs for their p-cards, which includes separate logos, business name, and tax exempt number that are embossed on the p-cards. All designs that are submitted after contract award are subject to approval by the County. Describe your ability to provide two separate p-card designs, one for County and one for FCPS. If the FOCUS marketplace p-cards are being offered under a separate billing account or company account number, the offeror must also provide a p-card design that is easily distinguishable from the others, such as a different color.
- b. Describe all other elements of your p-card design for both the front and back of the p-card and include a sample picture in the proposal.

#### 5.5. Card controls and restrictions

- a. The County will identify different organizational restrictions and controls, which may include restricted merchant category codes under numerous merchant category groups, blocking of automated teller machines or cash advances, etc. Describe your ability to set restrictions and controls to p-cards at the organizational level. In addition to the examples listed above, describe any other organizational controls that are available.
- b. Describe the process for placing restrictions or implementing controls at the individual card level as per the list below:
  - Single purchase limit (SPL): Established per individual p-card in accordance with County and FCPS policies.
  - Cycle spending limit (CSL): Maximum monthly (cycle) spending limit in accordance with County and FCPS policies.
  - Velocity limitations such as number of transactions permitted per day and number of transactions per month (cycle).
  - Vendor blocking per merchant category code and/or specific merchant name.
  - Vendor inclusion per merchant category code and/or specific merchant name.
  - Blocking of all cash transactions.
  - Blocking of international transactions.
  - Offeror may identify other control features that are available.
- c. Specific organizational and individual restrictions and controls will be identified and implemented upon contract award. Thereafter, only authorized County staff will request or execute changes to restrictions and controls. Describe your process for making changes to organizational and individual restrictions and controls.

#### 5.6. Changes to p-card parameters

- a. Describe the process to make changes to the parameters of p-cards, as described in paragraph 5.5 above, as well as changes to shipping or billing addresses, telephone numbers, contact person, chart of accounts (account coding), organizational hierarchy,

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etc. Identify which changes must be executed by the offeror and which can be changed by the County using the bank's on-line reporting tool.

#### 5.7. Cardholders

- a. P-cards are issued either to individual employees (named p-cards) or to work groups (department p-cards) on various teams within the County or FCPS. The p-cards are controlled by a custodian(s) and shared by staff within the work group. The majority of County and FCPS p-cards are department p-cards.
- b. Describe how a card assigned to a work group may be used by more than one person, including the requirement or recommendation for signing the back of the p-card, such as signing or not signing the p-card.

#### 5.8. Liability

- a. The offeror shall fully describe the county's liability for fraudulent charges that are made with a County p-card itself and/or with the p-card number. If dispute rights are different for named p-cards versus work group p-cards, the offeror must articulate the differences.
- b. Describe the time limit (number of days allowed after the transaction date) for reporting fraudulent charges.
- c. Once the County reports a card as lost or stolen, identify at what point the County is no longer liable for fraudulent charges.

#### 5.9. Questionable transactions (vendor disputes)

- a. The offeror must describe their process for handling questionable charges which shall, at a minimum, include:
  - A toll free number and/or on-line tool for reporting the questioned item or disputed charge.
  - If requested, process for obtaining a copy of the vendor's p-card receipt.
  - Vendor disputes process, including the number of days that the County has to file a vendor dispute, and the timeframe for response by the vendor.
  - Timeline for crediting the County's account for the disputed charge, including whether the charge is credited when the County files the vendor dispute or at the conclusion of the investigation.
- b. If the questioned or disputed charge is later determined to be fraudulent, describe the process for changing the status from a vendor dispute to a fraudulent charge.

#### 5.10. Lost or stolen p-cards

- a. The offeror must confirm that they can provide a 24 hour a day, seven days a week toll-free number for cardholders to call and report a lost or stolen p-card. Outline the steps that the caller must follow, including whether the caller can close the card and request a replacement or if they are limited to placing a security hold on the p-card until such time that a County p-card administrator is able to contact the bank and permanently close the p-card.
- b. In cases where the physical p-card has been lost but no fraudulent charges were incurred as a result, describe the process for obtaining a replacement p-card.
- c. In cases where a p-card has been physically lost or stolen or the card number has been stolen and the card has been used fraudulently, describe the process for reporting the fraud and obtaining a replacement p-card.

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- d. Describe your policy for reimbursing the County for fraudulent charges deemed to be made by an unknown party (external fraud) for named p-cards and for work group p-cards. Also describe your policy for reimbursing the County for fraudulent charges deemed to be made by County employees (internal fraud) for named p-cards and for work group p-cards.
- 5.11. Fraud detection program and reimbursement of fraudulent charges
- a. Provide an overview of criteria used to monitor and identify suspicious charges and place a p-card on temporary hold.
  - b. Describe the steps that are taken to notify clients of suspicious charges, including the method(s) of notification.
  - c. In the case of a third party compromise where no suspicious charges have yet to be identified, describe your recommended timeframe for closing that p-card.
  - d. Describe the process that is used for recovery of fraudulent charges and how credits are issued back to each affected p-card account.
- 5.12. P-card termination
- a. P-card administrators may occasionally need to close a p-card for convenience. Describe the methods that are available for closing a p-card for convenience, and specify the time frame between the request and the cancellation of the p-card account.
- 5.13. Web based administration and reporting tool
- a. Describe your ability to provide a web based reporting tool with a separate banner and separate access for the County government program and the FCPS program. Please indicate if the on-line reporting tool is a proprietary product of the offeror or a third party product, in which case, include the company name of the product. The offeror may include informational brochures or advertising materials.
  - b. Describe all of the capabilities of the offeror's on-line reporting tool, including but not limited to the following features:
    - View transactions that have posted and identify data elements that are available.
    - Ability to show just the last four digits of the p-card account number.
    - Ability to pass Level II and Level III detail when the merchant passes that information originating at the point of sale.
    - Ability to execute reports and queries (also see Paragraph 5.14 below), including the amount of historical data that is available.
    - Ability to allow for "read only" rights for cardholders and p-card program managers.
    - Ability to view authorized and declined charges in real time.
    - Ability to view merchants by merchant name and merchant category codes.
    - Length of time that historical information is available (e.g.: 2 years, 3 years, etc.)

**For County administrators only:**

- Ability to download interfaces/mappers and save it to the County's desktops.
- Ability to reallocate posted transactions to a different chart of accounts.
- Ability to establish different hierarchies for different departments, and restrict access based on a user's hierarchy.
- Ability to set up new users, manage user profiles, and block user access in real time.

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- Ability to assign two user identification (ID) fields so that one card can be assigned to two custodians.
- Ability to order new p-cards, and select a static expiration date.
- Ability to manage p-card parameters in real time.
- Ability to assign a group of cards to a program manager instead of to the cardholder.
- Ability to activate and close p-cards in real time.
- Ability to run interfaces/mappers for the purpose of loading the data into the county's financial systems.
- Describe other administrative features that are available, such as creation and management of chart of accounts, custom billing cycles, import files, etc.

**5.14. Reports**

- a. Describe in detail all reports that are available to the County using the on-line reporting tool as well as reports that are available from the offeror upon request, along with the typical timeframe to produce those reports.
- b. The offeror must indicate which reports can be generated per p-card account, per hierarchy, and at the organizational level.
- c. The offeror must describe their ability to produce custom reports upon request and indicate if there is a fee structure associated with developing custom reports.
- d. Describe your ability to provide reports for merchants subject to Internal Revenue Service (IRS) 1099 reporting and reports that identify spend to Small Businesses, Minority, and Women Business Enterprises (MWBE.)
- e. If some reports are available exclusively from the p-card issuer and some are available only from the bank, the offeror must specify the source for reports.

**5.15. Customer support**

- a. Describe the level of customer support that will be provided in detail, including the process for verifying that the caller is authorized to obtain information and/or make changes. Discuss any password requirements for callers. Minimum customer support requirements are listed below.
- b. Identify the toll free telephone number available 24 hours per day and seven days a week for cardholders to report a lost or stolen p-card.
- c. Identify the toll free telephone number available for p-card administrators to make inquiries, request changes, report fraud, close and replace p-cards, discuss billing issues, etc. Please indicate hours of operation and indicate how calls are handled such as an assigned customer account representative, customer support team, or no assigned team. Explain how telephone calls are handled during off-hours.
- d. Indicate the name and telephone number of the person(s) who will be assigned to the contract as the offeror's overall customer support manager.
- e. Indicate a toll free technical support telephone number (e.g. help desk) for the on-line reporting tool.
- f. Identify the technical support representative(s) who will be assigned to consult with County technical staff in order to develop interfaces/mappers and other electronic or software related products and/or procedures.



**SPECIAL PROVISIONS****5.16. Training**

- a. Describe all training options as well as all methods of delivery for each option that are available to cardholders, p-card administrators, and other authorized employees, as well as all methods of delivery. Please indicate if there are any fees associated with the training, and if yes, include those in the cost proposal, in accordance with paragraph 8, **COST PROPOSAL INSTRUCTIONS.**
- b. County staff and FCPS staff will develop and implement their training programs separately and offeror shall verify that they will offer separate training options. Provide a work plan and a timeline for training.
- c. Start-up: Offeror must address benefits and features of the p-cards, billing procedures, application requirements and process, available reports and queries, etc. Offeror shall address other administrative training that is available to p-card administrators.
- d. On-going: Offeror must describe other training and educational opportunities that are available such as on-line help, webinars, workshops, forums, and conferences.
- e. Web-based reporting tool: Offeror must address all training that is available with the on-line reporting tool. Offeror shall indicate if training is in a test environment, a live environment, or a combination of both.
- f. Materials: Offeror must provide written materials that are available in hard copy or in a downloadable version from the internet. Offeror must provide assistance to the County p-card administrators to customize training materials for use by County staff.

**5.17. Transition plan**

- a. Describe the implementation plan for migration from the current County contract to the new contract. Include the main points of contact for the business tasks and technical tasks. List activities that must occur, the timeline for each, the estimated amount of resources that the offeror will dedicate to the transition, and responsibilities of the County. (Reference paragraph 6.2, Preliminary Work Plan for additional information.)
- b. The current County contract expires on August 13, 2016. All new p-cards must be delivered to the County on or before August 1, 2016 in order to ensure that there is no lapse in the p-card program. The offeror should make a note of this date when preparing the work plan and timeline. If chip technology is being offered, please advise any impact on the transition.

**5.18. Billing documentation**

- a. The offeror must set up separate centralized billing accounts for County and FCPS. The offeror shall verify that electronic centralized billing statements will be provided at the agreed to interval and indicate method of transmittal. Authorized staff will review and approve payment of the bills. The offeror must indicate if centralized billing statements will also be mailed after the end of the billing period, and if the mailing of paper statements can be suppressed.
- b. LSAF student activity accounts (reference paragraph 4.3) are billed monthly to each individual school, however, the billing cycle runs from the 16th to the 15th, as opposed to all other County p-cards which have a billing cycle of the 28th to the 27th. The offeror shall indicate if different billing cycles can be accommodated.
- c. For each separate p-card account, the offeror must indicate if they can provide both paper statements by mail as well as electronic statements.

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- d. The offeror must describe their ability to suppress the mailing of paper statements to individual cardholders and/or departments. For those cardholders and/or departments that elect to receive paper statements, the offeror shall indicate if they are able to truncate account numbers and how many digits are masked.
  - e. The offeror must indicate if electronic bills can be generated using their web-based reporting tool and indicate if the bills can be generated per p-card, per hierarchy or department, and/or per organization. Include a sample of a p-card bill with the technical proposal. At a minimum, billing statements must contain the following information:
    - A list of all detailed p-card transactions.
    - P-card name, truncated account number, and billing address.
    - Merchant name for each transaction.
    - Transaction and post dates.
    - Total cost of goods and services (or credit amount) for each transaction.
    - Summary (quantity and dollars spent) for the billing period.
  - f. Provide a point of contact for p-card administrators to call with questions in regard to the centralized bill or individual bills. Please indicate name or department name, telephone number, e-mail address, and hours of operation.
- 5.19. Billing – Compatibility with county automated accounting systems
- a. The County currently receives transaction information via a billing file called an interface/mapper that is retrieved from the current contractor's web-based reporting tool. The interface/mapper is downloaded from the contractor's site, reviewed by the p-card administrator, and then uploaded to the County financial system once per week. An automated process then posts the transaction information to the appropriate chart of accounts associated with each p-card and/or purchase. There are a total of four separate interfaces/mappers that are currently uploaded once per week; two for County and two for FCPS. The electronic data interchange (EDI) file layout (**Attachment C**) applies to all of the interfaces/mappers.
    - **Attachment C:** Credit Card EDI file layout: Details.
    - County: one general use p-card interface/mapper and one marketplace p-card interface/mapper (marketplace contains Level III detail).
    - FCPS: one general use p-card interface/mapper and one marketplace p-card interface/mapper (marketplace contains Level III detail).
  - b. Offeror must fully describe their expertise and process for developing and providing transaction interfaces/mappers that are compatible with County automated financial systems. Offerors shall indicate what information is required from the County for the purposes of development and testing, along with a work plan and estimated timeline for each task.
  - c. If the successful offeror later extends an offer to jurisdictions that are interested in the contract, those interfaces/mappers shall be developed and mutually agreed upon by the two parties.
  - d. Fees, if any, associated with developing and implementing the interfaces/mappers at the onset of the contract award should be included with the cost proposal. Reference paragraph 8, **COST PROPOSAL INSTRUCTIONS**.

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## 5.20. Billing interval (period)

- a. The County currently receives and pays the centralized p-card bill on a weekly basis, but will consider alternative billing intervals, such as bi-weekly or monthly. Offerors must fully describe available billing options and time frames associated with the close of the billing period, transmittal of billing information, and payment requirement. LSAF student activity accounts are paid monthly by each individual school.
- b. The offeror must indicate if there are any monetary benefits associated with accelerated payments of the centralized bill. Specifics of such shall be included in the cost proposal in accordance with paragraph 8, **COST PROPOSAL INSTRUCTIONS**.
- c. Other jurisdictions who may enter into a contract as a result of the County's contract may request billing intervals that are different from the County. The offeror must indicate if they can accommodate different billing intervals as agreed to between the offeror and the entity after contract award.

## 5.21. Billing file security and quality control

- a. Describe how p-card information is kept secure, including the transmission of the electronic billing file. At a minimum, the offeror shall address each quality control item as listed below:
  - That report files are transmitted at the time and day interval as identified in the contract.
  - That no duplicate transactions or files are transmitted.
  - That the file contains accurate and complete unique identifying information associated with each p-card.
  - That the p-card account number shows only the last four digits of the p-card.
- b. Describe back-up and restoration procedures for billing files and how the County can obtain a second file transmission of a billing report if the original has been deleted or lost.
- c. For paper statements, describe the procedure to obtain a second copy if the original mailed copy is lost. Describe the ability to truncate p-card numbers on the paper statements, including how many numbers can be truncated.

## 5.22. Administrative fees, p-card fees, and other fees

- a. Provide a detailed description of fees, if any, to be charged for ordering new p-cards, transaction fees, non-use fees, termination fees, international transaction fees, cash withdrawal fees (although the County blocks cash at the merchant category level) and for services such as developing interfaces/mappers, utilization of a web-based on-line reporting tool, customized reports etc. and identify hourly rates for each type of service. For any of the fees listed above, describe under what circumstances will fees be waived. Types shall be described in the technical proposal, reference paragraph 6, **TECHNICAL PROPOSAL INSTRUCTIONS**, while the actual monetary amounts shall be included in the cost proposal, reference paragraph 8, **COST PROPOSAL INSTRUCTIONS**.
- b. The County will not pay or be liable for any fees incurred against the LSAF p-cards (reference paragraph 4.3). If fees will be charged differently for their p-cards, that must be included in the proposal. The County does not assume liability for LSAF p-cards.

## 5.23. Rebates, bonuses, and incentives

- a. The offeror may propose incentives to the County, based on the volume of spend and/or prompt payment of the centralized bill. The offeror shall fully describe the structure of any rebate schedule, signing or volume based bonuses, and any other incentives that are being

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offered. Types shall be described in the technical proposal, reference paragraph 6, **TECHNICAL PROPOSAL INSTRUCTIONS**, while the actual monetary amounts shall be included in the cost proposal, reference paragraph 8, **COST PROPOSAL INSTRUCTIONS**.

- b. If the offeror extends the contract to other public bodies (reference paragraph 29, USE OF CONTRACT(S) BY MEMBERS COMPRISING MID-ATLANTIC PURCHASING TEAM COMMITTEE), the offeror may offer incentives which will benefit the County as well as other public bodies who enter into a contract with the offeror.
- c. The County will consider any and all incentives that are proposed by the offeror.

#### 5.24. Payment

- a. Unless otherwise agreed upon, payment will be made within 30 days after (1) acceptance of products or services, or (2) receipt of a correct invoice, whichever is later. The payment date is considered to be the date of the postmark of a mailed check, or the transmittal date of a wire transfer or ACH payment.
- b. Other parameters for prompt payment which might result in rebates, bonuses, and incentives will be considered by the County. The offeror shall describe all payment methods that are available (e.g. wire transfer or ACH payment), how they work, and what discounts or incentives are available for prompt payment. The offeror should offer multiple payment terms for use by other public bodies and the LSAF p-card accounts. For example the LSAF p-card bills are currently paid within fourteen days of the end of the billing cycle.

#### 5.25. Late charges

- a. Describe how late charges will be assessed, if any. Specify how the County will be notified of a pending late charge, their rate(s), how and when charges will be invoked, and the method of billing. Offeror should include a sample calculation with the proposal.
- b. The County will not be responsible or liable for any late fees incurred against the LSAF p-cards (reference paragraph 4.3). If late fees will be assessed differently for their p-cards, that must be included in the proposal.

#### 5.26. Sale of cardholder Information

- a. The offeror shall not sell, rent, or otherwise distribute a list of p-card accounts, numbers, addresses, or other information in regard to p-card accounts.

#### 5.27. Independent Audits

- a. The offeror must obtain an independent audit on an annual basis in accordance with the Statement of Standards for Attestation Engagements (SSAE) No. 16. The Service Auditor's Report, Type II from the audit shall be submitted to the County. Details of SSAE16 can be found at [www.ssae16.com](http://www.ssae16.com).

#### 5.28. Optional tasks and capabilities

- a. Virtual (one-time) p-card accounts, sometimes known as e-payables: The offeror may propose a payment solution that provides a 16 digit virtual account number to make a payment to a merchant in the exact amount due. The virtual account number is used only once for the specific requirement and has a corresponding unique reference number. Having a virtual p-card account program is an additional tool that helps to streamline an organization's accounts payable process, and captures spend that otherwise would have been paid for with a check or by ACH. The County is not using this product at this time; however, it is part of the current county contract and is being used by other public bodies who are riding the county contract.

### **SPECIAL PROVISIONS**

- b. The County currently uses p-cards that are a one-card solution for goods and services, travel, and gasoline. The offeror may propose alternatives to a one card, such as travel and expense p-cards, and fleet p-cards.
- c. The offeror must indicate if their merchant services division can propose a plan for outreach to large merchants that currently do not accept corporate p-cards as a form of payment. If yes, please advise what County data is required to perform an analysis of PO spend and/or payment by check or ACH. Advise what strategy and steps will be taken by the merchant services division to recruit merchants who do not currently accept p-cards as a form of payment.
- d. The offeror may describe additional services that are available as part of their proposal.

### **6. TECHNICAL PROPOSAL INSTRUCTIONS:**

- 6.1. The offeror must submit the Technical Proposal in a separate binder containing the following information. This information will be considered the minimum content of the proposal. Proposal contents shall be arranged in the same order and identified with headings as presented herein.
  - a. Name of firm submitting proposal; main office address; when organized; if a corporation, when and where incorporated; appropriate Federal, State, and County registration numbers.
  - b. Understanding of the problem and technical approach.
    - 1. Statement and discussion of the requirements as they are analyzed by the offeror.
    - 2. Offeror's proposed definitive Scope of Work with explanation of technical approaches and a detailed outline of the proposed program for executing the requirements of the technical scope and achieving project objectives.
    - 3. Offeror should demonstrate an awareness of difficulties in the completion of this undertaking, and a plan for surmounting them. Special attention should be given to methodological issues that will be encountered in such a project.

#### 6.2. Preliminary Work Plan:

The offeror must present a description of the phases or segments into which the proposed program can logically be divided and performed, together with flow charts. The technical narrative should address separately each of the tasks described in the Request for Proposal and responses should be keyed to appropriate paragraph numbers. This section should also contain a discussion of any changes proposed by the offeror that substantially differs from the project scope described in these Special Provisions.

This section should include detailed descriptions of activities that are to occur, significant milestones, and anticipated deliverables.

#### 6.3. Treatment of the Issues:

In this section, the offeror may also comment if deemed appropriate, on any aspect of the Request for Proposal, including suggestions on possible alternative approaches to the coverage, definition, development, and organization of the issues presented in the "Tasks to be Performed" section, and may propose alternative approaches.

#### 6.4. Statement of Qualifications:

The statement of qualifications must include a description of organizational and staff experience, and resumes of proposed staff.

## **SPECIAL PROVISIONS**

- a. Organizational and Staff Experience: Offerors must describe their qualifications and experience to perform the work described in this Request for Proposal. Information about experience should include direct experience with the specific subject matter.
- b. Client References: Special notation must be made of similar or related programs performed and must include organization names, addresses, names of contact persons, e-mail addresses and telephone numbers for such reference.
- c. Personnel: Full-time and part-time staff, proposed consultants and subcontractors who may be assigned direct work on this project should be identified. Information is required which will show the composition of the task or work group, its specific qualifications, and recent relevant experience. Special mention shall be made of direct technical supervisors and key technical personnel.

Resumes of staff and proposed consultants are required indicating education, background, recent relevant experience with the subject matter of the project. Current telephone numbers must be included.

### **7. CONSULTATION SERVICES:**

- 7.1. Starting on the award date, the contractor's staff must be available for consultation with county staff on an as-needed basis between 8:00 AM and 5:00 PM, Eastern Time, Monday through Friday.

