VIPC-27 - Procurement Policy and Guidelines

Issue Date:	November 1, 2006
Revision Date:	July 15, 2024

This policy is designed to provide guidelines and standards for procurement of goods and services by Virginia Innovation Partnership Corporation (VIPC), the managing non-profit of the Virginia Innovation Partnership Authority ("VIPA" or "Authority"), in compliance with Code of Virginia §2.2-2364. All procurements shall support the mission of VIPC, as well as in the best interest of the Commonwealth of Virginia.

This policy and procedure document shall be adopted by the governing board of the organization. The policy shall be updated as appropriate; however, review and update shall be no less than every five years. VIPC shall submit the updated policy by November 1st every five years beginning November 1, 2024, to the Governor, Department of General Services, and Chairs of the Senate Committee on General Laws and Technology and the House Committee on General Laws.

See important definitions in Exhibit A.

1. Roles and Responsibilities

VIPC Employee ("VIPC employee" or "employee") may have a need for the procurement of goods or services in the performance of their responsibilities at VIPC or for sourcing out projects, such as through contracts, subcontracts, purchase orders (PO), or other methods (MOUs, letters of agreement, etc.). When appropriate and within the guidance of this policy VIPC-27, VIPC employees are responsible for working closely with VIPC Contracts Department for procuring applicable goods and services, which includes responsibility for obtaining any required approvals, identifying sources, and complying with this policy.

Chief Financial Officer (CFO) has the sole responsibility for overseeing and managing VIPC's Finance and Administration Department (F&A) and the ultimate responsibility for ensuring oversight for this policy VIPC27.

Director for Contracts and Grants oversees the entire procurement and contracting and subcontracting process at VIPC, which includes the pre-award and post-award process as outlined here in policy VIPC27 and compliance with the Virginia Public Procurement Act (VPPA) as it is applicable to VIPC.

Program Manager ("Program Manager") is responsible for effectively writing statement/scopes of work for identifying the specifications and technical requirements used when soliciting offers for goods or services. The program manager is responsible for the technical review and approval of proposals, evaluating and approving all deliverables and/or reports, and compliance with this VIPC policy VIPC27

and VPPA as it is applicable to VIPC. The program manager provides technical direction to designated VIPC contractors.

President & CEO ("CEO") the CEO (or his/her designee) is authorized to commit VIPC in business and financial matters for the organization and is duly authorized to sign all documents on behalf of VIPC.

2. Guiding Principles for Procurement and Authorization

2.1. Procurement Authorization

To procure goods or services, VIPC employees shall work with the Contracts Department to put in place the appropriate contractual agreement or purchase order. Every procurement transaction begins with the completion of the VIPC Procurement Transaction Form (PTF). It is the responsibility of each VIPC employee to initiate a procurement action well in advance of the actual procurement of the goods and services. The final authority to procure goods and services is the CEO of VIPC or their designee as evidenced by their signature on the agreement for goods or services.

PTF's should be completed with use of the procurement application in Airtable, which can be found at: Procurement Transaction Form.

2.2. Procurement Thresholds

Per the following table, thresholds are given by type of procurement and procurement requirements, which are outlined in the remaining sections of this document. The following requirements should be used to obtain the best value for VIPC when procuring goods and services. These thresholds are subject to procurement estimates within a one-year period. Assistance for making a procurement determination, per the thresholds, is given in the Procurement Decision Tree found below. It should be noted that the thresholds below are not applicable to Federal procurements; Federal procurements should follow the current procurement thresholds as applicable in the Federal Acquisition Regulations (FAR) and/or 2 CFR Part 2 (Uniform Guidance).

