



PROCUREMENT & PROPERTY MANAGEMENT POLICIES AND PROCEDURES

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Article 1
GENERAL INFORMATION

I. PURPOSE

This procurement policy is to ensure that good internal control over purchases and inventory exists, that the legal and ethical standards of the City of Spartanburg are met, and that good relationships with suppliers are maintained. Procurement will not always select items with the lowest price, but items selected should give the organization the best possible value within the bounds of the law and the procurement procedures of the state and federal governments.

The policies provided in this manual were established to ensure the fair and equitable treatment of all persons involved in public purchasing, to maximize the purchasing value of public funds in procurement, and to provide safeguards for maintaining a procurement system of quality and integrity.

Any work to be performed by a contractor on a project assisted under a program providing direct Federal financing assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 17010. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower income residents of the Project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project.

The City of Spartanburg agrees to include all applicable FTA Requirements and Mandatory Clauses in procedures and contracts relating to the competitive procurement process when purchasing goods and services with FTA dollars. This policy is written to be in compliance with FTA circular #4220.1F and 49 CFR Section 18.36 (b) (1) and the SC Consolidated Procurement Code. The policies provided in this manual were established to ensure procurement procedure that reflects applicable State and Local and Federal laws.

Purchases of individual items costing \$ 5,000.00 or more with a useful life of more than (36) thirty-six months will be capitalized and depreciated over its useful life. Repair parts, such as batteries, tires, water pumps, generators, etc., which do not significantly extend the life of a vehicle, will not be capitalized.

II. SCOPE

This policy applies to the procurement of any materials and supplies, equipment, professional and contractual services, or construction contracts (goods and services) entered into by the City as of the effective date of this policy and shall amend, as applicable, all prior Procurement policies of the City.

III. DEFINITIONS

Addenda/Addendum: Additional requirements, specifications, or instructions to the originally Request For Bids and Proposals or Request for Quotations. All contents of the addendum are incorporated into the original document.

Appropriation: An authorization granted by the City Council to make expenditures and to incur obligations for specific purposes.

Architectural, Surveying and Engineering Services: Contracts performed by private consulting firms as agents of the City of Spartanburg including feasibility studies, planning, design, testing, and construction administration or management services.

Bidder: Any person, firm, partnership, corporation, association, or joint venture seeking award of a public contract or subcontract with the City of Spartanburg.

Blanket purchase orders: Encourage consolidation of annual requirements for certain commodities and services. Blanket Purchase Orders are issued so that supplies or services can be requested by authorized personnel on an as-needed basis. Such orders achieve economies of scale, cut expenditures, and reduce administrative handling costs.

Business: Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture or any other private legal entity.

Commodity: Tangible goods, wares, and merchandise which are moveable in trade.

Contract: A legally binding document, which specifies and defines the performance requirements and expectations for a purchase or project administered by the City.

Contractor: The person, firm, partnership, joint venture, corporation, or association, who performs a trade or service agreement at any level with the City.

Discrimination: An action or series of activities which sets apart or causes separate and unequal treatment of a person or group of persons solely on the basis of their age, gender, ethnic background, national origin, veteran's status, and/or disability. Acts of discrimination are illegal in the performance of projects for the City.

Encumbrance: Expenditure commitments created by purchase orders that have been issued, but for which no goods or services have been received.

Formal Bid: Procedure required for awarding contracts for apparatus, supplies, materials and equipment by the sealed competitive bid. (Valued \$ 5,000 or more) They must be advertised, opened in public, and recorded. Award is made to the lowest responsible bidder(s) taking into consideration quality, performance, and the time specified for the performance of the contract.

Quote: Procedure used for expenditures less than \$5,000. Pricing can be obtained by written quotation, facsimile, or sealed competitive bids.

Proposer: Refers to each firm that submits a proposal for consideration by the City in compliance with the requirements stated in the Request for Bids and Proposals or Request for Quotation.

Purchase Order (PO): A legal contract document issued by the Procurement Division to a vendor to order goods and some services.

Purchasing Cards: The City has elected to participate in a Purchasing Credit Card program designed to achieve cost savings and improve processing time for low dollar value supplies and some off-site services. Some restrictions apply.

Request for Bids and Proposals: Formal procedure for obtaining bids and proposals for apparatus, supplies, materials and equipment with the formal bid range.

Request for Quotation (RFQ): Informal procedure for expenditures under \$5,000. Vendors may quote on items in writing, by fax, email or informal written quotations.

Requisition: A written or electronic request from a City department to the Procurement Division to obtain specific goods or services.

Specifications: The parameters, requirements, and instructions that define the exact item or service that is desired and provides the basis for comparing bids. Specifications are generally incorporated into a contract, by reference, to become the successful bidder's legal obligations under the contract.

Subcontractor: Any persons named by a general contractor, and approved by the City to perform work or provide services for a public contract.

Term Contract: A formal agreement between the City and a designated vendor(s) to provide an identified commodity upon request at an established price, and for a specified term.

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Article 2
ORGANIZATION OVERVIEW

I. Who We Are

The Procurement Division is the central buying office responsible for the acquisition of supplies, equipment, materials, apparatus and some of the services required by all departments within the City of Spartanburg.

The Procurement Division provides services to all City Departments by planning, organizing, and directing purchasing activities in accordance with federal, state, and local laws governing purchasing.

II. Where We Are Located

The Procurement Division is located at:

145 West Broad Street
Spartanburg, SC 29304
Telephone: (864) 596-2049

III. Responsibilities and Objectives

Responsibilities: It is the Procurement Division's responsibility to ensure that all purchases are made in accordance with the established Procedures and Policies of the City of Spartanburg and with South Carolina law.

In addition to purchasing responsibilities, Procurement also handles the disposal of surplus property.

