

BERRYVILLE TOWN COUNCIL BUDGET AND FINANCE COMMITTEE
MEETING AGENDA
Berryville-Clarke County Government Center
101 Chalmers Court, Second Floor
Meeting Room A/B
Called Meeting
August 24, 2017
10:30 a.m.

<u>Item</u>		<u>Attachment</u>
1. Call To Order	Erecka Gibson, Chair	
2. Approval of Agenda		
3. Discussion	Work Plan Internal Audit of Cash Disbursements and Procurement	1
4. Discussion	Bank Accounts Update	
5. Discussion	APA Information	2
6. Discussion	RFC Engagement Letter	3
7. Discussion	Review of Financial and Administrative Policies	
8. Closed Session	No Closed Session Scheduled	
9. Other		
10. Adjourn		

↓ Denotes an item on where a motion for action is included in the packet

Attachment 1

Item 3 Work Plan Internal Audit of Cash Disbursements and Procurement

The Work Plan was last reviewed by the Town Council on July 10. Staff has prepared a draft report in which it has attempted to address the concerns voiced by the Council.

Attachments:

- Minutes of the July 10, 2017 Town Council Work Session
- Work Plan Matrix
- Town of Berryville Procurement Policy Manual
- Town of Berryville Purchasing Card Policies and Procedures
- Summary of Tasks Assigned to Administrative Staff and Police Dept. Administrative Assistant
- Email tread between KRD and Melissa Brohan of PBMares

Item 4 Bank Accounts Update

Mayor Dickinson requested that the Treasurer review the Town's bank accounts and provide the Committee with information regarding the number of accounts and whether all of the accounts are necessary.

The Treasurer met with the Bank of Clarke County this week and will present the information that she has gathered to this point.

Item 5 APA Information

Mayor Dickinson attended a conference in which new budget language directing the Auditor of Public Accounts to establish a work group to develop an early warning system for localities in fiscal distress. The early warning system is intended to allow the state to flag localities that are determined to be in financial trouble for certain actions, including the possibility of State intervention.

The Mayor wants to introduce the proposed model to the Committee.

Attachments:

- Email from VML
- List of current Financial Assessment Model (FAM) scores for Virginia Towns
- Fiscal Indicators Ration Calculations
- Fiscal Stress Monitoring Follow-up Questionnaire

Item 6 RFC Engagement Letter

Mayor Dickinson asked this matter be placed on the agenda in order to permit the Committee to review the letter.

Attachment:

- RFC engagement letter

Item 7 Review of Financial and Administrative Policies

Mayor Dickinson asked that this matter be placed on the agenda in order to discuss the Committee beginning a process in which the Town's Financial and Administrative Policies will be reviewed and moved to Town Council for amendment if needed.

MINUTES
BERRYVILLE TOWN COUNCIL
Berryville-Clarke County Government Center
Budget Work Session
July 10, 2017
3:00 p.m.

Town Council: Present-Patricia Dickinson, Mayor; Harry Lee Arnold, Jr., Recorder; Allen Kitselman; Erecka Gibson; Donna Marie McDonald; David Tollett

Staff: Keith Dalton, Town Manager; Desiree Moreland, Assistant Town Manager/Treasurer; Ann Phillips, Town Clerk

Press: None

1. Call to Order

Mayor Dickinson called the meeting to order at 3:00 p.m.

2. Approval of Agenda

On motion of Council member Kitselman, seconded by Council member Gibson, the agenda was approved unanimously.

3. Discussion – Draft Cash Disbursements and Procurement Work Plan

Mr. Dalton reviewed the method used to create the Draft Work Plan. The gaps identified by the audit (see Attachment A) were discussed as follows:

GAP_1: The Resolution identified was the requirement of a Vendor Registration form including a W-9. Council agreed to remove “recurring”, asked that the Vendor Registration form provide a space for the Vendor’s preferred method of payment: P-card or check, examine whether MROs can be excluded, and address any insurance requirements for the Vendor.

GAP_3: The Draft Plan called for no additional action required for a purchase less than \$5000 since a purchase will document the quote of one price. Council member Gibson said that there should be physical documentation of a quote for all purchases. Staff will examine how to address this request.

GAP_4: The Resolution identified was the requirement of the Department Head signature on Purchase Orders and Requests for Payment. Council member Gibson asked that the Plan clarify when a Purchase Order is and is not required. Staff will examine whether the Purchasing Policy needs to be amended to address this issue.

GAP_5: The Resolution identified was the requirement for a Price Quote Record form to be completed and signed by Department Heads. It was agreed to contact the auditor for clarification on whether the Town Purchasing policy, as written, requires four quotes not solicitations.

GAP_6: The Resolution identified was the requirement of the Sole Source Procurement form be completed and signed by both the Department Head and the Town Manager and the form be attached to the Request for Payment or Purchase Order Request form. Staff is to examine how to exempt MROs and purchases under a certain amount.

GAP_7: The Resolution identified was the requirement that the Emergency Procurement Justification form be completed by Department Head and signed by both the Department Head and the Town Manager and the form be attached to the Request for Payment form.

GAP_12: The Resolution identified was the requirement that the Cooperative Procurement form be completed by the Department Head and signed by both the Department Head and the Town Manager and the form attached to the Request for Purchase Order or Request for Payment form. Mayor Dickinson asked that a reference check be added for contracts over \$100,000. There was discussion of requiring Town Council approval for large cooperative procurements. Mr. Dalton noted that it would be best for the Policy to mirror the Virginia Public Procurement Act. He said that Town Council could be given notice of the intention to use a cooperative procurement agreement with time allowed for Council members to object if they do not approve. Council member Gibson said that if an item is not being addressed, then it should be noted in the work plan. Recorder Arnold said if Council wishes to review a cooperative contract, it should be made available in the office rather than sent out.

GAP_13: The Resolution identified was the requirement for Department Heads to complete a Request for Payment form when submitting bills for payment. Council member Gibson asked that the requirement for a purchase order be clarified in the Plan and the Purchasing Policy, therefore the Policy will be amended to say that a Purchase Order is required for purchases over the Small Purchase Limit of \$5000.

GAP_8: The Resolution identified was the requirement that both the cardholder and the Department Head complete the P-Card Expense Report form.

GAP_10: The first Resolution identified was that the Finance Clerk will, prior to electronic approval in Works, print the Works report, sign it, and provide it to the Assistant Town Manager/Finance. After discussion, it was agreed that this requirement is unnecessary. The second Resolution identified was the requirement that the Works Reports on which the Finance Clerk has been an initiator will also be reviewed and signed by Assistant Town Manager/Finance prior to the Finance Clerk approving within Works.

GAP_9: The Resolution identified was that wire transfers and new ACH payments will be approved by the Mayor or Recorder, the Finance Clerk will sign transfers and new ACH payments, and the Assistant Town Manager/Finance will complete the transaction for the Town. The wire transfer process was discussed. Mayor Dickinson asked that she or the Recorder be given the bank statements in order to reconcile the wire transfers. Recorder Arnold asked that the bank statements not be copied, but be available for review in the Treasurer's office.

GAP_2: The Resolution identified was to fund and fill the Finance Clerk position to allow segregation of duties. It was decided that the Treasurer will continue to write Purchase Orders to allow separation from the other accounts payable functions which the Finance Clerk will perform.

GAP_11: The Resolution identified that the Finance Clerk will have primary responsibility for accounts payable functions with the Assistant Town Manager/Finance serving as backup, and the Assistant Town Manager/Finance will have primary responsibility for procurement functions with the Town Clerk serving as backup for procurement functions.

Mr. Dalton said that he will plan to have a final draft of the Work Plan completed by September 12, 2017.

Mayor Dickinson reviewed the current Purchasing Manual. She made the following comments:

She said that on page 4, "should" should be replaced with "shall" under Documentation of Files, and the type of vendor should be specified to determine the necessary documentation.

She said page 7 references completion dates, but she does not see completion dates. It was decided that completion dates are found in contracts.

She said that on page 8, the reference to "should review all contracts annually" should be changed to "shall review all contracts annually." The Council discussed the necessity of reviewing multi-year contracts, and the consensus was that it was unnecessary.

She questioned the mention on insurance on page 9 and page 13 and said the information appears conflicting. Mr. Dalton said that he would review the information.

She asked about the reference to Form REC-1, and Mr. Dalton said it was an old reference left in the Policy text, and it will be removed.

She asked for clarification of bidding and proposals. Ms. Moreland said that a bid is for a known thing, and a proposal is for how a vendor would offer to meet the requirement.

On motion of Council member Kitselman, seconded by Council member Gibson, the meeting was adjourned at 4:45 p.m.

Harry Lee Arnold, Jr., Recorder

Ann W. Phillips, Town Clerk

Process	Sub-Process	Risk No.	Risk	GAP No.	GAPs	RESOLUTION/ACTION	POSITION RESPONSIBLE	COMPLETION DATE
Procurement	Vendor Management	R_2	Purchases are made to unauthorized or fraudulent/non-existent vendors.	GAP_1	Prior to doing business with a new vendor, vendors are not required to submit business information, including an IRS Form W-9.	A. Develop a Vendor Registration Form with W-9 (Appendix B)	ATMF	COMPLETED
						B. Require all vendors; excluding residential refunds, employee reimbursements, vendors for travel-related expenses, and the like, to complete a Vendor Registration Form with W-9.	FC	1/1/2018
	Purchasing	R_4	Purchases are made at unauthorized prices or terms.	GAP_3	Per the Town of Berryville's Procurement Policy Manual, one (1) quote is required to be obtained for purchases less than \$5,000. Documentation of quotes is not being consistently maintained.	Within the Small Purchase Limit, a P-Card Expense Report or a Request for Payment Form will constitute a record of the quote.	None	None
						A. Amend Purchasing Policy to require Department Head signature on the Request For Payment form and the Request for Purchase Order Form..	Town Council	11/1/2017
		R_4	Purchases are made at unauthorized prices or terms.	GAP_4	Department heads are not required to sign off on invoice or purchase requisition indicating approval of price, amount, terms, and GL expenditure account.	B. Purchase Order Request form will be amended to include a signature line for requesting Department Head.	ATMF	COMPLETED
						C. Develop a Request for Payment form (Appendix B).	ATMF	COMPLETED
		R_5	Expenditures are posted to incorrect accounts or periods.	GAP_5	Per the Town of Berryville's Procurement Policy Manual, four (4) solicitations for quotes are required to be obtained for purchases of goods or nonprofessional services over \$5,000 to the small purchase limits set in the VPPA. Documentation of quotes is not being consistently maintained.	D. Department Head signature will be required on Purchase Order Request forms and Request for Payment forms before processing.	FC	1/1/2018
		R_4	Purchases are made at unauthorized prices or terms.			A. Develop a Record of Solicitations for Price Quote form (Appendix B).	ATMF	COMPLETED
		R_11	Non-compliance with Virginia Public Procurement Act.	GAP_6	Per the Town of Berryville's Procurement Policy Manual, all sole source procurements for goods and services must be approved in advance by the Town Manager or designee. Additionally, the Town is required to maintain written determination documenting that there is only one source practicably available for that which is to be procured. Such procedures are not being performed.	B. Require Price Quote Record form to be completed and signed by Department Heads and attached to a Request for Payment form.	FC	1/1/2018
		R_4	Purchases are made at unauthorized prices or terms.			A. Amend Purchasing Policy to require signature by Department Head and Town Manager.	Town Council	11/1/2017
					B. Develop a Sole Source Procurement form (Appendix B).	ATMF	COMPLETED	
					C. Require that the Sole Source Procurement form be completed by Department Head and signed by both the Department Head and the Town Manager and the form attached to the Request for Payment form or Purchase Order Request form.	FC	1/1/2018	

Process	Sub-Process	Risk No.	Risk	GAP No.	GAPs	RESOLUTION/ACTION	POSITION RESPONSIBLE	COMPLETION DATE	
Procurement	Purchasing	R_4	Purchases are made at unauthorized prices or terms.	GAP_7	Per the Town of Berryville's Procurement Policy Manual, in the case of emergency procurement, written documentation shall be maintained indicating the nature of the emergency and reason for selection of the particular contractor. Such written determination shall be signed by the Town Manager or designated representative. Such procedures are not being performed.	A. Amend Purchasing Policy to require Emergency Justification form be signed by Department Head and Town Manager.	ATMF/Town Council	11/1/2017	
						B. Develop an Emergency Procurement Justification form (Appendix B).	ATMF	COMPLETED	
						C. Require that the Emergency Procurement Justification form be completed by Department Head and signed by both the Department Head and the Town Manager and the form attached to the Request for Payment form.	FC	1/1/2018	
		R_4	Purchases are made at unauthorized prices or terms.	GAP_12	The Town utilizes the ability to ride other jurisdictions' contracts when practicable; however, the Town does not require Council approval for large purchases made through riding another jurisdiction's contract.	A. Amend Purchasing Policy to require the Cooperative Procurement form be signed by Department Head and Town Manager with contracts over \$100,000 being forwarded to Town Council for review.	Town Council	11/1/2017	
						B. Develop a Cooperative Procurement form (Appendix B).	ATMF	COMPLETED	
						C. Require that the Cooperative Procurement form be completed by Department Head and signed by both the Department Head and the Town Manager and the form attached to the Request for Purchase Order or Request for Payment form.	FC	1/1/2018	
		Procurement Credit Card	R_4	Purchases are made at unauthorized prices or terms.	GAP_13	Purchase orders are generally completed after a purchase has been made and an invoice has been received. Purchase orders should be generated and approved before purchases are made.	A. Develop a Request for Payment form (Appendix B).	ATMF	COMPLETED
						B. Require Department Heads to complete a Request for Payment form when submitting bills for payment.	FC	1/1/2018	
	R_9		Cash disbursements for unauthorized purchases are issued.	GAP_8	Per the Town of Berryville's Purchasing Card Policies and Procedures, cardholders are required to sign the monthly statement or individual receipts, documenting his or her review and certification that all purchases listed are correct and made for official purposes. Currently, cardholders are not signing monthly P-Card statements or receipts.	A. Amend the P-Card Policy to require cardholder signature on P-Card Expense Report form.	Town Council	11/1/2017	
						B. Amend the P-Card Expense Report form (Appendix B) in order to provide for cardholder certification.	ATMF	COMPLETED	
					C. Require that both the cardholder and the Department Head complete the P-Card Expense Report form.	FDC	1/1/2018		
		R_4	Purchases are made at unauthorized prices or terms.	GAP_10	The Front Desk Clerk reviews all purchasing credit card activity by department heads to ensure receipts are present and transactions are reasonable, and approves within "Works"; however; the reviewer is not required to physically sign off indicating approval. Additionally, the system does not prevent the approver from being the same person as the initiator.	Works Reports (P-Card Expense Reports) on which the FC has been an initiator will also be reviewed and signed by ATMF prior to the FC approving within "Works".	FC	1/1/2018	