Item	Estimated Cost	Procurement Requirements
1	**$0 - $20,000**	One written quote/bid required; multiple quotes/bids recommended
2	**$20,001 and above**	Three written quotes/bids (unless sole source)
3	**VPPA *Competitive Negotiation process* for thresholds given below:** $80K and above for professional services (accounting and non-mission related legal) $200K and above for non-professional services (everything else)	*Competitive Negotiation* process and shall comply with Addendum A (unless mission-related or sole source)

2.2.1 Procurement Decision Tree

Steps:

1. **Is the procurement $20,000 or under?** Yes or No.
    a. **If yes,** Is the procurement under $5,000? Yes or No.
        i. **If yes, under $5,000,** no bids required, and no contract required (unless the procurement involves an independent contractor performing services or the vendor's contract/quote includes terms and conditions of services, such as a license agreement or master services agreement). A Procurement Transaction Form (PTF) is not required.
        ii. **If no, between $5,000 and $20,000,** no bids required, but a contract and a completed PTF is required.
        iii. The Director of Contracts and Grants or the CFO may make exceptions to the contract requirement between $5,000 and $20,000 when business conditions warrant and there is no substantial liability risk to the organization.
    b. **If no,** go to step 2.

2. **Is the procurement between $20,001 and $79,999 for professional services (accounting and non-mission related legal) or between $20,001 and $199,999 for non-professional services (everything else)?** Yes or No.
    a. If yes, three written bids are required (unless a sole source, then go to step 4).
    b. If no, meaning the procurement is $80,000 or more for professional services and $200,000 or more for non-professional services, go to step 3.

3. **Is the procurement mission-related?** Yes or No.
    a. **If yes,** complete the mission-related justification section of the PTF. The information will be used for disclosure on the VIPC website and a contract is required.
    b. **If no,** go to step 4.

4. **Does the procurement meet the requirements for a sole source procurement?** Yes or No.
    a. **If yes,** complete the sole source justification section of the PTF. The information will be used for disclosure on the VIPC website and a contract is required.
    b. **If no,** go to step 5.

5. **Follow the Competitive Negotiation process in Addendum A. A contract is required.**

2.3. General Procurement Requirements

Procurements should be initiated with VIPC Contracts Department personnel by completing a PTF, which can be initiated in Airtable per section 2.1 above.

2.3.1 Competitive Negotiation Process

- For the procurement of goods and services (professional and nonprofessional), it is a good practice to seek competition to the maximum practical degree, regardless of the dollar threshold of the procurement.
- For the procurement of goods and services, that are subject to the Competitive Negotiation process, VIPC shall comply with HB 2113, where VIPC is required to seek competition to the maximum practical degree and comply with Competitive Negotiation as outlined in the requirements of VPPA §2.2-4302.2 and §2.2-4303.1, unless there is only one source practicably available and/or the procurement is for *public purpose and mission-related* per the definitions given in section 1 of this document.
- Competitive Negotiation has the advantage of flexibility for describing in general terms what is being sought and the factors to be used in evaluating responses. It offers the opportunity, through negotiation, to change the content of an offer and pricing after opening a discussion. Negotiation is the dialogue that occurs to achieve mutually satisfactory objectives and benefits and to reconcile differences through mediation. This discussion provides the means for both VIPC and the offeror to reach agreement on a contract's content, terms, and conditions.

For more information regarding the procedures for procurement transactions that are required to comply with the Competitive Negotiation process, follow the guidelines in Addendum A.

2.3.2. All Other Procurement Transactions

- Each procurement transaction requires a completed and signed Procurement Transaction Form (PTF) and Statement of Work (SOW).
- For all procurement transactions, the Vice President for the respective division, requesting the procurement, will sign off on the procurement before the procurement transaction is initiated. This will ensure that all parties, including the CEO, are in agreement with proceeding to the contract creation stage of the process.
- **All procurements more than $5,000 require some type of contractual agreement**. Regardless of the dollar value of the procurement, if there are terms and conditions associated with the procurement, then those procurements are required to be reviewed and approved by Contracts. Typically, those procurements require signature by the vendor/contractor and VIPC CEO or their designee. Example would be a catering quote under $5,000 that includes terms and conditions that require agreement between the parties.
- For recurring procurements or renewal procurements, the procurement and vendor/contractor shall be re-evaluated every three to five years to ensure the procurement is still the best value and at a fair and reasonable price.
- When required to publicly publish a procurement transaction request for proposal, notifications shall be given on VIPC's Procurement webpage, with the option to post on eVA if it has been evaluated that the procurement transaction should need more exposure or is not receiving attention from the VIPC Procurement webpage.