Objectives:

- To conduct business with integrity, fairness and dignity so as to maintain public trust and reduce the government's exposure to criticism and legal action.
- To secure the right materials, equipment, and services at the right quality and quantity, on a timely basis, as efficiently as possible, and at the lowest overall cost;
- To conserve public funds by obtaining the best products and services for the dollars spent;
- To provide all customers with quality service in a manner that is courteous, responsive, accessible, and seamless;
- To maintain continuity of supply to support on-going service, operations, and schedules;

- To furnish timely information to management and appropriate departments covering market conditions and trends, and the probable effect on supply and price;
- To assure vendors that impartial and equal treatment is afforded to all who wish to do business with the City;
- To secure, whenever possible, competitive prices on purchases;
- To establish specifications which will encourage competition and accurately describe the equipment, materials and services needed;
- To be receptive to changes in material and requirements and new products and procedures.

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Article 3
ETHICS IN CITY CONTRACTING

Ethics Statement

"The staff of the Procurement Division is governed by the highest ideals of honor and integrity in all public and professional relationships in order to merit the respect and inspire the confidence of the City of Spartanburg and the public we serve."

I. Ethical Conduct

No employee, officer or agent of City of Spartanburg shall participate in solicitation, award or administration of a contract if a conflict of interest would be involved, whether real or apparent. A conflict of interest would arise when any one of the following has a financial or other interest in the firm selected:

- The employee, officer, agent, or Council members;
- Any member of his/her immediate family;
- His or her partner; or
- An organization that employs, or is about to employ, one of the above.

City of Spartanburg officers, employees, agents, or Board members shall neither solicit nor accept anything of monetary value from contractors, potential contractors, or parties to sub-agreements.

During the month of January each year, each employee involved in the procurement processes of the City of Spartanburg will sign the certification contained in Appendix A to this Procurement Policy.

If the code of conduct is violated, the employee may be immediately disciplined.

The staff of the Purchasing Division is committed to the following Code of Ethics:

- Conduct all purchasing activities in accordance with the applicable South Carolina State Procurement code, City policies and procedures, ordinances, and applicable Federal rules and regulations;
- Develop and maintain good public, supplier and internal relationships;
- Ensure fair and open competition by ethical means;
- Uphold the practices and principles of the professional purchaser;
- Extend honest, courteous and impartial treatment to all interested suppliers;
- Maintain supplier confidence to the extent permissible;
- Respect the authority of the department and not use it for personal advantage or gain.

II. Equal Opportunity

The policies of the City of Spartanburg prohibit discrimination against any person or business in pursuit of business opportunities on the basis of race, color, sex, religion, or national origin and to conduct its contracting and procurement programs so as to prevent such discrimination.

III. Fair and Open Competition

The City Procurement Division promotes the precept of a fair and open competitive solicitation process, wherever practicable. Restrictive or proprietary specifications are kept to minimal use; and only applied where absolutely necessary to meet technical demands for operational compatibility with existing City equipment; or for truly unique and cost effective performance applications.

The City may contract with persons other than City personnel for the preparation of specifications. However, no person preparing specifications shall receive any direct or indirect benefit from the utilization of such specifications.

IV. Confidential Information

It is unethical and unlawful for any employee or former employee knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

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Article 4
CITY OF SPARTANBURG PROCUREMENT POLICY

I. City Policy

It is the policy of the City to:

- Provide comprehensive governing of the City's procurement activities, which instill public confidence.
- Maximize the value of goods and services acquired with public funds.
- Foster competition and ensure equitable and fair access to all potential vendors.

II. Good Faith

Every activity covered by this policy imposes an obligation of good faith in its negotiation, performance, and enforcement. "Good Faith" means all activities are conducted honestly and ethically and with the observance of reasonable commercial standards of fair dealing.

III. Procurement involving State or Federal Funds

All goods and services obtained through the use of State or Federal funds shall be in compliance with applicable state and federal laws and regulations. Whenever, this policy is more restrictive than the state or federal laws or regulations, the provisions of this City policy shall be followed.

IV. Federal Transit Administration Clauses and Federal Aviation Administration Clauses

When procurement involves the expenditure of federal funds, the receipt of which is conditioned upon compliance with mandatory requirements in federal laws, or regulations, the terms and conditions of the Federal Transit Administration (FTA) should be included in the Request for Bids and subsequent contracts. Applicable Federal Transit Administration (FTA) Clauses shall be included in any bid solicitations and shall become a part of any subsequent contract agreement.

V. South Carolina Freedom of Information Act

Procurement information shall be public record to the extent required by the South Carolina Freedom of Information Act (FOIA). Commercial or financial information obtained which is determined to be privileged and confidential shall not be disclosed.

VI. Material Safety Data Sheets

Whenever procurement involves chemicals requiring Material Safety Data Sheets (MSDS), all procedures within the City's Safety Manual shall be followed.

VII. Records Retention and Access to Records

All original documents pertinent to procurement activities shall be retained in official files of the Procurement and Property Management Division and maintained under provision of the City's records retention policy.

Retention Periods: Unless otherwise specified, the City shall retain all applicable records for a period of three (3) years.

If any litigation, claim, audit or other action involving the City records is started before the expiration of the 3-year period, the City records shall be retained for 3 years after the completion of the action and resolution of all associated issues.

Records Access: The City fully understands that the FTA, USDOT Office of the Inspector General and the Comptroller General of the US, or any of their authorized representatives shall have the right of access to any books, document, papers, or other records of the City and its sub-grantees, that are pertinent to the grant, for the performance of audits or to make examinations, transcripts or excerpts.

Substitution of Photocopies: The City understands that copies of documents may be substituted for original documents.