Process	Sub-Process	Risk No.	Risk	GAP No.	GAPs	RESOLUTION/ACTION	POSITION RESPONSIBLE	COMPLETION DATE
Cash Disbursement	Wire Transfers	R_9	Cash disbursements for unauthorized purchases are issued.	GAP_9	The online banking portal is not configured to segregate duties between initiator and approver of wire transfers. Additionally, the bank is not set up to only allow wire transfers/ACH payments to approved bank accounts.	A. Wire transfers and new ACH payments will be approved by the Mayor or Recorder.	FC / Mayor or Recorder	1/1/2018
						B. FC will sign transfers and new ACH payments.	FC	1/1/2018
						C. ATMF will complete the transaction for the Town.	ATMF	1/1/2018
						D. The Mayor and Recorder will have access to wire transfer and bank statement files maintained by the ATMF.	ATMF	COMPLETED
All	All	R_3	There are misappropriations of cash or fraudulent payments.	GAP_2	Segregation of duties do not exist between procurement, invoice processing, check processing, and vendor maintenance.	A. Appropriation of funds for Finance Clerk position.	Town Council	COMPLETED
						B. Create and amend job descriptions as required.	TM and ATMF	COMPLETED
						C. Structure system access to only permit responsible position and backup position access.	ATMF	1/1/2018
						D. Fill Finance Clerk position.	TM and ATMF	11/1/2017
						E. Train Administrative Department staff and Administrative Assistant – Police in new or revised primary roles as well as backup roles.	ATMF	11/1/17-7/1/18
All	All	R_12	There is a loss of business continuity.	GAP_11	There is a lack of adequate cross-training for employees on different roles and responsibilities within the procurement and cash disbursement functions.	A. FC will have primary responsibility for accounts payable functions. ATMF will serve as backup to FC for accounts payable functions.	FC / ATMF	1/1/2018
						B. ATMF will have primary responsibility for procurement functions. TC will serve as backup to ATMF for procurement functions.	ATMF / TC	1/1/2018

Key for completion dates:

Completion Date 1/1/2018
Completion Date 11/1/17 - 7/1/18
Completion Date 11/1/2017
Completion Date 7/1/2017

Key for Positions:

ATMF - Assistant Town Manager for Finance
FC - Finance Clerk
FDC - Front Desk Clerk
TC - Town Clerk
TM - Town Manager

DRAFT



The Town Of Berryville

Procurement Policy Manual

On _____, the Town Council of the Town of Berryville adopted the Virginia Public Procurement Act of the Code of Virginia and this manual as its procurement policy.

**Town of Berryville
Procurement Policy**

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I. Purpose, General

The policies contained herein have been developed pursuant to the Virginia Public Procurement Act of the Code of Virginia § 2.2-4300 through § 2.2-4377 (“VPPA”). The VPPA has certain mandatory provisions and allows for the use of certain optional policies provided they are adopted in writing by the governing body and are based on competitive principles.

These policies are intended to provide the framework for procurement of materials, supplies, equipment, and services at the lowest possible cost consistent with the quality needed for the proper operation of municipal services. Our goal is the promotion of the Town's best interest through intelligent action and fair dealing which will result in obtaining the optimum value for each dollar spent as well as strengthening the public confidence in the integrity of public purchasing.

All forms referenced in the Policy are included in Attachment D of this Manual.

II. Policy

The Town of Berryville adopted the VPPA on September 11, 2012 as its procurement policy. A copy of the VPPA can be found at: <https://dgs.virginia.gov/globalassets/business-units/dps/documents/vppa/virginia-public-procurement-act.pdf>

III. Applicability

These policies and procedures apply to all contracts for the procurement of goods, services, insurance (exempt under § 2.2 4345(13) of the VPPA) and construction entered into by the Town involving any expenditure of public funds except those specifically exempted herein.

IV. Procurement Authority and Responsibility

The Town Manager has the ultimate responsibility to ensure that the acquisition of goods and services does not violate or circumvent state law, regulations, town ordinances or the provisions of this manual.

V. Delegation

The Town Manager may delegate the procurement of any goods or services to the Treasurer, Purchasing Agent or other responsible officials.

VI. Methods of Procurement

A. Small Purchase Policy

In this section *VPPA Limit* shall be defined as the threshold amount requiring competitive negotiation set in the VPPA.

The competitive pricing methods set forth below shall be followed for purchases not expected to exceed the VPPA Limit.

1. Single Quotation (Up to ~~\$5,000~~ **\$20,000**)

- Where the Town's estimated cost of goods or nonprofessional services is ~~\$5,000~~ **\$20,000** or less, purchases may be made upon receipt of a minimum of one (1) written, telephone (oral) or electronic quotation.
- Additional sources may also be solicited, **and competition is encouraged.**
- A record of the quotation must be kept with the file. **The Request for Payment form or the P-Card Expense Report will constitute a record of quotation.**
- ~~If a telephone (oral) quote is solicited, a record shall be kept of the name and address of the vendor(s) contacted, the item description or service offered, price quoted, delivery dates and F.O.B. point, names of persons giving and receiving the prices and the date the information was obtained. Notation on the requisition form is considered to be an adequate record.~~
- If more than one quote is solicited, the award will be made to the lowest responsive and responsible bidder.
- Employees should seek additional competition whenever there is reason to believe a quotation is not a fair and reasonable price.
- **P-Card is the preferred payment method. The P-Card Expense Report must be signed by the card user and the Department Head. If the P-Card is not used, the Request for Payment form must be completed and signed by the Department Head.**

2. Unsealed Bidding (Over ~~\$5,000~~ **\$20,000** to VPPA limit)

- Where the Town's estimated cost of goods or nonprofessional services is over ~~\$5,000~~ **\$20,000** to the small purchase limits set in the VPPA, solicit four (4) valid sources, if available.
- **Quotes must be verified on the Record of Solicitations for Price Quotes form to be completed and signed by the Department Head and attached to a Request for Purchase Order form.**
- If fewer than the required number of sources are solicited, the reasons shall be documented.
- **Approved Purchase Order is required prior to purchase.**

3. Unsealed Proposals (Over ~~\$5,000~~ \$20,000 to VPPA limit)

- The Town may obtain required goods or services using an informal Request for Proposal up to the small purchase limits set in the VPPA.
- A written determination for the use of competitive negotiation is not required for unsealed or informal RFPs.
- The solicitation should include a cover sheet, a general description of what is being sought, the factors and weights to be used in evaluation, the Town's General Terms and Conditions (either in full or by reference), and any special terms and conditions including unique capabilities or qualifications that will be required.
- Offers may be opened and evaluated upon receipt. All responses must be received at the designated location by the date and hour stated in the solicitation.
- In lieu of an evaluation committee, the buyer or end user may solely evaluate and rank offers. Upon completion of the evaluation, negotiations shall be conducted with the offerors selected.
- **Either an approved Purchase Order or a contract is required.**

Berryville Purchase Threshold Matrix

Type of Purchase	Estimated Cost	Required Authorization	Required Procurement Method	Minimum number of Solicited Quotes
Goods, construction, Insurance and Other than Professional services	<20,000	Dept. Head or authorized purchaser	Request for quotation, written or verbal, and P-Card or Request for Payment	1
	20,000 to VPPA formal bid limit*	Dept. Head or authorized purchaser	Request for quotation, written or verbal, and PO	4
Professional Services	<VPPA formal RFP limit*	Dept. Head or authorized purchaser	Written request for quotation, informal written quotes, and PO or contract	4

*As of 7/2017, the VPPA formal IFB and RFP limits are \$100,000 and \$60,000, respectively.

B. Large Purchases (over VPPA limits)

In this section *VPPA Limit* shall be defined as the threshold amount requiring competitive negotiation set in the VPPA.

1. Competitive Sealed Bidding (IFB)

Competitive sealed bidding is the preferred method for acquiring goods, printing, capital outlay construction and non-professional services for public use when the estimated cost is over the VPPA limit.

- The goods or service to be procured when using this method must be capable of being described so that bids submitted by potential contractors can be evaluated against the description in the Invitation for Bids (IFB) and an award made to the lowest responsive and responsible bidder.
- When the terms and conditions of multiple awards are so provided in the Invitation for Bids, awards may be made to more than one bidder.
- Competitive sealed bidding includes the issuance of a written IFB containing the specifications or scope of work/purchase description and the contractual terms and conditions applicable to the procurement.
- The terms or conditions of the solicitation must include how the Town will publicly post the notice of the award or make the announcement of the decision to award the contract.
- IFBs must describe the requirements accurately and completely. Unnecessarily restrictive specifications or terms and conditions that unduly limit competition must be avoided.
- In addition to the public notice, bids are to be solicited directly from potential bidders. Any such direct solicitations shall include businesses selected from a list made available by the Department of Minority Business Enterprise.
- In the competitive sealed bid process, bids are publicly opened and read aloud. The bids are evaluated based upon the requirements set forth in the IFB (if multiple awards are so provided in the solicitation, awards may be made to the lowest responsive and responsible bidders).

Preparation and Issuance of IFBs

Format:

- Prepare the IFB using the above guidelines.
- Establish a due date and time that will allow sufficient time for potential bidders to seek clarification and for the issuance of an addendum, if necessary.
- The due date shall not be less than 10 days from the issue date of the IFB.

Scope:

- Specify in detail the materials, equipment, and supplies to be furnished or the scope of work to be performed by the contractor, including or incorporating by reference the specifications, drawings and contractual terms and conditions applicable to the procurement.

Conferences/Site visits:

- All prebid conferences and/or site visits shall be mentioned in both the IFB and any advertisement.
- If attendance at such a conference or site visit is a prerequisite for bidding, the public notice period shall be long enough to provide adequate opportunity for potential bidders to obtain a copy of the IFB and attend.
- Any changes in the requirements of the solicitation must be made by written addendum.
- The due date for receipt of bids should not be less than 10 days after the issue date of the addendum.

Sources:

- Solicit at least six (6) valid sources, including a minority or women-owned businesses, if available.
- If fewer than the required number of sources are solicited, the reasons must be documented in writing and placed in the purchase file.

Sealed Bids**Receipt, Opening, Evaluation, and Award:****Receipt:**

- Bids shall be received until the date and time specified in the IFB.
- Bids are then publicly opened and read aloud.
- Late bids shall not be considered.

Opening:

- After bid opening, each bid is evaluated to determine if it is responsive to the IFB.
- The responsive bids are then evaluated according to the criteria and/or evaluation procedure described in the IFB to determine which is the lowest bid.

Evaluation:

- The lowest responsive bidder is then evaluated to determine if the firm is responsible.

Award:

- The contract is awarded to the lowest responsive and responsible bidder.

2. Competitive Negotiation (RFP)

General:

- The Town shall use competitive negotiation for the procurement of all professional services estimated over the VPPA limit.
- Competitive negotiation may be the procurement method used for goods and nonprofessional services when it is not practicable or fiscally advantageous to use competitive sealed bidding.

Preparation and Issuance of a Request for Proposal (RFP):

- A written RFP is issued to describe in general terms that which is to be procured.
- The RFP must specify and list the specific requirements to be addressed by the offerors that will be used in evaluating the proposals and will contain other applicable contractual terms and conditions, including any unique capabilities or qualifications required of the contractor.
- When the terms and conditions of multiple awards are so provided in the RFP, awards may be made to more than one offeror.
- The terms or conditions of the RFP must state the manner in which public notice of the award or the announcement of the decision to award shall be given by the public body.

Format:

- Establish a proposal submission due date and time which provide sufficient time for potential offerors to develop a proposal.
- The minimum time period is ten (10) days from issue date of the RFP.
- The time period used may be greater than the required ten (10) days based on the complexity of the requirement and whether or not a preproposal conference is required.

Sources:

- RFPs shall be sent to at least six (6) valid sources, including a minority or women-owned businesses, if available.
- If fewer than the required number of sources are solicited, the reasons must be stated in writing and placed in the purchase file.

Proposal Conferences:

- All preproposal conferences or site visits must be mentioned in the RFP and any advertisement of it.
- If attendance at such a conference or site visit is a prerequisite for submitting a proposal, the public notice period must be at least ten (10) days after issuance to provide adequate opportunity for potential offerors to obtain a copy of the RFP and attend.

Sealed Proposals (RFPs)

Receipt and Evaluation

Opening:

- Public openings of proposals are not required.
- If a public opening is held, the names of the individuals, or the names of firms submitting proposals in a timely manner, is the only information read aloud and made available to the offerors and general public.

Evaluation:

- The proposals are evaluated by the buyer, contracting officer, or an evaluation team.
- As an option, evaluators may request presentations or discussions with offerors, as necessary, to clarify material in the offerors proposals, to help determine those fully qualified and best suited.
- Proposals are then evaluated on the basis of the criteria set forth in the RFP, using the scoring weights previously determined.
- All RFP responses are to be evaluated.
- Proposals not meeting requirements should be scored lower.
- Only bids in response to an IFB may be determined to be nonresponsive.
- Offerors may be given an opportunity to correct a deficiency in their proposals, within an appropriate period of time, as determined by the purchasing office.
- Offerors who fail to submit required documentation or meet mandatory requirements, in such time, for evaluation purposes may be eliminated from further consideration.
- Two or more offerors determined to be fully qualified and best suited are then selected for negotiation.
- Price is considered, but need not be the sole determining factor.