### **8. COST PROPOSAL INSTRUCTIONS:**

- 8.1. The offeror must submit a cost proposal in a separate binder fully supported by cost and pricing data adequate to establish the reasonableness of any proposed fees. The following information should be submitted as part of the cost proposal:

The cost of each task or segment of the task shall be itemized.

- a. For any proposed fees, offerors must provide a price breakdown for each service separately as well as totals for services provided together if price differ. Reference paragraph 5.22, "Administrative fees, p-card fees, and other fees."
- b. If applicable, provide hourly rates for consulting services for each task and/or job position.
- c. If applicable, include travel and per diem or subsistence costs, including the purpose of travel, purpose, and origin and destination of travel.
- d. The offeror may propose any combination of rebates, bonuses, and/or incentives. Reference paragraph 5.23, "Rebates, incentives, and bonuses" for additional details. At a minimum, all volume based rebates, bonuses, or incentives must be based on the aggregate spend of both the County government and FCPS p-card programs.

### **9. PRICING:**

- 9.1. The subsequent contract will be a firm-fixed price agreement. The fee(s) will remain firm and will include all charges that may be incurred in fulfilling the requirements of the contract during the first 365 days. Changes in cost for any subsequent contract years may be based on the Consumer Price Index (CPI-U), Table 10, U.S. City Averages, or other relevant indices.
- 9.2. The request for a change in the unit price shall include as a minimum, (1) the cause for the adjustment; (2) proposed effective date; and, (3) the amount of the change requested with documentation to support the requested adjustment (i.e., appropriate Bureau of Labor Statistics, Consumer Price Index (CPI-U), change in manufacturer's price, etc.).

**SPECIAL PROVISIONS**

- 9.3. Price decreases shall be made in accordance with paragraph 43 of the General Conditions & Instructions to Offerors. (Appendix A)

**10. TRADE SECRETS/PROPRIETARY INFORMATION:**

- 10.1. Trade secrets or proprietary information submitted by an offeror in connection with a procurement transaction shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, offerors must invoke the protections of this section prior to or upon submission of the data or other materials.
- 10.2. The offeror must identify the data or other materials to be protected and state the reasons why protection is necessary. Disposition of material after award(s) should be stated by the offeror.

**11. CONTACT FOR CONTRACTUAL MATTERS:**

- 11.1. All communications and requests for information and clarifications shall be directed to the following procurement official:

Jamie Pun, VCO, Contract Specialist II  
 Department of Purchasing and Supply Management  
 Telephone: (703) 324-3653  
[ji.pun@fairfaxcounty.gov](mailto:ji.pun@fairfaxcounty.gov)

- 11.2. No attempt shall be made by any offeror to contact members of the Selection Advisory Committee (SAC) about this procurement (see paragraph 16.3).

**12. REQUIRED SUBMITTALS:**

- 12.1. Each offeror responding to this Request for Proposal must supply all the documentation required in the RFP. Failure to provide documentation with the offeror's response to the RFP will result in the disqualification of the offeror's proposal.

**13. SUBMISSION OF PROPOSAL:**

- 13.1. Offerors are required to submit the following:

- a. One (1) original (duly marked) hard copy of the Technical and Cost Proposals,
- b. Thirteen (13) electronic copies of the Technical Proposal on thumb drives, and
- c. Thirteen (13) electronic copies of the Cost Proposal on thumb drives.

All copies shall be delivered to the following address in sealed envelopes or packages with the proposal number, title and the offerors name and address on the outside. The technical proposal and the cost proposal must be provided on separate thumb drives. The offeror must include a notarized statement that each electronic version is a true copy of the printed version. In the event that the electronic copy is different from the original hard copy, the original hard copy will take precedence over any electronic copy. Electronically stamped delivery receipts are available.

Department of Purchasing and Supply Management  
 12000 Government Center Parkway, Suite 427  
 Fairfax, Virginia 22035-0013  
 Telephone: 703-324-3201

- 13.2. Offerors are reminded that changes to the request for proposal, in the form of addenda, are often issued between the issue date and within three (3) days before the due date of the solicitation. All addenda MUST be signed and submitted to the Department of Purchasing and Supply Management, 12000 Government Center Parkway, Suite 427, Fairfax, VA 22035 before the due date/time or must accompany the proposal. Notice of addenda will be posted on eVA and the

### **SPECIAL PROVISIONS**

DPSM current solicitation webpage. It is the Offeror's responsibility to monitor the web page for the most current addenda at [www.fairfaxcounty.gov/solicitation](http://www.fairfaxcounty.gov/solicitation).

- 13.3. It is the offeror's responsibility to clearly identify and to describe the services being offered in response to the Request for Proposal. Offerors are cautioned that organization of their response, as well as thoroughness is critical to the County's evaluation process. The RFP forms must be completed legibly and in their entirety; and all required supplemental information must be furnished and presented in an organized, comprehensive and easy to follow manner.
- 13.4. Unnecessarily elaborate brochures of other presentations beyond that sufficient to present a complete and effective proposal is not desired. Elaborate artwork, expensive paper, bindings, visual and other presentation aids are not required. The County encourages the use of recycled paper, therefore it is urged that proposals be submitted on paper made from or with recycled content and be printed on both sides.
- 13.5. Each original and set of the thirteen (13) copies of the proposal shall consist of:
  - a. Cover sheet (DPSM32)
  - b. Technical proposal as required in the Special Provisions, Section 5, **TASKS TO BE PERFORMED** and Section 6, **TECHNICAL PROPOSAL INSTRUCTIONS**.
  - c. Cost proposal as required in the Special Provisions Section 8, **COST PROPOSAL INSTRUCTIONS**.
- 13.6 By executing the cover sheet (DPSM32), Offeror acknowledges that they have read this Request for Proposal, understand it, and agree to be bound by its terms and conditions. Proposals may be submitted by mail or delivered in person.

#### **14. LATE PROPOSALS:**

- 14.1 Proposals received in the Office of the County Purchasing Agent after the date and time prescribed shall not be considered for contract award and shall be returned to the offeror.

#### **15. PERIOD THAT PROPOSALS REMAIN VALID:**

- 15.1 Proposals will remain valid for a period of one-hundred and eighty days (180) calendar days after the date specified for receipt of proposals.

#### **16. BASIS FOR AWARD:**

- 16.1. This Request for Proposal is being utilized for competitive negotiation. Under the competitive negotiation process, a contract may be awarded to the responsible offeror whose proposal is determined to be the most advantageous to the County, taking into consideration price and the evaluation factors set forth in the Request for Proposal. The County reserves the right to make multiple awards as a result of this solicitation.
- 16.2. A Selection Advisory Committee has been established to review and evaluate all proposals submitted in response to this Request for Proposal. The Committee shall conduct a preliminary evaluation of all proposals on the basis of the information provided with the proposal, and the evaluation criteria listed below. Based upon this review, the cost proposals of the highest rated offeror(s) will then be reviewed.
- 16.3. No offeror, including any of their representatives, subcontractors, affiliates and interested parties, shall contact any member of the Selection Advisory Committee or any person involved in the evaluation of the proposals. Selection Advisory Committee members will refer any and all calls related to this procurement to the procurement official named in 11.1 above. Failure to comply with this directive may, at the sole discretion of the county, result in the disqualification of an offeror from the procurement process.



**SPECIAL PROVISIONS**

- 16.4. Based on the results of the preliminary evaluation, the highest rated offeror(s) may be invited by the County Purchasing Agent to make oral presentations or demonstrations to the Selection Advisory Committee. This committee will then conduct a final evaluation of the proposals. Selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals, on the basis of the factors involved in the Request for Proposal, including price if so stated in the Request for Proposal. Negotiations shall then be conducted with each of the offerors so selected. After negotiations have been conducted with each offeror so selected, the County shall select the offeror which, in its opinion, has made the best proposal, and shall award the contract to that offeror.
- 16.5. Should the County determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror. The Committee will make appropriate recommendations to the County Executive and Board of Supervisors, if appropriate, prior to actual award of contract.
- 16.6. Proposal Evaluation Criteria
- The following factors will be considered in the award of this contract:
- a. As outlined in the Special Provisions, offeror's approach and depth of response to the required scope of work and tasks to be performed; strength of the preliminary work plan; offeror's experience, ability, capacity and qualifications to fully and satisfactorily provide products and services described in this RFP; financial stability; and client references of the offeror. 50%
  - b. Ability to comply with technical and system requirements **Attachments C.** 15%
  - c. Demonstration of web-based reporting tool. 10%
  - d. Reasonableness of cost proposal(s). 25%
- 16.7. Fairfax County reserves the right to make on-site visitations to assess the capabilities of individual offerors and to contact references provided with the proposal.
- 16.8. The County Purchasing Agent may arrange for discussions with firms submitting proposals, if required, for the purpose of obtaining additional information or clarification.
- 16.9. Offerors are advised that, in the event of receipt of an adequate number of proposals, which, in the opinion of the County Purchasing Agent, require no clarifications and/or supplementary information, such proposals may be evaluated without further discussion. Consequently, offerors should provide complete, thorough proposals with the offerors most favorable terms. Should proposals require additional clarification and/or supplementary information, offerors should submit such additional material in a timely manner.
- 16.10. Proposals which, after discussion and submission of additional clarification and/or supplementary information, are determined to meet the specifications of this Request for Proposal will be classified as "acceptable". Proposals found not to be acceptable will be classified as "unacceptable" and no further discussion concerning same will be conducted.
- 16.11. The County may cancel this Request for Proposal or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous.

**SPECIAL PROVISIONS****17. INSURANCE:**

- 17.1 The contractor is responsible for its work and for all materials, tools, equipment, appliances, and property of any and all description used in connection with the project, whether owned by the contractor or by the county. The contractor assumes all risks of direct and indirect damage or injury to any person or property wherever located, resulting from any action, omission, commission or operation under the contract, or in connection in any way whatsoever with the contracted work.
- 17.2 The contractor shall, during the continuance of all work under the contract provide the following:
- a. Maintain statutory Worker's Compensation and Employer's Liability insurance in limits of not less than \$100,000 to protect the Contractor from any liability or damages for any injuries (including death and disability) to any and all of its employees, volunteers, or subcontractors, including any and all liability or damage which may arise by virtue of any statute or law in force within the Commonwealth of Virginia, or which may be hereinafter enacted.
  - b. The contractor agrees to maintain Commercial General Liability insurance in the amount of \$1,000,000 per occurrence/aggregate, to protect the contractor, its subcontractors, and the interest of the county, against any and all injuries to third parties, including bodily injury and personal injury, wherever located, resulting from any action or operation under the contract or in connection with contracted work. The General Liability insurance shall also include the Broad Form Property Damage endorsement, in addition to coverage's for explosion, collapse, and underground hazards, where required.
  - c. The contractor agrees to maintain owned, non-owned, and hired Automobile Liability insurance, in the amount of \$1,000,000 per occurrence/aggregate, including property damage, covering all owned, non-owned borrowed, leased, or rented vehicles operated by the contractor. In addition, all mobile equipment used by the contractor in connection with the contracted work will be insured under either a standard Automobile Liability policy, or a Comprehensive General Liability policy.
  - d. The contractor agrees to maintain Professional Liability insurance in the amount of \$1,000,000 per occurrence/aggregate to cover each individual professional staff.
  - e. Liability insurance may be arranged by General Liability and Automobile Liability policies for the full limits required, or by a combination of underlying Liability policies for lesser limits with the remaining limits provided by an Excess or Umbrella Liability policy.
  - f. Rating Requirements:
    1. The contractor agrees to provide insurance issued by companies admitted within the Commonwealth of Virginia, with the Best's Key Rating of at least A: VI.
    2. European markets including those based in London, and the domestic surplus lines markets that operate on a non-admitted basis are exempt from this requirement provided that the contractor's broker can provide financial data to establish that a market is equal to or exceeds the financial strengths associated with the A.M. Best's rating of A:VI or better.
  - g. Indemnification: Article 63 of the General Conditions and Instructions to Bidders (Appendix A) shall apply.
  - h. The contractor will provide an original, signed Certificate of Insurance citing the contract number and such endorsements as prescribed herein, and shall have it filed with the County Purchasing Agent and/or Risk Manager before any work is started.

## **SPECIAL PROVISIONS**

- i. If the contractor delivers services from a County-leased facility, the Contractor is required to carry property insurance on all equipment, to include County-owned installed and maintained equipment used by the contractor while in their care, custody and control for use under this contract.
- 17.3. No change, cancellation, or non-renewal shall be made in any insurance coverage without a thirty day written notice to the County Purchasing Agent and/or Risk Manager. The contractor shall furnish a new certificate prior to any change or cancellation date. The failure of the contractor to deliver a new and valid certificate will result in suspension of all payments until the new certificate is furnished.
- 17.4. Precaution shall be exercised at all times for the protection of persons (including employees) and property.
- 17.5. The County, its officers and employees shall be named as an "additional insured" in the Automobile and General Liability policies and it shall be stated on the Insurance Certificate that this coverage "is primary to all other coverage the County may possess."

### **18. METHOD OF ORDERING:**

- 18.1 The County may use two (2) different methods of placing orders from the final contract: Purchase Orders (PO's) and approved county p-cards.
- 18.2. A Purchase Order (PO) may be issued to the contractor on behalf of the County agency ordering the items/services covered under this contract. An issued PO will become part of the resulting contract. The purchase order indicates that sufficient funds have been obligated as required by Title 15.2-1238 of the Code of the Commonwealth of Virginia.
- 18.3. P-card orders and payments may also be made by the use of a Fairfax County or Fairfax County Public Schools p-card. Contractors are encouraged to accept this method of receiving orders.
- 18.4. Regardless of the method of ordering used, solely the contract and any modification determine performance time and dates.
- 18.5. Performance under this contract is not to begin until receipt of the purchase order, p-card order, or other notification to proceed by the County Purchasing Agent and/or county department to proceed. Purchase requisitions shall not be used for placing orders.

### **19. REPORTS AND INVOICING:**

- 19.1. The contractor must maintain all records in compliance with federal and state regulations. The contractor(s) must submit to each program administrator, monthly statistical reports and an annual tabulated report.
- 19.2. The contractor must invoice each County department using the final contract separately. Invoices for all users of the contract must meet County requirements, unless otherwise indicated. The contractor must send each department an itemized monthly invoice (or as agreed to between the parties), which must include the information listed below:
  - a. Employee name;
  - b. The name of the county department;
  - c. Date of services
  - d. The type of services; and,
  - e. The itemized cost for each item/service.

### **20. PAYMENTS:**

- 20.1 The County will pay the contractor based upon completion, acceptance, and approval by the county of each task outlined in the Special Provisions, paragraph 5, **TASKS TO BE PERFORMED.**

**SPECIAL PROVISIONS****21. CHANGES:**

- 21.1. The County may, at any time, by written order, require changes in the services to be performed by the contractor. If such changes cause an increase or decrease in the contractor's cost of, or time required for, performance of any services under this contract, an equitable adjustment shall be made and the contract shall be modified in writing accordingly. The County Purchasing Agent must approve all work that is beyond the scope of this Request for Proposal.
- 21.2. No services for which an additional cost or fee will be charged by the contractor shall be furnished without the prior written authorization of the County Purchasing Agent.

**22. DELAYS AND SUSPENSIONS:**

- 22.1. The County may direct the contractor, in writing, to suspend, delay, or interrupt all or any part of the work of this contract for the period of time deemed appropriate for the convenience of the County. The County will extend the contractor's time of completion by a period of time that in the discretion of the Purchasing Agent is reasonably suited for completion of work. The County may further amend the contract by mutual agreement for any increase in the cost of performance of the contract (excluding profit) resulting solely from the delay or suspension of the contract. No adjustment shall be made under this clause for any delay or interruption resulting from any other cause, including the fault or negligence of the contractor.
- 22.2. If the County does not direct the contractor, in writing, to suspend, delay, or interrupt the contract, the contractor must give the County Purchasing Agent written notice if the County fails to provide data or services that are required for contract completion by the Contractor. The County may extend the contractor's time of completion by a period of time that in the discretion of the Purchasing Agent is reasonably suited for completion of work. The County may further amend the contract by mutual agreement for any increase in the cost of performance of the contract (excluding profit) resulting solely from the delay or suspension of the contract. No adjustment shall be made under this clause for any delay or interruption resulting from any other cause, including the fault or negligence of the contractor.
- 22.3. The contractor shall continue its work on other phases of the project or contract, if in the sole discretion of the Purchasing Agent such work is not impacted by the County's delay, suspension, or interruption. All changes to the work plan or project milestones shall be reflected in writing as a contract amendment.

**23. ACCESS TO AND INSPECTION OF WORK:**

- 23.1. The County Purchasing Agent and using agencies will, at all times, have access to the work being performed under this contract wherever it may be in progress or preparation.

**24. PROJECT AUDITS:**

- 24.1. The contractor shall maintain books, records and documents of all costs and data in support of the services provided. The County or its authorized representative shall have the right to audit the books, records and documents of the contractor under the following conditions:
  - a. If the contract is terminated for any reason in accordance with the provisions of these contract documents in order to arrive at equitable termination costs;
  - b. In the event of a disagreement between the contractor and the County on the amount due the contractor under the terms of this contract;
  - c. To check or substantiate any amounts invoiced or paid which are required to reflect the costs of services, or the contractor's efficiency or effectiveness under this contract; and,
  - d. If it becomes necessary to determine the County's rights and the contractor's obligations under the contract or to ascertain facts relative to any claim against the contractor that may result in a charge against the County.

## **SPECIAL PROVISIONS**

- 24.2. These provisions for an audit shall give the County unlimited access during normal working hours to the contractor's books and records under the conditions stated above.
- 24.3. Unless otherwise provided by applicable statute, the contractor, from the effective date of final payment or termination hereunder, shall preserve and make available to the County for a period of three (3) years thereafter, at all reasonable times at the office of the contractor but without direct charge to the County, all its books, records documents and other evidence bearing on the costs and expenses of the services relating to the work hereunder.
- 24.4. The County's right to audit and the preservation of records shall terminate at the end of three (3) years as stated herein. The contractor shall include this "Right of Audit and Preservation of Records" clause in all subcontracts issued by it and they shall require same to be inserted by all lower tier subcontractors in their subcontracts, for any portion of the work.
- 24.5. Should the contractor fail to include this clause in any such contract or lower tier contract, or otherwise fail to insure the County's rights hereunder, the contractor shall be liable to the County for all reasonable costs, expenses and attorney's fees which the County may have to incur in order to obtain an audit or inspection of or the restoration of records which would have otherwise been available to the County from said persons under this clause. Such audit may be conducted by the County or its authorized representative.

### **25. DATA SOURCES:**

- 25.1. The County will provide the contractor all available data possessed by the County that relates to this contract. However, the contractor is responsible for all costs for acquiring other data or processing, analyzing or evaluating County data.

### **26. SAFEGUARDS OF INFORMATION:**

- 26.1. Unless approved in writing by the county Purchasing Agent, the contractor may not sell or give to any individual or organization any information, reports, or other materials given to, prepared or assembled by the contractor under the final contract.

### **27. ORDER OF PRECEDENCE:**

- 27.1. In the event of conflict, the Acceptance Agreement (provided at contract award) and the Special Provisions of this contract shall take precedence over the General Conditions and Instructions to Bidders, (Appendix A).

### **28. SUBCONTRACTING:**

- 28.1. If one or more subcontractors are required, the contractor is encouraged to utilize small, minority-owned, and women-owned business enterprises. For assistance in finding subcontractors, contact the Virginia Department of Business Assistance <http://www.dba.state.va.us>; the Virginia Department of Minority Business Enterprise <http://www.dmbe.state.va.us>; local chambers of commerce and other business organizations.
- 28.2. As part of the contract award, the prime contractor agrees to provide the names and addresses of each subcontractor, that subcontractor's status as defined by the County, as a small, minority-owned and/or woman-owned business, and the type and dollar value of the subcontracted goods/services provided. Reference Appendix B to this solicitation.

### **29. USE OF CONTRACT(S) BY MEMBERS COMPRISING MID-ATLANTIC PURCHASING TEAM COMMITTEE:**

- 29.1. Fairfax County extends the resultant contract(s), including pricing, terms and conditions to the members of the Mid-Atlantic Purchasing Team, as well as all other public entities under the jurisdiction of the United States and its territories.

## **SPECIAL PROVISIONS**

- 29.2 This shall include but not be limited to private schools, Parochial schools, non-public schools such as charter schools, special districts, intermediate units, non-profit agencies providing services on behalf of government, and/or state, community and/or private colleges/universities that required these good, commodities and/or services.
- 29.3 The Contractor agrees to notify the issuing jurisdiction of those entities that wish to use any contract resulting from this solicitation and will also provide usage information, which may be requested. The Contractor will provide the copy of the solicitation and resultant contract documents to any requesting jurisdiction or entity.
- 29.4 Any jurisdiction or entity using the resultant contract(s) may enter into its own contract with the successful Contractor(s). There shall be no obligation on the party of any participating jurisdiction to use the resultant contract(s). Contracts entered into with a participating jurisdiction may contain general terms and conditions unique to that jurisdiction including, by way of illustration and not limitation, clauses covering minority participation, non-discrimination, indemnification, naming the jurisdiction as an additional insured under any required Comprehensive General Liability policies, and venue.
- 29.5 Fairfax County shall not be held liable for any costs or damages incurred by another public entity as a result of any award extend to that public entity by the contractor.

### **30. NEWS RELEASE BY VENDORS:**

- 30.1. As a matter of policy, the County does not endorse the products or services of a contractor. News releases concerning any resultant contract from this solicitation will not be made by a contractor without the prior written approval of the County. All proposed news releases will be routed to the Purchasing Agent for review and approval.

### **31. AMERICANS WITH DISABILITIES ACT REQUIREMENTS:**

- 31.1. The County is fully committed to the Americans with Disabilities Act (ADA) which guarantees non-discrimination and equal access for persons with disabilities in employment, public accommodations, transportation, and all county programs, activities and services. The County government contractors, subcontractors, vendors, and/or suppliers are subject to this ADA policy. All individuals having any county contractual agreement must make the same commitment. Your acceptance of this contract acknowledges your commitment and compliance with ADA.
- 31.2. The County is committed to a policy of nondiscrimination in all county programs, services, and activities and will provide reasonable accommodations upon request. Bidders requesting special accommodations should call the Department ADA representative at (703) 324-3201 or TTY 1-800-828-1140. Please allow seven (7) working days in advance of the event to make the necessary arrangements.