VIII. City Manager Authority

The City Manager, pursuant to law, has the authority to issue policies governing the procurement and disposal of all goods and services. The City Manager has the authority to approve procurements outside of the Procurement policy when the City Manager determines such actions serve a proper public purpose, provided that the procurement selected assures the efficient use of public funds.

IX. Administrative Services

The Procurement and Property Management Division is a part of the Administrative Services Department. The Procurement and Property Manager is charged with the centralized management of all City procurement activities in accordance with this procurement policy, and other state and federal laws and regulations where applicable.

X. Purchase Orders

The Procurement and Property Manager directs the procurement of all goods and services and directs the trade, sale, or disposal of surplus supplies and equipment. The Procurement and Property Management Division under the direction of the Procurement and Property Manager, issues all purchase orders and contract awards for bids/proposals.

XI. Cooperative Procurement (Piggybacking)

The City Spartanburg may piggyback with municipalities, counties, or other subdivisions to procure supplies, materials, or equipment from another governmental entity that has within the previous 12 months, completed a formal bid process, to purchase similar supplies, materials, or equipment if agreed upon by the vendor. The City reserves the right to advertise its intent to award. The recipient may assign those contract rights to other recipients if the original contract contains an assignability provision that permits the assignment of all or a portion of the specified deliverables under the terms originally advertised, competed, evaluated, and awarded, or contains other appropriate assignment provisions.

Whenever the City enters into a Piggyback agreement for a joint project with the federal or a state government, or with another governmental entity including, but not limited to a county, regional council, special purpose district, special tax district, state authority, joint district, or public university, then the procurement practices of the other public entity may be used in lieu of the City's own procedures, provided that the entity agrees in writing to abide by a process which complies with such federal or state laws otherwise applicable to its procurement practices and provided that the processes to be utilized are reasonably calculated in light of all relevant factors to produce the greatest value and efficiency for the completion of the project and sound business practices. In like manner, whenever the City undertakes to accomplish a separate but compatible project with one being planned and implemented by the other public entity, then the City may by written agreement authorize the other entity to act as the City's procurement representative.

In the event the City believes it is advantageous to use existing contract rights, the City will seek permission from the FTA to use any existing contract rights held by another recipient. The contract must contain an "assignability clause" that provides for the assignment of all or a portion of the specified deliverables as originally advertised, competed, evaluated and awarded. If the supplies were solicited, competed and awarded through the use of an indefinite-delivery-indefinite-quantity contract (IDIQ), then both the solicitation and contract award must contain both a minimum and maximum quantity that represent the reasonably foreseeable needs of the party(s) to the solicitation and contract. If two or more parties jointly solicit and award an IDIQ contract, then there must be a total minimum and maximum.

XII. Certificate of Insurance

Contractors and professional service providers contracted by the City shall be required to provide a Certificate of Insurance with limits acceptable to and approved by the Risk Manager prior to commencing work. Certificates containing wording that release the insurance company from liability for non-notification of cancellation of the insurance policy shall be acceptable. Policies shall be endorsed to include a waiver of subrogation against the City, its officers, officials, agents, and employees. Insurance is to be placed with an insurer with a current A.M. best rating not less than: VII, unless otherwise allowed by the Risk Manager. Separate endorsements shall be required, naming the City as additional insured, for liability insurance and providing a waiver of subrogation for Worker's Compensation Insurance. At any time, if insurance as required by the City is canceled, then all work shall cease until insurance acceptable to the City is once again provided. The Risk Manager may for good causes waive the Certificate of Insurance for

professional services, but only when the lack of such coverage will have no significant impact upon the City.

XIII. City Business License

Any company or person conducting business with, or on behalf of the City of Spartanburg shall obtain a City business license in compliance with the City of Spartanburg's Code of Ordinances.

XIV. Minority and Women Owned Business Program

It is the policy of the City of Spartanburg to provide minorities and women equal opportunity for participating in all aspects of the City's contracting and procurement programs, including but not limited to, construction projects, supplies and materials purchase, and professional and personal service contracts.

City of Spartanburg's M/WBE goals will be set in accordance with 49 CFR §26.45

The City of Spartanburg Minority and Women Business Enterprise Program (M/WBE) applies a voluntary goals program to construction, purchasing, and professional and personal services based on "good-faith efforts".

The goals of the City for utilization of minority and women business enterprises are:

- Minority & Women business participation in Construction services- 15%
- Minority & Woman business participation in supplies & materials purchase- 10%
- Minority & Women business participation in professional & personal services- 10%

Minimum Compliance Requirements: All written statements, affidavits or intentions made by the Bidder shall become a part of the agreement between the Contractor and the city for performance of contracts. Failure to comply with any of these statements, affidavits or intentions or with the minority business guidelines shall constitute a breach of the contract. A finding by the city that any information submitted (either prior to award of the contract or during the performance of the contract) is inaccurate, false or incomplete, shall also constitute a breach of the contract. Any such breach may result in termination of the contract in accordance with the termination provisions contained in the contract. It shall be solely at the option of the city whether to terminate the contract for breach or not.

In determining whether a contractor has made Good Faith Efforts, the city will evaluate all efforts made by the Contractor and will determine compliance in regard to quantity, intensity, and results of these efforts.

For a full description of the M/WBE Plan and the Minority Business Forms, or for any other questions regarding the M/WBE requirements, contact the Purchasing Manager at extension 3449.

XV. Title VI Reports

Every three (3) years, the City of Spartanburg is required to report on compliance with the objectives of Title VI of the Civil Right Act of 1964. Detailed guidance for meeting the FTA Title VI requirements is contained in FTA Circular C 4702.1A. The City's Title VI programs and reporting shall address five (5) primary areas: 1) Non-Discrimination in Federally Assisted Programs; 2) Environmental Impact of Federally Assisted Projects; 3) Planning Assistance and Standards; 4) Environmental Justice in Minority and Low Income Populations; and, 5) Responsibilities to Limited English Proficient Persons

XVI. Disadvantaged Business Enterprise (DBE)

On an annual basis, the CMRTA is required to report to the FTA on the levels of DBE participation in City of Spartanburg contracting opportunities funded with federal dollars. In addition, on a one-time basis, the City of Spartanburg was required to develop and submit a DBE program plan. Updates to the plan are only required if significant changes are implemented.