During the evaluation phase it may be determined that only one offeror is fully qualified, or that one offeror is CLEARLY more highly qualified than the others under consideration. A written determination shall be prepared and retained in the contract file to document the meaningful and convincing facts supporting the decision for selecting only one offeror and negotiating with that offeror. The determination shall be signed by the Town Manager or designee.

Negotiation and Award.

- Negotiations are conducted with each of the offerors so selected.
- Negotiation allows modification of proposals, including price.
- Offers and counter offers may be made as many times with each offeror as is necessary to secure a reasonable contract.
- After negotiations have been conducted with each of the selected offerors, the Town selects the offeror which, in its opinion, has made the best proposal.
- In all cases, written confirmation shall be obtained from the offeror on any modifications of the original proposal.
- Once an Intent to Award notice is posted, no further negotiation shall be conducted.

The Town may cancel a RFP, or reject proposals at any time prior to making an award.

The award documents shall incorporate, by reference, the terms and conditions of the RFP and the contractor's proposal, together with all written modifications thereof.

C. Cooperative Procurement

Cooperative procurement is available to the Town if a good or service has been procured by another public body with the stated intention that the procurement is to be shared cooperatively with other public bodies. The Cooperative Procurement form must be completed by the Department Head and

signed by both the Department Head and the Town Manager or designee. The form must be attached to the Request for Purchase Order form, the Request for Payment form, or the contract.

Contracts based on cooperative procurement, exclusive of State contracts, valued over \$100,000 will be forwarded by the Purchasing Agent to the Town Council for review no less than 45 days prior to the date a contract is expected to be signed. The Town Council may review the contract and take action. If no action is taken within 45 days, the contract is deemed acceptable to Town Council. The Purchasing Agent will check references for those contracts valued at over \$100,000.

D. Sole Source Procurement

Definition:

A sole source procurement is authorized when there is only one source practicably available for the goods or services required. Competition is not available in a sole source situation; thus distinguishing it from a proprietary purchase where the product required is restricted to the manufacturer(s) stipulated, but is sold through distributors and competition between them can be obtained. Sole source justification based solely on a single vendor's capability to deliver in the least amount of time is not appropriate since availability alone is not a valid basis for determining a sole source procurement. For sole source requirements exceeding ~~\$5,000~~ **\$20,000**, a written quotation must be obtained from the vendor.

Approval for Sole Source Procurements up to the VPPA limit:

- All sole source procurements for goods and services up to the VPPA limit must be approved in advance by the Town Manager or designee, which shall be the chief purchasing officer. **The Sole Source Procurement form must be completed by Department Head and signed by both the Department Head and the Town Manager or designee. The Sole Source Procurement form must be attached to the Request for Payment form or Purchase Order Request form.**
- The written determination documenting that there is only one source practicably available for that which is to be procured, must be included in the procurement file.
- In addition, a memorandum must be attached to the request which addresses the four points shown in the next section. The writing shall document the basis for the determination, which should include any market analysis conducted in order to ensure that the good or service required was practicably available from only one source.

Approval for Sole Source Procurements Over the VPPA limit:

- All sole source procurements for goods and services over the small purchase limits set by the VPPA must be approved by the Town Manager prior to commencement of the actual procurement. **The Sole Source Procurement form must be completed by Department Head and signed by both the Department Head and the Town Manager or designee. The Sole Source procurement form must be attached to the Request for Purchase Order.** A memorandum must accompany the request, which addresses the following four points:
 1. Explain why this is the only product or service that can meet the needs of of the town.

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

Negotiating and Award:

A contract shall be negotiated and awarded without competitive sealed bidding or competitive negotiation. In making sole source procurement, it is the buyer's or contracting officer's responsibility to negotiate a contract that is in the best interest of the Town.

Price Reasonableness Determination:

The buyer or contracting officer should carefully research the good or service to determine a fair and reasonable price.

Posting Requirements:

For sole source procurements over \$50,000 public award notices ~~may be posted in the Town Office~~ **must be posted beginning within 10 days of the award for a 30 day period on the Town website: www.berryvilleva.gov.**

Award Document:

The Town must issue an award document (**approved PO or contract**) prior to purchase for sole source purchases **over \$20,000**. When a quote has been obtained from the vendor and no further negotiations are needed, a purchase order is acceptable.

E. Emergency Procurement

General:

- An emergency is an occurrence of a serious and urgent nature that demands immediate action.
- Emergency procedures may be used to purchase only that which is necessary to cover the requirements of the emergency.
- Subsequent requirements shall be obtained using normal purchasing procedures.
- The potential loss of funds at the end of a fiscal year is not considered an emergency.

Types of Emergency Procurements:

- The nature of the emergency will determine what pre-award action may be taken.
- For an emergency purchase required to protect personal safety or property, efforts should be directed to finding a source and directing the contractor to proceed; however, such procurement shall be made with such competition as is practicable under the circumstances.
- For other types of emergencies, competition should also be sought to the maximum extent practicable.

Award of Emergency Procurements:

- The Town must prepare a confirming contract or purchase order, as soon as practicable, after directing the contractor to proceed.
- Care should be taken to include in detail any agreements, including price, that were made orally with the contractor.
- Prepare a written determination for signature by the Town Manager or designated representative indicating the nature of the emergency, the reason for selection of the particular contractor and include such determination with the file.
- **The Emergency Procurement Justification form must be completed by the Department Head and signed by both the Department Head and the Town Manager or designee. The Emergency Procurement form must be attached to the Request for Payment form or the P-Card Expense Report.**

VII. General Procurement Policies

Adequate Competition

A sufficient number of sources must be solicited for the procurement of goods or services consistent with the method of procurement used.

Bidder's List

~~The Purchasing Agent shall be responsible, with the assistance from the various Department Heads, to maintain a current file of sources of goods, services, construction, etc., to be known as the Bidder's List. Any vendor can be included on the Bidder's List upon their request.~~ **In lieu of a Bidder's List, the Town will post all written solicitations on eVA and the Town website: www.berryvilleva.gov.**

Vendor Registration

All new vendors must complete a Town of Berryville Vendor Registration/W-9 form before doing business with the Town.

Ethics

See § 2.2-4367 to § 2.2-4377 of the VPPA.

Solicitations

Amending a Solicitation

If it is necessary to amend a solicitation, prepare, post, and send an addendum to all potential bidders or offerors who received a copy of the solicitation or who attended a pre-bid or pre-proposal conference.

Canceling a Solicitation

An Invitation for Bids, a Request for Proposal, any other solicitation, or any and all bids or proposals, may be canceled or rejected. When canceling a written solicitation all vendors who have been issued a solicitation must be notified, and the notice must be publicly posted **on eVA and the Town website: www.berryvilleva.gov**.

Performance and Payment Bonds

Upon the award of any public construction contract exceeding \$100,000 awarded to any prime contractor, such contractor shall furnish the town with the following bonds:

1. A performance bond in the sum of the contract amount conditioned upon the faithful performance of the contract in strict conformity with the plans, specifications, and conditions of the contract.
2. A payment bond in the sum of the contract amount. The bond shall be for the protection of claimants who have and fulfill contracts to supply labor or materials to the prime contractor to whom the contract was awarded, or to any subcontractors, in the furtherance of the work. "Labor or materials" shall include public utility services and reasonable rentals of equipment, but only for periods when the equipment rented is actually used at the site.

Each of the bonds shall be executed and made payable to the Town of Berryville by one or more surety companies selected by the contractor that are authorized to do business in Virginia and filed with the purchasing office that awarded the contract or a designated official thereof within 10 days after receipt of the purchase order or notice of award.

Nothing in this section shall preclude the town from requiring payment or performance bonds for construction contracts below \$100,000.

Alternative Forms of Security

A certified check or cash escrow may be accepted in lieu of a bid, payment, or performance bond. If approved by the **Town Manager (after consultation with the Town Attorney if necessary)**, a bidder may furnish a personal bond, property bond, or bank or savings and loan association's letter of credit on certain designated funds in the face amount required for the bid, payment, or performance bond.

Approval shall be granted only upon a determination that the alternative form of security proffered affords protection to the town equivalent to a corporate surety's bond.

Contracts/Purchase Orders and Modification Restrictions

The Department Head's signature will be required on Purchase Order Request forms. A contract or purchase order may not be modified or renewed unless provided for in the original contract or solicitation. No additional consideration or increase in contract price may be paid to the contractor because of renewal unless specifically authorized under the original contract.

- Purchases Up to the VPPA limit - Cumulative contract modifications to purchases made under small purchase procedures shall not exceed 25% of the original contract price without advance written approval of the Town Manager.
- Purchases over the VPPA limit - A contract may include provisions for modification of the contract during performance, but no fixed-price contract may be increased by more than 25% of the original amount of the contract or \$50,000, whichever is greater, without the advance written approval of the Town Manager.

Documentation of Files

A complete file ~~should~~ **will** be maintained in one place for each purchase transaction, containing all the information necessary to understand the why, who, what, when, where and how of the transaction.

Nondiscrimination

In the solicitation, awarding or administration of contracts, the Town shall not discriminate because of the race, religion, color, sex, age, disability, or national origin of the bidder, offeror, or contractor (Code of Virginia, § 2.2-4310A).

Employment Discrimination Prohibited

Employment discrimination by contractor prohibited; required contract provisions. All public bodies shall include in every contract of more than \$10,000 the following provisions:

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 nondiscrimination 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.

The contractor will include the provisions of the foregoing paragraphs a, b and c in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

Preferences

Berryville Vendors and Products

Preference is given to goods produced in Berryville, goods or services or construction provided by Berryville persons, firms or corporations, in the event of a tie bid. In the event that this provision does not resolve the tie preference is given to goods produced in Virginia, goods or services or construction provided by Virginia persons, firms or corporations.

Recycled Paper and Paper Products Preference **VPPA § 2.2-4313**

In determining the award of any contract for paper and paper products the town shall **may** award to the lowest responsible bidder offering recycled paper and paper products of a quality suitable for the purpose intended, so long as the bid price is not more than 10% greater than the bid price of the low responsive and responsible bidder.

Public Access to Procurement Records

- Except as provided in this section, 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 (§ 2.2-3700 et seq.)
- Cost estimates relating to a proposed procurement transaction prepared by or for a public body shall not be open to public inspection.
- Any competitive sealed bidding bidder, upon request, shall be afforded the opportunity to inspect bid records within a reasonable time after the opening of all bids but prior to award, except in the event that the Town Manager decides not to accept any of the bids and to reopen the contract. Otherwise, bid records shall be open to public inspection only after award of the contract.
- Any competitive negotiation offeror, upon request, shall be afforded the opportunity to inspect proposal records within a reasonable time after the evaluation and negotiations of proposals are completed but prior to award, except in the event that the Town Manager decides not to accept any of the proposals and to reopen the contract. Otherwise, proposal records shall be open to public inspection only after award of the contract.

- Any inspection of procurement transaction records under this section shall be subject to reasonable restrictions to ensure the security and integrity of the records.
- Trade secrets or proprietary information submitted by a bidder, offeror or contractor in connection with a procurement transaction or prequalification application submitted pursuant to subsection B of § 2.2-4317 shall not be subject to the Virginia Freedom of Information Act (§ 2.2-3700 et seq.); however, the bidder, offeror or contractor shall (i) invoke the protections of this section prior to or upon submission of the data or other materials, (ii) identify the data or other materials to be protected, and (iii) state the reasons why protection is necessary.

Publicly Posted Notices

All solicitations for goods and services over \$50,000 shall be posted ~~in the Town Office~~ **on the Town website: www.berryvilleva.gov**.

Award Notices over \$50,000 must be posted ~~in the Town Office~~ **on the Town website: www.berryvilleva.gov**, for a ten (10) day period immediately following the **actual time date** of award. The procurement records must be available for review by any bidder or offeror at the time a Notice of Intent To Award or an Award Notice is posted.

Responsible Bidder or Offeror

In determining a responsible bidder or offeror, a number of factors, including but not limited to the following, are considered. The vendor should:

- be a regular dealer, supplier, or when required in the solicitation an authorized dealer of the goods or services offered;
- have the ability to comply with the required delivery or performance schedule, taking into consideration other business commitments;
- have a satisfactory record of performance;
- have a satisfactory record of integrity; and
- have the necessary facilities, organization, experience, technical skills, and financial resources to fulfill the terms of the purchase order or contract.

Responsive Bid

- To be considered for an award, a bid must comply in all material respects with the Invitation for Bids.
- Responsiveness relates to compliance with the provisions of the solicitation, including specifications and terms and conditions.
- Failure to comply with the requirements set forth in the Invitation for Bids may result in a bid being declared nonresponsive, e.g., failure to sign a bid, failure to return the required bid documents, substitution of vendor's terms, deletion of terms and conditions stated in the

Invitation for Bids, failure to offer a product or service that meets the requirements of the Invitation for Bids, etc.

- A bidder who fails to provide prices for all categories of labor in the pricing schedule of a time and materials service contract is considered nonresponsive.
- This is true whether the price was left blank or the bidder entered a figure of \$0. Bidders who provide multiple prices for performing a service where a single price was solicited are also nonresponsive.

VIII. Guidelines for Procurement

This section contains general guidelines for procuring goods and services.

Administrative Lead-Time

Administrative lead-time is that period of time from initiation of the requirement by the user to issuance of an award. For routine procurements where informal written solicitations are used, the minimum time required to prepare, solicit, evaluate, and make an award may take from three (3) days up to thirty (30) days. When competitive sealed bidding or competitive negotiation is used, the time required by the purchasing office may be longer.

Selection of Procurement Method

It is important to select the proper procurement method. The estimated or anticipated value of the contract must be determined first, unless the purchase is an emergency. The anticipated value of the contract includes the dollar value for the initial period of the contract, and includes all possible renewal periods. The expected trade-in value of equipment should not be considered when determining the anticipated value of a contract.