### **32. HIPAA COMPLIANCE:**

- 32.1. Fairfax County Government has designated certain health care components as covered by the Health Insurance Portability and Accountability Act of 1996. The successful vendor will be designated a business associate pursuant to 45 CFR part 164.504(e) of those agencies identified as health care components of the County, including the Fairfax-Falls Church Community Services Board, upon award of contract. The successful vendor shall be required to execute a Fairfax County Business Associate Agreement and must adhere to all relevant federal, state, and local confidentiality and privacy laws, regulations, and contractual provisions of that agreement. These laws and regulations include, but are not limited to: (1) HIPAA – 42 USC 201, et seq., and 45 CFR Parts 160 and 164; and (2) Va Code – Title 32.1, Health, § 32.1-1 et seq. The vendor shall have in place appropriate administrative, technical, and physical safeguards to ensure the privacy and confidentiality of protected health information.
- 32.2. Further information regarding HIPAA Compliance is available on the County's website at <http://www.fairfaxcounty.gov/HIPAA>.

**SPECIAL PROVISIONS****33. STATE CORPORATION COMMISSION IDENTIFICATION NUMBER:**

- 33.1 Pursuant to *Code of Virginia*, §2.2-4311.2 subsection B, a bidder or offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 is required to include in its bid or proposal the identification number issued to it by the State Corporation Commission (SCC). Any bidder or offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law is required to include in its bid or proposal a statement describing why the bidder or offeror is not required to be so authorized. Any bidder or offeror that fails to provide the required information may not receive an award.

# COUNTY OF FAIRFAX COMMONWEALTH OF VIRGINIA

## GENERAL CONDITIONS AND INSTRUCTIONS TO BIDDERS

(Vendor: The general rules and conditions which follow apply to all purchases and become a definite part of each formal solicitation and resulting contract award issued by the DEPARTMENT OF PURCHASING & SUPPLY MANAGEMENT, unless otherwise specified. Bidders or their authorized representatives are expected to inform themselves fully as to the conditions, requirements, and specifications before submitting bids; failure to do so will be at the bidder's own risk and relief cannot be secured on the plea of error.)

Subject to all State and local laws, policies, resolutions, and regulations and all rules, regulations and limitations imposed by legislation of the Federal Government, bids on all solicitations issued by the DEPARTMENT OF PURCHASING & SUPPLY MANAGEMENT will bind bidders to applicable conditions and requirements herein set forth unless otherwise specified in the solicitation.

**1. AUTHORITY** -The Purchasing Agent has the sole responsibility and authority for negotiating, placing and when necessary modifying every solicitation, contract and purchase order (except for capital construction projects) issued by the County of Fairfax. In the discharge of these responsibilities, the Purchasing Agent may be assisted by assigned buyers. Unless specifically delegated by the County Purchasing Agent, no other County officer or employee is authorized to order supplies or services, enter into purchase negotiations or contracts, or in any way obligate the government of the County of Fairfax for an indebtedness. Any purchase ordered or contract made which is contrary to these provisions and authorities shall be of no effect and void and the County shall not be bound thereby.

### 2. DEFINITIONS-

**AGENCY:** Any Department, Agency, Authority, Commission, Board or other unit in the Administrative Service of the County.

**BEST VALUE:** As predetermined in the solicitation, means the overall combination of quality, price, and various elements of required services that in total are optimal relative to a public body's needs.

**BID:** The offer of a bidder to provide specific goods or services at specified prices and/or other conditions specified in the solicitation.

**BIDDER/OFFEROR:** Any individual, company, firm, corporation, partnership or other organization bidding on solicitations issued by the Purchasing Agent and offering to enter into contracts with the County. The term "bidder" will be used throughout this document and shall be construed to mean "offeror" where appropriate.

**CONSULTANT SERVICES:** Any type of services required by the County, but not furnished by its own employees, which is in its nature so unique that it should be obtained by negotiation on the basis of demonstrated competence and qualification for the type of service required and at fair and reasonable compensation, rather than by competitive sealed bidding.

**CONTRACTOR:** Any individual, company, firm, corporation, partnership or other organization to whom an award is made by the County.

**COUNTY:** County of Fairfax.

**GOODS:** All material, equipment, supplies, printing, and automated data processing/information technology hardware and software.

**INFORMALITY:** A minor defect or variation of a bid or proposal from the exact requirements of the invitation to bid or the request for proposal which does not affect the price, quality, quantity or delivery schedule for the goods, services or construction being procured.

**INVITATION FOR BID (IFB):** A request which is made to prospective suppliers (bidders) for their quotation on goods or services desired by the County. The issuance of an IFB will contain or incorporate by reference the specifications and contractual terms and conditions applicable to the procurement.

**PROFESSIONAL SERVICES:** Any type of professional service performed by an independent contractor within the practice of accounting, actuarial services, architecture, dentistry, land surveying, landscape architecture, law, medicine, optometry, pharmacy, or professional engineering (which shall be procured as set forth in the Code of Virginia §2.2-4301 in the definition of competitive negotiation at paragraph 3 (a), and in conformance with the Fairfax County Purchasing Resolution).

**PURCHASING AGENT:** The Purchasing Agent employed by the Board of Supervisors of Fairfax County, Virginia.

**QUICK QUOTE (QQ):** A method of competitive bidding for the purchase or lease of goods, non professional services or for the purchase of insurance, construction, or construction management when the estimated cost thereof shall be less the \$50,000.

**REQUEST FOR PROPOSAL (RFP):** A request for an offer from prospective offerors which will indicate the general terms which are sought to be procured from the offeror. The RFP will specify the evaluation factors to be used and will contain or incorporate by reference other contractual terms and conditions applicable to the procurement.

**RESPONSIBLE BIDDER/OFFEROR:** An individual, company, firm, corporation, partnership or other organization having the capability in all respects to perform fully the contract requirements, and also having the moral and business integrity and reliability which will assure good faith performance, and having been prequalified, if required. (Reference paragraph 24, General Conditions and Instructions to Bidders).



### **General Conditions and Instructions to Bidders**

**RESPONSIVE BIDDER/OFFEROR:** An individual, company, firm, corporation, partnership or other organization having submitted a bid which conforms in all material respects to the invitation for bid or request for proposal.

**SERVICES:** Any work performed by an independent contractor wherein the service rendered does not consist primarily of acquisition of equipment or materials, or the rental of equipment, materials and supplies.

**SOLICITATION:** The process of notifying prospective bidders that the County wishes to receive bids on a set of requirements to provide goods or services. The notification of County requirements may consist of public advertising (newspaper, County Web Site, or other electronic notification), the mailing of Notices of Solicitation, Invitation for Bid (IFB) or Request for Proposal (RFP), the public posting of notices, issuance of an Open Market Procurement (OMP), or telephone calls to prospective bidders.

**STATE:** Commonwealth of Virginia.

### **CONDITIONS OF BIDDING**

**3. BID FORMS-**Unless otherwise specified in the solicitation, all bids shall be submitted on the forms provided, to include the bid Cover Sheet and Pricing Schedule(s), properly signed in ink in the proper spaces and submitted in a sealed envelope or package. The item pages of the Pricing Schedule which do not include any items for which a bid is required need not be included in the submission of a bid.

Should the bid prices and/or any other submissions differ on the copy of the submitted bid, the ORIGINAL copy shall prevail.

#### **4. LATE BIDS & MODIFICATIONS OF BIDS-**

- a. Any bid/modification received at the office designated in the solicitation after the exact time specified for receipt of the bid/modification is considered a late bid/modification. A late bid/modification will not be considered for award except under the following conditions only:
  1. It was sent by registered or certified mail not later than the fifth (5th) calendar date prior to the date specified for receipt of the bid/modification; or
  2. The bid/modification was sent by mail and it is determined by the County Purchasing Agent that the late receipt was due solely to mishandling by the County after receipt at the address specified in the solicitation.
- b. If an emergency or unanticipated event or closing interrupts or suspends normal County business operations so that bids cannot be received at the County office designated for receipt of bids by the exact time specified in the solicitation, the due date/time specified for receipt of bids will be deemed to be extended to the same time of day specified in the solicitation on the first work day on which normal County business operations resume.
- c. The official time used for receipt of bids/modifications is the Bid Clerk's time and date stamp clock located in the Department of Purchasing and Supply Management. All bidders are responsible for ensuring all bids/modifications are received prior to the scheduled due date/time.
- d. A late hand-carried bid, or any other late bid not submitted by mail, shall not be considered for award.

#### **5. WITHDRAWAL OF BIDS-**

- a. A bidder for a public construction contract, other than a contract for construction or maintenance of public highways, may withdraw his or her bid from consideration if the price bid was substantially lower than the other bids due solely to a mistake therein, provided the bid was submitted in good faith, and the mistake was a clerical mistake as opposed to a judgment mistake, and was actually due to an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid, which unintentional arithmetic error or unintentional omission can be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn. If a bid contains both clerical and judgment mistakes, a bidder may withdraw his bid from consideration if the price bid would have been substantially lower than the other bids due solely to the clerical mistake, that was an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid which shall be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn. The bidder shall give notice in writing to the Purchasing Agent of his or her claim of right to withdraw his or her bid within two (2) business days after the conclusion of the bid opening procedure and shall submit original work papers with such notice.
- b. A bidder for a contract other than for public construction may request withdrawal of his or her bid under the following circumstances:
  1. Requests for withdrawal of bids prior to opening of such bids shall be transmitted to the County Purchasing Agent in writing.
  2. Requests for withdrawal of bids after opening of such bids but prior to award shall be transmitted to the County Purchasing Agent, in writing, accompanied by full documentation supporting the request. If the request is based on a claim of error, documentation must show the basis of the error. Such documentation may take the form of supplier quotations, vendor work sheets, etc. If bid bonds were tendered with the bid, the County may exercise its right of collection.

**General Conditions and Instructions to Bidders**

- c. No bid may be withdrawn under this paragraph when the result would be the awarding of the contract on another bid of the same bidder or of another bidder in which the ownership of the withdrawing bidder is more than five percent.
  - d. If a bid is withdrawn under the authority of this paragraph, the lowest remaining bid shall be deemed to be the low bid.
  - e. No bidder who is permitted to withdraw a bid shall, for compensation, supply any material or labor to or perform any subcontract or other work agreement for the person or firm to whom the contract is awarded or otherwise benefit, directly or indirectly, from the performance of the project for which the withdrawn bid was submitted.
  - f. If the county denies the withdrawal of a bid under the provisions of this paragraph, it shall notify the bidder in writing stating the reasons for its decision and award the contract to such bidder at the bid price, provided such bidder is a responsible and responsive bidder.
  - g. Work papers, documents, and materials submitted in support of a withdrawal of bids may be considered as trade secrets or proprietary information subject to the conditions of the Virginia Freedom of Information Act.
- 6. ERRORS IN BIDS-**When an error is made in extending total prices, the unit bid price will govern. Erasures in bids must be initialed by the bidder. Carelessness in quoting prices, or in preparation of bid otherwise, will not relieve the bidder. Bidders are cautioned to recheck their bids for possible error. Errors discovered after public opening cannot be corrected and the bidder will be required to perform if his or her bid is accepted.
- 7. MAILING OF BIDS –** All bids and proposals submitted in response to a Fairfax County solicitation shall be submitted in a sealed envelope or package identified with the solicitation number, title, bidder's name and address, and due date/time of opening/closing clearly marked on the outside of such envelope or package.
- 8. COMPLETENESS-**To be responsive, a bid must include all information required by the solicitation.
- 9. ACCEPTANCE OF BIDS/BINDING 90 DAYS-**Unless otherwise specified, all formal bids submitted shall be binding for ninety (90) calendar days following bid opening date, unless extended by mutual consent of all parties.
- 10. CONDITIONAL BIDS-**Conditional bids are subject to rejection in whole or in part.
- 11. BIDS FOR ALL OR PART-**Unless otherwise specified by the County Purchasing Agent or by the bidder, the Purchasing Agent reserves the right to make award on all items in the aggregate or on any of the items on an individual basis, whichever is in the best interest of the County. A bidder may restrict his or her bid to consideration in the aggregate by so stating but shall name a single unit price on each item bid. Any bid in which the bidder names a total price for all the articles without quoting a unit price for each and every separate item may not be considered for award.
- 12. AREA BIDS-**For the purchase and delivery of certain goods and services the County may be divided into Areas (e.g., Areas I, II, III, and IV). When such goods and services are included in the Pricing Schedule, bidders may bid on all areas or an individual area. A map showing the areas of the County will be furnished with the solicitation when required.
- 13. TIME FOR RECEIVING BID-**Bids received prior to the time of opening will be securely kept, unopened. The representative of the Purchasing Agent assigned to open them will decide when the specified time has arrived, and no bid received thereafter will be considered, except as provided in paragraph 4, General Conditions and Instructions to Bidders. No responsibility will attach to the Purchasing Agent or his or her representative for the premature opening of a bid not properly addressed and identified. Unless specifically authorized in the solicitation, telegraphic, electronic, or facsimile bids/modifications will not be considered.
- 14. BID OPENING-**All bids received in response to an Invitation for Bid (IFB) will be opened at the date, time and place specified, read publicly, and made available for inspection as provided in paragraph 68, General Conditions and Instructions to Bidders. Tabulations of bids received are posted on the Department of Purchasing & Supply Management Bulletin Board as well as the County's web site: <http://www.fairfaxcounty.gov/dpsm/bidtab.htm>. Proposals received in response to a Request for Proposal (RFP) will be made available as provided in paragraph 68, General Conditions and Instructions to Bidders.
- 15. OMISSIONS & DISCREPANCIES-**Any items or parts of any equipment listed in this solicitation which are not fully described or are omitted from such specification, and which are clearly necessary for the completion of such equipment and its appurtenances, shall be considered a part of such equipment although not directly specified or called for in the specifications.
- Should a bidder find discrepancies or ambiguities in, or omissions from, the solicitation, including the drawings and/or specifications, he or she shall notify the Purchasing Agent at least five (5) days prior to the date set for the opening of bids. If necessary, the Purchasing Agent will send a written addendum for clarification to all bidders no later than three (3) days before the date set for opening of bids. Notifications regarding specifications will not be considered if received within five days of the date set for opening of bids.
- 16. RESPONSE TO SOLICITATIONS-**In the event a vendor cannot submit a bid on a solicitation, he or she is requested to return the solicitation cover sheet with an explanation as to why he or she is unable to bid on these requirements.
- 17. BIDDER INTERESTED IN MORE THAN ONE BID-**If more than one bid is offered by any one party, either directly or by or in the name of his or her clerk, partner, or other persons, all such bids may be rejected. A party who has quoted prices on work, materials, or supplies to a bidder is not thereby disqualified from quoting prices to other bidders or firms submitting a bid directly for the work, materials or supplies.

### **General Conditions and Instructions to Bidders**

**18. TAX EXEMPTION-**The County is exempt from the payment of any federal excise or any Virginia sales tax. The price bid must be net, exclusive of taxes. However, when under established trade practice any federal excise tax is included in the list price, a bidder may quote the list price and shall show separately the amount of federal tax, either as a flat sum or as a percentage of the list price, which shall be deducted by the County. Fairfax County's Federal Excise Tax Exemption Number is 54-74-0127K. Contractors located outside the Commonwealth of Virginia are advised that when materials are picked up by the County at their place of business, they may charge and collect their own local/state sales tax. Materials used in the performance of construction contracts are subject to Virginia Sales/Use Tax as described in Section 630-10-27J of the Virginia Retail Sales and Use Tax Regulations.

**19. PROHIBITION AGAINST UNIFORM PRICING-**The County Purchasing Agent shall encourage open and competitive bidding by all possible means and shall endeavor to obtain the maximum degree of open competition on all purchase transactions using the competitive sealed bidding, competitive negotiation, or open market methods of procurement. In submitting a bid each bidder shall, by virtue of submitting a bid, guarantee that he or she has not been a party with other bidders to an agreement to bid a fixed or uniform price. Violation of this implied guarantee shall render void the bids of participating bidders. Any disclosure to or acquisition by a competitive bidder, in advance of the opening of the bids, of the terms or conditions of the bid submitted by another competitor may render the entire proceedings void and may require re-advertising for bids.

### **SPECIFICATIONS**

**20. QUESTIONS CONCERNING SPECIFICATIONS-**Any information relative to interpretation of specifications and drawings shall be requested of the Purchasing Agent, in writing, in ample time before the opening of bids. No inquiries, if received by the Purchasing Agent within five (5) days of the date set for the opening of bids, will be given any consideration. Any material interpretation of a specification, as determined by the County Purchasing Agent, will be expressed in the form of an addendum to the specification which will be sent to all prospective bidders no later than three (3) days before the date set for receipt of bids. Oral answers will not be authoritative.

**21. BRAND NAME OR EQUAL ITEMS-**Unless otherwise provided in the invitation for bid, the name of a certain brand, make or manufacturer does not restrict bidders to the specific brand, make or manufacturer named; it conveys the general style, type, character, and quality of the article desired, and 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.

**22. FORMAL SPECIFICATIONS-**When a solicitation contains a specification which states no substitutes, no deviation therefrom will be permitted and the bidder will be required to furnish articles in conformity with that specification.

The bidder shall abide by and comply with the true intent of the specifications and not take advantage of any unintentional error or omission, but shall fully complete every part as the true intent and meaning of the specifications and drawings. Whenever the mention is made of any articles, material, or workmanship to be in accordance with laws, ordinances, building codes, underwriter's codes, A.S.T.M. regulations or similar expressions, the requirements of these laws, ordinances, etc., shall be construed as to the minimum requirements of these specifications.

**23. FEDERAL SPECIFICATIONS-**Any Federal Specifications referred to herein may be obtained from the GSA Federal Supply Service Bureau - Specification Section, 470 East L'Enfant Plaza, S.W., Suite #8100, Washington, D.C. 20407 (Voice: 1-202-619-8925, Fax: 1-202-619-8978).

### **AWARD**

**24. AWARD OR REJECTION OF BIDS-**The Purchasing Agent shall award the contract to the lowest responsive and responsible bidder complying with all provisions of the IFB, provided the bid price is reasonable and it is in the best interest of the County to accept it. Awards made in response to a RFP will be made to the highest qualified offeror whose proposal is determined, in writing, to be the most advantageous to the County taking into consideration the evaluation factors set forth in the RFP. The Purchasing Agent reserves the right to award a contract by individual items, in the aggregate, or in combination thereof, or to reject any or all bids and to waive any informality in bids received whenever such rejection or waiver is in the best interest of the County. Award may be made to as many bidders as deemed necessary to fulfill the anticipated requirements of Fairfax County. The Purchasing Agent also reserves the right to reject the bid of a bidder deemed to be a non-responsible bidder.

In determining the responsibility of a bidder, the following criteria will be considered:

- a. The ability, capacity and skill of the bidder to perform the contract or provide the service required;
- b. Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;
- c. The character, integrity, reputation, judgment, experience and efficiency of the bidder;
- d. The quality of performance of previous contracts or services;
- e. The previous and existing compliance by the bidder with laws and ordinances relating to the contract or services;
- f. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
- g. The quality, availability and adaptability of the goods or services to the particular use required;
- h. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;
- i. The number and scope of the conditions attached to the bid;
- j. Whether the bidder is in arrears to the County on debt or contract or is a defaulter on surety to the County or whether the bidder's County taxes or assessments are delinquent; and
- k. Such other information as may be secured by the County Purchasing Agent having a bearing on the decision to award the contract. If an apparent low bidder is not awarded a contract for reasons of nonresponsibility, the County Purchasing Agent shall so notify that bidder and shall have recorded the reasons in the contract file.

### **General Conditions and Instructions to Bidders**

**25. NOTICE OF ACCEPTANCE/CONTRACT DOCUMENTS-**A written award (or Acceptance Agreement) mailed (or otherwise furnished) to the successful bidder within the time for acceptance specified in the solicitation shall be deemed to result in a binding contract. The following documents which are included in the solicitation shall be incorporated by reference in the resulting contract and become a part of said contract:

- a. County of Fairfax Solicitation Form/Acceptance Agreement (Cover Sheet) and other documents which may be incorporated by reference, if applicable,
- b. General Conditions and Instructions to Bidders,
- c. Special Provisions and Specifications,
- d. Pricing Schedule,
- e. Any Addenda/Amendments/Memoranda of Negotiations

**26. TIE-BIDS** – If all bids are for the same total amount or unit price (including authorized discounts and delivery times), and if the public interest will not permit the delay of readvertisement for bids, the County Purchasing Agent is authorized to award the contract to the resident Fairfax County tie bidder whose firm has its principal place of business in the County, or if there be none, to the resident Virginia tie bidder, or if there be none, to one of the tie bidders by drawing lots in public; or the County Purchasing Agent may purchase the goods or services in the open market except that the price paid shall not exceed the lowest contract bid price submitted for the same goods or services. The decision of the County to make award to one or more such bidders shall be final.

**27. PROMPT PAYMENT DISCOUNT-**

- a. Unless otherwise specified in the solicitation, prompt payment discounts requiring payment in less than fifteen (15) days will not be considered in evaluating a bid for award. However, even though not considered in the evaluation, such discounts will be taken if payment is to be made within the discount period.
- b. In connection with any discount offered, time will be computed from the date of delivery of the supplies to the carrier when delivery, inspection and acceptance are at the point of origin; or, from date of delivery, inspection and acceptance at destination; or, from date correct invoice or voucher is received in the office specified by the County, if the latter is later than the date of acceptance. In the event the bidder does not indicate a prompt payment discount, it shall be construed to mean NET 30 days.

For the purpose of earning the discount, payment is deemed to be made as of the date of mailing of the County check or issuance of an Electronic Funds Transfer.

**28. INSPECTION-ACCEPTANCE-**For determining acceptance of supplies in accordance with the provisions of the prompt payment discount paragraph, inspection and acceptance shall be accomplished only after examination (including testing) of supplies and services to determine whether the supplies and services conform to the contract requirements. Acceptance shall occur only after receipt and inspection provided such inspection, as appropriate, is accomplished within a reasonable time.