- Each procurement transaction shall evaluate potential risk to VIPC, per information provided in the PTF, and a certification of insurance, naming VIPC and/or VIPA, may be required of the vendor/contractor.
- VIPC employees should ensure they don't put themselves in a situation for negotiating contractual language without the support of VIPC's Director of Contracts and Grants. Contractual negotiations are the responsibility of the Contracts Department.
- Effort shall be made to utilize VIPC's procurement forms and contractual templates when appropriate. It is recognized that not all transactions can be executed on VIPC's contractual templates, such as those transactions where the vendor imposes their terms and conditions. In those instances, it is incumbent on the Contacts Department to review all terms and conditions proposed to ensure that VIPC is not susceptible to undo risk.

2.4. Software Platform Procurements

Due to the additional costs related to data migration, training, and customization costs that are associated with procuring software platforms, renewal of all current VIPC software platforms is considered a sole source and is not required to comply with the Competitive Negotiation process or for obtaining three written bids/quotes. However, if the procurement of a software platform is a new product or vendor to VIPC that is over the $200,000 threshold, as identified in section 2.3 of this document, the procurement is required to follow the Competitive Negotiation process. Additionally, all current software platforms should be re-evaluated every five years to ensure best value and cost effectiveness.

2.5. Modification of Contractual Agreements (compliance includes all contractual vehicles identified in Exhibit B below)

Modifications to contractual agreements should be initiated per a PTF by the VIPC employee in charge of the project and submitted to the Contracts Department for evaluation and preparation. For non-Federal contracts, where modifications are minor, the VP and Director of Contracts and Grants may provide for exceptions to the requirement for a PTF. Minor modifications are those which are administrative changes and the procurement of additional funds less than $1,000.

2.6. Multiple Procurements to the Same Vendor or Contractor

Multiple procurements are those from contractors/vendors where the project has more than one phase, step, stage, or option and is a renewal of a good or service for a consecutive term, but not more than for a one-year term.

All such procurements are subject to contractual agreement modifications or amendments. Modifications or amendments require a new or revised PTF and shall follow the process in section 2.5. – Modification of Contractual Agreements. When working with vendors requiring a multi-phase procurement, please consult with the Director of Contracts and Grants in advance.

2.6.1. Professional Services

A multiphase procurement for a professional service is defined as a contract for providing of professional services where the total scope of the work of the second or subsequent phase of the contract cannot be specified without the results of the first or prior phase of the contract. These contracts may be negotiated and awarded based on a fair and reasonable price for the first phase only, where the completion of the earlier phases is necessary to provide information critical to the negotiation of a fair and reasonable price for succeeding phases. Prior to entering into any such contract, VIPC shall:

- State on the PTF the anticipated intended total of the scope of the project for all phases; and
- Document in the PTF that the nature of the work is such that the best interests of VIPC require awarding the contract.

2.6.2. Nonprofessional Goods and Services

Multiphase procurement of nonprofessional goods and services shall only be considered and permitted if it falls within most or all of the following criteria:

- To extend the term of an existing contract for goods and services to allow completion of any work undertaken but not completed during the original term of the contract.
- When the anticipated total amount for all phases will not be over the Competitive Negotiation threshold of $200,000 for nonprofessional goods and services.
- When it has been determined that there will be available funds to support all phases.