In addition to the reporting and initial plan, the City of Spartanburg is required to annually develop projected goals for DBE participation in federally-assisted contracting opportunities. The City of Spartanburg DBE Liaison Officer is responsible for all aspects of the DBE Program. Additional detailed guidance on DBE can be found in 49 CFR Part 26.

XVII. Recycled Products

In an effort to address environmental issues concerning the preservation of our natural resources, the Procurement and Property Management Division will incorporate the procurement of recycled products where practicable. User departments are also encouraged to buy recycled products when developing specifications and when purchases are made on a non-competitive basis.

Construction or repair contracts estimated to cost more than \$5,000 and the purchase of apparatus, supplies, materials, or equipment for expenditures of \$5,000 or more are secured through the competitive sealed bid process.

XVIII. Specifications

All specifications shall be drafted so as to assure cost effective procurement for the purposes intended. They shall also encourage competition and shall not be unduly restrictive.

The user department shall prepare, revise, and maintain the specifications for supplies, services, and construction required by their departments with advice, recommendation, and approval of the Procurement and Property Management Division.

After specifications are completed they are forwarded to the Procurement Manger to be advertised and distributed to potential offers. The Purchasing Manager shall be schedule pre-bid conference and bid opening dates.

Brand name or equal specifications may be used when the user department makes a written determination that no other design or performance specification or qualified products list is available. The solicitation shall contain explanatory language that the use of a brand name is for the sole purpose of describing the standard of quality, performance, and a characteristic desired and is not intended to limit or restrict competition.

Brand name or "equal" specification: A clause that uses one or more manufacturers' brand names or catalog numbers to describe the "best value" needed to win a bid.

Solicitation requirements will not contain features that unduly restrict competition. This includes, but is not limited to, imposing unreasonable business requirements for bidders or offerors and imposing unnecessary experience requirements for bidders and offerors.

XIX. Levels of Authority

A system of authorization and approval is an important element of internal control. This approval authority is required on all purchases prior to issuing a firm order or contract.

The following levels of authority are based on the dollar amount of purchase:

\$5,000 or Less	Division Heads and Fleet Maintenance Manager or designee as approved by City Manager
\$5,001 - \$10,000	Department Heads or designee as approved by City Manager
\$10,001 - \$24,999	City Manager/ Assistant City Manager or designee as approved by City Manager
\$25,000 or more	City Council

The Airport Director and the Fleet Maintenance Manager have the authority to purchase parts necessary to repair aircraft and vehicles when the cost will be absorbed by the aircraft owner or department, respectively.

All change orders and contract amendments shall follow the above levels of authority.

XX. Source Selection

Exemptions: The following goods and services are exempt from the standard procurement process:

- Works of art and one-of-a-kind items, including paintings, antiques, and sculptures;
- Published books, maps, periodicals, subscriptions, and technical pamphlets, training/professional development programs;
- Membership fees;
- Postage stamps and other delivery fees;
- Tuition reimbursement;
- Conference registration;

- Public advertising;
- Safety shoes and safety glasses;
- Existing bid or contract for like supplies, services, construction;
- State of S.C. contracts;
- **U. S. Communities contact** - Purchases of apparatus, supplies, materials, or equipment from contracts established by the United States of America or any federal Agency or State if the contractor is willing to extend to a political subdivision of the State the same or more favorable prices, terms, and conditions as established in the federal and or state contract.
- **Other State Contracts** - Purchases of apparatus, supplies, materials, or equipment from contracts established by the United States of America or any federal Agency or State if the contractor is willing to extend to a political subdivision of the State the same or more favorable prices, terms, and conditions as established in the federal and or state contract.
- **GSA Contacts** - Purchases of apparatus, supplies, materials, or equipment from contracts established by the United States of America or any federal Agency or State if the contractor is willing to extend to a political subdivision of the State the same or more favorable prices, terms, and conditions as established in the federal and or state contract.
- Supplies/services from other governmental agencies; including public colleges/universities;
- Medicine/drugs;
- State/Federal Surplus;
- Used Equipment/Supplies
- Equipment maintenance or service agreement with the manufacturer or authorized service agent
- General, automotive, and workers compensation insurance.

Interest in Real Estate may be acquired or transferred without a bidding process, provided the amount paid or received can be substantiated and documented with reliable data or a reliable professional opinion, or both, on the fair market value of the interest which is subject of the transaction. The City Attorney prior to the execution of documents must review all such transactions.

Safety equipment: will be procured using Procurement policies and procedures upon the approval and direction of the Risk Manager.

Emergency Procurements: The City Manager may authorize the Procurement and Property Manager, Department and/ or Division Heads to make emergency procurements when there exists an immediate threat to public health, welfare, critical economy and efficiency, or safety under emergency conditions, without following this procurement policy. A written determination of the basis for the emergency and for the selection of the particular contractor or vendor shall be forwarded to the Procurement and Property Manager within 24 hours for review and retention. Under these circumstances, the Procurement and Property Manager may make any necessary procurements outside of the normal Procurement policies and procedures in order to facilitate timely acquisition of critical goods and services.