**29. DEFINITE BID QUANTITIES-**Where definite quantities are specifically stated, acceptance will bind the County to order quantities specified and to pay for, at contract prices, all such supplies or services delivered that meet specifications and conditions of the contract. However, the County will not be required to accept delivery of any balances unordered, as of the contract expiration date, unless the Contractor furnished the Purchasing Agent with a statement of unordered balances not later than ten (10) days after the termination date of the contract.

**30. REQUIREMENT BID QUANTITIES-**On "Requirement" bids, acceptance will bind the County to pay for, at unit bid prices, only quantities ordered and delivered. Where the County specifies estimated quantities, the Contractor shall not be required to deliver more than ten (10) percent in excess of the estimated quantity of each item, unless otherwise agreed upon.

### **CONTRACT PROVISIONS**

**31. TERMINATION OF CONTRACTS-**Contracts will remain in force for full periods specified and/or until all articles ordered before date of termination shall have been satisfactorily delivered and accepted and thereafter until all requirements and conditions shall have been met, unless:

- a. Terminated prior to expiration date by satisfactory deliveries of entire contract requirements, or upon termination by the County for Convenience or Cause.
- b. Extended upon written authorization of the Purchasing Agent and accepted by Contractor, to permit ordering of unordered balances or additional quantities at contract prices and in accordance with contract terms.

**32. TERMINATION FOR CONVENIENCE-**A contract may be terminated in whole or in part by the County in accordance with this clause whenever the County Purchasing Agent shall determine that such a termination is in the best interest of the County. Any such termination shall be effected by delivery to the Contractor at least five (5) working days prior to the termination date of a Notice of Termination specifying the extent to which performance shall be terminated and the date upon which termination becomes effective. An equitable adjustment in the contract price shall be made for completed service, but no amount shall be allowed for anticipated profit on unperformed services.

**General Conditions and Instructions to Bidders**

**33. TERMINATION OF CONTRACT FOR CAUSE-**

- a. If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner his or her obligations under this contract, or if the Contractor violates any of the covenants, agreements, or stipulations of this contract, in addition to the County's remedies under the contract and all other rights available at law or in equity, the County shall have the right to immediately terminate this contract. Such termination shall be effected by delivering a notice of termination to the Contractor at any time specifying the effective date of such termination. In such event all finished or unfinished documents, data, studies, surveys, drawings, maps, models, and reports prepared by the Contractor under the contract shall, at the option of the County, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents.
- b. Notwithstanding the above, the Contractor shall not be relieved of liability to the County for damages sustained by the County by virtue of any breach of contract by the Contractor for the purpose of set off until such time as the exact amount of damages due to the County from the Contractor is determined.

**34. CONTRACT ALTERATIONS-**No alterations in the terms of a contract shall be valid or binding upon the County unless made in writing and signed by the Purchasing Agent or his or her authorized agent.

**35. SUBLETTING OF CONTRACT OR ASSIGNMENT OF CONTRACT FUNDS-**It is mutually understood and agreed that the Contractor shall not assign, transfer, convey, sublet or otherwise dispose of his or her contractual duties to any other person, firm or corporation, without the previous written consent of the Purchasing Agent. If the Contractor desires to assign his or her right to payment of the contract, Contractor shall notify the Purchasing Agent immediately, in writing, of such assignment of right to payment. In no case shall such assignment of contract relieve the Contractor from his or her obligations or change the terms of the contract.

**36. FUNDING-**A contract shall be deemed binding only to the extent of appropriations available to each Agency for the purchase of goods and services.

**37. DELIVERY/SERVICE FAILURES-**Failure of a Contractor to deliver goods or services within the time specified, or within reasonable time as interpreted by the Purchasing Agent, or failure to make replacements/corrections of rejected articles/services when so requested, immediately or as directed by the Purchasing Agent, shall constitute authority for the Purchasing Agent to purchase in the open market articles/services of comparable grade/quality to replace the services, articles rejected, and/or not delivered. On all such purchases, the Contractor shall reimburse the County, within a reasonable time specified by the Purchasing Agent, for any expense incurred in excess of contract prices. Such purchases shall be deducted from the contract quantities if applicable. Should public necessity demand it, the County reserves the right to use or consume articles delivered or services performed which are substandard in quality, subject to an adjustment in price to be determined by the Purchasing Agent.

**38. NON-LIABILITY-**The Contractor shall not be liable in damages for delay in shipment or failure to deliver when such delay or failure is the result of fire, flood, strike, the transportation carrier, act of God, act of Government, act of an alien enemy or by any other circumstances which, in the Purchasing Agent's opinion, are beyond the control of the Contractor. Under such circumstances, however, the Purchasing Agent may, at his or her discretion, cancel the contract.

**39. NEW GOODS, FRESH STOCK-**All Contractors, unless otherwise specifically stated, shall provide new commodities, fresh stock, latest model, design or pack.

**40. NON-DISCRIMINATION-**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 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 non-discrimination 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 the requirements of this section.
- d. The Contractor will include the provisions of the foregoing paragraphs a, b, and c above in every subcontract or purchase order of over \$10,000 so that the provisions will be binding upon each subcontractor or vendor.
- e. Contractor and Subcontractor hereunder shall, throughout the term of this contract, comply with the Human Rights Ordinance, Chapter 11 of the Code of the County of Fairfax, Virginia, as reenacted or amended.

**41. SMALL AND MINORITY BUSINESS UTILIZATION**

- a. It is the policy of the County of Fairfax as declared by the Fairfax County Board of Supervisors' adoption of a Small and Minority Business Enterprise Program, April 6, 1981, that Fairfax County and its employees undertake every effort to increase opportunity for utilization of small or minority businesses in all aspects of procurement to the maximum extent feasible.
- B Where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the contractor is encouraged to offer such subcontracting opportunities to small, women and minority businesses.
- c. Where Federal grants or monies are involved it is the policy of Fairfax County, through its agents and employees, to comply with the requirements set forth in the U.S. Office of Management and Budget Circular No. A-102, uniform administrative requirements for Grants and Cooperative Agreements with State and Local Governments, as they pertain to small and minority business utilization.

### **General Conditions and Instructions to Bidders**

**42. GUARANTEES & WARRANTIES**-All guarantees and warranties required shall be furnished by the Contractor and shall be delivered to the Purchasing Agent before final payment on the contract is made. Unless otherwise stated, manufacturer's standard warranty applies.

**43. PRICE REDUCTION**-If at any time after the date of the bid the Contractor makes a general price reduction in the comparable price of any material covered by the contract to customers generally, an equivalent price reduction based on similar quantities and/or considerations shall apply to this contract for the duration of the contract period (or until the price is further reduced). Such price reduction shall be effective at the same time and in the same manner as the reduction in the price to customers generally. For purpose of this provision, a "general price reduction" shall mean any horizontal reduction in the price of an article or service offered (1) to Contractor's customers generally, or (2) in the Contractor's price schedule for the class of customers, i.e., wholesalers, jobbers, retailers, etc., which was used as the basis for bidding on this solicitation. An occasional sale at a lower price, or sale of distressed merchandise at a lower price, would not be considered a "general price reduction" under this provision. The Contractor shall submit his or her invoice at such reduced prices indicating on the invoice that the reduction is pursuant to the "Price Reduction" provision of the contract documents. The Contractor in addition will within ten days of any general price reduction notify the Purchasing Agent of such reduction by letter. FAILURE TO DO SO MAY REQUIRE TERMINATION OF THE CONTRACT. Upon receipt of any such notice of a general price reduction, all ordering offices will be duly notified by the Purchasing Agent.

The Contractor, if requested, shall furnish, within ten days after the end of the contract period, a statement certifying either (1) that no general price reduction, as defined above, was made after the date of the bid, or (2) if any such general price reductions were made, that as provided above, they were reported to the Purchasing Agent within ten (10) days and ordering offices were billed at the reduced prices. Where one or more such general price reductions were made, the statement furnished by the Contractor shall include with respect to each price reduction (1) the date when notice of any such reduction was issued, (2) the effective date of the reduction, and (3) the date when the Purchasing Agent was notified of any such reduction.

**44. CHANGES**-Should it become proper or necessary in the execution of this contract to make any change in design, or to make any alterations which will increase the expense, the Purchasing Agent shall determine an equitable adjustment. No payment shall be made to the Contractor for any extra material or services, or of any greater amount of money than stipulated to be paid in the contract, unless some changes in or additions to the contract requiring additional outlay by the Contractor shall first have been expressly authorized and ordered in writing by contract amendment or otherwise furnished by the Purchasing Agent.

**45. PLACING OF ORDERS**-Orders against contracts will be placed with the Contractor on a Purchase Order (or Procurement Card) executed and released by the Purchasing Agent or his or her designee. The Purchase Order must bear the appropriate contract number and date. Where Blanket Purchase Agreements (BPAs) have been executed and a Blanket Purchase Order has been released by the Purchasing Agent, telephonic orders may be placed directly with the Contractor by authorized personnel in the ordering Agency.

### **DELIVERY PROVISIONS**

**46. SHIPPING INSTRUCTIONS - CONSIGNMENT**-Unless otherwise specified in the solicitation each case, crate, barrel, package, etc., delivered under the contract must be plainly stenciled or securely tagged, stating the Contractor's name, purchase order number, and delivery address as indicated in the order. Where shipping containers are to be used, each container must be marked with the purchase order number, name of the Contractor, the name of the item, the item number, and the quantity contained therein. Deliveries must be made within the hours of 8:00 AM - 3:00 PM. Deliveries at any other time will not be accepted unless specific arrangements have been previously made with the receiver at the delivery point. No deliveries will be accepted on Saturdays, Sundays and holidays, unless previous arrangements have been made. It shall be the responsibility of the Contractor to insure compliance with these instructions for items that are drop-shipped.

**47. RESPONSIBILITY FOR SUPPLIES TENDERED**-Unless otherwise specified in the solicitation, the Contractor shall be responsible for the materials or supplies covered by the contract until they are delivered at the designated point, but the Contractor shall bear all risk on rejected materials or supplies after notice of rejection. Rejected materials or supplies must be removed by and at the expense of the Contractor promptly after notification of rejection, unless public health and safety require immediate destruction or other disposal of rejected delivery. If rejected materials are not removed by the Contractor within ten (10) days after date of notification, the County may return the rejected materials or supplies to the Contractor at his or her risk and expense or dispose of them as its own property.

**48. INSPECTIONS**-Inspection and acceptance of materials or supplies will be made after delivery at destinations herein specified unless otherwise stated. If inspection is made after delivery at destination herein specified, the County will bear the expense of inspection except for the value of samples used in case of rejection. Final inspection shall be conclusive except in regard to latent defects, fraud or such gross mistakes as to amount to fraud. Final inspection and acceptance or rejection of the materials or supplies will be made as promptly as practicable, but failure to inspect and accept or reject materials or supplies shall not impose liability on the County for such materials or supplies as are not in accordance with the specifications.

**49. COMPLIANCE**-Delivery must be made as ordered and in accordance with the solicitation or as directed by the Purchasing Agent when not in conflict with the bid. The decision of the Purchasing Agent as to reasonable compliance with delivery terms shall be final. Burden of proof of delay in receipt of goods by the purchaser shall rest with the Contractor. Any request for extension of time of delivery from that specified must be approved by the Purchasing Agent, such extension applying only to the particular item or shipment affected. Should the Contractor be delayed by the County, there shall be added to the time of completion a time equal to the period of such delay caused by the County. However, the contractor shall not be entitled to claim damages or extra compensation for such delay or suspension. These conditions may vary for construction contracts. See Special Provisions for the individual solicitation.

**50. POINT OF DESTINATION**-All materials shipped to the County must be shipped F.O.B. DESTINATION unless otherwise stated in the contract or purchase order. The materials must be delivered to the "Ship to" address indicated on the purchase order.

**General Conditions and Instructions to Bidders**

**51. ADDITIONAL CHARGES-**Unless bought F.O.B. "shipping point" and Contractor prepays transportation, no delivery charges shall be added to invoices except when express delivery is authorized and substituted on orders for the method specified in the contract. In such cases, difference between freight or mail and express charges may be added to invoice.

**52. METHOD AND CONTAINERS-**Unless otherwise specified, goods shall be delivered in commercial packages in standard commercial containers, so constructed as to ensure acceptance by common or other carrier for safe transportation to the point of delivery. Containers become the property of the County unless otherwise specified by bidder.

**53. WEIGHT CHECKING-**Deliveries shall be subject to re-weighing over official sealed scales designated by the County. Payments shall be made on the basis of net weight of materials delivered. Normal shrinkage may be allowed in such instances where shrinkage is possible. Net weights only, exclusive of containers or wrapping, shall be paid for by the County.

**54. DEMURRAGE AND RE-SPOTTING-**The County will be responsible for demurrage charges only when such charges accrue because of the County's negligence in unloading the materials. The County will pay railroad charges due to the re-spotting of cars, only when such re-spotting is ordered by the County.

**55. REPLACEMENT-**Materials or components that have been rejected by the Purchasing Agent, in accordance with the terms of a contract, shall be replaced by the Contractor at no cost to the County.

**56. PACKING SLIPS OR DELIVERY TICKETS-**All shipments shall be accompanied by Packing Slips or Delivery Tickets and shall contain the following information for each item delivered:

1. The Purchase Order Number,
2. The Name of the Article and Stock Number (Supplier's),
3. The Fairfax County Identification Number (FCIN), if specified in the order,
4. The Quantity Ordered,
5. The Quantity Shipped,
6. The Quantity Back Ordered,
7. The Name of the Contractor.

Contractors are cautioned that failure to comply with these conditions shall be considered sufficient reason for refusal to accept the goods.

**BILLING**

**57. BILLING-**Billing for the Fairfax County Public Schools and for County agencies: Unless otherwise specified on the contract or purchase order (PO), invoices are to be submitted, in DUPLICATE, for each purchase order immediately upon completion of the shipment or services. If shipment is made by freight or express, the original Bill of Lading, properly receipted, must be attached to the invoice. Invoices should be mailed to the "BILL TO" address on the PO or to the appropriate address specified in the contract.

**PAYMENTS**

**58. PAYMENT-**Payment shall be made after satisfactory performance of the contract, in accordance with all of the provisions thereof, and upon receipt of a properly completed invoice. Fairfax County reserves the right to withhold any or all payments or portions thereof for Contractor's failure to perform in accordance with the provision of the contract or any modifications thereto.

**59. PARTIAL PAYMENTS-**Unless otherwise specified, partial payments will be made upon acceptance of materials or services so invoiced if in accordance with completion date. However, up to 5 percent (5%) of the value of the entire order may be retained until completion of contract.

**60. PAYMENT FOR EQUIPMENT, INSTALLATION, AND TESTING-**When equipment requires installation (which shall also be interpreted to mean erection and/or setting up or placing in position, service, or use) and test, and where such installation or testing is delayed, payment may be made on the basis of 50% of the contract price when such equipment is delivered on the site. A further allowance of 25% may be made when the equipment is installed and ready for test. The balance shall be paid after the equipment is tested and found to be satisfactory. If the equipment must be tested, but installation is not required to be made by the Contractor or if the equipment must be installed but testing is not required, payment may be made on the basis of 75% at the time of delivery and the balance shall be paid after satisfactory test or installation is completed.

**GENERAL**

**61. GENERAL GUARANTY-**Contractor agrees to:

- a. Save the County, its agents and employees harmless from liability of any nature or kind for the use of any copyrighted or uncopyrighted composition; secret process, patented or unpatented; invention; article or appliance furnished or used in the performance of a contract for which the Contractor is not the patentee, assignee, licensee or owner.
- b. Protect the County against latent defective material or workmanship and to repair or replace any damages or marring occasioned in transit or delivery.
- c. Furnish adequate protection against damage to all work and to repair damages of any kind to the building or equipment, to his or her own work or to the work of other contractors, for which his or her workers are responsible.
- d. Pay for all permits, licenses and fees and give all notices and comply with all laws, ordinances, rules and regulations of the County.
- e. Protect the County from loss or damage to County owned property while it is in the custody of the Contractor.

**General Conditions and Instructions to Bidders**

**62. SERVICE CONTRACT GUARANTY-**Contractor agrees to:

- a. Furnish services described in the solicitation and resultant contract at the times and places and in the manner and subject to conditions therein set forth provided that the County may reduce the said services at any time.
- b. Enter upon the performance of services with all due diligence and dispatch, assiduously press to its complete performance, and exercise therein the highest degree of skill and competence.
- c. All work and services rendered in strict conformance to all laws, statutes, and ordinances and the applicable rules, regulations, methods and procedures of all government boards, bureaus, offices and other agents.
- d. Allow services to be inspected or reviewed by an employee of the County at any reasonable time and place selected by the County. Fairfax County shall be under no obligation to compensate Contractor for any services not rendered in strict conformity with the contract.
- e. Stipulate that the presence of a County Inspector shall not lessen the obligation of the Contractor for performance in accordance with the contract requirements, or be deemed a defense on the part of the Contractor for infraction thereof. The Inspector is not authorized to revoke, alter, enlarge, relax, or release any of the requirements of the contract documents. Any omission or failure on the part of the Inspector to disapprove or reject any work or material shall not be construed to be an acceptance of any such defective work or material. Notification of an omission or failure will be documented by the Purchasing Agent.

**63. INDEMNIFICATION-**Contractor shall indemnify, keep and save harmless the County, its agents, officials, employees and volunteers against claims of injuries, death, damage to property, theft, patent claims, suits, liabilities, judgments, cost and expenses which may otherwise accrue against the County in consequence of the granting of a contract or which may otherwise result therefrom, if it shall be determined that the act was caused through negligence or error, or omission of the Contractor or his or her employees, or that of the subcontractor or his or her employees, if any; and the Contractor shall, at his or her own expense, appear, defend and pay all charges of attorneys and all costs and other expenses arising therefrom or incurred in connection therewith; and if any judgment shall be rendered against the County in any such action, the Contractor shall, at his or her own expense, satisfy and discharge the same. Contractor expressly understands and agrees that any performance bond or insurance protection required by this contract, or otherwise provided by the Contractor, shall in no way limit the responsibility to indemnify, keep and save harmless and defend the County as herein provided.

**64. OFFICIALS NOT TO BENEFIT-**

- a. Each bidder or offeror shall certify, upon signing a bid or proposal, that to the best of his or her knowledge no Fairfax County official or employee having official responsibility for the procurement transaction, or member of his or her immediate family, has received or will receive any financial benefit of more than nominal or minimal value relating to the award of this contract. If such a benefit has been received or will be received, this fact shall be disclosed with the bid or proposal or as soon thereafter as it appears that such a benefit will be received. Failure to disclose the information prescribed above may result in suspension or debarment, or rescission of the contract made, or could affect payment pursuant to the terms of the contract.
- b. Whenever there is reason to believe that a financial benefit of the sort described in paragraph "a" has been or will be received in connection with a bid, proposal or contract, and that the contractor has failed to disclose such benefit or has inadequately disclosed it, the County Executive, as a prerequisite to payment pursuant to the contract, or at any other time, may require the Contractor to furnish, under oath, answers to any interrogatories related to such possible benefit.
- c. In the event the bidder or offeror has knowledge of benefits as outlined above, this information should be submitted with the bid or proposal. If the above does not apply at time of award of contract and becomes known after inception of a contract, the bidder or offeror shall address the disclosure of such facts to the Fairfax County Purchasing Agent, 12000 Government Center Parkway, Suite 427, Fairfax, Virginia 22035-0013. Relevant Invitation/Request for Proposal Number (see cover sheet) should be referenced in the disclosure.

**65. LICENSE REQUIREMENT-**All firms doing business in Fairfax County, shall obtain a license as required by Chapter 4, Article 7, of The Code of the County of Fairfax, Virginia, as amended, entitled "Business, Professional and Occupational Licensing (BPOL) Tax." Questions concerning the BPOL Tax should be directed to the Department of Tax Administration, telephone (703) 222-8234 or visit: [http://www.fairfaxcounty.gov/dta/business\\_tax.htm](http://www.fairfaxcounty.gov/dta/business_tax.htm). The BPOL Tax number must be indicated in the space provided on the Cover Sheet, "Fairfax License Tax No." when appropriate.

**66. AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH:** A contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the *Code of Virginia* or as otherwise required by law. Any business entity described above that enters into a contract with a Fairfax County pursuant to the Fairfax County Purchasing Resolution shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract. Fairfax County may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.

**67. COVENANT AGAINST CONTINGENT FEES-**The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For violation of this warranty, the County shall have the right to terminate or suspend this contract without liability to the County or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

**68. VIRGINIA FREEDOM OF INFORMATION ACT-**All proceedings, records, contracts and other public records relating to procurement transactions shall be open to the inspection of any citizen, or any interested person, firm or corporation, in accordance with the Virginia Freedom of Information Act (Reference Section 4.D., of the Fairfax County Purchasing Resolution)



**General Conditions and Instructions to Bidders**

**BIDDER/CONTRACTOR REMEDIES**

**69. INELIGIBILITY-**

- a. Any person or firm suspended or debarred from participation in County procurement shall be notified in writing by the County Purchasing Agent.
  1. The Notice of Suspension shall state the reasons for the actions taken and such decision shall be final unless the person or firm appeals within thirty (30) days of receipt of the Notice by instituting legal action as provided in the Code of Virginia.
  2. The Notice of Debarment shall state the reasons for the actions taken and the decision shall be final unless the person or firm appeals within thirty (30) days of receipt of the notice by instituting legal action as provided in the Code of Virginia.
- b. The County Purchasing Agent shall have the authority to suspend or debar a person or firm from bidding on any contract for the causes stated below:
  1. Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
  2. Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a County contractor;
  3. Conviction under the state or federal antitrust statutes arising out of the submission of bids or proposals;
  4. Violation of contract provisions, as set forth below, of a character which is regarded by the County Purchasing Agent to be so serious as to justify suspension or debarment action:
    - (a) failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
    - (b) a recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided, that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for suspension or debarment;
  5. Any other cause the County Purchasing Agent determines to be so serious and compelling as to affect responsibility as a contractor, such as debarment by another governmental entity for any cause listed herein, or because of prior reprimands;
  6. The contractor has abandoned performance or been terminated for default on any other Fairfax County project;
  7. The contractor is in default on any surety bond or written guarantee on which Fairfax County is an obligee.
- c. If, upon appeal, it is determined that the action taken by the County Purchasing Agent was arbitrary or capricious, or not in accordance with the Constitution of Virginia, statutes or regulations, the sole relief available to the person or firm shall be restoration of eligibility. The person or firm may not institute legal action until all statutory requirements have been met.