2.7. Sole Source Procurements

If a sole source, before finalizing a procurement transaction, the VIPC employee shall be required to verify that they performed due diligence to ensure the procurement is in fact a sole source by consulting eVA to determine that there is not another vendor available that can perform the service or provide the goods or by other means, such as google search, local directories, professional organizations, etc.. The link to eVA can be found at: eVA website.

In the event there is only one source practicably available when procuring goods and services, VIPC shall procure the source through a contractual agreement upon completion of the PTF by the project manager and review and approval by the project manager's Vice President, Contracts, CFO and the CEO. The approval of the sole source indicates that in VIPC's judgment, no other viable source is practicably available that can supply the required goods or services in an adequate, efficient, and timely manner. As stewards of public funds, all procurements should be planned, well thought-out, and thoroughly reviewed, and goods and service providers shall be selected based on the best value to VIPC and for a fair and reasonable price, following completion and processing of the PTF.

For all sole source procurements that are subject to the Competitive Negotiation (see definition in section 1) process, information provided on the PTF will be used for the notice that is publicly posted

(on the day of award) to announce VIPC's decision to award the vendor as a sole source. This notice is required to be posted on VIPC's Procurement webpage.

2.8. Emergency Procurements

An emergency procurement is when a serious, unexpected and unforeseeable situation occurs, where if not procured immediately, will cause serious operational or financial loss to VIPC, or where life and property must be protected. If the emergency occurs, the VIPC Employee is required to contact VIPC's CFO and/or CEO to authorize the emergency procurement. To secure an emergency procurement, the VIPC employee shall provide, when practicable, a PTF and written justification, which shall, at minimum, detail the emergency, the vendor/contractor that is selected, and the qualifications and reasons for selecting the vendor/contractor. **Waiting until the last minute or not allowing enough time to secure a procurement is not a sufficient reason for an emergency procurement.** All emergency procurements that would typically fall within the Competitive Negotiation process, shall be publicly published on the VIPC website.

3. Types of Procurements

3.1. Programmatic and Mission-Related Procurement

This type of procurement is one that relates directly to programmatic activities required to carry out the public purpose and VIPC's mission (see VIPC's mission given in the Definitions section below). Goods and services procured are for coordinating conferences, conducting studies (pilot programs), sponsorships, honorariums, etc.

3.2. Non-Mission-Related Procurements

A non-mission related procurement is defined as procurement transactions that are necessary and critical activities to operate and keep VIPC office(s) running but not directly related to the programmatic mission of the organization. These are typically administrative type activities, such as human resources, information technology, legal, accounting, office space rental, Board of Director activities and events, office supplies, etc.

3.3. Procurements with Commonwealth of Virginia Agencies, Authorities, and Institutes of Higher Education (IHE)

The procurement for goods and services to Commonwealth of Virginia related entities or Virginia IHE, is not required to comply with three written bids/quotes or the Competitive Negotiation process; however, these Commonwealth entities may be requested to provide a thorough proposal response to a non-published RFP. In all instances, a MOU/MOA must be negotiated between VIPC and the entity. Obtaining multiple quotes and sole source justifications are not required for agreements with Commonwealth of Virginia related entities or Virginia Universities.

4. Guidelines for Processing Payment of Procurement Actions

When procuring goods or services or conducting any other type of contractual business with non-governmental, privately-owned enterprises, VIPC shall promptly pay for the completed delivered goods or services by the required payment date, per the requirements of the Virginia Debt Collection Act (§2.2-4800). Separate payment dates may be specified for contracts under which goods or services are provided in a series of partial deliveries or executions to the extent that such contract provides for separate payment for such partial delivery or execution. VIPC shall promptly pay all procured vendors and contractors within the payment terms identified in the contractual vehicle, which is typically thirty (30) days after receipt of delivery of goods or services and/or receipt of invoice or by the invoice payment due date.