Preparing the Written Solicitation

Solicitations should convey to the reader, in a clear, concise and logical sequence, the information necessary to answer the basic questions of who, what, why, where, when and how.

Terms and Conditions

See section VIII of this manual.

Contract Period

- Term contracts normally cover a 12 month period or cite a specific time for completion for the project or service.
- A solicitation for a multi-year contract, or one that includes an option on the part of the town to renew the contract for an additional period, may be advantageous and should be considered; however, in determining the value of the contract and procurement method, all possible renewal periods must be included.
- Multi-year programs are subject to availability of funds, and each solicitation covering a multi-year period must contain an availability of funds clause.
- If price adjustments are to be permitted during the contract period, the conditions under which they are authorized must be specified in the original solicitation and resulting contract.

- The town should review all multi-year contracts at least annually to determine if the goods or services are still required, if prices are fair and reasonable based on the current market conditions, and if performance is satisfactory.
- Multi-year contracts including options to renew normally should not exceed 5 years.

Specifications

Solicitations of offers, whether by formal advertising or negotiations, shall incorporate a clear and accurate description of the technical requirements for the material, product, or service to be purchased. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description (see Use of Brand Names below) may be used as a means to define the performance or other salient requirements of a procurement.

Invitations for bids and requests for proposals shall clearly set forth all requirements which bidders must fulfill in order for bids and proposals to be properly evaluated. Factors to be used in evaluating bids or proposals shall be clearly stated in the solicitation to enable bidders to know how their bids or proposals will be evaluated. If a solicitation requires a listing of subcontractors or sub-item vendors, a bidder's failure to list such shall make that bid nonresponsive.

Use of Brand Names

Unless otherwise provided in the Invitation for Bid, the name of a certain brand does not restrict bidders to a specific brand, make or manufacturer's name, but conveys the general style, type, character and quality of the article desired. Any article that the Town, 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 acceptable.

Vendor Assistance in Specification Preparation

Advice or assistance may be received from a vendor in identifying the features and characteristics needed by the town; however, no person who, for compensation, prepares an Invitation to Bid or Request for Proposal for or on behalf of a public body shall (i) submit a bid or proposal for that procurement or any portion thereof or (ii) disclose to any bidder or offeror information concerning the procurement which is not available to the public.

Order Splitting Prohibition

The placement of multiple orders within other than a reasonable time period to one or more vendors for the same, like, or related goods or services to avoid using the appropriate method of procurement or to remain within delegated purchasing authority is prohibited. Order splitting results in higher

administrative cost to the town. Requirements should be combined when practical to obtain quantity discounts and other administrative efficiencies.

Freight

F.O.B. Destination is the basic policy of the Town of Berryville to solicit bids for goods F.O.B. (free on board) Destination, which means that freight charges are paid by the seller who owns and assumes all risk for the goods until they are accepted at the designated delivery point. The cost of shipping the goods may be included in the quoted price or by the bidder or offeror as a separate line item.

Insurance

Whenever work is to be performed on town owned or leased property or facilities, the contractor shall be required to have Workers' Compensation, Employer's Liability, Commercial General Liability and Automobile Liability, and in certain types of programs Professional Liability/Errors and Omissions insurance coverage **as specified by Virginia Municipal League recommendations (see Attachments A and B).**

IX. Contract Administration

General:

Contract administration begins after award of the contract. Its purpose is to assure that the contractor's and Town's total performance is in accordance with the terms and conditions of the contractual agreement. The integrity of the public purchasing system demands that goods or services be furnished, received, invoiced and paid as specified in the contract.

Contract Administrator:

- The administrator should be the end user of the contract or one who has a vested interest in the procurement who will be responsible for the proper adherence to all contract specifications by the contractor. **The administrator will be named by job position in the contract.**
- Contract administration shall be delegated by the buyer designating a specific individual or position, highlighting important aspects of the contract, and distinguishing between the administrator's authority and that which must remain a function of the purchasing office.

~~Procurement Records~~ **Contract Files:**

- A complete file should be maintained in the Town Office for each purchase transaction, containing all the information necessary to understand the why, who, what, when, where and how of the transaction.
- Generally, records are open to the public in accordance with the Virginia Freedom of Information Act and should be made available for review after the award has been made.

Instructions for Bill Payment Policy

The Department Head's signature will be required on the Request for Payment forms before processing. The Town Treasurer shall make payment in full (unless an alternate payment plan has been agreed upon) for all goods delivered or services rendered within thirty days of receipt of the bill.

Department heads shall submit bills for payment by the fifth and twentieth of each month.

No goods or services shall be deemed received until such goods are completely delivered and found acceptable by the department head. For purposes of determining whether or not payment was made in accordance with this policy, payment in full shall be considered to be made on the date the check for payment was mailed or otherwise transmitted.

When a bill submitted to the Town of Berryville is incorrect or when there is a defect or impropriety in a bill submitted, the respective department head shall notify the creditor in writing prior to the date on which payment in full is due. The notice shall contain a description of the defect or impropriety and any other additional information to enable the creditor to correct the bill. Upon receiving a corrected bill, the Town of Berryville shall make payment in full on or before the thirtieth calendar day after receipt of the corrected bill.

~~The Treasurer, Town Manager and a designated member of Town Council shall review bills submitted for payment before payment is made.~~ Bill payments will be processed at least twice a month. A register of all checks issued and all P-card purchases each month shall be presented to Town Council.

Contract Renewal and Extension

Renewal:

- A term contract may contain a renewal clause describing the conditions under which it may be renewed for a stipulated period of time.
- However, no contract may be renewed and no additional consideration may be paid unless specifically provided for in the original contract.
- Price increases should not be given automatically at renewal.
- It is the responsibility of the contractor to request a price increase, if desired, up to the amount authorized by the index referenced in the contract. The Town may then negotiate the amount of the increase up to the indexed amount.

Extension:

The town may extend the term of an existing contract for services to allow completion of any work undertaken but not completed during the original term of the contract. No additional consideration exceeding the contracted price may be paid to the contractor. Also, in exceptional or extenuating circumstances a contract may be extended by mutual consent for a limited period of time, not to exceed six (6) months. This action should be taken in writing prior to the expiration of the current contract.

Vendor Performance

Default. A contractor is considered in default if he or she fails to perform in accordance with the terms and conditions of the contract.

If it is determined that a contractor is in default, a Complaint to Vendor form (Form CA-1) should be issued and distributed followed by a “Notice to Cure” if unacceptable vendor response, resolution, or action is received. A cure letter may also be issued at the same time as the Complaint to Vendor form.

Vendor Performance Complaints. Complaints and/or discrepancies on vendor performance should be reported as they occur using the Complaint to Vendor Form (Form CA-1). Vendors are required to respond to the Town within ten days. Failure to do so may result in removal from the Vendors List.

Notice to Cure. A Cure letter is used when a contractor has failed to perform or deliver as substantiated by a Complaint to Vendor form. It provides the contractor a period of time to correct or “cure” the deficiency and places the contractor on notice as to the consequences for failure to take the required corrective action. The notice may be given either orally or in writing advising the contractor that non delivery or non-conformance is a breach of a contract and, if the deficiency is not corrected within a stated number of days, the Town will terminate the contract for default and hold the contractor liable for any excess costs.

Termination for Default and Re-procurement Costs. Upon the expiration of the time period stated in the “Notice to Cure,” if a satisfactory resolution has not been reached, send the contractor a Termination for Default letter and take repurchase action. This letter states that the contract is being terminated for default and that when the Town repurchases the goods or services, any additional cost will be billed to the Vendor in default. If the repurchase results in increased costs to the Town, a letter shall be sent to the delinquent contractor demanding payment of the excess costs. Until the excess repayment costs have been received, the contractor shall be removed from the Vendors List. If repayment has not been made by the end of the specified period of time, subsequent collection action shall be taken in accordance with the Town’s collections procedures.

Debarment. In addition to the above default procedures, concurrent action to have the defaulted contractor debarred shall be initiated by sending a letter to the Town Manager recommending debarment and providing all the pertinent facts to support that recommendation. Debarment means action taken by the Town Manager to exclude individuals or firms from contracting with the Town. Debarment does not relieve the contractor of responsibility for existing obligations.

X. Employee Responsibility

Employees shall follow the Town Procurement Policy as written. Violation of the Policy will subject an employee to disciplinary action up to and including termination, depending upon the severity and number of said violations.

Town of Berryville

General Terms and Conditions – Invitations for Bids

These General Terms and Conditions are required for use in written solicitations issued by the Town for procurements.

APPLICABLE LAWS AND COURTS: This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.

ANTI-DISCRIMINATION: By submitting their bids, bidders certify to the Town of Berryville that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the Virginia Public Procurement Act (VPPA).

Employment discrimination by contractor prohibited; required contract provisions. All public bodies shall include in every contract of more than \$10,000 the following provisions:

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 nondiscrimination 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.

The contractor will include the provisions of the foregoing paragraphs a, b and c in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

ETHICS IN PUBLIC CONTRACTING: By submitting their bids, bidders certify that their bids are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other bidder, supplier, manufacturer or subcontractor in connection with their bid, and that they have not conferred on any public employee having official responsibility for this

procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

IMMIGRATION REFORM AND CONTROL ACT OF 1986: By submitting their bids, bidders certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.

DEBARMENT STATUS: By submitting their bids, bidders certify that they are not currently debarred by the Town of Berryville from submitting bids or proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

MANDATORY USE OF TOWN TERMS AND CONDITIONS FOR IFBs

Modification of or additions to any portion of the Invitation for Bids may be cause for rejection of the bid; however, the Town reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a bid as nonresponsive. As a precondition to its acceptance, the Town may, in its sole discretion, request that the bidder withdraw or modify nonresponsive portions of a bid which do not affect quality, quantity, price, or delivery. No modification of or addition to the provisions of the contract shall be effective unless reduced to writing and signed by the parties.

BILL PAYMENT POLICY

The Town Treasurer shall make payment in full (unless an alternate payment plan has been agreed upon) for all goods delivered or services rendered within thirty days of receipt of the bill.

No goods or services shall be deemed received until such goods are completely delivered and found acceptable by the department head. For purposes of determining whether or not payment was made in accordance with this policy, payment in full shall be considered to be made on the date the check for payment was mailed or otherwise transmitted.

When a bill submitted to the Town of Berryville is incorrect or when there is a defect or impropriety in a bill submitted, the respective department head shall notify the creditor in writing prior to the date on which payment in full is due. The notice shall contain a description of the defect or impropriety and any other additional information to enable the creditor to correct the bill. Upon receiving a corrected bill, the Town of Berryville shall make payment in full on or before the thirtieth calendar day after receipt of the corrected bill.

SUBCONTRACTORS

All Offerors shall include a list of all subcontractors with their proposal. The Town reserves the right to reject the successful Offeror's selection of subcontractors for good cause. If a subcontractor is rejected, the Offeror may replace that subcontractor with another subcontractor subject to the approval of the Town. Any such replacement shall be at no additional expense to the Town nor shall it result in an extension of time without the City's approval.

To Subcontractors:

A contractor awarded a contract under this solicitation is hereby obligated:

To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Town for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or

To notify the town and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason.

PRECEDENCE OF TERMS: In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

QUALIFICATIONS OF BIDDERS: The Town may make such reasonable investigations as deemed proper and necessary to determine the ability of the bidder to perform the services/furnish the goods and the bidder shall furnish to the Town all such information and data for this purpose as may be requested. The Town reserves the right to inspect bidder's physical facilities prior to award to satisfy questions regarding the bidder's capabilities. The Town further reserves the right to reject any bid if the evidence submitted by, or investigations of, such bidder fails to satisfy the Town that such bidder is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.

TESTING AND INSPECTION: The Town reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

ASSIGNMENT OF CONTRACT: A contract shall not be assignable by the contractor in whole or in part without the written consent of the Town.

CHANGES TO THE CONTRACT: Changes can be made to the contract in any of the following ways:

The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.

The Town may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt. The contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Town a credit for any savings. Said compensation shall be determined by one of the following methods:

1. By mutual agreement between the parties in writing; or

2. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Town's right to audit the contractor's records and/or to determine the correct number of units independently; or
3. By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the Town with all vouchers and records of expenses incurred and savings realized. The Town shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Town within thirty (30) days from the date of receipt of the written order from the Town. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the Town or with the performance of the contract generally.

DEFAULT: In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Town, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Town may have.

TAXES: Sales to the Town are normally exempt from State sales tax. State sales and use tax certificates of exemption will be issued upon request.
(NOT NORMALLY REQUIRED FOR SERVICE CONTRACTS)

USE OF BRAND NAMES: Unless otherwise provided in this solicitation, Unless otherwise provided in the Invitation for Bid, the name of a certain brand does not restrict bidders to a specific brand, make or manufacturer's name, but conveys the general style, type, character and quality of the article desired. Any article that the Town, 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 acceptable.
(NOT NORMALLY REQUIRED FOR SERVICE CONTRACTS)

TRANSPORTATION AND PACKAGING: By submitting their bids, all bidders certify and warrant that the price offered for FOB destination includes only the actual freight rate costs at the lowest and best rate and is based upon the actual weight of the goods to be shipped. Except as otherwise specified herein, standard commercial packaging, packing and shipping containers shall be used.
(NOT NORMALLY REQUIRED FOR SERVICE CONTRACTS)

INSURANCE: By signing and submitting a bid or proposal under this solicitation, the bidder or offeror certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded as well as any other insurance requirements laid out in the request for bid or proposal. The Town requires minimum insurance amounts as recommended by the Virginia

Municipal League. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the Code of Virginia. The bidder or offeror further certifies that the contractor and any subcontractors will maintain these insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS: as recommended by the Virginia Municipal League

Insurance Requirements: Contractor shall, at its own expense, keep in full force and effect during the term of this Contract, and during the term of any extension of this Contract, insurance coverage's in the following amounts:

General Liability	\$1,000,000
Damage to rented equipment	\$ 100,000
Medical Expenses	\$ 10,000
Personal Injury	\$1,000,000
General Aggregate	\$2,000,000
Products Liability	\$2,000,000
Automobile Liability	\$1,000,000
Umbrella Coverage	\$3,000,000

Workers Compensation By Virginia Statute

The Town shall be a named as an additional insured on any policy obtained by Contractor pursuant to this paragraph. Contractor shall furnish the Town with a Certificate of Insurance that indicates adequate insurance coverage has been obtained.