Sole Source (Noncompetitive) Proposals

Procurement of noncompetitive proposals will only be used when the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals and at least one of the following circumstances applies:

- The item is available only from a single source.
- The public exigency or emergency for the requirements will not permit a delay resulting from competitive solicitations.
- FTA authorizes noncompetitive negotiations.
- After solicitation of a number of sources, competition is determined inadequate; or
- The item is an associated capital maintenance item as defined by the FTA that is procured directly from the original manufacturer or supplier of the item to be replaced. City of Spartanburg will first certify in writing to FTA: (i) that such manufacturer or supplier is the only source for such item; and (ii) that the price of such item is no higher than the price paid for such item by like customers.

City of Spartanburg will develop a cost analysis verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs, options and profit.

XXI. Purchases of Tangible Assets (materials, supplies, equipment, and construction)

Blanket contracts: The Purchasing Manager will issue blanket purchase orders to selected vendors for the procurement of large volume items such as landscaping supplies, auto parts, oil.

Requests for blanket purchase orders must, in addition to the required information, indicate the following: items covered by the blanket purchase order, a Not to Exceed (NTE) 1,000. The issued purchase order will instruct the vendor that unauthorized purchases will not be allowed. It is the responsibility of the individual authorized to purchase under a blanket purchase order to insure that an unspent balance remains to cover the purchase to be made. Any purchase that exceeds the funds available under a blanket purchase order will be classified as an unauthorized purchase.

Any purchases made by personnel not authorized by the blanket purchase order request will be classified as a personal expense and will be paid by the employee.

The vendor's invoice must be signed by an authorized City employee and the purchase order number must be indicated. The information will be entered into the H.T.E. system and invoice forwarded to finance for processing

Requisitions: Prior to any purchase being done, a Quote Sheet (See Appendix B) must be completed, regardless of the amount, of the purchase. A completed Quote Sheet must be signed and kept on file in the requesting individual's office for audit purposes. An electronic requisition is entered into the Financial/ Purchasing system here after referred to as the "H.T.E." accounting system. The requesting individual shall enter the required information into the requisition module. The lowest most responsive quote shall be used unless otherwise justified. The Division Manager and Department Manager or their designate shall approve requisitions. The receipt of the request with the required information and appropriate approvals gives the

Purchasing Division the authority to proceed with any additional competitive pricing review of DEB participation and to issue a purchase order to the most suitable vendor.

The following information is recorded in the requisition module:

- Reason for the purchase
- The requester's Name
- Date requested
- Vendor information
- Ship to information
- The names of vendors and their applicable quotes
- The expense account number that will be encumbered.

The H.T.E. systematically encumbers the budgeted funds during the requisition entry process. At each approval level the system will show the requesting individual the annual budgeted amount, the requisitions encumbered amount and account balance. After divisional approval and departmental approval levels have been initiated; the requisition has meet several thresholds. The request has been recorded; the required quotes have been entered and the H.T.E system has encumbered the funds against the general ledger.

The requesting individual shall immediately be notified, by the H.T.E. system, of approval/disapprovals. After the approvals have been completed; the requesting individual can track the status of the requesting requisition. After all of the approvals have been achieved the requisition is now ready to be processed into a purchase order.

In the absent of the Department head or the Division head a designate person will be assigned to process the requisition.

Purchase Order Processing: The Procurement & Risk Manager checks to see if the required quotes have been obtained and if any DEB opportunities have been identified and presented an opportunity to compete. After the review, the requisition is processed into a purchase order. All purchases costing over \$1,000 will be processed into a Purchase Order (PO).

Three (3) copies of the PO are printed. Two copies are sent to the requesting individual where one copy is attached to the quotes then inserted into a Master File Binder which contains a copy of all generated PO's; The other copy is held by the requesting individual and attached to incoming invoice which is initialed by the Division or Department head and sent to the Procurement office for receiving and payment processing. One copy is issued to the Vendor.

Invoice processing: The invoice is sent to the procurement office for receiving via in the H.T.E. system. The system will only receive invoices that are properly invoiced with the appropriate initials and PO number on the invoice.

If the invoice does not have the proper initials and/or the invoice can not be reconciled back to a requisition; the invoice will not be processed for payment. Failure to follow these procedures

may result in disciplinary action, and/or the employee responsible for obligating City of Spartanburg funds without proper approval having to pay for the fund obligation.

Petty Cash Expenditures: A petty cash fund has been established in some Departments for the purchase of expendable items up to \$100. When expenditures are made, receipts are submitted to the petty cash custodian who prepares vouchers for reimbursement.

Purchase Cards (see micro purchases): The use of procurement cards has been proven to be a cost effective method of obtaining low cost supply and service items for the City.

Change Orders: In order to change, modify, or cancel an existing purchase order, the user department must email the requested change to the Purchasing Staff. Any changes must be entered in as a requisition and the appropriate approval levels must be met.

Documentation of Procurement History: The City of Spartanburg shall maintain records detailing the history of all procurement activities. The records will include, but may not be limited to the following:

- the rationale for the method of procurement;
- selection of contract type;
- reasons for contractor selection or rejection; and
- the basis for the contract price.

Contract Administration System: The City shall maintain a contract administration system that ensures that the contractor for the transit system performs in accordance with the terms, conditions, and specification of their contracts or purchase order.

Contract Cost and Price Analysis: The City of Spartanburg will perform a cost or price analysis in connection with every procurement action, including contract modifications. The method and degree of analysis will be dependent on the facts surrounding the particular procurement situation. However, as a minimum, The City will make an independent estimate before receiving bids or proposals.

The following criteria will be used when determining the method and degree of analysis needed:

- A cost analysis will be performed when the offeror is required to submit the elements (i.e. Labor Hours, Overhead, Materials, etc.) of the estimated cost, e.g., under professional consulting and architectural and engineering services contracts.
- A cost analysis will be developed when adequate price competition is lacking and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or on the basis of prices set by law or regulation.