4.1. Invoice Processing

Invoices shall be submitted to VIPC's email address and should be promptly reviewed and approved by the VIPC employee who incurred the services or product or by the person responsible for the budget to which the purchase is being assigned. Approval of invoices must be via VIPC's accounts payable system, and approvals should be completed within seven (7) days after receipt of notification in the system. If an invoice is not available, an expenditure request form shall be completed to indicate the reason for the expenditure or request for payment, and the form shall be forwarded to accounts payable for payment processing.

4.2. Payment

When an approved invoice or expenditure request is received by accounts payable, a check, ACH, or wire will be issued for payment during the next check run and/or within the defined payment processing period.

ADDENDUM A

VIPC-27 – PROCUREMENT POLICY AND GUIDELINES
Competitive Negotiation Process

For procurement of goods and services by the Competitive Negotiation process, VIPC shall seek competition to the maximum practical degree and comply with Competitive Negotiation for goods and services, which includes the requirements of VPPA §2.2-4302.2 and §2.2-4303.1, unless there is one source (see Sole Source section above) practicably available.

Competitive Negotiation, as per the Virginia Public Procurement Act, is a method for contract selection, which includes a step-by-step process for issuing and publicly publishing a request for proposal (RFP), selecting qualified offerors based on pre-determined scoring and evaluation criteria, negotiating a best and final offer, making the award, and public publishing of information regarding the award selection.

Competitive Negotiation has the advantage of flexibility for describing in general terms what is being sought and the factors to be used in evaluating responses. It offers the opportunity, through negotiation, to change the content of an offer and pricing after opening a discussion. Negotiation is the dialogue that occurs to achieve mutually satisfactory objectives and benefits and to reconcile differences through mediation. This discussion provides the means for both VIPC and the offeror to reach agreement on a contract's content, terms, and conditions.

Step 1: Request for Proposal (Solicitation Process)
All RFPs are required to be written and publicly posted on either eVA or VIPC's Procurement webpage for a period not less than ten (10) days prior to the date determined for receipt and review of proposals (the proposal deadline date). The following details shall be requested for all RFP's issued:

- Statement of Work to describe the specific requirements for the goods and/or services and unique capabilities and/or qualifications of the offeror. The SOW shall include the following information:
- Purpose – why project/work is needed, what problem needs to be resolved, and/or what the project/work attempts to answer;
- Scope of work;
- Location of work;
- Period of performance;
- Deliverables schedule;
- Applicable standards – industry-specific standards, etc.;
- Acceptable criteria – what determines the goods and/or services are acceptable?;
- Special requirements – hardware, software, specialized workforce, certifications, travel requirements, etc.;
- Type of contract/payment schedule – breakdown of payments; and
- Miscellaneous – additional information important to performance of the project/work.

- General and special contractual terms and conditions applicable to the procurement;
- Reasonable scoring criteria and methods shall be included for evaluating proposals and, at a minimum, include weights/scores assigned to each evaluation factor;
- Offeror's legal entity name, billing address, and technical and contractual point of contact name, email address, and telephone number;
- Proposal due date and day and time (preferable by 5:00 p.m. EST);
- Cost proposal requirements (typically includes labor categories, labor rates, equipment and supply costs, indirect costs, etc.) and other factors for determining a fair and reasonable cost/price. It should be noted, however, that for professional services over the $80,000 threshold, the RFP shall NOT request that offerors furnish estimates of man-hours or cost for services.
- A disclaimer that the proposals shall be selected for award based on VPPA Competitive Negotiation requirements, which includes (but is not all inclusive of) best value and availability of funding.
- Any details for pre-proposal webinars or meetings, if applicable, shall be included in the RFP, along with details such as topic of discussion, dates, webinar/meeting links.
- Information for obtaining answers to questions (point of contact information, which includes name and email address) and a black-out period at least two (2) days prior to the proposal deadline where answered questions and additional proposal information will not be available from VIPC employees.

RFPs are written in collaboration of the Contracts Department and the program manager. Ultimately, the Contracts Department is the final approver of all RFPs before they are made public. The RFP's statement of work is the most important part of the solicitation, and the program manager is ultimately responsible for the development and writing of the SOW.