DRUG-FREE WORKPLACE: During the performance of this 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 or purchase order 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 connection with a specific contract awarded to a contractor, 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.

NONDISCRIMINATION OF CONTRACTORS: A bidder, offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex,

national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or offeror employs ex-offenders unless Town has made a written determination that employing ex-offenders on the specific contract is not in its best interest.

Town of Berryville

General Terms and Conditions – Requests for Proposals

These General Terms and Conditions are required for use in written solicitations issued by the Town for procurements.

APPLICABLE LAWS AND COURTS: This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.

ANTI-DISCRIMINATION: By submitting their proposals, offerors certify to the Town of Berryville that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the Virginia Public Procurement Act (VPPA).

Employment discrimination by contractor prohibited; required contract provisions. All public bodies shall include in every contract of more than \$10,000 the following provisions:

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 nondiscrimination 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.

The contractor will include the provisions of the foregoing paragraphs a, b and c in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

ETHICS IN PUBLIC CONTRACTING: By submitting their proposals, offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks

or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

IMMIGRATION REFORM AND CONTROL ACT OF 1986: By submitting their proposals, offerors certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.

DEBARMENT STATUS: By submitting their proposals, offerors certify that they are not currently debarred by the Town of Berryville from submitting bids or proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

MANDATORY USE OF TOWN TERMS AND CONDITIONS FOR RFPs : Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Town reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.

BILL PAYMENT POLICY

The Town Treasurer shall make payment in full (unless an alternate payment plan has been agreed upon) for all goods delivered or services rendered within thirty days of receipt of the bill.

No goods or services shall be deemed received until such goods are completely delivered and found acceptable by the department head. For purposes of determining whether or not payment was made in accordance with this policy, payment in full shall be considered to be made on the date the check for payment was mailed or otherwise transmitted.

When a bill submitted to the Town of Berryville is incorrect or when there is a defect or impropriety in a bill submitted, the respective department head shall notify the creditor in writing prior to the date on which payment in full is due. The notice shall contain a description of the defect or impropriety and any other additional information to enable the creditor to correct the bill. Upon receiving a corrected bill, the Town of Berryville shall make payment in full on or before the thirtieth calendar day after receipt of the corrected bill.

SUBCONTRACTORS

All Offerors shall include a list of all subcontractors with their proposal. The Town reserves the right to reject the successful Offeror's selection of subcontractors for good cause. If a subcontractor is rejected, the Offeror may replace that subcontractor with another subcontractor subject to the approval of the Town. Any such replacement shall be at no additional expense to the Town nor shall it result in an extension of time without the City's approval.

To Subcontractors:

A contractor awarded a contract under this solicitation is hereby obligated:

To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Town for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or

To notify the town and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason.

PRECEDENCE OF TERMS: In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

QUALIFICATIONS OF OFFERORS: The Town may make such reasonable investigations as deemed proper and necessary to determine the ability of the offeror to perform the services/furnish the goods and the offeror shall furnish to the Town all such information and data for this purpose as may be requested. The Town reserves the right to inspect offeror's physical facilities prior to award to satisfy questions regarding the offeror's capabilities. The Town further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such offeror fails to satisfy the Town that such offeror is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.

TESTING AND INSPECTION: The Town reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

ASSIGNMENT OF CONTRACT: A contract shall not be assignable by the contractor in whole or in part without the written consent of the Town.

CHANGES TO THE CONTRACT: Changes can be made to the contract in any of the following ways:

The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.

The Town may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt. The contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Town a credit for any savings. Said compensation shall be determined by one of the following methods:

1. By mutual agreement between the parties in writing; or
2. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Town's right to audit the contractor's records and/or to determine the correct number of units independently; or

3. By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the Town with all vouchers and records of expenses incurred and savings realized. The Town shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Town within thirty (30) days from the date of receipt of the written order from the Town. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the Town or with the performance of the contract generally.

DEFAULT: In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Town, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Town may have.

TAXES: Sales to the Town are normally exempt from State sales tax. State sales and use tax certificates of exemption will be issued upon request.
(NOT NORMALLY REQUIRED FOR SERVICE CONTRACTS)

INSURANCE: By signing and submitting a bid or proposal under this solicitation, the bidder or offeror certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded as well as any other insurance requirements laid out in the request for bid or proposal. The Town requires minimum insurance amounts as recommended by the Virginia Municipal League. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the Code of Virginia. The bidder or offeror further certifies that the contractor and any subcontractors will maintain these insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS: as recommended by the Virginia Municipal League

Insurance Requirements: Contractor shall, at its own expense, keep in full force and effect during the term of this Contract, and during the term of any extension of this Contract, insurance coverage's in the following amounts:

General Liability	\$1,000,000
Damage to rented equipment	\$ 100,000

Medical Expenses	\$ 10,000
Personal Injury	\$1,000,000
General Aggregate	\$2,000,000
Products Liability	\$2,000,000
Automobile Liability	\$1,000,000
Umbrella Coverage	\$3,000,000

Workers Compensation By Virginia Statute

The Town shall be a named as an additional insured on any policy obtained by Contractor pursuant to this paragraph. Contractor shall furnish the Town with a Certificate of Insurance that indicates adequate insurance coverage has been obtained.

DRUG-FREE WORKPLACE: During the performance of this 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 or purchase order 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 connection with a specific contract awarded to a contractor, 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.

NONDISCRIMINATION OF CONTRACTORS: A bidder, offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or offeror employs ex-offenders unless Town has made a written determination that employing ex-offenders on the specific contract is not in its best interest.

The Virginia Public Procurement Act, Code of Virginia § 2.2-4300 through § 2.2-4377, is available online at:

<https://dgs.virginia.gov/globalassets/business-units/dps/documents/vppa/virginia-public-procurement-act.pdf>

Town of Berryville
Procurement Forms

Requesting Dept: _____

Requester Signature: _____

X _____

Town of Berryville RECORD OF SOLICITATIONS FOR PRICE QUOTES

eVa Vendor ID or DUNS Number: _____

Vendor Name: _____

Vendor Address: _____

Contact Person: _____

Phone Number: _____

eMail: _____

FACTORS (If Applicable)

LABOR COSTS

PRODUCT/MATERIAL COSTS

TOTAL BID PRICE

PAYEMENT TERMS

PERFORMANCE PERIOD/TIME

	Bidder #1	Bidder #2	Bidder #3	Bidder #4
	Date _____	Date _____	Date _____	Date _____
eVa Vendor ID or DUNS Number:				
Vendor Name:				
Vendor Address:				
Contact Person:				
Phone Number:				
eMail:				
FACTORS (If Applicable)	BID Information	BID Information	BID Information	Bid Information
LABOR COSTS				
PRODUCT/MATERIAL COSTS				
TOTAL BID PRICE				
PAYEMENT TERMS				
PERFORMANCE PERIOD/TIME				

JOB or PRODUCT DESCRIPTION

REQUIRED?	REQUIREMENT	*****ATTENTION: RECORD AND VERIFY THE INFORMATON BELOW WHEN APPLICABLE*****							
		CIRCLE "YES " or "NO" TO INDICATE CONTRACTOR'S COMPLIANCE							
Y or N	Contractor's License Number	YES	NO	YES	NO	YES	NO	YES	NO
Y or N	Insurance/Workers Compensation	YES	NO	YES	NO	YES	NO	YES	NO
Y or N	Pre-bid Conference/ Site Visit	YES	NO	YES	NO	YES	NO	YES	NO
Y or N	Warranty (Materials/Workmanship)	YES	NO	YES	NO	YES	NO	YES	NO
Y or N	Qualified Contractor Personnel	YES	NO	YES	NO	YES	NO	YES	NO
Y or N	References; # Provided _____	YES	NO	YES	NO	YES	NO	YES	NO

See instructions on reverse

Instructions - Solicitations for Price Quotes for NonProfessional Services

- 1- CAUTION: Care should be exercised when obtaining pricing information by telephone to purchase goods and nonprofessional services. The job description should describe and define the task(s) which the contractor will be required to perform and itemize what the contractor is expected to accomplish. REMINDER: You are buying the contractor's time and effort, not a specific product.
- 2- BE PREPARED: Develop a firm understanding of the exact service to be purchased as this understanding will be communicated to the bidder(s).
- 3- READ AND EDIT: Read the Job Description and ensure that you fully understand the desired services.
- 4- MODIFICATIONS: All bidders must be given the chance to bid on the identical scope of work. If the original job description is modified during the bid process, then each bidder previously contacted must be contacted again and allowed to bid on the revised requirement.
- 5- FINAL JOB DESCRIPTION: The final product of the discussions with users and bidders becomes the basis for performance by the contractor, measurement of that performance by the agency, and the means by which the user's need is ultimately satisfied.
- 6- TERMS AND CONDITIONS: In soliciting telephone bids, be sure bidders are made aware of any general and special terms and conditions which will apply to the procurement.
- 7- PRICING FACTORS: Major elements of the price of service(s) provided may need to be itemized e.g., materials, labor rates, travel, etc. If multiple pricing factors are involved e.g., labor rates, discounts off price lists, unit prices, and/or lump sums, be sure to have a clear and understandable bid evaluation procedure established.

Instructions - Solicitations for Price Quotes for Goods

- 1 BE PREPARED: Develop a firm understanding of the exact product to be purchased as this understanding will be communicated to the bidder(s).
- 2 MODIFICATIONS: All bidders must be given the chance to bid on the identical product. If the original product description is modified during the bid process, then each bidder previously contacted must be contacted again and allowed to bid on the revised requirement.
- 3 TERMS AND CONDITIONS: In soliciting telephone bids, be sure bidders are made aware of any general and special terms and conditions which will apply to the procurement.

Town of Berryville

101 Chalmers Court, Suite A
 Berryville, VA 22611
 Phone (540) 955-1099 Fax (540) 955-4524

BOA P-CARD EXPENSE REPORT

ATTACH RECEIPTS

(On reverse with Cardholder Signature)

TO:

Vendor Number:

Vendor Name:

SHIP TO:Purchasing Department: **FINANCE & ADMIN (1)**

DATE	CARDHOLDER	Card No	Receipt #	AMOUNT

QTY	ACCT NO.	DESCRIPTION	UNIT PRICE	TOTAL
			SUBTOTAL	
			SHIPPING & HANDLING	
			OTHER	
			TOTAL	

1. Please make a copy for your files.
2. Please specify if this is a new vendor
3. Please add your own P.O. Number

ATTACH RECEIPTS HERE

P-Card Purchase Verification

I certify that the charge(s) incurred on the attached receipt(s) were made by me and are consistent with my organizational responsibilities.

Cardholder Signature

Town of Berryville

101 Chalmers Court, Suite A
 Berryville, VA 22611
 Phone (540) 955-1099 Fax (540) 955-4524

REQUEST FOR PAYMENT**TO:**

Vendor Number:

Vendor Name:

Requesting Department: **FINANCE (1)**

 Requesting Signature

DATE	REQUISITIONER	SHIPPED VIA	F.O.B. POINT	TERMS

QTY	ACCT NO.	DESCRIPTION	UNIT PRICE	TOTAL
			SUBTOTAL	
			SHIPPING & HANDLING	
			OTHER	
			TOTAL	

1. Please make a copy for your files.
2. Please specify if this is a new vendor

Town of Berryville

101 Chalmers Court, Suite A
 Berryville, VA 22611
 Phone (540) 955-1099 Fax (540) 955-4524

PURCHASE ORDER REQUEST

P.O. NUMBER: 2018-

TO:

Vendor Number:

Vendor Name:

Requesting Department: **FINANCE (1)**

 Requesting Signature

DATE	REQUISITIONER	SHIPPED VIA	F.O.B. POINT	TERMS

QTY	ACCT NO.	DESCRIPTION	UNIT PRICE	TOTAL
			SUBTOTAL	
			SHIPPING & HANDLING	
			OTHER	
			TOTAL	

1. Please make a copy for your files.
2. Please specify if this is a new vendor
3. Please add your own P.O. Number

Cooperative Procurement Approval Request Form

Governmental Entity Establishing the Cooperative Agreement:
Name of Cooperative Agreement:
Contact at Sponsoring Governmental Entity: Phone: Fax: Email Address:
Attach a copy of the solicitation including all addenda and the contract award including all modifications. Solicitation attached: <input type="checkbox"/> Yes <input type="checkbox"/> No
Other Requirements for Use of Agreement (e.g. any organizational membership, etc.)
Attach printout for requested products or services, with contract pricing
Attach printout contract terms and conditions
Benefit Justification: Explain why the use of this cooperative contract is the best option for the Town, including why the prices offered in the contract are considered fair and reasonable.

Requestor Signature

Town Manager Signature

Town of Berryville
101 Chalmers Court, Suite A, Berryville, VA 22611 540-955-1099

Sole Source Procurement Request

Date: _____

Title: _____

Issuing Department: _____

Name and Address Of Sole Source:

_____ Date: _____

_____ By: _____

_____ Name: _____

FEI/FIN # _____ Title: _____

Email: _____ Telephone: _____

All sole source procurements for goods and services up to the current VPPA small purchase limit must be approved in advance by the Town Manager or designee, which shall be the chief purchasing officer. A signature below approves such procurement.

Signature Date

Title

All sole source procurements for goods and services over the current VPPA small purchase limit must be approved by the Town Manager prior to commencement of the actual procurement. As signature below approves such procurement.

Signature -- Town Manager Date

A memorandum must be attached to the request which addresses the four points shown below. The writing shall document the basis for the determination, which should include any market analysis conducted in order to ensure that the good or service required was practicably available from only one source.

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

Emergency Procurement Justification

Purpose

Based upon the following determination, the proposed procurement action in excess of the VPPA small purchase limit is being procured in accordance with the Town of Berryville Procurement Policy.