- A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.
- The City will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
- Costs or prices based on estimated costs for contracts under grants will only be allowed to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles when applicable and City of Spartanburg cost principles that comply with applicable Federal cost principles.
- Cost plus a percentage of cost and percentage of construction cost methods of contracting will not be used.

Recording of Fixed Assets: Purchases of individual items costing \$ 5,000.00 or more with a useful life of more than (36) thirty six months will be capitalized and depreciated over its useful life. Repair parts, such as batteries, tires, water pumps, generators, etc., which do not significantly extend the life of a vehicle, will not be capitalized.

Purchase Order Cut-Off Date: Purchase requests for materials, supplies, services and equipment (not included in blanket purchase orders or service contracts) for the ending current fiscal year must be presented to the Purchasing Division at a predetermined date provided to departments by the Director of Financial Services. Purchase request of a routine nature that could have been scheduled prior to the cut off date, and are not critical, will not be processed until new fiscal year (July 6th). All purchases submitted after the cut-off date will be processed on or after the new fiscal year (July 6th). This procedure affords the Financial Services Department the opportunity to complete fiscal year end activities in a timely manner.

Ensuring Most Efficient and Economic Purchase: City of Spartanburg procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration will be given to consolidating or breaking out procurements to obtain a more economical purchase.

Where appropriate, an analysis will be made of lease versus purchase alternative and any other appropriate analysis to determine the most economical approach.

Prequalification of vendors: The City shall ensure that all lists of pre-qualified persons, firms, or products that are used in acquiring goods and services are current and include enough qualified sources to ensure maximum full and open competition. The City shall not preclude potential bidders from qualifying during the solicitation period, which is from the issuance of the solicitation to its closing date.

Unreasonable requirement shall not be placed on firms in order for them to qualify to do business are considerable to be restrictive of competition.

Competitive Bid Selection: All employees of the City of Spartanburg who engage in the procurement of any goods or services for the City will provide a clear and accurate description of the requirements for the item or service needed. The description will not contain features that restrict free and open competition. Qualitative statements may be used if they set forth the minimum essential characteristics and standards of the required good or service in order to satisfy what is needed. Detailed product specifications should be avoided if at all possible.

However, a brand name or equal may be used if it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used as a means of define the performance or other salient characteristics of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated.

Geographic Preferences: The City shall conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. This requirement does not preempt State licensing laws.

When procuring property and services under a grant or cooperative agreement, the City of Spartanburg may use the same procurement policies and procedures that it uses for acquisitions not financed with Federal assistance. At a minimum, the City must (shall) comply with the federally mandated requirements on contract term limitations for revenue vehicle purchases, competition, prohibitions against geographic preferences, procurement of architectural engineering

XXII. Methods of Procurement

The City should use competitive procedure(s) appropriate for the acquisition undertaken. The procedures will comply with state and local laws as well as with Federal requirements. The requesting individual may not divide or reduce the size of its any procurement merely to come within the limits micro or small purchase limits.

Micro-Purchases: The City considers micro-purchases to be those purchases of \$3,000 or less. These purchases are exempt from FTA's Buy America requirements. Davis-Bacon prevailing wage requirements, will apply to construction contracts exceeding \$2,000, even though the recipient uses micro-purchase procurement procedures.

The City will monitor procurements so that requirements are not being split to avoid another procurement method.

Under \$1,000

Small purchase procedures should generally be utilized for simple purchases of goods or services under \$1,000 (in a single transaction) requires one quote. The Procurement card may be used to obtain the good and services.

\$1,000.01—\$2,999.99

Purchases from \$1,000.01—\$2,999.99 require a written minimum of two (2) qualified sources of supply. A completed Quote Sheet must be signed and kept on file in the requesting individual's office for audit purposes. The requesting individual shall enter the required information into the requisition module and approved. The division and department heads shall approve the requisition at their appropriate levels (Attachment B). The lowest most responsive quote shall be used unless otherwise justified. All quotes are to be entered into the H.T.E accounting system and a PO will be generated.

Documentation - Each Department/ Division shall be responsible for maintaining the records of each quote. Each quote shall have the requisition number attached to it for audit purposes.

Small Purchases

When Appropriate: Small purchase procedures may be used to acquire services, supplies, or other property valued at more than the micro-purchase threshold but less

\$3,000.00—\$4,999.00

Purchases from \$ 3,000.00—\$ 4,999.00 require written quotes from a minimum of three (3) qualified sources of supply. A completed Quote Sheet must be signed and kept on file in the requesting individual's office for audit purposes. The requesting individual shall enter the required information into the requisition module and approved. The division and department heads shall approve the requisition at their appropriate levels. (See Attachment A) The lowest most responsive quote shall be used unless otherwise justified. All quotes are to be entered into the H.T.E accounting system and a PO will be generated.

Documentation - Each Department/ Division shall be responsible for maintaining the records of each quote. Each quote shall have the requisition number attached to it for audit purposes.

5,000 and over

Advertised/ Publicized: All competitive procurements above \$5,000 must be advertised at least once in the Spartanburg Harold Journal Newspaper, South Carolina Business Opportunities (SCBO) publication and through a means of an electronic advertising. Public notice of the Invitation for bids shall be given not less than fourteen (14) calendar days prior to the bid opening date.

Sealed competitive bids procurements above \$5,000 (Formal Advertising): The requesting division or department heads acknowledges sealed bidding to be a generally accepted procurement method in which bids are publicly solicited, and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid,

conforming to all the material terms and conditions of the invitation for bids, is lowest in price.

Public Opening: Bids shall be opened publicly in the presence of one or more witnesses at the time and the place designated in the Invitation of Bids. The amount of each bid, the name of each bidder, and other relevant information shall be announced and recorded by the Procurement and Property Manager or his/her designee. The record and bid tabulation shall be opened for public inspection in accordance with the FOIA after award of contract.