A PTF shall be initiated and completed by the program manager and shall also be used by the program manager and the Contracts Department to record the information obtained in the bid process.

When the Competitive Negotiation process does not seem appropriate for a procurement transaction due to circumstances, such as a sole source, emergency, or for purchases that contribute to the public purpose and mission of VIPC, a waiver of the Competitive Negotiation process, per the use of the PTF, shall be submitted to Contracts for review and approval.

Step 2: Proposal Evaluation

Proposals are evaluated by an evaluation team consisting of VIPC employees and could include external reviewers/experts when appropriate to do so. At the very least, the team shall include VIPC employees from Contracts, Operations, the Program Manager, and the Program Manager's Vice President. If VIPC engages an evaluator external to the organization, a non-disclosure agreement shall first be negotiated between VIPC and the evaluator to ensure all parties are in agreement as to the roles and responsibilities for protecting proposal information and abiding by the Competitive Negotiation process.

Competitive proposals are evaluated based on the criteria specified in the RFP, as well as stated formatting criteria (margins, type font, etc.) and proposal deadline dates and times. Proposals that do not comply with the RFP's proposal formatting requirements or are submitted after the deadline date and time, may not be considered for award and eliminated from further evaluation. If there isn't a reasonable amount of sufficient compliant proposals that to can be selected for the award, VIPC may give offerors a short timeline to correct any deficiency in their proposals or to obtain additional information.

From the pool of proposals, VIPC shall select **two or more offerors, that have been determined to be fully qualified and prove to be the best value, for negotiation**; it should be noted that total price/cost is considered, but it needs not to be the sole determining factor when evaluating a proposal. An offeror's proposal shall state any exception to any contractual terms or conditions, including any liability provisions contained in the RFP; such exceptions shall be *considered* during negotiation but shall not be used as a basis for scoring or evaluating which offerors are selected for negotiations.

If after the negotiation process it is found that a single offeror is fully qualified and offers the best value to VIPC, the determination must be thoroughly described on the PTF and retained in the contract folder on Box.

Step 3: Negotiation

Only Contracts shall engage in individual discussion with **two or more** offerors deemed fully qualified, responsible, and suitable to provide the goods or services as stated in the RFP. Negotiations may include modification of proposals, including cost/price, and request the offeror's best and final offer (BAFO). After the offeror submits their BAFO, negotiation ceases, and the proposal is re-scored and combined with the proposal's original score based on the evaluation criteria stated in the RFP.

If VIPC determines, in writing per the PTF, that in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contractual agreement may be negotiated and awarded to that offeror. The agreement shall flow down all general and special terms and conditions as stated in the RFP.

In the case of procurement for <u>information technology</u>, offerors shall not be required to state in a proposal any exception to any liability provisions contained in the RFP. Negotiations shall be conducted with each of the offerors so selected, and if the offeror identifies an exception to any liability provisions that are contained in the RFP and in writing at the beginning of negotiations, such exceptions shall be considered during the negotiation process.

RFPs may be cancelled and/or proposals rejected at any time <u>prior</u> to making an award selection.

Step 4: Award

When finalizing the negotiation process, the selected offeror may be awarded a contractual agreement

and/or purchase order for the good or service that includes the statement of work and general and special terms and conditions as stated in the RFP. If appropriate, multiple awards may be made to two or more offerors.

Step 5: Publicly Publishing Award Decision

Any procurements that fall within the dollar thresholds of the competitive negotiation process shall be publicly published on VIPC's Procurement webpage on the date awarded to the vendor/contractor – this includes all transactions that were sole sources and/or mission-related. Information that should be published includes, at a minimum:

- An explanation of a determination to award the procurement;
- What was procured/contracted;
- The identity of the vendor/contractor that was selected for the procurement;
- Date of the award of the contractor/vendor; and
- If mission-related, the relationship of such procurement to the public purpose and mission of VIPC.