An emergency procurement may be made when an emergency condition arises and the need cannot be met through normal procurement methods .

Instructions

Step 1- The department head must complete and forward the Justification for Emergency Procurement form to the procurement department.

Step 2 This form must include the written documentation of the basics for the emergency and the reason no other vendor is suitable.

Step 3 The Town Manager or designated representative must review and approve the documentation.

Date of Emergency _____

RPO Number _____ Vendor name _____

Items and/or services department head proposes to procure as an emergency:

The basis for the emergency and the reason no other vendor is suitable is:

Department Head's signature

Date

Town Manager signature

Date

Emergency Procurement

General:

- An emergency is an occurrence of a serious and urgent nature that demands immediate action.
- Emergency procedures may be used to purchase only that which is necessary to cover the requirements of the emergency.
- Subsequent requirements shall be obtained using normal purchasing procedures.
- The potential loss of funds at the end of a fiscal year is not considered an emergency.

Types of Emergency Procurement:

- The nature of the emergency will determine what pre-award action may be taken.
- For an emergency purchase required to protect personal safety or property, efforts should be directed to finding a source and directing the contractor to proceed; however, such procurement shall be made with such competition as is practicable under the circumstances.
- For other types of emergencies, competition should also be sought to the maximum extent practicable.

Award of Emergency Procurement

- The Town must prepare a confirming contract or purchase order, as soon as practicable, after directing the contractor to proceed.
- Care should be taken to include in detail any agreements, including price, that were made orally with the contractor.
- Prepare a written determination for signature by the Town Manager or designated representative indicating the nature of the emergency, the reason for selection of the particular contractor and include such determination with the file.



Town of Berryville
Vendor Registration

Please fill out the information below and the attached W-9 form to be registered as a vendor with the Town of Berryville.

Your company's legal name: _____

Business Type: _____

What kind of products/services does your company offer?

Company Website: _____

Company Address : _____

City _____

State _____ ZIP Code _____

Name of person representing the company: _____

Phone : _____ Fax: _____

Email : _____

Payment Method: _____ Check _____ P-card

***If you accept VISA, you are required to accept P-card payments.**

Certificate of Insurance Required: _____ Yes _____ No



The Town Of Berryville

Purchasing Card Policies and Procedures

Draft

I. Purpose, General

The purpose of the purchasing card program is to provide the Town of Berryville with an efficient and reliable way to make purchases. The purchasing card should be used as an alternative to vendor direct billing.

II. Background

Purchasing cards can simplify and expedite procurement but use of these cards requires strict adherence to internal control procedures and a commitment to accompanying accounting procedures. In most cases, card use reduces staff procurement efforts, allows internet purchases; shortens delivery time and increases financial tracking and control efforts.

III. Participation

Unless otherwise specified, the authority to use the purchasing card (p-card) will be delegated to all departments, referred to as “department” hereafter.

The Town Manager may terminate, suspend or limit a department’s p-card program. The Town Manager is authorized to terminate, suspend or limit a particular individual card.

IV. Rebate

The rebate that is earned on qualifying purchases and paid by the issuing bank will be deposited in the Town’s General Fund for administrative and processing costs.

V. Roles

Program Administrator

The Treasurer manages the purchasing card program and is responsible for establishing and enforcing card related policies and procedures and serves as Program Administrator. The Treasurer may delegate purchasing card duties to Finance Department staff.

Department Head

The Department Head or designee is responsible for all aspects of the department’s purchasing card program. The Department Head monitors card activity and ensures that vendor receipts, invoices and delivery documentation are retained for each purchase, in accordance with established policies and procedures. The Department Head serve as the primary contact for the department **and will review and reconcile all posted card transactions.**

Cardholder

The Cardholder is an individual employee assigned a card with his or her name imprinted on it. The cardholder is responsible for using the card in accordance with this policy. The cardholder is responsible for card activity and retaining vendor receipts, invoices and delivery documentation. The

cardholder is also responsible for **signing and** submitting ~~required documentation~~ **the P-card Expense Report Form**, in a timely manner, for coding and approval to the **Department Head**. ~~designated person in their department.~~

VI. Process Overview

Establishing an Individual Card Account

Departments request cards for an individual by submitting an application to the Treasurer. This card will be imprinted with cardholder name. The application indicates the department, card limit requested, full name of cardholder and contact information.

Obtaining Cards from Bank of America

The Treasurer receives/reviews the application and submits to BOA through WORKS. The bank establishes a new account and forwards the new card to the Administrator. The Administrator distributes the card to the Department Head and the cardholder activates the account.

Card Use

The department uses the card in accordance with this policy and the department's own internal control procedures.

Billing and Payment Process

The Department Head will have access to a master departmental summary of charges. This will serve as a statement to reconcile charges. Once reconciled and reviewed (see process below) the departmental summary will be forwarded to the Finance Department for payment through the regular scheduled bill cycle.

There is a 25 day grace period, from the statement date, to make payment in full. Payment in full **MUST** be made each month. This requires specific attention to timely submission of the monthly statement to accounts payable in order to make payments by the due date.

In order to meet the payment deadlines, it is advised that reconciliation be a continuous process throughout the month. This will expedite the process. The charges for the cardholder who serves as the Department Head must be reviewed by the Treasurer.

Reconciliation and Review

Purchasing card reconciliation is the process of verifying the accuracy of all posted card transactions (charges and credits). ~~There are two (2) options for m~~Monthly reconciliation, ~~reconciliation by the cardholder or reconciliation~~ **is performed** by the Department Head.

~~Reconciliation by cardholders— The cardholder is responsible to reconcile the bank record of transactions to the actual receipts to verify that all charges are proper and the correct amounts have been charged. The monthly statement must be reconciled and sent to the Department Head. It is essential that the following steps are taken when reconciling the monthly statement:~~

- ~~• Compare backup documents to the transactions listed on the statement;~~

- ~~Ensure any exceptions are followed up for corrections;~~
- ~~Sign the monthly statement (or individual receipts) documenting your review and certification that all purchases listed are correct and made for official purposes which meet the appropriate business needs;~~
- ~~Attach the receipts to the statement and forward all documents to the Department Head for review.~~

Reconciliation by Department Head – The Department Head is responsible to reconcile the bank record of transactions to the actual receipts, for all department cardholders, to verify that all charges are proper and the correct amounts have been charged. ~~Receipts are submitted by the cardholder to the Department Head. A signed P-card Expense Report form and the receipts are submitted by the cardholder to the Department Head. The Department Head verifies the charges, signs the P-card Expense Report form and forwards it to the Finance Department.~~

- ~~Compare backup documents to the transactions listed on the department billing;~~
- ~~Ensure any exceptions are followed up for corrections;~~
- ~~Sign the summary sheet documenting your review and certification that all purchases listed are correct and made for official purposes which meet the appropriate business needs;~~
- ~~Review – Once all statements/receipts are received by the Department Head from the cardholders, the Department Head will prepare a payment summary which indicates the proper expenditure codes and payment amounts. The Department Head should also review individual statements/charges to ensure compliance to the policies and procedures. The Department Head will sign and date the payment summary and submit to the department head for approval.~~
- ~~Once approved the entire package will be forwarded to the Finance Department for payment through the regular scheduled bill cycle.~~

Card Use by Reviewing Department Head – If the reviewer uses the card, **the P-Card Expense Report must be reviewed by the Treasurer. If the Treasurer uses the card, the P-Card Expense report reconciliation must be reviewed by the Town Manager.** The reviewer must sign and date the reconciliation.

Statement Due Dates

The billing cycle ends on the last business day of each month with the payment due around the 25th of each month. REMEMBER – transactions can be viewed online by the Department Head at any time. This will expedite the process rather than waiting for the end of the cycle. Statements will be due to the Finance Department on dates set by Finance.

VII. Card Uses

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

- Travel Expenses;
- All goods and services; and
- Telephone and Internet ordering.

Purchasing cards may NOT be used for the following:

- Cash Advances;
- Personal Purchases of any kind;
- Purchases by Non-Employees;
- 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 the procurement policy and/or a card's single purchase or cycle spending limits; and
- Other purchases prohibited by town policy.

VIII. Card Limits

The Town Manager in consultation with the Treasurer and Bank of America representatives shall approve all card limits including single transaction limits, cycle limits and authorizations per day.

The Town Manager in consultation with the Treasurer and Bank of America representatives shall establish Merchant Category Codes to block purchases from certain categories of vendors to ensure that cards cannot be used for improper purposes.

IX. Program Training

Department Head Training

All Department Heads are required to attend Department Head training. The Finance Department in conjunction with Bank of America will provide this training to primary Department Heads.

Card User Training

Departments are required to provide training in conjunction with Bank of America to all cardholders and users prior to their first card use.

X. Card Characteristics

Card Plastic

Card plastics will include the following information: TOWN OF BERRYVILLE, VA – FOR OFFICIAL USE ONLY – TAX EXEMPT #XXXXXXXXXXXX. Card Imprint

Card names are assigned by the department. Each line has a maximum of 24 characters, including spaces. Each card name shall include:

- Line 1 – Individual’s legal name
- Line 2 – Department name

Signature on Card

Cards shall be signed by the individual whose name appears on the card.

Card Security

Except for cards in personal possession, cards should be kept in secure location while not in use. Access to the location should be limited to those individuals who are permitted to access the card.

XII. Other Program Requirements

Sales Tax Exemption

Most town purchases are exempt from Virginia state sales tax. When making a p-card purchase, card users should remind the vendor of our tax exempt status and examine the receipt to verify sales tax was not charged. By state statute, the town is not exempt from sales tax for meals, catered events, lodging or other accommodations. The town is not exempt from sales tax imposed by other states on goods and services purchased outside of Virginia.

Employee Acknowledgement Disclosure Form

A Cardholder/User Agreement form must be signed before a new card is issued and at each instance that a card is re-issued to the same individual. This will include the reissue of expired cards. The form acknowledges the employee’s responsibilities regarding card use and sets forth consequences for card misuse. The Treasurer shall maintain the signed forms at least 3 years following the employee’s termination of employment.

Receipts

Vendor receipt, invoice or credit slip must be retained 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 the total amount paid. These documents shall be attached ~~with the appropriate monthly statement~~ **to the P-Card Expense Report.**

- Alternate Receipt –Department may use an alternate receipt, such as an internet screen print or faxed receipt. The receipt should contain the same level of detail required for an original receipt.
- Missing Receipt – If, for any reason, an original, alternate or photocopied receipt is unavailable, a Missing Receipt Affidavit providing the purchase details and reason why a receipt is not available must be included with the appropriate monthly statement. Documentation in lieu of missing receipts must be signed and dated by the Cardholder and the Department Director.

Document Retention

Program documents must be retained for a minimum of three (3) years.

Card Management Software

Bank of America Merrill Lynch provides WORKS p-card management software online. This software will allow a user to view transactions at any time, run reports, electronically allocate transactions, etc. Upon request, Cardholders will only be granted access to view information of their own card accounts and Department Heads will be given greater access to create reports and manage all department cardholders.

Problem Resolution

The Department Head should attempt to resolve disputes directly with the vendor and/or the bank. If unable to resolve directly within a reasonable time period, contact the Treasurer for assistance. Any adjustment to billing will be made on subsequent statements.

Dispute Procedures

Dispute procedures are defined by the town's purchasing card contract with Bank of America Merrill Lynch. The contract requires that disputed items be identified within 60 days of the billing close date for the cycle in which the disputed charge appears on the monthly statement. Disputed charges must be identified to BAML by completing the online dispute form in WORKS or by contacting BAML Customer Service and receiving the document in the mail. Although items identified outside the 60 day period may still be disputed, the town's legal standing in the matter is decreased. Dispute rights for department cards are significantly limited.

Lost or Stolen Cards

Lost or stolen cards shall be reported to Bank of America Merrill Lynch and the Department Head 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 card. The Department Head must also notify the Treasurer immediately. All card users should be aware of the procedure for reporting a lost or stolen card, including how to proceed if the Department Head is not available at the time the loss is discovered.

Reissue of a Lost or Stolen Card

To request a replacement of a lost or stolen card, forward a memo from the department director to the Treasurer. The memo should describe the circumstances surrounding the card loss and the steps taken to ensure against future losses. The Treasurer will evaluate each incident on an individual basis to determine whether or not to issue a replacement card.

Card Cancellation

If a department wishes to cancel a card, the Department Head should submit the original cardholder application, with the effective date and reason for cancellation completed, to the Treasurer. The Department Head must destroy any cancelled card(s). If there is an urgent need to cancel a card, contact the Treasurer for immediate assistance. Remember that lost or stolen cards may be reported directly to the bank through a 24 hour toll free number.

Card Changes

If the department wishes to change any aspect of a card, including address and card limits, the Department Head should submit card changes to the Treasurer.

Violations of Policy

The purchasing card is an opportunity for town staff to maximize efficiency in the procurement of goods and service; however, this concession can be terminated for violation of the policies and procedures outlined in the document. It is the responsibility of the Department Head to maintain a violation log. If a user violates the policies and procedures, potential repercussions include, but are not limited to:

- Warning letter sent by the Department Head;
- Suspension of card privileges; and/or
- Employee termination.

Examples of violations include, but are not limited to:

- Personal purchases;
- Purchase of restricted commodities;
- Split purchasing;
- Failure to obtain and forward supporting documentation for all card transactions;
- Lack of timely and proper reconciliation of monthly statements; and/or
- Use of the card by anyone or any department other than the authorized user.

Fraud and Misuse

Deterrence

The department is responsible to actively protect each of its purchasing cards from fraud and misuse. The following guidelines should be followed:

- Limit Card Access – Maintain cards in a secure environment.
- Protect Card Information – Information regarding cards should be protected. This is to include card account number, name and expiration date. File reports that contain card numbers in locked file cabinets. When discarding reports or other paperwork containing card information, shred documents. Assure security of card materials that are maintained electronically. Do not send emails which contain card numbers and/or expiration dates.
- Establish Reasonable Card Limits – Establish reasonable spending and transaction limits. This will limit risk in the event the card or card number is lost or stolen.
- Maintain Adequate Separation of Duties – Divide the card custodian and the accounting/reconciliation duties among employees. Conduct proper upper management review of transactions and supporting receipts and associated documentation.