**70. APPEAL OF DENIAL OF WITHDRAWAL OF BID-**

- a. A decision denying withdrawal of a bid submitted by a bidder or offeror shall be final and conclusive unless the bidder appeals the decision within ten (10) days after receipt of the decision by instituting legal action as provided in the Code of Virginia. The bidder or offeror may not institute legal action until all statutory requirements have been met.
- b. If no bid bond was posted, a bidder refused withdrawal of bid under the provisions of Article 2, Section 4 a.9, of the Fairfax County Purchasing Resolution, prior to appealing, shall deliver to the County a certified check or cash bond in the amount of the difference between the bid sought to be withdrawn and the next low bid. Such security shall be released only upon a final determination that the bidder was entitled to withdraw the bid.
- c. If, upon appeal, it is determined that the decision refusing withdrawal of the bid was arbitrary or capricious, the sole relief shall be withdrawal of the bid.

**71. APPEAL OF DETERMINATION OF NONRESPONSIBILITY-**

- a. Any bidder who, despite being the apparent low bidder, is determined not to be a responsible bidder for a particular County contract shall be notified in writing by the County Purchasing Agent. Such notice shall state the basis for the determination, which shall be final unless the bidder appeals the decision within ten (10) days of receipt of the notice by instituting legal action as provided in the Code of Virginia. The bidder may not institute legal action until all statutory requirements have been met.
- b. If, upon appeal, it is determined that the decision of the County Purchasing Agent was arbitrary or capricious and the award for the particular County contract in question has not been made, the sole relief available to the bidder shall be a finding that the bidder is a responsible bidder for the County contract in question. Where the award has been made and performance has begun, the County may declare the contract void upon a finding that this action is in the best interest of the public. Where a contract is declared void, the performing contractor shall be compensated for the cost of performance up to the time of such declaration. In no event shall the performing contractor be entitled to lost profits.

**General Conditions and Instructions to Bidders****72. PROTEST OF AWARD OR DECISION TO AWARD-**

- a. Any bidder or offeror may protest the award or decision to award a contract by submitting a protest in writing to the County Purchasing Agent, or an official designated by the County of Fairfax, no later than ten (10) days after the award or the announcement of the decision to award, whichever occurs first. Any potential bidder or offeror on a contract negotiated on a sole source or emergency basis who desires to protest the award or decision to award such contract shall submit such protest in the same manner no later than ten days after posting or publication of the notice of such contract as provided in Article 3, Section 4, of the Fairfax County Purchasing Resolution. However, if the protest of any actual or potential bidder or offeror depends in whole or in part upon information contained in public records pertaining to the procurement transaction which are subject to inspection under Article 2, Section 4d of the Fairfax County Purchasing Resolution, then the time within which the protest must be submitted shall expire ten days after those records are available for inspection by such bidder or offeror under Article 2, Section 4d, or at such later time as provided herein. No protest shall lie for a claim that the selected bidder or offeror is not a responsible bidder or offeror. The written protest shall include the basis for the protest and the relief sought. The County Purchasing Agent shall issue a decision in writing within ten (10) days of the receipt of the protest stating the reasons for the action taken. This decision shall be final unless the bidder or offeror appeals within ten (10) days of receipt of the written decision by instituting legal action as provided in the Code of Virginia.
- b. If prior to award it is determined that the decision to award is arbitrary or capricious, then the sole relief shall be a finding to that effect. The County Purchasing Agent shall cancel the proposed award or revise it to comply with the law. If, after an award, it is determined that an award of a contract was arbitrary or capricious, then the sole relief shall be as hereinafter provided. Where the award has been made but performance has not begun, the performance of the contract may be declared void by the County. Where the award has been made and performance has begun, the County Purchasing Agent may declare the contract void upon a finding that this action is in the best interest of the County. Where a contract is declared void, the performing contractor shall be compensated for the cost of performance at the rate specified in the contract up to the time of such declaration. In no event shall the performing contractor be entitled to lost profits.
- c. Pending final determination of a protest or appeal, the validity of a contract awarded and accepted in good faith in accordance with this article shall not be affected by the fact that a protest or appeal has been filed.
- d. An award need not be delayed for the period allowed a bidder or offeror to protest, but in the event of a timely protest, no further action to award the contract will be taken unless there is a written determination that proceeding without delay is necessary to protect the public interest or unless the bid or offer would expire.

**73. CONTRACTUAL DISPUTES-**

- a. Any dispute concerning a question of fact as a result of a contract with the County which is not disposed of by agreement shall be decided by the County Purchasing Agent, who shall reduce his decision to writing and mail or otherwise forward a copy to the contractor within ninety (90) days. The decision of the County Purchasing Agent shall be final and conclusive unless the contractor appeals within six (6) months of the date of the final written decision by instituting legal action as provided in the Code of Virginia. A contractor may not institute legal action, prior to receipt of the County Purchasing Agent's decision on the claim, unless the County Purchasing Agent fails to render such decision within the time specified.
- b. Contractual claims, whether for money or other relief, shall be submitted in writing no later than sixty days after final payment; however, written notice of the contractor's intention to file such claim shall have been given at the time of the occurrence or beginning of the work upon which the claim is based. Nothing herein shall preclude a contract from requiring submission of an invoice for final payment within a certain time after completion and acceptance of the work or acceptance of the goods. Pendency of claims shall not delay payment of amounts agreed due in the final payment.

**74. LEGAL ACTION-**No bidder, offeror, potential bidder or offeror, or contractor shall institute any legal action until all statutory requirements have been met.

**75. COOPERATIVE PURCHASING-**The County may participate in, sponsor, conduct or administer a cooperative procurement agreement on behalf of or in conjunction with one or more other public bodies, or public agencies or institutions or localities of the several states, of the United States or its territories, or the District of Columbia, for the purpose of combining requirements to increase efficiency or reduce administrative expenses in any acquisition of goods and services. Except for contracts for professional services, a public body may purchase from another public body's contract even if it did not participate in the request for proposal (RFP) or invitation for bid (IFB), if the RFP or IFB specified that the procurement was being conducted on behalf of other public bodies. Nothing herein shall prohibit the assessment or payment by direct or indirect means of any administrative fee that will allow for participation in any such arrangement.

**76. PROFESSIONAL AFFILIATION-**The Department of Purchasing & Supply Management holds membership in the National Institute of Governmental Purchasing, Inc., a non-profit, educational and technical organization that includes among its goals and objectives the study, discussion, and recommendation of improvements in governmental purchasing and the interchange of ideas and experiences on local state, and national governmental purchasing problems.

**General Conditions and Instructions to Bidders**

**77. DRUG FREE WORKPLACE-**During the performance of a 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 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 conjunction with a specific contract awarded to a contractor in accordance with this section, 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.

**78. VENUE:** This contract and its terms, including, but not limited to, the parties' obligations under it, the performance due from each party under it, and the remedies available to each party for breach of it, shall be governed by, construed and interpreted in accordance with the laws of the Commonwealth of Virginia. Any jurisdiction's choice of law, conflict of laws, rules, or provisions, including those of the Commonwealth of Virginia that would cause the application of any laws other than those of the Commonwealth of Virginia shall not apply. Any and all disputes, claims and causes of action arising out of or in connection with this contract or any performance hereunder, shall be brought in the applicable court of Fairfax County, Virginia, or in the United States District Court, Eastern District of Virginia, Alexandria Division.

**79. IMMIGRATION REFORM AND CONTROL ACT:** Contractor agrees that it does not, and shall not during the performance of the contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the Federal Immigration Reform and Control Act of 1986.

**80. CONTRACTOR NOT TO BENEFIT:** Contractor agrees that the goods and/or services provided to Fairfax County pursuant to this Agreement are for the benefit of Fairfax County and that Contractor shall not undertake any actions or efforts stemming from or related to this Agreement that shall inure to the detriment of Fairfax County. Any information provided to the Contractor for the performance of this Contract shall not be used for any other purpose without the written consent of the Purchasing Agent.

**APPROVED:**

/S/ David P. Bobzien  
COUNTY ATTORNEY

/S/ Cathy A. Muse  
COUNTY PURCHASING AGENT

**OFFEROR DATA SHEET**

NAME OF OFFEROR: \_\_\_\_\_

ADDRESS: \_\_\_\_\_  
\_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

Name and e-mail addresses of both service and fiscal representatives (Key Personnel) who would handle this account.

Service Representative: \_\_\_\_\_  
Telephone Number: (    ) \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_

Fiscal Representative: \_\_\_\_\_  
Telephone Number: (    ) \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_

Payment Address, if different from above:

\_\_\_\_\_  
\_\_\_\_\_

**VIRGINIA STATE CORPORATION COMMISSION (SCC)**  
**REGISTRATION INFORMATION**

The offeror:

☐ is a corporation or other business entity with the following SCC identification number:  
\_\_\_\_\_ **-OR-**

☐ is not a corporation, limited liability company, limited partnership, registered limited liability partnership, or business trust **-OR-**

☐ is an out-of-state business entity that does not regularly and continuously maintain as part of its ordinary and customary business any employees, agents, offices, facilities, or inventories in Virginia (not counting any employees or agents in Virginia who merely solicit orders that require acceptance outside Virginia before they become contracts, and not counting any incidental presence of the bidder in Virginia that is needed in order to assemble, maintain, and repair goods in accordance with the contracts by which such goods were sold and shipped into Virginia from bidder's out-of-state location) **-OR-**

☐ is an out-of-state business entity that is including with this bid/proposal an opinion of legal counsel which accurately and completely discloses the undersigned bidder's current contacts with Virginia and describes why those contacts do not constitute the transaction of business in Virginia within the meaning of § 13.1-757 or other similar provisions in Titles 13.1 or 50 of the Code of Virginia.

Please check the following box if you have not checked any of the foregoing options but currently have pending before the SCC an application for authority to transact business in the Commonwealth of Virginia and wish to be considered for a waiver to allow you to submit the SCC identification number after the due date for bids: ☐

**BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE**

All firms located or operating in Fairfax County must obtain a Business, Professional and Occupational License (BPOL) as required by Chapter 4, Article 7, of the Code of the County of Fairfax, Virginia. In order for the Department of Tax Administration to determine your BPOL requirement prior to contract award, it is necessary for you to provide the following information:

- If you currently have a Fairfax County business license, please submit a copy with your proposal.
- Do you have an office in:      Virginia                      ☐ Yes                      ☐ No  
   Fairfax County                      ☐ Yes                      ☐ No
- Date business began/will begin work in Fairfax County

A detailed description of the business activity that will take place in Fairfax County. If business is located outside of Fairfax County, give the percentage of work actually to be done in the County

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\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Complete and return this form or a copy of your current Fairfax County Business License with your proposal.**

### **CERTIFICATION REGARDING DEBARMENT OR SUSPENSION**

In compliance with contracts and grants agreements applicable under the U.S. Federal Awards Program, the following certification is required by all offerors submitting a proposal in response to this Request for Proposal:

1. The Offeror certifies, to the best of its knowledge and belief, that neither the Offeror nor its Principals are suspended, debarred, proposed for debarment, or declared ineligible for the award of contracts from the United States federal government procurement or nonprocurement programs, or are listed in the *List of Parties Excluded from Federal Procurement and Nonprocurement Programs* issued by the General Services Administration.
2. "Principals," for the purposes of this certification, means officers, directors, owners, partners, and persons having primary management or supervisory responsibilities within a business entity (e.g., general manager, plant manager, head of a subsidiary, division, or business segment, and similar positions).
3. The Offeror shall provide immediate written notice to the Fairfax County Purchasing Agent if, at any time prior to award, the Offeror learns that this certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. This certification is a material representation of fact upon which reliance will be placed when making the award. If it is later determined that the Offeror rendered an erroneous certification, in addition to other remedies available to Fairfax County government, the Fairfax County Purchasing Agent may terminate the contract resulting from this solicitation for default.

**Printed Name of Representative:** \_\_\_\_\_

**Signature/Date:** \_\_\_\_\_/\_\_\_\_\_

**Company Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City/State/Zip:** \_\_\_\_\_

**SSN or TIN No:** \_\_\_\_\_

**Listing Of Local Public Bodies**

REFERENCE PARAGRAPH 29 OF THE SPECIAL PROVISIONS, "**USE OF CONTRACT(S) BY MEMBERS COMPRISING MID-ATLANTIC PURCHASING TEAM COMMITTEE.**" You may select those public bodies that this contract may be extended to; a "blank" will signify a "NO" response:

	Alexandria, Virginia		Howard County
	Alexandria Public Schools, Virginia		Howard County Schools
	Alexandria Sanitation Authority		Herndon, Virginia
	Annapolis City		Leesburg, Virginia
	Anne Arundel County		Loudoun County, Virginia
	Anne Arundel School		Loudoun County Public Schools
	Arlington County, Virginia		Loudoun County Sanitation Authority
	Arlington Public Schools, Virginia		Manassas, Virginia
	Baltimore City		Manassas City Public Schools, Virginia
			Manassas Park, Virginia
	Baltimore County Schools		Maryland-National Capital Park & Planning Commission
	Bladensburg, Maryland		Maryland Transit Administration
	Bowie, Maryland		Metropolitan Washington Airports Authority
	BRPC		Metropolitan Washington Council of Governments
	Carroll County		Montgomery College
			Montgomery County, Maryland
	Carroll County Schools		Montgomery County Public Schools
	Charles County Government		Northern Virginia Community College
	Charles County Public Schools, MD		Potomac & Rappahannock Trans. Commission
	City of Fredericksburg		Prince George's County, Maryland
	College Park, Maryland		Prince George's County Public Schools
	Culpeper County, Virginia		Prince William County, Virginia
	District of Columbia Government		Prince William County Public Schools, VA
	District of Columbia Courts		Prince William County Service Authority
	District of Columbia Public Schools		Omni Ride
	DC Water and Sewer Authority		Rockville, Maryland
	Fairfax County Water Authority		Spotsylvania County Schools, Virginia
	Fairfax, Virginia (City)		Stafford County, Virginia
	Falls Church, Virginia		Takoma Park, Maryland
	Fauquier County Government and Schools, Virginia		Universtiy of the District of Columbia
	Frederick, Maryland		Upper Occoquan Sewage Authority
	Frederick County Maryland		Vienna, Virginia
	Gaithersburg, Maryland		Washington Metropolitan Area Transit Authority
	Greenbelt, Maryland		Washington Suburban Sanitary Commission
	Harford County		Winchester, Virginia
	Harford County Schools		Winchester Public Schools
			Virginia Railway Express

**Complete and return this form with your proposal.**

\_\_\_\_\_  
Vendor Name



## **BUSINESS CLASSIFICATION**

### **DEFINITIONS**

***Small Business*** – means a business, independently owned or operated by one or more individuals who are U.S. citizens or legal resident aliens, and together with affiliates, has 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years. One or more of the individual owners shall control both the management and daily business operations of the small business.

***Minority-Owned Business*** - means a business concern that is at least 51% owned by one or more minority individuals who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51% of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals who are U.S. citizens or legal resident aliens, and both the management and daily business operations are controlled by one or more minority individuals.

***Woman-Owned Business*** – means a business that is at least 51% owned by one or more women who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51% of the equity ownership interest is owned by one or more women who are U.S. citizens or legal resident aliens, and both the management and daily business operations are controlled by one or more women.

**YOU MUST CLASSIFY YOUR BUSINESS/ORGANIZATION BY MARKING THE APPROPRIATE BOXES ON THE COVER SHEET (DPSM32).** This designation is required of all business/organizations including publicly traded corporations, non-profits, sheltered work shops, government organizations, partnerships, sole proprietorships, etc.



**COUNTY OF FAIRFAX  
DEPARTMENT OF PURCHASING & SUPPLY MANAGEMENT  
SMALL AND MINORITY BUSINESS ENTERPRISE PROGRAM  
12000 Government Center Parkway, Suite 427  
Fairfax, Virginia 22035-0013  
Fax: 703-324-3228**

**SUBCONTRACTOR (S) NOTIFICATION FORM**

Contract Number/Title: \_\_\_\_\_

Prime Contractors Name: \_\_\_\_\_

Prime Contractor's Classification: \_\_\_\_\_

You are required to provide the County with names, addresses, anticipated dollar amount and small/minority classification of each first-tier subcontractor (Ref. paragraph 28, Special Provisions). Please complete this form and return it with your submission.

**Please check here if you are not using a subcontractor:** \_\_\_\_\_

SUBCONTRACTOR(S) NAME	STREET ADDRESS	CITY	STATE	ZIP CODE	ANTICIPATED DOLLAR AMOUNT	VENDOR CLASSIFICATION

**Complete and return this form with your proposal.**

**Certification Regarding Ethics in Public Contracting**

In submitting this bid or proposal, and signing below, Bidder/Offeror certifies the following in connection with a bid, proposal, or contract:

Check one:

☐

1. I have not given any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal or minimal value to any public employee or official have official responsibility for a procurement transaction.

☐

2. I have given a payment, loan, subscription, advance, deposit of money, services or anything of more than nominal or minimal value to a public employee or official have official responsibility for a procurement transaction, but I received consideration in substantially equal or greater value in exchange.

If 2 is selected, please complete the following:

Recipient: \_\_\_\_\_

Date of Gift: \_\_\_\_\_

Description of the gift and its value:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Description of the consideration received in exchange and its value:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Printed Name of Bidder/Offeror Representative: \_\_\_\_\_


Signature/Date: \_\_\_\_\_ / \_\_\_\_\_

Company Name: \_\_\_\_\_

Company Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

***This certification supplements but does not replace the requirements set forth in paragraph 64 (OFFICIALS NOT TO BENEFIT) of the General Conditions and Instructions to Bidders included in this solicitation.***

FAIRFAX COUNTY VIRGINIA	
PROCEDURAL MEMORANDUM No. 12-02	
To: Administrative Staff	Date: 7/17/2013
	Supersedes: Procedural Memorandum No. 12-02 dated October 19, 2007
	Reference: DPSM Procedural Memoranda: PM 12-03 dated June 12, 2002, PM12-04 dated Jan 3, 2007, PM 12-14 dated Jan 19, 2005, and PM 12-23 dated Sept. 1, 2010.
Initiated by: Department of Purchasing and Supply Management (DPSM)	Approved by County Executive: 
Subject: Use of the County Procurement Card	

### **PURPOSE**

The purpose of the county's procurement card (p-card) program is to provide county agencies with an efficient and reliable way to make low dollar value purchases. The p-card may be used as an alternative to Purchase Orders, non-PO payments or petty cash. The p-card is also used as a payment tool for purchases made within the county's FOCUS marketplace. Under strict conditions and with special approval from the Department of Purchasing and Supply Management (DPSM), the p-card may also be used to make purchases in excess of the county's maximum single purchase limit, which is currently set at \$2500.

### **BACKGROUND**

While the p-card can simplify and expedite procurement, its use requires strict adherence to internal control procedures and a commitment to accompanying accounting procedures. In most cases, p-card use reduces staff procurement efforts and shortens delivery time; however, it may increase financial tracking and control efforts and it may increase the reconciliation workload.

### **WHO MAY PARTICIPATE IN THE PROCUREMENT CARD PROGRAM**

Unless otherwise specified, the DPSM Director delegates authority to use the p-card process to all county agencies. An agency that wishes to establish a p-card program may do so by following the steps outlined in the *Agency Checklist for Establishing a Procurement Card Program* (Attachment "A" to this Memorandum).

The DPSM Director may terminate or suspend an agency's p-card program temporarily or permanently based upon noncompliance with purchasing policies and procedures. The DPSM Program Administrator is authorized to suspend or close p-cards.

## **ROLES**

### **Program Administrator ("DPSM Administrator")**

The DPSM Administrator manages the p-card program at the county level and is responsible for establishing and enforcing countywide p-card related policy and procedures. A Department of Purchasing and Supply Management (DPSM) staff member will serve as Administrator.

### **Agency Program Manager ("Program Manager")**

Designated by the using agency director, the Program Manager is responsible for all aspects of the agency's p-card program. While separation of duties prohibits the Program Manager from actually performing all tasks involved in managing agency p-card activity, he or she remains responsible for overall management of the p-card program.

### **P-Card Custodian**

The P-Card Custodian is the cardholder and is the person responsible for the physical security of the p-card. In most cases, the p-card custodian also monitors p-card activity through the use of a p-card activity log, and ensures that vendor receipts, invoices, and delivery documentation are retained for each purchase, in accordance with established policies and procedures.

## **OVERVIEW OF THE P-CARD PURCHASE AND PAYMENT PROCESS**

### **Establishing a P-Card Account**

Agencies request p-cards by submitting an application to the DPSM Administrator. At a minimum, the application must indicate the p-card spending limits requested and the cost assignment (ie: FOCUS fund code, cost center, and general ledger accounts) where the p-card transactions will post. If p-card expenditures will affect more than one general ledger account, the agency should assign clearing account general ledger 544540 to the p-card. Other cost assignment criteria may be identified, as applicable. Agencies are required to select a combination of cost assignments that are valid, active, and have sufficient funding budgeted in FOCUS.

### **Obtaining P-Cards from the Bank**

The DPSM Administrator reviews the application and forwards it to the bank for processing. The bank establishes a new account and forwards the new p-card to the Administrator. The Administrator distributes the p-card to the Program Manager or designee and then activates the new account.

### P-Card Use

The agency uses the p-card in accordance with this procedural memorandum and the agency's own internal control procedures. The agency is required to keep a concurrent log of p-card transactions, including purchases and credits.