The requesting division or department heads acknowledges states a preference for the sealed bids procurement method for acquiring property, construction, and other services. Procurement using sealed bids is appropriate if:

Precise Specifications: A complete, adequate, precise, and realistic specification or purchase description is available. When goods or services are procured under the formal or informal bidding process, specifications must be prepared. All specifications should do at least four things:

- 1) Identify minimum requirements
- 2) Encourage competitive bids
- 3) Be capable of objective review
- 4) Provide for an equitable award at the lowest possible cost.

Specifications shall be as simple as possible while maintaining the degree of exactness required to prevent bidders from avoiding supplying the goods or services required or otherwise taking advantage of their competitors.

All specifications utilizing a name brand must include the term "or approved equal" to avoid being restrictive and eliminating fair competition from the bidding process. A photocopy of the item(s) to be purchased will assist the Purchasing Division in procuring the desired item(s).

Different methods of structuring specifications include:

- Qualified products on acceptable vendor list
- Specification by blueprint or dimension sheet
- Specification by chemical analysis or physical properties
- Specification by performance, purpose or use
- Specification by identification with industry standards
- Specification by samples

XXIII. Rejection of Bids.

Any or all bids may be rejected if there is a sound, documented business reason.

XXIV. Competitive Proposals (Request for Proposals)

The requesting division or department heads acknowledges competitive sealed proposals to be a generally accepted procurement method when the nature of the procurement does not lend itself to sealed bidding and the recipient expects that more than one source will be willing and able to submit an offer or proposal.

When Appropriate: Competitive proposals should be used when any of the following circumstances are present:

Type of Specifications: The property or services to be acquired are described in a performance or functional specification; or if described in detailed technical specifications, other circumstances such as the need for discussions or the importance of basing contract award on factors other than price alone are present.

Uncertain Number of Sources: Uncertainty about whether more than one bid will be submitted in response to an invitation for bids and the recipient lacks the authority or flexibility under State or local law to negotiate the contract price if it receives only a single bid.

Price Alone Not Determinative: Due to the nature of the procurement, contract award need not be based exclusively on price or price-related factors. In different types of negotiated acquisitions, the relative importance of cost or price may vary. When the recipient's material requirements are clearly definable and the risk of unsuccessful contract performance is minimal, cost or price may play a dominant role in source selection. The less definitive the requirements, the more development work required, or the greater the performance risk, the more technical or past performance considerations may play a dominant role in source selection and supersede low price.

Discussions Expected: Separate discussions with individual offeror(s) are expected to be necessary after they have submitted their proposals. This contrasts with Formal Advertising procedures in which discussions with individual bidders are not likely to be necessary, as award of the contract will be made based on price and price-related factors alone.

Procurement Procedures: The following procedures apply to procurements by competitive proposals:

Public Opening: All bids are publicly opened at the time and place prescribed in the invitation for bids. Bids shall be opened publicly in the presence of one or more witnesses at the time and the place designated in the Invitation of Bids. The amount of each bid, the name of each bidder, and other relevant information shall be announced and recorded by the Procurement and Property Manager or his/her designee. The record and bid tabulation shall be opened for public inspection in accordance with the FOIA after award of contract.

Evaluation Factors: All evaluation factors and their relative importance are specified in the solicitation; but numerical or percentage ratings or weights need not be disclosed.

Adequate Sources: Applies to FTA procurements. Two or more responsible bidders are willing and able to compete effectively for the business.

Fixed Price Contract: The procurement generally lends itself to a firm fixed price contract.

Price Determinative: The successful bidder can be selected on the basis of price and those price-related factors listed in the solicitation including, but not limited to, transportation costs, life cycle costs, and discounts expected to be taken. Apart from responsibility determinations discussed, contractor selection may not be determined on the basis of other factors whose costs cannot be measured at the time of award.

Discussions Unnecessary: Discussions with one or more bidders after bids have been submitted are expected to be unnecessary as award of the contract will be made based on price and price-related factors alone. This contrasts with Competitive Proposal procedures in which discussions with individual offerors are expected to be necessary and may take place at any time after receipt of proposals. The requesting department or division head has included a pre-bid conference with prospective bidders before bids have been received.

Evaluation Method. A specific method is established and used to conduct technical evaluations of the proposals received and to determine the most qualified offeror.

Price and Other Factors: An award is made to the responsible offeror whose proposal is most advantageous to the recipient's program with price and other factors considered.

Best Value: If permitted under its State or local law, the recipient may award the contract to the offeror whose proposal provides the greatest value to the recipient. To do so, the recipient's solicitation must inform potential offerors that the award will be made on a "best value" basis and identify what factors will form the basis for award. The evaluation factors for a specific.

XXV. Architectural & Engineering (A&E) and Other Services

The City shall use the qualifications-based procurement procedures contained in the "Brooks Act," 40 to acquire A&E services, but also for program management, construction management, feasibility studies, preliminary engineering, design, architectural, engineering, surveying, mapping and related services. The nature of the work to be performed and its relationship to construction, not the nature of the prospective contractor, determine whether qualifications-based procurement procedures may be used as described below.

Qualifications-Based Procurement Procedures: The following procedures apply to qualifications-based procurements:

Qualifications: Such request shall contain, as a minimum, a description of goods or services to be solicited by the RFQ, the general scope of the work, the deadline for submission of information, and how prospective offerors may apply for consideration.

Price: Price is excluded as an evaluation factor.

Evaluation Factors: All evaluation factors and their relative importance are specified in the solicitation; but numerical or percentage ratings or weights need not be disclosed. The evaluation committee shall forward their recommendations for award to the Purchasing Manager, and the City Manager.

It is the policy of the City to solicit professional qualifications for services from any and all interested parties.