Occurrence of Fraud or Misuse

If fraud or misuse is suspected, the Department Head shall contact the Town Manager immediately for further guidance.

Compliance Reviews

The card program is subject to review by the Town Manager and both internal and external auditors.

Summary of Tasks Assigned to Administrative Staff and PD Administrative Assistant

ATM/Treasurer	Town Clerk	Front Desk Clerk
<p>Treasurer</p> <ul style="list-style-type: none"> Prepares daily deposits Balances monthly bank statements Balances GL Prepares monthly staff report for Council Attends Council meetings as required Co-signs A/P Checks Initiates collection of delinquent taxes and fees Assists Town Manager and Council with financial matters Assist Town Manager in CIP budgeting process Processes ACH Transfers <p>Assistant Town Manager</p> <ul style="list-style-type: none"> Supervises Administrative personnel Assists TM in Annual Budget preparation Prepares annual Tax Rate and Budget PH notices Prepares annual tax ordinance and PPTRA resolution Compiles financial records for annual audit Assists Manager with special projects as needed Addressess citizen complaints Reviews citizen requests for utility adjustments Responds to surveys and questionnaires Provides backup to the FOIA Officer (Town Clerk) <p>Purchasing Agent</p> <ul style="list-style-type: none"> Prepares Purchase Orders Reviews and approves PO Requests Prepares and reviews all bid documents <p>Reviews all bills presented for payment and prepares a list for Town Council</p> <p>Presents monthly check list to Council</p> <p>Provides backup to AP functions</p> <p>Payroll/HR</p> <ul style="list-style-type: none"> Provides backup to payroll and HR duties <p>Fixed Assets</p> <ul style="list-style-type: none"> Creates and maintains the fixed asset inventory 	<p>Town Clerk</p> <ul style="list-style-type: none"> Prepares Agenda Packets for Council Records and prepares minutes of Council meetings Attends Council and committee meetings as needed Prepares minutes of committee meetings Administers BPOL taxes Answers official correspondence Prepares reports as directed by Town Manager Fills in for Business Office staff as needed Provides backup to close/secure Government Center Provides backup to prepare daily deposits Maintains official copy of Town Code and manages codification schedule Serves as designated Records Officer and manages retention schedules (other than PD) Provides limited admin support for Dept. Public Works and Dept. Public Utilities Maintains general Town Office and Town Council files <p>FOIA</p> <ul style="list-style-type: none"> Serves as FOIA Officer except for PD <p>Purchasing</p> <ul style="list-style-type: none"> Responsible for office supply inventory and ordering Provides backup to Purchasing Agent <p>Website</p> <ul style="list-style-type: none"> Backup oversight of website content and maintenance <p>Other</p> <ul style="list-style-type: none"> Maintains Town Employee Handbook Maintains Town Employee Job Descriptions 	<p>Front Desk Clerk</p> <ul style="list-style-type: none"> Greets and assists public Answers phones and directs calls Retrieves voice mail Opens and routes incoming mail Processes incoming payments Processes parking tickets Balances cash drawer Data input and retrieval Maintains meals, lodging and cigarette tax records Maintains weekly yardwaste and bulk lists and sends to contractor Processes resident questions/complaints for trash/recycling contractor Regularly closes and secures Government Center Maintains town scrapbook <p>Purchasing</p> <ul style="list-style-type: none"> Maintains vendor files Processes AP checks

Admin Asst- Police Dept

Finance Clerk

(as pertains to assisting in Town Business Office)

Front Desk Clerk

Regularly assumes front desk and reception duties from FDC
Fills in for Business Office staff as needed
Regularly closes and secures Government Center

Front Desk

Provides backup to front desk and reception duties
Regularly closes and secures Government Center
Provides backup for monthly meals, lodging & cigarette
tax reports and maintains records

Website

Oversees Town website content and maintenance

Finance Clerk

Delivers deposits to bank on daily basis
Prepares, issues & sends out receipts, bills, invoices,
and statements
Responsible for AP functions
Reconciles P-card expense reports
Processes PO , enters invoices, processes checks
Enters monthly p-card transactions into CD batch
Reviews and inputs invoices and Requests for Payment
Provides backup to Town Clerk with administering BPOL taxes

Purchasing

Bills reimbursable expenses

Payroll/HR

Prepares monthly, semi-monthly and bi-weekly payrolls
Maintains employee personnel files
Maintains employee leave balances
Prepares bi-weekly, monthly, quarterly and annual
payroll reports
Processes annual W2 and 1099 forms
Establish new employee accounts for payroll, insurance,
and retirement; issue employee handbook

Keith Dalton

From: Melissa Brohan <MBrohan@pbmares.com>
Sent: Thursday, July 13, 2017 1:48 PM
To: Keith Dalton
Cc: Desi Moreland
Subject: RE: Question about the Town of Berryville Audit -

Keith,

My understanding is that your policy reads correct in that the Town should require **solicitation** from four sources. The objective would be to obtain four quotes when you solicit from these sources; however, we know this is not always possible. Therefore, documentation of solicitation should be retained (from the four sources) and reasons for obtaining quotes from less than 4 sources should be documented as well (such as a response saying they don't have the capability, etc.). I hope that this answer helps you! Please feel free to call if you have any questions.

Best Regards,
Melissa

Melissa Brohan | Senior Accountant
PBMares, LLP | 558 South Main Street | Harrisonburg, VA 22801
Ph: 540-434-5975 | F: 540-434-1832 | mbrohan@pbmares.com | www.pbmares.com



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From: Keith Dalton [mailto:townmanager@berryvilleva.gov]
Sent: Thursday, July 13, 2017 1:16 PM
To: Melissa Brohan
Cc: Desi Moreland
Subject: FW: Question about the Town of Berryville Audit -

Melissa:

I will be out of the office for a while so please also respond to Desi. Thanks

Take care,

Keith

Keith R. Dalton, Town Manager
Town of Berryville, Virginia
101 Chalmers Court, Suite A
Berryville, VA 22611

V 540.955.1099
F 540.955.4524

From: Keith Dalton
Sent: Tuesday, July 11, 2017 9:38 AM
To: 'Melissa Brohan' <MBrohan@pbmares.com>
Cc: Desi Moreland <treasurer@berryvilleva.gov>; Ann Phillips <townclerk@berryvilleva.gov>
Subject: Question about the Town of Berryville Audit -

Melissa:

I hope that your summer is going well.

The Town Council was reviewing the audit yesterday afternoon and they had a question about GAP 5.

GAP 5 references the requirement to acquire 4 quotes, while the TOB Purchasing Policy (IX Small Purchase Policy – Unsealed Bidding- Page 15) requires solicitation from 4 sources.

Is it your opinion that the policy, as written, requires 4 quotes not solicitations? Please let us know your thinking on this matter.

Take care,

Keith

Keith R. Dalton, Town Manager
Town of Berryville, Virginia
101 Chalmers Court, Suite A
Berryville, VA 22611

V 540.955.1099
F 540.955.4524

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Attachment 2

Keith Dalton

From: Joni Terry <jterry@vml.org>
Sent: Thursday, August 17, 2017 4:11 PM
Subject: Fiscal Distress
Attachments: Copy of 2016 Localities FAM Score Spreadsheet-VirginiaFY16-Cities only.xlsx; Fiscal Indicators Ratio Calculations and Interpretations.pdf; Fiscal Stress Monitoring Follow-Up Questionnaire.pdf

Budget language adopted in 2017 directs the Auditor of Public Accounts (APA), Martha S. Mavredes, to establish a work group to develop an “early warning system” for localities in fiscal distress. This system is intended to allow the state to flag certain localities determined to be in financial trouble for certain follow-up actions, including potential state intervention. The proposed model is supposed to evaluate local fiscal stress; this tool is based on Louisiana’s Financial Assessment Model (FAM) and uses factors such as a locality’s ratio of reserves relative to its liabilities and its sufficiency of reserves relative to its General Fund revenue. APA staff ran data from localities’ Comprehensive Annual Financial Reports from Fiscal Years 2014, 2015, and 2016 through the model to generate sample scores.

As envisioned by the APA, if a locality’s FAM score fell below a certain threshold, at this time identified at 15% or lower, the APA would follow up with a questionnaire that would probe certain qualitative factors affecting a locality’s financial situation, such as whether a locality was delinquent in making required contributions to the Virginia Retirement System or experienced any significant problems in collecting receivables in the current or prior fiscal year. The draft questionnaire also asks whether “external factors,” such as unfunded mandates or a change in the local economy, affected the locality’s budget.

The APA only will have FAM scores for towns that are required to report to the APA. They will not include data for localities that do not report to the APA. If it is determined that a locality needs follow up by the APA, they will send a letter to the locality to communicate the process to management and the finance/administration contacts. In the letter, the APA will advise what follow-up is expected, provide the basis of their FAM score, and provide a copy of the follow-up questionnaire.

New requirements based on Chapter 836, §4 - 8.03, indicate that based on the results of the review, the APA shall notify the Governor and the chairs of the House Appropriations Committee (HAC) and Senate Finance Committee (SFC). After receipt of notification by the APA indicating fiscal distress in a locality, the Governor and Chair of the HAC and SFC would create a plan for either assistance, oversight, or state intervention prior to any expenditure of funds.

A challenge facing the workgroup is addressing the potential unintended consequences of encapsulating a locality’s financial situation, which may be affected by factors outside its control, in a numerical score. Members of the workgroup are in agreement that contextual information will be important in making determinations about local fiscal stress.

The FAM scores based for 2016 are attached, as well as, the FAM ratio model and follow-up questionnaire. Localities are encouraged to review the proposed model and questionnaire to determine whether they will present an accurate picture of a locality’s financial health.

Staff contact, Sandy Harrington sharrington@vml.org or (804) 523-8524

Sandra Harrington
Government Relations Associate
Executive Director, VBCOA
13 East Franklin Street
Richmond VA 23219
Phone 804 523 8524
www.vml.org



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Locality Name	Locality Type	Year	FAM Score
Abingdon	Town	2016	41.9%
Ashland	Town	2016	86.9%
Bedford Town	Town	2016	51.5%
Berryville	Town	2016	76.0%
Big Stone Gap	Town	2016	26.4%
Blacksburg	Town	2016	39.0%
Blackstone	Town	2016	29.1%
Bluefield	Town	2016	56.2%
Bridgewater	Town	2016	20.8%
Broadway	Town	2016	16.5%
Christiansburg	Town	2016	63.9%
Clifton Forge	Town	2016	27.0%
Culpeper Town	Town	2016	57.6%
Dumfries	Town	2016	59.4%
Farmville	Town	2016	36.5%
Front Royal	Town	2016	57.8%
Herndon	Town	2016	55.6%
Leesburg	Town	2016	60.3%
Luray	Town	2016	53.8%
Marion	Town	2016	16.4%
Orange Town	Town	2016	49.2%
Pulaski Town	Town	2016	18.4%
Purcellville	Town	2016	52.3%
Richlands	Town	2016	38.7%
Rocky Mount	Town	2016	85.4%
Smithfield	Town	2016	74.4%
South Boston	Town	2016	44.8%
South Hill	Town	2016	95.6%
Strasburg	Town	2016	50.2%
Tazewell Town	Town	2016	14.4%
Vienna	Town	2016	42.9%
Vinton	Town	2016	36.8%
Warrenton	Town	2016	78.5%
Wise Town	Town	2016	88.6%
Woodstock	Town	2016	57.0%
Wytheville	Town	2016	72.9%

Note: The following ratios are calculated using the Governmental Activities and Business Type Activities Funds from the Locality's Government Wide Statement of Net Position and Statement of Net Activities

Ratio #	Financial Indicator Ratio	Description/Interpretation	Notes
1	Cash and Cash Equivalents + Investments - Current Liabilities (Includes any applicable Cash Overdraft)/ Charges for Services + General Revenues	This ratio measures the sufficiency of unrestricted reserves relative to the Locality's normal revenue (non-grant revenue). By comparing the Locality's unrestricted liquid assets (net of current liabilities) to its normal revenue, we can see to what extent the locality can make up revenue shortfalls with unrestricted reserves.	
2	Cash and Cash Equivalents + Investments/ Current Liabilities (Includes any applicable Cash Overdraft)	This ratio measures the sufficiency of unrestricted reserves relative to the Locality's current liabilities. By comparing the Locality's unrestricted liquid assets to current liabilities, we can see its ability to pay current liabilities without needing additional revenue to pay these bills.	The industry standard is often cited as 2.0 (200%) or higher; that is the organization would have \$2 dollars in cash for every \$1 on current liability.
3	Cash and Cash Equivalents+ Investments/ Total (Current and Noncurrent) Liabilities	This ratio measures the sufficiency of unrestricted reserves relative to the Locality's total liabilities. By comparing the Locality's unrestricted liquid assets to total liabilities, we can see its ability to pay total liabilities without needing additional revenue.	A higher ratio suggests that a locality can meet its obligations. The APA has not included the impact of Net Pension Liability in the Total Liabilities amount.
4	Charges for Services + Operating Grants & Contributions + Capital Grants & Contributions + General Revenues + Cash and Cash Equivalents + Investments/ Total Expenses + Current Liabilities (Includes any applicable Cash Overdraft)	This ratio measures the Locality's ability to meet its obligations in the following year. By comparing these figures, we can determine to what extent the locality will be able to cover the following year's obligations without changes to revenue or expenses.	This ratio has a natural benchmark of 1.0 (100%) or higher.
5	Net Position Unrestricted/ Total Expenses	This ratio measures the sufficiency of unrestricted reserves relative to the Locality's expenses. By comparing the Locality's unrestricted net position to its expenses, we can see to what extent the locality can fund expenses from unrestricted reserves in the event of a revenue shortfall.	The APA has not included the impact of Net Pension Liability in the total Unrestricted Net Position amount.
6	Total Assets/Total Liabilities	This ratio measures the degree to which a Locality's assets are being financed with debt (short term and long-term).	