EXHIBIT A

DEFINITIONS

Below is a list phrases, words, and acronyms and their definitions that are used in this procurement policy.

"**Best Value**" means the overall combination of quality, price, and various elements of required services that in total are optimal relative to the organization's needs.

"**Box**" means VIPC's internal digital document storage space.

"**Comment Sheet**" means VIPC's internal form, which is routed to obtain required approvals and signatures before a procurement transaction can be signed-off by VIPC's CEO.

"Competitive Negotiation", as per the Virginia Public Procurement Act, is a method for contract selection, which includes a step-by-step process for issuing and publicly publishing a request for proposal (RFP), selecting qualified offerors based on pre-determined scoring and evaluation criteria, negotiating a best and final offer, making the award, and public publishing of information regarding the award selection. See Addendum A.

"Contract" means a legal instrument between two or more competent parties, to do or not to do something consideration. A contract is a mutually binding legal relationship that obligates the seller to furnish supplies or services and the buyer (VIPC) to pay for the supplies or services.

"**Department of General Services**" **("DGS")** is a service agency within the Commonwealth of Virginia that supports the mission of the Commonwealth's government to deliver quality cost-effective goods and services.

"**eVA**" is the Commonwealth of Virginia's automated procurement system, which is managed by the DGS. The link to eVA's website is found at: eVA website.

"Fair and Reasonable Price" means the price that a prudent business or person would pay for an item or service under competitive market conditions, given a reasonable knowledge of the marketplace. It is an assessment that an offeror's proposed price for a good or service can be considered "fair and reasonable" based on applying price analysis techniques.

"**Goods**", as defined by the Virginia Public Procurement Act, means all material, equipment, supplies, printing, and automated data processing hardware and software.

"Negotiation" is a method of contracting that uses strategy and methods to discuss and resolve an issue in a way that both parties to a contractual agreement find acceptable. When negotiating a contractual agreement, the goal is to reach a compromise that involves some give and take by each

party. All contractual negotiations are at the sole responsibility of VIPC Contracts Department.

"**Non-Mission Procurements**" is defined as procurement transactions that are necessary and critical activities to operate and keep VIPC office(s) running but not directly related to the programmatic mission of the organization. These are typically administrative type activities, such as human resources, information technology, legal, accounting, office space rental, Board of Director activities and events, office supplies, etc. See Addendum A.

"**Nonprofessional services**", as defined by the Virginia Public Procurement Act, means any services not specifically identified as professional services in the definition of professional services.

"**Procurement Transaction Form (PTF)**" means VIPC's internal form required for initiating procurement transactions. A PTF may be used, but not required, for the ordering of general office supplies and administrative procurements (to be determined by the Director of Contracts and Grants).

"**Professional Services**", per the Virginia Public Procurement Act, means work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, or professional engineering.

"**Public Purpose**" means a program carried out by (VIPC) that is legally authorized in accordance with the laws of the Commonwealth or political subdivision thereof and for which public funds may be expended.

"**Responsible Bidder**" or **"Offeror"** means a person who has the capability, in all respects, to perform fully the contract requirement and the moral and business integrity and reliability that will assure good faith performance.

"**Services**", as defined by the Virginia Public Procurement Act, means any work performed by an independent contractor wherein the service rendered does not consist primarily of acquisition of equipment or materials, or the rental of equipment, materials, and supplies.

"**Sole Source**" per the VPPA means a good or service that is "practicably" available from only one source. Practicably is defined as able to be done or put into practice successfully (doable or feasible). Anything that is not practicably available from only <u>one</u> source is <u>not</u> a sole source.

"Solicitation" or **"Request for Proposal" ("RFP")** means a solicitation request used to communicate requirements to prospective offerors to solicit proposals or quotes for funding through a contractual instrument or purchase order.