### Billing and Payment Process

Each week, the DPSM Administrator obtains an electronic billing file from the bank. The file contains all transactions posted to the bank for the prior week. The Administrator processes the file into a FOCUS readable format that is uploaded into FOCUS through a batch process. Each transaction (purchase or credit) posts to the FOCUS cost assignment numbers associated with the p-card. The Department of Finance (DOF) pays the county bill based on the total amount on the electronic billing file, unless otherwise directed by the DPSM Administrator.

The agency is responsible for pursuing credit adjustments for any items that are incorrectly billed. The agency should first request an adjustment from the vendor. If that is unsuccessful, the agency should file an on-line dispute with the bank within 60 days of the posting date. Credit adjustments will appear in subsequent billing cycles. Further details on this process are provided on the DPSM FairfaxNet page. The agency Program Manager may contact the DPSM Administrator if assistance is required.

### Review and Reconciliation

Each week, the agency is required to prepare a p-card transaction detail report using the p-card software. The agency reconciles this report with actual purchase documentation to determine that all charges are valid. The agency works with the vendor and/or the bank to resolve any discrepancies. Agencies are required to reconcile to FOCUS on a monthly basis, at minimum, although DPSM encourages weekly reconciliation. If monthly reconciliation is performed, the p-card transaction reports must still be reviewed for inconsistencies on a weekly basis. See page 13, "Reconciliation" for further details.

### Clearing Account

If transactions post to a clearing account (general ledger 544540), the agency is required to clear all charges and credits to the proper expenditure account within one month.

### USES

Subject to the limitations discussed in this memorandum, the p-card may be used for the following:

- Travel expenses – This includes services such as airfare, lodging, car rental, taxis, etc. See Procedural Memorandum 06-03 Travel Policies & Procedures for additional information.
- Non-contract goods and services - Purchase of low dollar value goods and services, except for those goods and services that are restricted by this procedure (see Page 4 and 5.)

- County contracts - Provided the contractual agreement between the county and the vendor allows it, county agencies may use the p-card to order from county contracts. Because p-card ordering will not provide the vendor with a written purchase order, the p-card user must be certain that he or she obtains the contract price when placing the order.
- Telephone and Internet Ordering - The p-card may be used to order goods and services via telephone or the Internet. This includes electronic ordering from county contracts that utilize this process.
- Capital Items (Accountable Equipment) – Subject to their p-card limits, agencies may use a p-card to purchase items defined as accountable equipment if the equipment is included in the agency's approved budget. It is permissible to use eVA for the solicitation and purchase. Upon receipt of accountable equipment, the agency must report the items to DPSM using an Inventory Management Report (IMR01.) See Procedural Memorandum 12-03, Accountability of Fairfax County Accountable Equipment for additional information.
- Non-PO Items – Certain types of purchases, such as capital construction and professional services, made through a competitive procurement process do not require a purchase order. In instances where a vendor will accept payment with a p-card, the county p-card is an acceptable form of payment. See DOF Accounting Technical Bulletin (ATB) 60030 Non-PO Payments for a complete listing of approved categories of Non-PO items.

Procurement cards may **NOT** be used for the following:

- Cash Advances – For example, a withdrawal from a financial institution.
- Personal Purchases - of any kind. For example, if viewing an in-room movie while on travel status, the traveler may not use the county p-card to pay the movie charge, even if traveler later reimburses the county.
- Purchases by Non-Employees - Only county employees (on the county payroll) are authorized to make p-card purchases.
- Technical Review Items - Further information on technical review may be found in Procedural Memorandum 12-04, Technical Review of Purchase Requisitions. Exception: Agencies may use their eVA p-card to purchase technical review items through eVA. The agency must first obtain written approval for the purchase from the appropriate technical reviewer. Email will serve as adequate documentation of this approval. Further details on purchasing in eVA are provided in Procedural Memorandum 12-23, On-Line Procurement Using eVA. Items that require technical

review and are ordered in the FOCUS marketplace will be paid for with a FOCUS p-card.

- Services Provided by Independent Contractors (1099 reportable vendors) – These services are subject to Technical Review by the Department of Human Resources.
- Inventory Items - Stocked items that are replenished through the FOCUS Inventory Management (IM) process.
- Split Purchases - A split purchase is one in which the original purchase requirement for the same or related goods or services is broken into multiple smaller purchases which are made over a short period of time. In most cases, a split purchase is created to circumvent a p-card's single purchase or cycle spending limit. In some cases a split purchase is made to circumvent the county's monetary thresholds for the competitive bidding process. Requirements which are divided for other purposes, such as to accommodate accounting needs or to facilitate delivery to separate locations are also considered split purchases. DPSM can provide guidance to the agency on the subject of split purchases.
- Restricted Merchant Category (MCC) Group – P-Cards have some restrictions built into them to lower the risk that the p-card will be used to make improper purchases. (See Attachment "D" for a list of categories that are restricted.)
- Other - Purchases prohibited by county policy.

### **CARD LIMITS**

Based on anticipated use, total number of p-cards, budget constraints, and any other relevant factors, the agency must set limits, as discussed below, for each p-card requested. Limits may be set at different levels for each individual p-card.

Generally, county policy restricts the single purchase limit to a maximum of \$2,500. Policy does not establish maximums for other limits, as discussed below. However, all limits must be supported by the p-card's business requirements. P-card limits provide an important safeguard against fraud and misuse. It is important that p-card limits be set as close as possible to anticipated use. DPSM will work with the agency to determine appropriate limits.

Single Purchase Limit (SPL) - The amount spent on a single purchase, or transaction, from a single vendor. The maximum single transaction limit is \$2,500 for general purchases. Agencies may set their p-cards' SPL *lower* than this limit, if appropriate. Should an agency have an urgent requirement that exceeds \$2500, the agency can request that the SPL be temporarily raised. However, the agency must provide written quotes in compliance with the county's competitive thresholds and the request is subject to approval by DPSM.



Exceptions:

- **Special Use P-Cards** - If there is a business need for a p-card with a higher single purchase limit, the agency may request a special use p-card. The request must be made by the agency director in writing to the Director, DPSM. The request should detail the business need for higher limits and the dollar limit and number of p-cards desired. Use of these p-cards is limited to the business purpose and parameters as approved by the Director, DPSM. The agency shall maintain a copy of their memo requesting the special use p-card as well as a copy of the approval memo from the Director, DPSM.
- **eVA P-Cards** – P-cards that are used by the agency as a payment tool in eVA, the Commonwealth of Virginia's electronic procurement portal, may have a single purchase limit up to \$50,000. Because of this high limit, these p-cards will also have additional safeguards, including issuance in an individual's name (see discussion below on "Individual Named P-cards"), limited account number access, and eVA user security.
- **FOCUS P-Cards** – FOCUS p-cards are used as a payment tool for FOCUS marketplace purchase orders (POs). Each FOCUS marketplace shopper has a p-card number that is associated with his or her user profile. It is a type of ghost card whose number is not visible to the agency or the FOCUS user. Most FOCUS p-cards have very high limits to facilitate purchases that are made in the marketplace. The agency P-card Program Manager or designee is required to monitor activity by using the bank's on-line reporting tool. The agency should generate FOCUS p-card transaction reports on a weekly basis.

Cycle Spending Limit (CSL) - The maximum dollar limit of total purchases allowed for the month. This limit should be set at an amount slightly above anticipated monthly spending.

Authorizations per Day - The maximum number of purchases allowed in one day. Like the CSL above, this number should be just higher than the maximum number of purchases anticipated in one day.

Transactions per Cycle - The maximum number of purchases allowed in a month. This figure should be slightly greater than the maximum number of purchases anticipated on a monthly basis.

Merchant Category Code Group (MCC Group) - In an effort to ensure that p-cards cannot be used to make improper purchases, DPSM has blocked purchases from certain categories of vendors. See Attachment "D" for a list of these vendor categories. Attempts to make purchases from those vendors will result in an "unauthorized purchase" or "declined" message.

There are four main categories of MCC group schemes designed for county use:

- FC1 - This group excludes purchases from vendor groups listed on Attachment "D". Purchases up to a maximum of \$2,500 may be made from all other authorized vendors, including some travel vendors. This MCC group is the county standard purchasing card group.
- FC6 - This group is the same as FC1 above, except that purchases for airfare in MCC categories 3000 to 3299 are allowed, up to \$2,500.
- Custom Groups - If supported by a business need, DPSM will work with the agency Program Manager to develop a custom MCC group. Many of the special use p-cards with high single purchase limits are set up with custom MCC groups in order to mitigate risk.
- FOCUSCTY - This group is specific to FOCUS p-cards and restricts many of the same MCCs as FC1.

### **THE PROGRAM MANAGER**

Primary Program Manager - The agency director shall identify a Program Manager who will be responsible for all aspects of the p-card program within the agency. The Program Manager is the DPSM Administrator's point-of-contact for the agency. All requests for p-card information or p-card changes must come through the agency Program Manager or an individual specifically identified by the Program Manager.

Alternate Program Manager - If staff size permits, DPSM recommends that the agency assign an Alternate Program Manager. This allows continued management of the program in the Program Manager's temporary absence. The primary Program Manager must ensure that the alternate program manager is trained the fullest extent possible so that he or she can assume the duties of the primary Program Manager when he or she is unavailable.

Replacement of Program Manager - If the primary Program Manager will no longer perform as such, he or she shall notify the DPSM Administrator. The notification should include the name of the new Program Manager. If a new manager is not immediately available, the notification should identify a temporary Program Manager. In order to participate in the p-card program, the agency must have an active Program Manager at all times.

### **AGENCY INTERNAL CONTROL PROCEDURES (ICP)**

Each using agency must establish and adhere to its own internal control procedures (ICP) that govern p-card security, use, and accounting. Development of internal control procedures is delegated to the agency because procedures may vary significantly from

agency to agency, based on each agency's organization and procurement needs. The agency must submit their ICP to the DPSM Program Administrator for approval.

Description of duties - Procedures must describe the assignment of p-card related responsibilities and the flow of p-card related documentation specific to the agency. Procedures for obtaining, safeguarding and returning p-cards should also be addressed. Procedures should identify staff members by position title rather than by name. This will minimize necessary revisions to procedures if staff members change.

Separation of duties - Procedures must include an appropriate separation of duties. The p-card custodian function and the reconciliation function may not be performed by the same staff member. When these functions cannot be separated, a substantive supervisory review of transaction activities is required as a compensating control. The reviewer must sign and date the reviewed document.

Management review - Although not required if an adequate separation of duties is otherwise established, DPSM recommends that management staff periodically review p-card activity to assure activity is in conformance with policy and procedures. The reviewer should sign and date the document reviewed.

Revisions - The agency's ICP should be revised periodically to reflect any program changes. Agencies should submit their revised ICPs to the DPSM Administrator for approval prior to distributing the revised ICP within their agencies.

### **P-CARD PROGRAM TRAINING**

Program Manager Training - All primary Program Managers are required to attend Program Manager "one-on-one" training, which is provided by DPSM staff. The training includes a detailed discussion of the procedures necessary to obtain, use, and properly account for agency p-cards. If requested by the agency, DPSM will also provide training to alternate program managers and other agency personnel involved in the p-card program.

P-Card User Training - Agencies must ensure that all new p-card users who make purchases and those who have p-card program duties complete the on-line Procurement Card User Training located on DPSM's DPSM FairfaxNet page listed under "The Procurement Card Program." The student shall then take the certification test and submit it to the Program Manager or his designee for grading. The agency shall review any missed questions with the student. The student must pass the test prior to using the p-card for the first time. The completed test shall be filed with the Employee Acknowledgement Disclosure (EAD) form. A p-card user who signed an EAD form and became a p-card user prior to the implementation of the on-line p-card training is exempt from training; however, DPSM highly recommends it.

Special Note: A county employee who shops in the FOCUS marketplace with a FOCUS p-card, but otherwise never uses a p-card or has p-card program duties, is not required to take the online p-card training.

The agency should also provide training to p-card users in regard to their internal processes and provide an overview of important subjects such as:

- Agency procedures for making a p-card purchase, including required approvals and receipt handling
- Agency contact information for p-card problems or questions
- Policy regarding Virginia sales tax exemption for most purchases
- Procedures to report a lost or stolen p-card

### **P-CARD CHARACTERISTICS**

P-Card Imprint - All p-cards are imprinted with the Fairfax County seal and the Virginia state sales tax "exemption number."

P-Card Name (Line 1) – P-card names are assigned by the using agency. P-card names may be either department p-cards or individual "named" p-cards. Agencies are advised to consider the way the p-card will be used when determining which type of p-card best suits their needs. Agencies may have a combination of department and individual p-cards in their program.

- Department P-Cards - Most county p-cards are currently department p-cards. The name of a work group or functional area is embossed on the p-card – for example, "Administration" or "Lab Supplies." Each p-card must have a unique name. If an agency has more than one p-card with the same function, p-card names may include a number – such as "Travel 1," "Travel 2," etc.

Use of department p-cards reduces administrative effort, in that it is not necessary to obtain new p-cards or cancel old p-cards when employees turn over. They are easy to share within a work group, reducing the quantity of p-cards required.

Because the p-card number is shared, department p-cards do not provide the same level of security as individual named p-cards. In addition, the bank does not offer the same level of dispute or fraud protection as it does for named p-cards. In most cases, the bank will not reimburse the agency for charges made fraudulently when the p-card is issued in a department name. Department p-cards are considered appropriate when the SPL is \$2500 or less and when the p-card will be shared by several staff members within a work group.

- Individual Named P-Cards - Agencies may also request cards with an individual's name instead of a department or work group name. DPSM encourages agencies to use a named p-card when it will be used primarily by one staff member.

Individual named p-cards may require a higher level of administrative effort than department p-cards. Agencies must have a method to collect an individual's p-card when he or she leaves the agency or is no longer a p-card user. Although individual p-cards may be shared when placing telephone or internet orders, they may be more difficult to share when making over-the-counter purchases.

Individual p-cards offer a higher level of security than department p-cards because policy requires cancellation of the p-card when the cardholder leaves. In addition, the bank offers a higher level of dispute and fraud coverage for individual p-cards because the individual can attest to the fact that the card was secure and that he or she did not make a charge that was deemed to be fraudulent. DPSM requires that a p-card with a SPL in excess of \$2500, such as an eVA or a special use p-card, be issued in an individual's name.

P-Card Name (Line 2) - The agency name, abbreviated to not more than six letters, is embossed on the second line of the card. All of the agency's p-cards must use the same abbreviation.

Signature on P-Card - Although the card has a space for a signature on the back, department p-cards should NOT be signed with a person's name. A signed p-card will make it difficult for anyone other than the signer to use the p-card. As an added security measure for department p-cards, agencies may write "NOT VALID WITHOUT COUNTY ID" on the signature line to encourage the vendor to request ID prior to processing a purchase. Individual named p-cards should be signed by the individual whose name appears on the p-card.

P-card users should present their county ID when making a purchase in person.

P-Card Security – Except for p-cards in personal possession, p-cards should be kept in a locked location while not in use. Access to the location should be limited to those individuals who require access to the p-card. An individual who has possession of a p-card should exercise reasonable care when carrying the card.

P-Card Custodian - The agency must identify a custodian for each p-card. The custodian is responsible for the p-card's physical security. The custodian may be responsible for multiple p-cards, as approved by the agency p-card program manager.

If operational requirements necessitate more than one custodian for a p-card, policy recommends that the agency establish a method for tracking card responsibility, such as a chain-of-custody arrangement where one custodian remains responsible for the p-card until relieved by another custodian.

List of Agency P-Cards - The Program Manager must maintain a list of all agency p-cards that includes, at a minimum:

- The last eight digits of the p-card number (see exception below)
- P-card name
- P-card limits
- P-card custodian and location

Program Managers are reminded to safeguard this list, whether it is in electronic or hard copy format, because it contains sensitive information regarding agency p-cards. FOCUS p-cards are not stored at the agency; therefore, the agency will not know the full p-card number. The agency should list the last four digits of each FOCUS p-card, as denoted in the bank's on-line reporting tool.

### **OTHER PROGRAM REQUIREMENTS**

Adequate Funding - Because p-card purchases do not follow the traditional encumbrance process, agencies must devise a method to assure that adequate funds are available before each purchase is made. Exception: FOCUS marketplace POs do encumber funds at the time the PO is approved within FOCUS.

Transaction Log - A system that tracks possession of the p-cards and records p-card purchases as they occur must be in place. Agencies may use a manual or electronic log to record both debit and credit transactions. Entries must be contemporaneous so that they provide up-to-date information on funds expended and should identify the p-card user. Attachment "E" is an example of a template that may be used for signing out the p-card and for recording the details of each purchase. Agencies may develop their own template(s), ensuring that it contains all of the elements shown on Attachment "E."

Staff who place FOCUS marketplace POs may use PO documentation or a log as a tool to track spending so as to ensure that the p-card has sufficient credit availability for the billing cycle. Because FOCUS p-cards do not get signed out, tracking possession of the card is not a requirement.

Sales Tax Exemption - Most county purchases are exempt from Virginia state sales tax. When making a p-card purchase, users should remind the vendor of our tax exempt status and examine the receipt to verify sales tax was not charged. The county's "exempt number" is printed on the face of each p-card. By state statute, the county is not exempt from sales tax for meals, catered events, lodging, or other accommodations. The county may not be exempt from sales tax imposed by other states on goods and services purchased outside of Virginia.

Employee Acknowledgement Disclosure Form - All first time p-card users must sign an Employee Acknowledgement Disclosure Form (See Attachment "B") after taking the on-line Procurement Card User Training located on the DPSM FairfaxNet page and passing the certification test. The completed test should then be attached to the EAD form. The form acknowledges the employee's responsibilities regarding p-card use and sets forth consequences for p-card misuse. The Program Manager shall maintain the signed forms at least two years following the employee's departure from the agency.

Special Note: A county employee who shops in the FOCUS marketplace with a FOCUS p-card, but otherwise does not use a p-card or have p-card duties, is not required to sign the EAD form or take the on-line training.

Using Agency Director's Statement of Responsibility - This statement acknowledges the director's responsibility for the agency's proper use of the p-card. The agency director is required to sign this form (See Attachment "C") prior to the agency's initial participation in the p-card program. When the director leaves the agency, the Program Manager should have the new director sign the form and forward the original to DPSM.

Receipts - Using agencies shall retain an ORIGINAL, ITEMIZED vendor receipt, invoice or credit slip for each transaction. Receipts should show all details pertinent to the transaction, including date of purchase, vendor name and location, item(s) purchased with corresponding description(s) and price(s), and total amount paid. The business purpose of the goods or services should be clearly documented if it is not readily apparent (ie: food purchases, personal electronics, etc.) All receipt documentation should be filed with the appropriate bank record (monthly statement or weekly transaction detail report) and retained for review.

- Alternate Receipt - If an original vendor receipt is unavailable, the agency may use an alternate receipt, such as an Internet screen print or a faxed receipt, or order confirmation. The receipt should contain the same level of detail required for an original receipt.
- Photocopied Receipt - If a photocopied receipt is retained instead of an original, the record should provide a short explanation as to why the original receipt was unavailable.
- Missing Receipts - If, for any reason, an original, alternate, or photocopied receipt is unavailable, a memorandum providing the purchase details and reason why a receipt is not available must be included with the appropriate monthly statement or weekly transaction detail report.
- Signature - Both photocopied receipts and documentation in lieu of missing receipts must be signed and dated by the Program Manager or designee. If the purchase was made by the Program Manager or designee, another staff member must sign and date the receipt to maintain an adequate separation of duties.

Document Retention - The agency must retain program documentation for a minimum of three years in accordance with VA Public Records Act.

P-Card Management Software - The bank provides p-card management software, an on-line reporting tool that enables Program Managers to create a variety of program related reports, including the weekly transaction detail report discussed below. DPSM will coordinate software access and training with agency Program Managers.

Weekly Transaction Detail Report - Each week the agency is required to prepare p-card transaction detail reports showing all transactions from the prior week for both general use p-cards and FOCUS marketplace p-cards. The agency must review the reports in a timely manner, as prompt review is vital to detection of erroneous or fraudulent charges.

Reconciliation - P-card reconciliation is the process of verifying the accuracy of all posted p-card transactions (charges and credits). The agency must perform two reconciliations:

- Reconciliation to Bank Records – On a weekly basis (at minimum) the agency is required to use the bank's transaction detail reports to reconcile charges for both general use p-card transactions and FOCUS p-card transactions. The agency should review the reports, looking for any abnormalities. Any charges that are not recognized or appear to be fraudulent should be addressed immediately. In addition, some agencies optionally receive monthly billing bank statements by mail. Monthly billing statements should be filed with the monthly reconciliation package.
  - For general use p-cards, the agency must reconcile the bank's report to the purchase log, original receipts, and any other pertinent documentation to verify that all charges are proper and that the correct amounts have been charged.
  - For FOCUS p-cards, the agency must reconcile the bank's report to FOCUS marketplace PO documentation, including packing lists or other receipt documentation to verify that all charges are proper and that the correct amounts have been charged.
- Reconciliation to FOCUS - Each agency shall ensure that all p-card transactions are properly posted in FOCUS on a monthly basis (at minimum.) The agency can use the bank's transaction details reports, logs, receipts, and FOCUS marketplace PO documentation as reconciliation tools.
  - Each general use p-card transaction will post to FOCUS as one entry for the total amount of the order (debit or credit.) The agency must verify that each order is posted in FOCUS. If the general use p-card transactions post to a clearing account (ie: GL 544540 Credit Card Expense), the agency must move those charges (debits and credits) to the appropriate expenditure account monthly (at minimum.)
  - Each FOCUS marketplace PO line item generates an electronic invoice and receiving report at the time that the bank's billing file is uploaded to FOCUS. DPSM permits the agencies to reconcile these charges in two different ways. Agencies with a small volume of orders may wish to reconcile each PO line in FOCUS. Agencies with a large volume of orders may wish to reconcile by exception, in which case they can use open PO reports to identify lines that may have not posted properly. For assistance with



marketplace PO lines that may have not posted properly, contact DPSM. Most FOCUS transactions post directly to the account assignment that is identified at the time that the marketplace PO is entered and therefore do not need to be moved from a clearing account.