Note: The following ratios are calculated using only the General Fund (GF) activity from the Locality's Governmental Funds Balance Sheet and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance

Ratio #	Financial Indicator Ratio	Description/Interpretation	Notes
7	Cash and Cash Equivalents + Investments (includes Unrestricted and Restricted)/ Total Current and Noncurrent Liabilities	This ratio measures the sufficiency of reserves relative to the locality's GF liabilities. By comparing the locality's liquid assets in the GF to GF liabilities, we can see its ability to pay GF liabilities without needing additional revenue.	
8	Total Expenditures/ Total Liabilities	The ratio measures how well the locality is paying its bills in the GF. The higher liabilities are relative to the expenditures, the more likely the locality has past due bills.	
9	Fund Balance Assigned + Unassigned/ Total Expenditures	This ratio measures the sufficiency of unrestricted reserves relative to the locality's GF expenditures. By comparing the locality's total of unassigned and assigned fund balances to its GF expenditures, we can see to what extent the locality can fund GF expenditures from unrestricted reserves in the event of a revenue shortfall.	
10	Total Fund Balance/ Total Revenues	This ratio measures the sufficiency of reserves relative to the Locality's GF revenue. By comparing the locality's reserves to its GF revenue, we can see to what extent the locality can make up revenue shortfalls with reserves.	

Additional Ratios To Consider Adding in Future Calculations:

Financial Indicator Ratio	Description/Interpretation	Notes
<p style="text-align: center;">Government Wide Statement: Change in Net Position (Ending - Beginning)/ Net Position Beginning</p>	<p>Financial Performance shows the magnitude of how the Locality's financial position improved or deteriorated as a result of resource flow. The percent change in net position is used to analyze this. The percent change in net position provides the magnitude of how the beginning "resource" level changed as a result of resource flow during the fiscal year.</p>	<p>The change should be positive rather than negative.</p>
<p style="text-align: center;">General Fund Statement of Revenues, Expenditures and Changes in Fund Balance: Debt Service Principle and Interest/Total Expenditures</p>	<p>Financing obligation addresses service flexibility or the amount of expenditures committed to annual debt service.</p>	<p>One professional organization uses a benchmark of not exceeding 10 percent, while bond rating agencies have cited a benchmark of not exceeding 20 percent.</p>
<p style="text-align: center;">General Fund Statement of Revenues, Expenditures and Changes in Fund Balance: Total Revenues/ Total Expenditures</p>	<p>The Service Obligation (Operations Ratio) measures whether or not a locality's annual revenues were sufficient to pay for annual operations.</p>	<p>This ratio has a natural benchmark of 1.0 or higher.</p>

**Virginia Local Government Fiscal Stress Monitoring
Fiscal Assessment Follow Up Questionnaire**

Instructions and Purpose: This questionnaire is to provide the Auditor of Public Accounts (APA) with additional, follow-up information to further assess potential fiscal stress at your locality, in accordance with legislation in Chapter 836 of the 2017 Acts of Assembly, Part 4-8.03 Local Government. As part of the APA's monitoring process under Chapter 836, the locality's completion of this questionnaire is mandatory. The APA requests this questionnaire be completed and returned to the Local Government manager by XX Date.

Please provide comprehensive answers and explanations to the questions below at each "locality Explanation" box. If any questions are not applicable please indicate as such; do not leave any of the "locality Explanation" boxes blank. If needed, additional documents or explanation can be provided on the worksheet, "Additional Explanation." We appreciate the full cooperation and assistance of the locality's finance or applicable personnel to obtain any further support or clarification to aid in evaluating the locality's explanations and answers provided on this questionnaire.

Follow-up Questions	locality Explanation
Budget Process:	
1 Does the locality have a structurally balanced budget for the current fiscal year?	
2 Has the locality utilized any significant transfers during the fiscal year in order to balance the budget? Please explain.	
3 How many times during the fiscal year has the locality made amendments to its budget? Please explain the primary reasons for the amendments.	
4 What is the locality's budget monitoring and reporting process? How frequently during the year (i.e.: quarterly) does Management inform and discuss with the Governing body the budget to actual results for revenues and expenses?	
5 Are there any other external factors that have impacted the locality's budget for the current fiscal year? Please identify and explain (i.e.: unfunded state/federal mandates, state contractual decisions, changes in external funding, etc.)	
Debt and Borrowings:	
6 Was the locality delinquent with any of its debt service payments (i.e.: VRA bonds, etc.) at the end of the most recent fiscal year and/or in the prior fiscal year?	
7 Was the locality non-compliant with any of its debt covenants at the end of the most recent fiscal year and/or in the prior fiscal year?	
8 Has there been a recent change in the bond ratings for the locality by any of the bond rating agencies (i.e.: has the locality received a bond rating reduction letter)?	
9 Did the locality have significant Interfund borrowings between its General fund and other funds (i.e.: enterprise funds) during the current fiscal year and/or prior fiscal year? (Note: Amounts are reported in the Statement of Net Position "Internal Balances" line item and related disclosures). Please explain the nature of the interfund borrowings. What is the Governing body and Management's plan for expected repayment to make the Fund(s) whole and ensure repayment is made within a reasonable time?	
10 Did the locality obtain any Tax or Revenue Anticipation Notes/Loans during the current fiscal year and/or prior fiscal year? Explain the primary reason for obtaining. What is the Governing body and Management's plan/timing to ensure the locality receives the anticipated revenue to pay back the loan?	
11 Did the locality obtain any other type of short-term financing/debt during the current fiscal year and/or prior fiscal year? Explain the primary reason for obtaining. Was this financing obtained to pay operating expenses due to cash shortfalls?	
12 Did the locality encounter any unusual and/or external factors during the current fiscal year that impacted debt/borrowings?	
Expenses and Payables:	
13 Does the locality have any payments in arrears to Vendors or Authorities as of the end of the current fiscal year and/or prior fiscal year (from June 30 through currently)? Please provide a listing of the Vendor/Authority name, length of time outstanding, and total amount overdue, as applicable.	

Follow-up Questions	locality Explanation
14 Does the locality have any instances of not meeting the Prompt Payment Act (by "required" due date or within 30 days) when paying for delivered goods or services throughout the current fiscal year and/or prior fiscal year? Please explain.	
15 Does Management utilize any Accounts Payable (AP) aging analysis tools or reporting techniques to periodically review liabilities and maximize cash flow and ensure prompt payments? How often does Management review? Does Management periodically discuss/report any AP aging information to the Governing body?	
16 Was the locality delinquent in paying any wages or benefits to its employees at the end of the current fiscal year and/or prior fiscal year?	
17 Was the locality delinquent in paying payroll taxes at the end of the current fiscal year and/or prior fiscal year?	
18 Was the locality delinquent in paying retirement contributions to the Virginia Retirement System and/or other retirement Plan at the end of the current fiscal year and/or prior fiscal year?	
19 Was the locality delinquent in paying worker's compensation and/or health insurance premiums at the end of the current fiscal year and/or prior fiscal year?	
Revenues and Receivables:	
20 Did the locality have any "one-time" significant revenue item(s) during the current fiscal year and/or prior fiscal year? Please explain.	
21 Is the locality experiencing any significant issues with collecting receivables (i.e.: for taxes, billable services, or other revenues)?	
22 Does Management utilize any Accounts Receivable (AR) aging analysis tools or reporting techniques to periodically review collections and overdue, delinquent accounts? How often does Management review this? Does Management periodically discuss/report any AR aging information to the Governing body?	
23 Has the locality seen a significant increase in delinquent accounts during the current fiscal year and/or prior fiscal year? Has the Governing body and Management implemented a plan to increase internal and/or external collection efforts for delinquent billings/accounts?	
24 Has the locality experienced any significant revenue shortfall in a specific local revenue source during the current fiscal year and/or prior fiscal year? If yes, please explain. Has the Governing body and Management established a plan to address the revenue shortfall?	
Other Areas and Reporting:	
25 Has the locality experienced any vacancies in key Management and/or finance related positions?	
26 Has the locality experienced any major issues with implementing new systems or technology (i.e.: new utility billing system, tax collection system, accounting system, etc.)?	
27 Did the locality's independent Auditor report any material weaknesses and/or significant deficiencies during the most recently completed fiscal year audit that impact the locality's fiscal ability or indicate fiscal stress? Were these reported weaknesses/deficiencies adequately discussed with the Governing body? How are the Governing body and Management ensuring that corrective action is timely taken to correct the problems?	
28 Did the independent Auditor bring to the attention of Management and the Governing body any other matters or control deficiencies either detailed in a written Management letter or in verbal discussions that indicate deficiencies or financial conditions that, if not timely addressed, could negatively impact the locality's fiscal ability? If yes, please explain. How are the Governing body and Management ensuring that corrective action is timely taken to correct any such issues?	

Follow-up Questions	locality Explanation
<p>29 Has the locality timely completed its audit and Comprehensive Annual Financial Report (CAFR) for the most recent completed fiscal year and prior fiscal year, and provide the required submissions to the APA by the statutory deadline of November 30?</p> <p>If the locality did not complete its audit on a timely basis, please provide explanation. Has the locality continued to have an untimely audit and delinquent submissions within the past fiscal years? If so, please explain.</p> <p>How are the Governing body and Management ensuring that action is taken to ensure timely completion of the audit and issuance of the CAFR in future?</p>	
<p>30 Did the independent Auditor provide an unmodified opinion on the locality's financial statements for the most recent completed fiscal year?</p> <p>If not, what were the reasons for a modified opinion? How are the Governing body and Management ensuring that corrective action is timely taken to correct any such issues?</p>	
<p>31 In the most recent and/or prior audited Comprehensive Annual Financial Report, did the independent Auditor's Report include an emphasis of matter and/or other matter paragraph concerning the locality's fiscal ability or describing potential fiscal stress?</p>	
<p>32 Did the locality's most recent and/or prior audited Comprehensive Annual Financial Report include a going concern disclosure?</p> <p>If yes, please explain how the Governing body and Management plan to mitigate those concerns.</p>	

Attachment 3

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

June 29, 2017

Mrs. Patricia Dickinson, Mayor
Mr. Keith Dalton, Town Manager
Town of Berryville, Virginia
101 Chalmers Court, Suite A
Berryville, VA 22611

Dear Mrs. Dickinson & Mr. Dalton:

We are pleased to confirm our understanding of the services we are to provide Town of Berryville, Virginia, for the year ended June 30, 2017. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Town of Berryville, Virginia as of and for the year ended June 30, 2017. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Town of Berryville, Virginia's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Town of Berryville, Virginia's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Schedules of Pension Funding for the Virginia Retirement System

The budgetary comparison information, presented as RSI, will be subjected to the auditing procedures applied in the audit of the basic financial statements and we will provide an opinion on it in relation to the financial statements as a whole.

*CHARLOTTESVILLE OFFICE
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MAILING ADDRESS

P.O. BOX 6580
CHARLOTTESVILLE, VIRGINIA 22906
INTERNET: www.rfca.com

Kristen L. Choate, CPA



We have also been engaged to report on supplementary information other than RSI that accompanies Town of Berryville, Virginia's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

1. Schedule of expenditures of federal awards, if applicable.
2. Combining and individual fund financial statements and schedules.

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditors' report will not provide an opinion or any assurance on that other information.

1. Statistical section.

Audit Objectives:

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and will include tests of the accounting records of Town of Berryville, Virginia and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Town of Berryville's financial statements. Our report will be addressed to the Town Council of Town of Berryville, Virginia. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Town of Berryville, Virginia is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures - General:

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures-Internal Control:

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

Audit Procedures-Internal Control: (Continued)

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and Government Auditing Standards.

Audit Procedures-Compliance:

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Town of Berryville, Virginia's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services:

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of Town of Berryville, Virginia in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, and related notes services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities:

Management is responsible for designing, implementing, and maintaining effective internal controls, including evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management Responsibilities: (Continued)

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience to evaluate the adequacy and results of those services and accept responsibility for them.

Engagement Administration, Fees, and Other:

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

Engagement Administration, Fees, and Other: (Continued)

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to Town of Berryville, Virginia; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Robinson, Farmer, Cox Associates and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to oversight agencies or their designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Robinson, Farmer, Cox Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the granting agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in September and to issue our reports no later than November 30, 2017. Kristen L. Choate is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be based on our contract. The contract fee may be subject to adjustment for changes in accounting principles, auditing standards, or reporting standards that may affect the financial statements for the current fiscal year. Any contract fee adjustment will be discussed with you and mutually agreed upon. Our invoice for these fees will be rendered upon completion of the engagement and is payable on presentation. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur additional costs.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

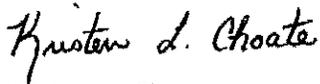
Engagement Administration, Fees, and Other: (Continued)

In accordance with *Government Auditing Standards* we make our most recent external peer review report and any subsequent peer review reports received during the period of the contract publicly available. In addition, our 2013 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Town of Berryville, Virginia and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign and return it to us.

Very truly yours,

ROBINSON, FARMER, COX ASSOCIATES



Kristen L. Choate
Certified Public Accountant
Member

RESPONSE:

This letter correctly sets forth the understanding of Town of Berryville, Virginia.

By: _____

Title: Mayor

Date: _____

By: _____

Title: Town Manager

Date: _____



Tetrick & Bartlett, PLLC
Certified Public Accountants
Consultants

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SYSTEM REVIEW REPORT

To the Members of Robinson, Farmer, Cox Associates
and the Peer Review Committee of the
Virginia Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Robinson, Farmer, Cox Associates (the firm) in effect for the year ended June 30, 2013. Our peer review was conducted in accordance with the *Standards for Performing and Reporting on Peer Reviews* established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Robinson, Farmer, Cox Associates in effect for the year ended June 30, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Robinson, Farmer, Cox Associates has received a peer review rating of *pass*.

Tetrick & Bartlett, PLLC

December 11, 2013