"Statement of Work" ("SOW") means a narrative description of a project's work requirement. It defines project-specific activities, deliverables, and timelines for a vendor providing goods or services to the buyer. The SOW typically also includes detailed requirements and pricing, with standard regulatory and governance terms and conditions. A SOW is required when soliciting proposals or bids.

"**Virginia Public Procurement Act**" or **"VPPA"** means Code of Virginia §2.2-4300, which are the public policies pertaining to Commonwealth of Virginia procurement from non-governmental sources. As it relates to VIPC, VIPC shall only comply with that part of the VPPA per guidance of §2.2-2364 of HB 2113 – Chapter 662 (March 26, 2023).

"VIPC Mission-Related Procurements" are those procurement transactions that fall under the following activities:

- promote the technology-based economic development of the Commonwealth by building, attracting, and retaining innovation and high-technology jobs and businesses in Virginia;
- increase industry competitiveness by supporting the application of innovative technologies that improve productivity and efficiency;
- attract and provide additional private and public funding in the Commonwealth to enhance and expand the scientific and technological research and commercialization at state and federal research institutions and facilities, including by supporting and working with technology transfer offices to advance research from proof-of-concept to commercialization resulting in new business and job creation;
- attract and provide additional private and public funding to support and enhance innovation-led entrepreneurship ecosystems and coordination of existing activities and programs throughout the Commonwealth to create new job opportunities and diversify the economy;
- ensure promotion and marketing of Virginia's statewide innovation economy and support and coordinate regional marketing efforts to align local and statewide objectives; and
- close the Commonwealth's support gap through pre-seed and seed stage investments, coordination of private investor.

EXHIBIT B

CONTRACTUAL VEHICLES AND AGREEMENTS

VIPC should use the following contractual vehicles and types as appropriate when securing goods, or other types of transactions and services. It is the Contracts Department's ultimate responsibility and decision for identifying which contractual document and/or contract type shall be used for each procurement transaction.

Procurement Transactions:

Commercial Service Agreement – VIPC's legal instrument between two or more competent parties used principally to enter into a relationship with the principal purpose of transferring anything of value to one of VIPC's non-federal clients and without the flow-down of federal funds. These types of agreements usually include milestones and deliverables that must be met before payment is made and/or the service performed is considered completed.

> Examples – cost reimbursement (preferred), firm fixed price, time and material, and/or IDIQ/task order type of transactions for services that include pilot programs and commercial and marketing procurements, independent contractors/SMEs, etc.

Purchase Order ("PO") – VIPC POs are typically used for commercial off the shelf (COTS) type goods and services (e.g., wireless services, consumable test articles or technology for evaluation, like sensors administrative purchases (office supplies), etc.)

Subcontract/Sub-recipient– A legal instrument (agreement) provided by a pass-through entity to a VIPC client to carry out part of a project with funds received by VIPC on a contract or assistance award from a Federal or non-Federal awarding agency.

Non-Procurement Transactions:

Financial Assistance Award (Grant and Cooperative Agreement) – These are not considered a procurement transaction. An agreement or other legal instrument by an organization to a company for a specific purpose of ONLY transferring funds, typically, to support research, commercialization, or ecosystem development projects where there is either no substantial involvement or collaboration between the parties (grant) or there is substantial involvement or collaboration between the parties (cooperative agreement).

Memorandum of Understanding/Agreement ("MOU" or **"MOA"**) – This type of agreement is typically a no-cost agreement between two or more parties that outlines the willingness of the parties to collaborate in a common line of action. The exception to a no-cost MOU/MOA are MOU/MOA's for cost that are agreements between Commonwealth of Virginia agencies, authorities, and institutes of higher education.

Sponsorship Agreements – These agreements are not considered a procurement transaction. Used for the transfer of funds to another party as an endorsement and support of a program and event, where the only expected outcome is to be identified as a sponsor of the program/event. The agreement specifies identifiable benefits, expectations, or timeline for the sponsorship. Typically, sponsorship funds are non-refundable.