- Reconciler's Signature and Date – Following review, the reconciler(s) is required to sign and date all reconciliation documentation, including, but not limited to: the bank's transaction detail reports, monthly bank statements if applicable, journal entry workbooks, etc. to verify that the reconciliation was performed in a timely manner and to establish that an adequate separation of duties exists.
- Card Use by Reconciler - Policy discourages the reconciler from being a p-card user; however, if the reconciler uses the p-card, the reconciliation must be reviewed by another staff member. The reviewer must sign and date the reconciliation.

Problem Resolution - The Program Manager should first attempt to resolve disputes directly with the vendor. If unable to resolve the issue with the vendor within a reasonable time period, contact the DPSM Administrator for assistance. Any adjustment to billing (ie: credits) will be made on subsequent statements.

Dispute Procedures - Dispute procedures are defined by the county's p-card contract with the bank. The contract requires that disputed charges be reported to the bank within 60 days of the p-card posting date. Disputed charges must be filed using the bank's on-line reporting software. Although items identified outside the 60-day period may still be disputed, the county's legal standing in the matter is decreased. Dispute rights for department p-cards are significantly limited.

P-Card Cancellation - If an agency wishes to cancel a p-card (ie: no longer required or p-card user leaves the agency), the Program Manager should submit a request to the DPSM Administrator. The Program Manager must destroy any cancelled p-card(s). If there is an urgent need to cancel a p-card, contact the DPSM Administrator for immediate assistance or call the bank to place a temporary hold on the p-card. .

P-Card Changes - If the agency wishes to change any aspect of a p-card, such as address, default account assignment, and p-card limits, the Program Manager should submit the requested changes to the DPSM Administrator via email. The DPSM Administrator will review and approve the changes and notify the agency when the changes are in place.

DPSM FairfaxNet page - Information regarding most aspects of the county's p-card program is available on the DPSM FairfaxNet page under "The Procurement Card Program."

### **LOST OR STOLEN P CARDS**

Lost or Stolen P-Cards - Report a lost or stolen p-card to the bank immediately. The bank provides a 24-hour toll-free telephone number for this purpose. The number is included on the paperwork that accompanies each new p-card. The agency Program Manager must also notify the DPSM Administrator immediately. All agency p-card users should be aware of the procedure for reporting a lost or stolen card, including how to proceed if the agency Program Manager is not available at the time the loss is discovered.

Reissue of a Lost or Stolen P-Card - To request replacement of a lost or stolen p-card, forward a memo from the agency director to the Director, DPSM. The memo should describe the circumstances surrounding the p-card loss and the steps taken to ensure against future losses. In instances where it is clear that a p-card number was stolen as a result of internet hacking and fraud, and if the attempted charges do not post to the p-card account, the DPSM Administrator may permit the agency Program Manager to forward an email (in lieu of a memo) to the DPSM administrator, as long as the agency director is copied. The DPSM Administrator will review the email and forward it to the Director, DPSM. The Director, DPSM, will evaluate each incident on an individual basis to determine whether or not to issue a replacement card.

### **FRAUD AND MISUSE**

Deterrence - The agency is responsible to actively protect each of its p-cards from fraud and misuse. Prevention efforts may be further enhanced when these controls are followed:

- Limit P-Card Access - Maintain p-cards in a locked environment when not in use. Limit access to this environment to provide greater security for the p-card. Consider p-card security prior to allowing an employee access to a p-card or p-card number, particularly if the employee is temporary or seasonal.
- Protect P-Card Information - In addition to protecting the p-card, protect all p-card information such as the p-card account number, name, and expiration date. File reports that contain p-card numbers in locked file cabinets. When discarding reports or other paperwork containing p-card information, shred documents. Assure security of p-card documentation that is maintained electronically.
- Establish reasonable p-card limits - Establish reasonable spending and transaction limits. This will limit risk in the event the p-card or p-card number is lost or stolen.
- Perform Weekly Reviews - Performing weekly reviews of all p-card activity will reveal transactions that do not belong to the agency, or that might be of a fraudulent nature.

- Maintain an Adequate Separation of Duties - Divide the p-card custodian and the accounting/reconciliation duties among employees. Conduct upper management review of weekly transaction detail reports and supporting receipts and associated documentation.

Occurrence of Fraud or Misuse - If fraud or misuse is suspected or confirmed, the Program Manager or designee shall take the following steps.

- If it appears that an unauthorized charge (or attempted charge) has been made, the agency should contact the bank immediately and place the p-card on temporary hold, then contact the DSPM Administrator to request that the p-card be closed permanently.
- If there is a suspicion of fraud or misuse by a county employee, the agency should contact the Internal Audit Office for assistance. Depending on the circumstances, the agency may want to mitigate risk by either placing the p-card on temporary hold or requesting that the p-card be closed permanently. Should a county employee make fraudulent charges or misuse the p-card, the county will seek reimbursement from the employee.
- If the fraudulent incident occurred in Fairfax County or if the fraudulent charge was made by a Fairfax County employee, the matter is considered a violation of law and the agency is required to file a police report with the Fairfax County Police Department (FCPD), Financial Crimes Division so that it can be investigated as a criminal matter. The case number must be submitted to DSPM before a replacement p-card will be released to the agency. If the fraud occurred outside of the county (ie: internet hacking or counterfeit p-card), the agency may optionally file a police report with FCPD; however, depending on the circumstances, FCPD may not be able to investigate a crime that occurred outside of the county's jurisdiction.
- If a fraudulent charge posts to the p-card account, the agency shall make every effort to obtain a credit from the vendor or if that is unsuccessful, then the agency should attempt to obtain credit from the bank. The county is much more likely to receive reimbursement from the bank when the p-card is issued in an individual's name, as long as the individual completes the bank's affidavit and returns it to the bank within the timeframe specified by the bank. For department named p-cards, the bank is not required to reimburse the county for fraudulent charges. If the agency ultimately suffers a loss on a department named card, the agency must report this loss immediately to the Department of Finance, Risk Management Division for further claims reporting and processing under the requirements of the county's insurance program.

### **COMPLIANCE REVIEWS**

The p-card program is subject to review by DPSM, the Department of Finance, and the county's external auditors. In addition, business process audits will be conducted on a cyclical basis by the Internal Audit Office.

**Agency Checklist for Establishing a Procurement Card Program**

The following checklist sets forth the steps necessary to establish a p- card program within the agency. The agency shall first determine if they have the resources to comply with policy and procedures required for p-card use. Each step in the checklist is chronologically ordered.

Step No.	Responsibility	Step	Estimated Time Frame
1	Using Agency	Agency Director forwards the following to DPSM a) Request to participate in program b) Name and phone number of Program Manager, and c) Executed Director's Statement of Responsibility (Attachment C).	Variable
2	DPSM	Provide training session for agency Program Manager. Provide p-card application.	1 – 2 weeks
3	Using Agency	Complete p-card applications. Work with DPSM to establish appropriate limits for each p-card. Forward completed applications to DPSM for submission to bank. Draft internal control procedures and submit to DPSM for review and approval.	Variable
4	Bank	Issue p-card(s) to DPSM	2 weeks
5	DPSM	Review agency internal control procedures. Upon approval, notify agency of approval and availability of p-card(s).	2 weeks*
6	Using Agency	Train p-card users on conformance with this Procedural Memorandum and the agency's ICP. Ensure that all users complete the on-line p-card user training and file the test with the EAD form. Use the p-card in accordance with the policy and procedures.	Variable
7	Using Agency	Create weekly transaction report using p-card software. Review report for suspicious charges.	Weekly
8	DPSM	Download and process county's weekly billing reports for posting to FOCUS. Prepare payment request documentation for Dept. of Finance.	Weekly
9	Dept of Finance (DOF)	Pay bank via wire transfers based on amounts provided by weekly billing report and FOCUS.	Weekly
10	Using Agency	a) On a weekly basis, reconcile individual purchase receipts and credits to weekly transaction reports in order to spot possible unauthorized purchases. b) On a monthly basis (minimum), reconcile amounts posted to FOCUS to bank records. Distribute clearing account to appropriate expenditure accounts.	As Indicated
11	DPSM/DOF Internal Audit	Conduct compliance reviews to assure that p-cards are being used in accordance with policies and procedures.	Periodic

\*Two weeks are generally concurrent with two-week period shown in #4. While bank is processing card applications, DPSM reviews agency internal control procedures.

## EMPLOYEE ACKNOWLEDGEMENT DISCLOSURE FORM

County of Fairfax

\_\_\_\_\_  
[Agency Name]

By signing below, I \_\_\_\_\_  
(employee's name), agree to the following regarding participation in the County's procurement card program.

1. I have read and familiarized myself with the County's Procedural Memorandum 12-02, *Use of the County Procurement Card*, and my agency's Procurement Card Internal Control Procedures. I agree to comply with the guidelines set forth in those procedures.
2. I have taken the on-line Procurement Card User Training and have passed the certification test. (Attach exam to this EAD form.)
3. I agree to return the p-card to the agency Program Manager or his/her designee upon my departure from the agency, or upon the manager's request.
4. If the p-card is lost or stolen, I will immediately notify JPMorgan Chase Bank at **1-800-316-6056**.
5. I understand that misuse of the p-card may result in disciplinary action, including termination of employment and possible criminal prosecution.

\_\_\_\_\_  
Employee's Name (Printed)

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee's Telephone Number and Work Location

\_\_\_\_\_  
Supervisor's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Program Manager's Signature

\_\_\_\_\_  
Date

## USING AGENCY DIRECTOR'S STATEMENT OF RESPONSIBILITY

I acknowledge responsibility for my Agency's proper use of the County's Procurement Cards and will assure that my Agency follows all policies and procedures regarding p-card use, security, and accounting.

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Director's Name (Typed or Printed)

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Signature

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Date

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Agency Name

When completed, please forward this form to the Procurement Card Program Administrator in the Department of Purchasing and Supply Management (DPSM).

Fairfax County P-card Merchant Category Code (MCC) Restrictions  
MCC Groups (MCCG)  
Updated 4/24/2013

MCCG Name	MCC #	MCC Description	Include	Exclude	Single Trans Max. \$Limitation*
FC1	3000-3299	All Airlines		X	0
	4829	Wire Transfer, Money Orders		X	0
	5309	Duty Free Stores		X	0
	5681	Furriers and Fur Shops		X	0
	5698	Wig and Toupee Shops		X	0
	5813	Bars, Cocktail Lounges, Taverns - Drinking Places		X	0
	5921	Package Stores		X	0
	5933	Pawn Shops		X	0
	5972	Stamp and Coin Shops		X	0
	6000-6999	Financial and Related Institutions		X	0
	7230	Beauty Salons		X	0
	7273	Dating and Escort Services		X	0
	7297	Massage Parlors		X	0
	7298	Health and Beauty Spas		X	0
	7932	Billiard / Pool Establishments		X	0
	7995	Betting (Lottery, Off-Track, Race Track, etc.)		X	0
	9223	Bail and Bond Payment		X	0
		All other MCCs	X		\$ 2,500.00 *
					\$50,000.00**
FC6	4829	Wire Transfer, Money Orders		X	0
(Airlines Allowed)	5309	Duty Free Stores		X	0
	5681	Furriers and Fur Shops		X	0
	5698	Wig and Toupee Shops		X	0
	5813	Bars, Cocktail Lounges, Taverns - Drinking Places		X	0
	5921	Package Stores		X	0
	5933	Pawn Shops		X	0
	5972	Stamp and Coin Shops		X	0
	6000-6999	Financial and Related Institutions		X	0
	7230	Beauty Salons		X	0
	7273	Dating and Escort Services		X	0
	7297	Massage Parlors		X	0
	7298	Health and Beauty Spas		X	0
	7932	Billiard / Pool Establishments		X	0
	7995	Betting (Lottery, Off-Track, Race Track, etc.)		X	0
	9223	Bail and Bond Payment		X	0
		All other MCCs	X		\$ 2,500.00 *

\* Maximum single transaction limitation. This figure may be set *lower* by agency request.

\*\* eVA p-cards may be set at a maximum SPL of \$50,000.00

Note: FC1 and FC6 MCC Groups are the standard groups for p-cards. Special use cards generally have a Custom named group with restrictions that are specific to the p-card itself. When appropriate, DPSM will work with the agency to set up a special MCCG.



Fairfax County P-card Merchant category Codes (MCC)  
 FOCUS Marketplace P-card Purchase Restrictions (Exclude) Company #15678  
 4/14/2011

MCCG Name	Custom/ Standard	MCC #	MCC Description	Include	Exclude	Single Trans \$Limitation*
FOCUSCTY	Custom	3000-3299	All Airlines (restricted in 2011)		X	0
		4829	WireTransfer, Money Orders		X	0
		5309	Duty Free Stores		X	0
		5681	Furriers and Fur Shops		X	0
		5698	Wig and Toupee Shops		X	0
		5813	Bars, Cocktail Lounges, Taverns - Drinking Places		X	0
		5921	Package Stores		X	0
		5933	Pawn Shops		X	0
		5944	Jewelry Stores, Watches, Clocks & Silversmiths		X	0
		5966	Outbound Telemarketing Merchants		X	0
		5972	Stamp and Coin Shops		X	0
		6000-6999	Financial and Related Institutions		X	0
		7230	Beauty Salons		X	0
		7273	Dating and Escort Services		X	0
		7297	Massage Parlors		X	0
		7298	Health and Beauty Spas		X	0
		7631	Watch, Clock & Jewelry Repair		X	0
		7932	Billiard / Pool Establishments		X	0
		7995	Betting (Lottery, Off-Track, Race Track, etc.)		X	0
		9223	Bail and Bond Payment		X	0
		9401	I-Purchase Pilot		X	0
		9411	Government Loan Payments		X	0
		9701	Visa Credential Service		X	0
		9751	U.K. Supermarkets - Electronic Hot File (For regional use only)		X	0
		9752	U.K. Petrol Services - Electronic Hot File (For regional use only)		X	0
		9950	Intra-Company Purchases		X	0
			All other MCCs	X		\$50,000 or as defined *

# PROCUREMENT CARD LOG

Month of \_\_\_\_\_

[illegible]



**Regulation 5350.4**  
Financial Services  
Office of the Comptroller  
Effective 02-11-15

**OFFICE OF THE COMPTROLLER**

**Accounting Operations**

**Procurement Card Management**

This regulation supersedes Regulation 5350.3.

**I. PURPOSE**

To establish procurement card program procedures.

**II. SUMMARY OF CHANGES SINCE LAST PUBLICATION**

This regulation has been revised in its entirety to improve business practices.

**III. DEFINITIONS**

- A. Procurement Card – A purchasing card issued by FCPS' financial institution for the purpose of acquiring goods and services in an efficient and effective manner.
- B. Procurement Card Program Administrator – FCPS employee in the Department of Financial Services assigned to administer the procurement card program.
- C. Principal/Program Manager – Principal, director, or an individual with fiscal oversight of operations who approves purchases and ensures transactions are conducted in accordance with the current version of Regulation 5012, Purchasing Goods and Services Using Appropriated and Nonappropriated Funds.
- D. Card User – FCPS employee authorized to use procurement cards to purchase goods and services.
- E. Card Custodian – FCPS employee assigned by the principal/program manager to safeguard and release procurement cards for preauthorized use and maintain a procurement card log to ensure transactions are recorded in a timely manner.
- F. Reconciler – FCPS employee assigned by the principal/program manager to verify and reconcile transactions against the financial institution's procurement card statement.
- G. Signature Authorization Form – FCPS form (FS-126) used to authorize designated employees to approve and sign financial and procurement documents.
- H. Financial Institution – The contracted service provider who issues procurement cards. The current financial institution is JP Morgan Chase.

- I. PaymentNet – An online procurement card management system provided by the financial institution, currently JP Morgan Chase.

#### **IV. GENERAL REQUIREMENTS**

Procurement cards provide an efficient and effective method for the purchase of goods and services. The principal/program manager must ensure that the purchase of goods and services with procurements cards comply with the current version of Regulation 5012. Additionally, to protect against fraud and misuse, principals/program managers must safeguard procurement cards issued to their school/office and ensure adequate internal controls are in place and followed.

#### **V. RESPONSIBILITIES**

- A. The Office of the Comptroller, Department of Financial Services, is responsible for administering the procurement card program and updating this regulation.
- B. The principal/program manager is responsible for ensuring compliance with the provisions of this regulation.

#### **VI. PROCUREMENT CARD PROGRAM**

- A. Authorization to Use Procurement Cards

Procurement cards may only be used by Fairfax County Public Schools (FCPS) employees for authorized business expenses in direct support of the education mission of FCPS. Misuse of the card will result in revocation of the procurement card and may result in further disciplinary action, up to and including termination of employment. If fraud or misuse is suspected, the principal/program manager must immediately contact the accounting operations section, Office of the Comptroller, for further guidance.

1. The principal/program manager must read and sign the Procurement Card Principal/Program Manager's Statement of Responsibility form (Attachment A) for all appropriated and nonappropriated procurement cards assigned to his or her program and forward to the accounting operations section, Office of the Comptroller. A new Procurement Card Principal/Program Manager's Statement of Responsibility form (Attachment A) is required any time there is a change in position.
2. The principal/program manager must ensure that each employee reads and signs the Procurement Card Employee Acknowledgement Disclosure form (Attachment B) before initial use of any appropriated and nonappropriated procurement card. The school/office must retain the disclosure forms for audit purposes.
3. The principal/program manager must ensure that every employee authorized to sign financial and procurement documents within his or her area of responsibility complete a Signature Authorization form (FS-126) and forward to the accounting

operations section, Office of the Comptroller. Please refer to the current version of Regulation 5112, Approval Authority for Financial Documents.

**B. Types of Procurement Cards**

**1. Appropriated Funded Procurement Card**

**a. Department or School Named Card**

These cards are issued in the name of a department, school, or center to procure goods and services utilizing appropriated funds. These cards may be used by authorized personnel designated by principal/program managers.

**b. Individual Named Card**

These cards are issued in the name of an individual user to procure goods and services using appropriated funds. The issuance of individual named cards requires the approval of the assistant superintendent, Department of Financial Services, as well as additional procedures prescribed in Section VI.C.1.b. This card has enhanced disputing rights with the financial institution to research and recover funds for unauthorized charges.

**c. Declining Balance Card**

These cards are issued in the name of a department or school to purchase equipment for school renovations and other construction projects and has a predetermined dollar limit based on project funding.

**d. FOCUS Marketplace**

These cards are designated for purchases in the FOCUS Marketplace. These cards are kept with the Office of the Comptroller and are not distributed to schools and departments. The card numbers are provided to vendors accepting FOCUS Marketplace orders.

**2. School Activity Funded Procurement Card**

These cards are issued to schools to procure goods and services utilizing school activity funds. These cards may be used by authorized personnel designated by principal/program managers. These cards have limited disputing rights with the financial institution to research and recover funds for unauthorized charges.

**C. Requesting a Procurement Card**

1. The principal/program manager must submit a request based on the type of card needed as follows.

- a. Department or School Named Card – The principal/program manager must complete Section A of the Procurement Card Request or Change Form (Attachment C) and forward to the accounting operations section, Office of the Comptroller.
  - b. Individual Named Card – The principal/program manager must complete the Procurement Card Request or Change Form (Attachment C) and obtain approval from their respective region assistant superintendent/department assistant superintendent. In addition, the approval of the assistant superintendent, Department of Financial Services, must be obtained. The individual must provide their date of birth, home address, and proof of citizenship to receive an individual named procurement card. This information will be sent to the financial institution as part of their requirements and the individual may be subject to a credit check. The Procurement Card Request or Change form and personal information must be forwarded to the accounting operations section, Office of the Comptroller.
  - c. School Activity Procurement Card – The principal/program manager must complete Section A of the Procurement Card Request or Change Form (Attachment C) and forward to the accounting operations section, Office of the Comptroller.
  - d. Declining Balance Card – The principal/program manager must complete the Procurement Card Request or Change Form (Attachment C) and submit the request to the financial management and contracting section, Office of Design and Construction, Department of Facilities and Transportation Services, for approval. The Office of Design and Construction will determine the appropriateness of the request and, if approved, assign the project funding code and dollar limit before forwarding the request to the accounting operations section, Office of the Comptroller.
2. The Office of the Comptroller is responsible for reviewing procurement card requests for completeness and accuracy and, upon approval, forwards the request to the financial institution. In addition, a proper accounting code will be assigned to each card. Procurement cards may not be assigned to accounting codes related to salaries, school initiatives, reserves, or benefits.

**D. Procurement Card Spending Limits**

1. Purchases utilizing procurement cards must not exceed \$5,000 for a single transaction. Exceptions for purchases over \$5,000 must be preapproved by the comptroller and the director, Office of Procurement Services, or their designee(s). Additional approval may be required by the assistant superintendent, Department of Financial Services. For FOCUS Marketplace Cards and Declining Balance cards, refer to Section VI.D.3. and Section VI.D.4. below.

2. Procurement card purchases for the same or related goods or services must not be split into separate orders to avoid the additional approvals required for purchases that exceed the \$5,000 single transaction limit.
3. FOCUS Marketplace cards have a spending limit of \$50,000 per single transaction. Exceptions must be preapproved by the comptroller and the director, Office of Procurement Services, or their designee(s). Additional approval may be required by the assistant superintendent, Department of Financial Services.
4. Declining Balance cards have a predetermined dollar limit based on project funding.

**E. Procedures for Procurement Card Use**

Principals/program managers are responsible for ensuring compliance with procedures for procurement card use.

**1. Control and Custody of Procurement Cards**

- a. The principal/program manager must assign individuals to perform the duties of card custodian and account statement reconciliation. Where possible, the card custodian and the reconciler functions should be performed by separate individuals. Individuals performing the role of the card custodian or reconciler must not be assigned as designees to preauthorize procurement card purchases.
- b. The card custodian must secure procurement cards in a locked location when not in use. Access to the location must be limited to those with authorization to access the cards.
- c. The card custodian must ensure only authorized personnel are issued a procurement card and that the Procurement Card Log (Attachment D) is accurately updated.
- d. The principal/program manager must maintain an inventory of all procurement cards issued to his or her program and store the documentation in a secure location separate from the cards. The documentation must include the 16 digit procurement card number, the name in which the card is issued, the credit limit, the procurement card location, and the procurement card custodian.
- e. The principal/program manager or designee must immediately report lost or stolen cards to the financial institution and to the accounting operations section, Office of the Comptroller. All lost or stolen cards require immediate notification as well as submission of the Procurement Card Cancellation Form (Attachment E) to the Office of the Comptroller.
- f. The principal/program manager must immediately report unauthorized use of the procurement card to the procurement card program administrator in the accounting operations section, Office of the Comptroller. Contact information for



the procurement card program administrator can be found on the Procurement Card intranet page, <http://fcpsnet.fcps.edu/fs/pcard/index.shtml>. This link is available only through computers within the internal FCPS network (FCPSnet).

- g. Individual named procurement cards must be surrendered immediately upon retirement, reassignment, or termination or at the request of an authorized representative (region assistant superintendent or department assistant superintendent) of FCPS.
  - h. Procurement cards must not be held by employees for extended periods without approval from the principal/program manager. Procurement cards must not be transferred to another FCPS facility or staff member.
  - i. The full 16 digit procurement card number and/or the three digit security code must not be disclosed on any written communication such as email, letters, and memorandums. Procurement cards may be used for internet purchases only from secure websites. A secure website address is preceded by "https." It is also recommended that the internet site provide encryption measures and a fraud protection guarantee.
  - j. The registering and storing of the procurement card number on online websites and accounts is prohibited.
  - k. The principal/program manager may request cancellation of a card by filling out the Procurement Card Cancellation Form (Attachment E) and submitting it to the accounting operations section, Office of the Comptroller. Reasons for cancellation include: the card is no longer needed, the fund code is closed, or the card was lost or stolen.
2. Preapproval of Purchases
- a. The principal/program manager or designee is responsible for preauthorizing procurement card purchases.
  - b. The principal/program manager must review preapproved requests for propriety and compliance with current purchasing policies and regulations. See the current version of Regulation 5012.
  - c. The principal/program manager must ensure funds are available to pay for procurement card purchases.
  - d. The principal/program manager must review spending limits and request adjustments when card use changes significantly. Cards not used for extended periods should be canceled.

**3. Accounting for Procurement Card Transactions**

- a. If needed, transactions should be reclassified prior to posting by accessing the PaymentNet portal and changing the commitment item and/or cost object assigned to each transaction by use of PaymentNet's edit function. Edits to transactions in PaymentNet must be completed by Friday, close of business, for each week's transactions.

- b. **FOCUS Marketplace Procurement Cards and General Use Procurement Cards**

Procurement card transactions are downloaded from the procurement card system, PaymentNet, and expenditures are posted to FOCUS on a weekly basis (first business day of the week).

- c. **School Activity Fund Procurement Cards**

School activity fund procurement cards must be recorded in the school activity fund financial system on a monthly basis.

**4. Reconciliation**

- a. Ensure that original receipts are provided for procurement card purchases and matched to the preapproval request. In the unlikely event that a receipt is lost, the card user must provide a written statement explaining the circumstances and obtain the principal/program manager's signature of approval before providing to the card custodian.
- b. Match original receipts to statements and ensure that all transactions on the statement are properly classified and posted in the financial system. The reconciler must initial and date the procurement card statement when the reconciliation is complete and to verify receipts for all transactions are attached. If a transaction is in dispute, follow procedures outlined in Section VI.E.5.
- c. Monthly statements are mailed directly to the principal/program manager and statements are available online through PaymentNet. It is highly recommended that transactions are reviewed on an ongoing basis using the online statements. It is the responsibility of the individual school, center, or department to verify the accuracy of these transactions weekly and monthly by accessing the statement online. The school, center, or department should use PaymentNet to reclassify any charges as necessary as specified in Section VI.E.3.a.
- d. The principal/program manager must ensure that reconciliations are done on a timely basis and must review, sign, and date the reconciliation report.
- e. The principal/program manager is responsible for recovering sales tax paid on exempt purchases. FCPS is exempt from sales tax for goods purchased in Virginia or delivered to Virginia. Charges for lodging and purchases of goods in

other states or the District of Columbia are subject to sales tax. See the current version of Regulation 5320, Sales and Use Tax.

- f. Reconciliation of FOCUS Marketplace procurement card transactions must be performed as part of the Financial Management Report (FMR) reconciliation process. See the current version of Regulation 5111, Financial Management Reports (FMR) Reconciliation. For FMR availability dates go to <http://fcpsnet.fcps.edu/fs/comptroller/FMRSchedule.shtml>. This link is available only through computers within the internal FCPS network (FCPSnet).

5. Disputes

The principal/program manager or designee must inform the merchant from whom goods and services were procured of any inaccurate or unauthorized charges within 30 days of the transaction. If the principal/program manager is unable to resolve a dispute, the principal/program manager must document the dispute and send a copy of the statement and a Cardholder Dispute Form (Attachment F) to the procurement card financial institution. If the disputed transactions are not resolved and result in loss of funds, contact the procurement card program administrator in the accounting operations section, Office of the Comptroller. The procurement card program administrator will contact the financial institution to help resolve the dispute. If the funds cannot be recovered from the merchant, the Office of the Comptroller may submit a liability claim to the financial institution for reimbursement.

6. Records Retention

- a. The principal/program manager or designee must retain original charge tickets, receipts, invoices, and other supporting documentation along with the procurement card statement and the reconciliation. These items must be maintained in a file at the school, center, or department for three fiscal years plus the current fiscal year. (For the current records retention schedule, see the current version of Regulation 6701, Records Management Program.)
- b. The principal/program manager or designee must retain a copy of the Principal/Program manager's Statement of Responsibility (Attachment A) and the original Employee Acknowledgement Disclosure (Attachment B).

F. Prohibited Use of Procurement Card

1. Procurement cards must not be used to obtain cash advances, to purchase goods from military facilities, to pay for entertainment, gift cards, debit cards, charitable donations, alcoholic beverages, or to purchase any other goods or services prohibited under FCPS purchasing policies and regulations.
2. Procurement cards must not be used for non-FCPS business such as personal purchases and those typically covered under local travel.

3. Procurement cards must not be used for any purchases not previously authorized by the principal/program manager or his or her designee.
4. Procurement cards must not be used by any FCPS employee who has not completed a Procurement Card Employee Acknowledgement Disclosure (Attachment B). The form is not complete until the principal/program manager approves it.

**G. Payment of Procurement Card Balances**

The Office of the Comptroller is responsible for payment to the financial institution for the general use and FOCUS Marketplace accounts. Schools are responsible for paying school activity fund statements. All statements must be paid in full by the assigned deadline to avoid penalties and late fees from the financial institution. Late fees must be noted on the statement with a written explanation why the late fee was incurred.

**H. Procurement Card Support**

1. Contact information, frequently asked questions, and procurement card guidelines are located on the FCPS intranet at <http://fcpsnet.fcps.edu/fs/pcard/index.shtml>. This link is available only through computers within the internal FCPS network (FCPSnet). The webpage content is maintained and updated by the Office of the Comptroller.
2. The accounting operations section, Office of the Comptroller, provides support for the following:
  - a. Requests for new cards.
  - b. Updates to and cancellation of existing cards.
  - c. Changes for single transaction or monthly spending limits.
  - d. Requests for damaged card replacements.
  - e. System administration, including training, for PaymentNet.
  - f. Help with card usage problems.
  - g. Help with recovery of funds from fraudulent charges.

**VII. AUDIT AND COMPLIANCE**

Adherence to this regulation is monitored by the Department of Financial Services and/or internal and external auditors. Monitoring activities may include, but are not limited to, scheduled or random site visits, transaction review audits, and other analysis as deemed appropriate.

See also the current versions of: Regulation 5012, Purchasing Goods and Services Using  
Appropriated and Nonappropriated Funds  
Regulation 5111, Financial Management Reports (FMR)  
Reconciliation  
Regulation 5320, Sales and Use Tax  
Regulation 6701, Records Management Program

FAIRFAX COUNTY PUBLIC SCHOOLS

**FAIRFAX COUNTY PUBLIC SCHOOLS  
PROCUREMENT CARD  
PRINCIPAL/PROGRAM MANAGER'S STATEMENT OF RESPONSIBILITY**

By signing below:

- I have read, understand, and will abide by the requirements stated in the current version of Regulation 5350, Procurement Card Management, and all referenced policies and regulations.
- I accept responsibility for ensuring compliance with all aspects of the procurement card program within my school, center, or department.
- I will ensure that adequate internal control procedures are being followed at my school, center, or department related to card use, including but not limited to, proper authorization, monitoring, reconciliation, and safeguarding.

\_\_\_\_\_  
School, Center, or Department

\_\_\_\_\_  
Principal/Program Manager's Name

\_\_\_\_\_  
Principal/Program Manager's Signature

\_\_\_\_\_  
Date

**Please forward this form to the procurement card administrator in  
Accounting Operations, Office of the Comptroller,  
Department of Financial Services.**

FAIRFAX COUNTY PUBLIC SCHOOLS  
PROCUREMENT CARD  
EMPLOYEE ACKNOWLEDGEMENT DISCLOSURE

By signing below, I \_\_\_\_\_  
Employee's Name and ID number

Agree to the following:

- I have read, understand, and will abide by the requirements stated in Regulation 5350, Procurement Card Management, and all referenced policies and regulations.
- I agree to use the FCPS procurement card(s) only for reasonable and necessary business expenses. I understand that misuse of this card may result in disciplinary action, up to and including termination of employment.
- I agree to surrender the card immediately upon retirement, reassignment, or termination or at the request of an authorized representative of FCPS. I understand that use of the card after privileges are withdrawn is prohibited.
- If the card is lost or stolen, I will immediately notify JPMorgan Chase at **1-800-316-6056** and the Office of the Comptroller.

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
School, Center, or Department

\_\_\_\_\_  
Principal/Program Manager's Name

\_\_\_\_\_  
Principal/Program Manager's Signature

\_\_\_\_\_  
Date

**All individuals using procurement cards must complete and sign this form.  
Please file and retain at the individual's school, center, or department location.**

**FAIRFAX COUNTY PUBLIC SCHOOLS  
PROCUREMENT CARD REQUEST OR CHANGE FORM**

- ☐ New Card Request (Complete Sections A and B, as applicable)  
☐ Existing Card Change Request (Complete Sections A and C)

Type of Funding: ☐ Appropriated Funding ☐ Local School Activity Funding

**SECTION A (COMPLETE FOR ALL)**

School, Center, or Department \_\_\_\_\_

Card Purpose \_\_\_\_\_

Original Single Transaction Limit \_\_\_\_\_ Original Monthly Credit Limit \_\_\_\_\_

Requested Single Transaction Limit \_\_\_\_\_ Requested Monthly Credit Limit \_\_\_\_\_

Cost Center-General Ledger Code \_\_\_\_\_

Financial Contact \_\_\_\_\_ Phone \_\_\_\_\_

Principal/Program Manager's Name \_\_\_\_\_ Phone \_\_\_\_\_

Principal/Program Manager's Signature \_\_\_\_\_ Date \_\_\_\_\_

☐ Declining Balance Card Request:

Facilities and Transportation Services Department Approval \_\_\_\_\_ Date \_\_\_\_\_

**SECTION B (COMPLETE FOR INDIVIDUAL NAMED CARDS; MUST ALSO COMPLETE SECTION A)**

Individual's Name \_\_\_\_\_ Employee ID Number \_\_\_\_\_

Phone \_\_\_\_\_ E-Mail \_\_\_\_\_

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

Authorized by \_\_\_\_\_ Date \_\_\_\_\_  
Assistant Superintendent

**SECTION C (COMPLETE FOR CHANGE REQUESTS; MUST ALSO COMPLETE SECTION A)**

Card Name \_\_\_\_\_

Card Number (last 8 digits only) \_\_\_\_\_

Reason for Change \_\_\_\_\_

OOO Use Only: Approved by \_\_\_\_\_ Date \_\_\_\_\_  
Completed by \_\_\_\_\_ Date \_\_\_\_\_

Forward completed form to the Office of the Comptroller, Procurement Card Administrator



[illegible]

FAIRFAX COUNTY PUBLIC SCHOOLS  
PROCUREMENT CARD  
CANCELLATION FORM

**CARDHOLDER INFORMATION:**

Card Name: \_\_\_\_\_

Card Number: (last 8 digits only) \_\_\_\_\_

Principal/Program Manager: \_\_\_\_\_

Phone: \_\_\_\_\_ School or Department: \_\_\_\_\_

\_\_\_\_\_  
Principal/Program Manager's Signature

\_\_\_\_\_  
Date

**REASON FOR CANCELLATION:**

Card lost \_\_\_\_\_ Card stolen \_\_\_\_\_ Unauthorized use of card \_\_\_\_\_

Funding ends \_\_\_\_\_ Card no longer needed \_\_\_\_\_

Other, please explain:

\_\_\_\_\_

**Details for Lost, Stolen, or Unauthorized Use of the Procurement Card:**

Date \_\_\_\_\_ Merchant involved \_\_\_\_\_

Unauthorized charges reported by financial institution: \_\_\_\_\_

\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

Explanation: \_\_\_\_\_

\_\_\_\_\_

Forward completed form to the Office of the Comptroller, Procurement Card Administrator

FAIRFAX COUNTY PUBLIC SCHOOLS  
PROCUREMENT CARD  
CARDHOLDER DISPUTE FORM

**CARDHOLDER INFORMATION:**

Card Name: \_\_\_\_\_

Card Number (last 8 digits only): \_\_\_\_\_

Principal/Program Manager: \_\_\_\_\_

Phone: \_\_\_\_\_ E-Mail: \_\_\_\_\_

\_\_\_\_\_  
Principal/Program Manager's Signature

\_\_\_\_\_  
Date

**MERCHANT INFORMATION:**

Merchant Name: \_\_\_\_\_

Dollar Amount Disputed: \_\_\_\_\_

**DISPUTE TYPE:**

\_\_\_\_\_ Erroneous Charge

\_\_\_\_\_ Duplicate Posting

\_\_\_\_\_ Erroneous Amount (provide supporting documentation indicating correct amount)

\_\_\_\_\_ Credit Not Posted (enclose a copy of credit voucher or returned merchandise receipt)

\_\_\_\_\_ Other (please explain below)

**DISPUTE EXPLANATION:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Credit Card EDI file layout: Details

Description: Bank file is presented to Fairfax with Record type 30 and 34, EDI layout.

**Record Type 30 is Credit Card Transaction used for both General Use and Market Place cards.**

**Record Type 34 is Detail of the Credit Card Transaction used for the Market Place cards only.**

Each record type contains specific data elements which are mandatory to Fairfax interface and reconciliation process. The below file contains an example of Fairfax's tab delimited file.

### Example: Input of record type 30 ( Note “#” represents tab delimited)

```
30#1890421054001#5888884444244474#No#09/24/2015#09/25/2015#30.60#USD#0.00#30.60#USD#3001#NU#MC-I SALES DRAFT#Purchase#
073807#09/24/2015#3#0.00#Reference1338001#55432865267000742680511#0#0#29.74#1#0#5888884444244475#5888884444244475#New#
#####0#default#1#30.60#30.60#0.00#0#245367106001#ABC*ABC VENDOR# ##ABC*ABC VENDOR####3286# 168664000740654###888-388-
3224#WI#USA#549420000#####0#5969#Direct Marketing-Not Elsewhere Classified#DIRECT MARKETING-OTHER DIRECT MARKETERS-NOT
ELSEW.#Purchase#Other#0#1#SAP Focus#515014#SSE2520101#####
#####390971239
```

Details of above example:

**(Note: Optional fields not used by Fairfax County are reserved for future use)**

Tab #	Data element value from sample	Required or Optional	Data Element Description
1	30	Required	Record Type
2	1890421054001	Required	Transaction Reference
3	5888884444244474	Required	Credit card information
4	No	Optional	Field not used by Fairfax County
5	9/24/2015	Required	Document Date
6	9/25/2015	Required	Posting Date
7	30.6	Required	Amount
8	USD	Optional	Field not used by Fairfax County
9	0.00	Optional	Field not used by Fairfax County

10	30.60	Optional	Field not used by Fairfax County
11	USD	Optional	Field not used by Fairfax County
12	3001	Optional	Field not used by Fairfax County
13	NU	Optional	Field not used by Fairfax County
14	MC-I SALES DRAFT	Optional	Field not used by Fairfax County
15	Purchase	Optional	Field not used by Fairfax County
16	073807	Optional	Field not used by Fairfax County
17	9/24/2015	Optional	Field not used by Fairfax County
18	3	Optional	Field not used by Fairfax County
19	0.00	Optional	Field not used by Fairfax County
20	Reference1338001	Optional for General Use/Required for Market Place	Purchase Order Number (85XXXXXXX)
21	55432865267000700000000	Optional	Field not used by Fairfax County
22	0	Optional	Field not used by Fairfax County
23	0	Optional	Field not used by Fairfax County
24	29.74	Optional	Field not used by Fairfax County
25	1	Optional	Field not used by Fairfax County
26	0	Optional	Field not used by Fairfax County
27	5888884444244470	Optional	Field not used by Fairfax County
28	5888884444244470	Optional	Field not used by Fairfax County
29	New	Optional	Field not used by Fairfax County
	..	Optional	Field not used by Fairfax County
37	0	Optional	Field not used by Fairfax County
38	default	Optional	Field not used by Fairfax County
39	1	Optional	Field not used by Fairfax County
40	30.60	Optional	Field not used by Fairfax County
41	30.60	Optional	Field not used by Fairfax County
42	0.00	Optional	Field not used by Fairfax County
43	0	Optional	Field not used by Fairfax County

44	245367106001	Optional	Field not used by Fairfax County
45	ABC*ABC VENDOR	Required	Description
	..	Optional	Field not used by Fairfax County
48	ABC*ABC VENDOR	Optional	Field not used by Fairfax County
	..	Optional	Field not used by Fairfax County
51	3286	Optional	Field not used by Fairfax County
52	168664000740654	Optional	Field not used by Fairfax County
	..	Optional	Field not used by Fairfax County
55	888-388-3224	Optional	Field not used by Fairfax County
56	WI	Optional	Field not used by Fairfax County
57	USA	Optional	Field not used by Fairfax County
58	549420000	Optional	Field not used by Fairfax County
	..	Optional	Field not used by Fairfax County
67	0	Optional	Field not used by Fairfax County
68	5969	Optional	Field not used by Fairfax County
69	Direct Marketing-Not Elsewhere Classified	Optional	Field not used by Fairfax County
70	DIRECT MARKETING-OTHER DIRECT MARKETERS-NOT ELSEW.	Optional	Field not used by Fairfax County
71	Purchase	Optional	Field not used by Fairfax County
72	Other	Optional	Field not used by Fairfax County
73	0	Optional	Field not used by Fairfax County
74	1	Optional	Field not used by Fairfax County
75	SAP Focus	Optional	Field not used by Fairfax County
76	515014	Required	GL Account Number
77	SSE2520101	Required	Cost Center Number
78	2G40-041-000	Optional	Internal Order Number
79	WW-000017-007	Optional	Work Breakdown Structure Number
	..	Optional	Field not used by Fairfax County
81	100-999997	Optional	Fund Number
82	1380021-2015	Optional	Grant Number
83	1000	Optional	Business Area

	..	Optional	Field not used by Fairfax County
182	390971239	Optional	Field not used by Fairfax County

**Example: Input of record type 34 ( Note “#” represents tab delimited)**

34#1732676238001#8500194003####0.00#0.00#0#0#0.00#0.00#0.00##0#0#0.00#0.00#0.00#0.00##0.00#0####0#SO-000525577#08/31/2015 01:27:49 AM##22003## COS065476# PAD,REPLACEMENT P60,RD#0.00#01#0.00#0.00#12.30##0.00#0####EA

Details of above example:

**(Note: Optional fields not used by Fairfax County are reserved for future use)**

Tab #	Data element description	Required or Optional	Data Element Description
1	34	Required	Record Type
2	1732676238001	Required	Reference Document Number
3	8500194003	Required	Purchase Order Number
	..	Optional	Field not used by Fairfax County
7	0.00	Optional	Field not used by Fairfax County
8	0.00	Optional	Field not used by Fairfax County
9	0	Optional	Field not used by Fairfax County
10	0	Optional	Field not used by Fairfax County
11	0.00	Optional	Field not used by Fairfax County
12	0.00	Optional	Field not used by Fairfax County
13	0.00	Optional	Field not used by Fairfax County
	..	Optional	Field not used by Fairfax County
15	0	Optional	Field not used by Fairfax County
	..	Optional	Field not used by Fairfax County
17	0.00	Optional	Field not used by Fairfax County
18	0	Optional	Field not used by Fairfax County
19	0.00	Optional	Field not used by Fairfax County

20	0.00	Optional	Field not used by Fairfax County
21	0.00	Optional	Field not used by Fairfax County
22	0.00	Optional	Field not used by Fairfax County
	..	Optional	Field not used by Fairfax County
24	0.00	Optional	Field not used by Fairfax County
25	0	Optional	Field not used by Fairfax County
	..	Optional	Field not used by Fairfax County
30	0	Optional	Field not used by Fairfax County
31	SO-000525577	Optional	Vendor Order confirmation number
32	8/31/2015 1:27:49 AM	Optional	Vendor Order confirmation time
33	..	Optional	Field not used by Fairfax County
34	22003	Optional	Vendor Zip code
	..	Optional	Field not used by Fairfax County
36	COS065476	Required	Material Number Used by Vendor
37	PAD,REPLACEMENT P60,RD	Required	Item text
38	0.00	Optional	Field not used by Fairfax County
39	01	Required	Quantity
40	0.00	Optional	PO Item Net Price
41	0.00	Optional	Field not used by Fairfax County
42	0	Optional	Field not used by Fairfax County
43	12.30	Required	Gross Invoice Amount
	..	Optional	Field not used by Fairfax County
45	0.00	Optional	Field not used by Fairfax County
46	0	Optional	Field not used by Fairfax County
	..	Optional	Field not used by Fairfax County
48	0.00	Optional	Field not used by Fairfax County
49	0	Optional	Field not used by Fairfax County
	..	Optional	Field not used by Fairfax County
52	EA	Required	PO Unit