Procedure:

1. The City Manager will appoint a Project Committee, which may include employees or citizens, at the City Manager's discretion.
2. The Project Committee will develop a Preliminary Project Description and a Request for Professional Qualifications. The Preliminary Project Description shall include: (a) Scope of professional services; (b) Project design objectives; (c) Time of performance; (d) Preliminary site information; (e) Special conditions or unique factors affecting project design.
3. The Request for Professional Qualifications will include the request that interested professional firms submit information on (a) Interest in providing the requested services, (b) Resume of principals and qualifications, (c) Summary of experience on similar projects and (d) List of clients served.

A Notice of Request for Professional Qualifications must be advertised at least once in the Spartanburg Herald Journal Newspaper, South Carolina Business Opportunities (SCBO) publication and through a means of electronic advertising. Public notice of the Request for Qualifications shall be given not less than fourteen (14) calendar days prior to the bid opening date.

4. The Project Committee will review the written qualifications submitted by all firms. In its review, the Committee will consider all elements of the Request for Professional Qualifications. Following completion of its review, the Project Design Committee will generally select no more than five of the most qualified responding firms. The Committee will interview each of the selected firms and select the most qualified by vote of the Committee. This meeting will be publicly advertised. The department/division head will present the Committee's recommendation to council for approval to negotiate a fee for the professional services based upon the scope of services. With City Council's approval, the applicable staff member and/or City Manager will proceed with the negotiation of fees. The firm's proposal shall include a task-man-hour breakdown showing hours per task, hourly rates, overhead, profit and expenses. In the event that the selected firm and the Committee cannot agree upon the fee and basis for compensation, the Committee shall negotiate with the second rated firm to do the work.

Most Qualified: Negotiations are first conducted with only the most qualified offeror. After receipt of the responses to the RFQ from the prospective offerors, the prospective offerors

shall be ranked from the most qualified to least qualified on the basis of the information provided. Proposals in the form of RFP shall be solicited from normally the top three by under no circumstances less than the top two prospective offerors to be selected to receive the RFP. The RFP shall not be viewed by the City as grounds for protest from the prospective offerors.

Next Most Qualified: Only after failing to agree on a fair and reasonable price may negotiations be conducted with the next most qualified offeror. Then, if necessary, negotiations with successive offerors in descending order may be conducted until contract award can be made to the offeror whose price the recipient believes is fair and reasonable.

XXVI. Construction Management at Risk (CM@R)/ Guaranteed Maximum Price

The City shall utilize a CM@R contract whenever it deems it to be advantageous to the City. In this instance, the construction manager becomes the general contractor through the at-risk agreement.

In construction management at risk (CM@R), the construction manager and architect are hired under separate contracts. The architect provides expertise on aesthetic and functional design, taking into consideration the construction manager's advice on time and cost consequences. After providing preconstruction advice and services during the design phase, the construction manager provides a guaranteed maximum price (GMP) and takes on the financial obligation for construction under a specified cost agreement. The construction manager oversees project management and provides advice on the time and cost consequences of design and construction decisions, scheduling, cost control, coordination of construction contract negotiations and awards, timely purchasing of critical materials and long-lead-time items, and coordination of construction activities.

Request for Qualifications (RFQ): The City of Spartanburg will seek qualifications from general contractors with experience in preconstruction project development and construction of proposed facilities and amenities. The City intends to develop plans and specifications with the input of a general contractor in the early stages of the project design, so that the general contractor's expertise may be used in partnership with the City representative's and the Project Architect's expertise.

Phase I Preconstruction Project Development Services: The City intends to contract with the selected general contractor to provide preconstruction services. The selected general contractor initially will serve as a construction consultant and will be an integral part of the City's project team to provide expertise during the Pre-Construction Project Development Phase. For Phase I Services, the City will seek a general contractor with considerable knowledge of construction means and methods, knowledge of materials and placement methods, and skilled trade considerations. Phase I services will include (but are not limited to) evaluation of the site, recommendations on options for locating a new center to minimize grading and site preparation costs, constructability review, cost estimating and phasing, permitting, process planning, vendor solicitation and pre-qualification, projection of construction cost, and value engineering. The general contractor selected will participate and

assist the City, the City's representative, and the project architect in design and constructability decisions regarding systems, materials and pricing alternatives. Final decisions regarding design and scope of work will be made by the City.

Potential Phase II Construction Services Opportunity: At the City's sole discretion, the City may negotiate a Guaranteed Maximum Price contract for the construction of the facility with the general contractor selected for Phase I Services.

Statements of Qualifications: Statements of Qualifications should be self-explanatory and presented in a manner to provide a straightforward presentation of the firm's capabilities and qualifications. Elaborate brochures and other promotional type materials are not desirable. The format shall address and respond to each requirement of the RFQ as outlined below:

1. History of the Contractor, including ownership and key management.
2. A summary of any organizational or ownership changes that are anticipated to occur during the Project.
3. Location of corporate headquarters and other divisional offices.
4. Location of offices(s) that will be involved in this Project during pre-construction and potential construction phase services.
5. Description of contractor's project team to include the name, responsibilities, and resumes of key personnel that will be assigned to this project.
6. Description of how contractor's team will be organized and assigned responsibility for this project.
7. Description of recent project experience, to include projects of similar size and client references with contact information.
8. Evidence of capabilities for construction scheduling, material procurement, and assurance that plans, specifications, and schedules are met.
9. A statement of experience summarizing projects constructed under a similar development process and a summary of what the general contractor can "bring to the table" for the benefit of the City.
10. A statement addressing the general contractor's present and projected workload and how this project will be scheduled within that workload.
11. Third party evidence of required licenses, insurance, and financial and bonding capabilities necessary to fulfill his responsibilities for this project. This response should be directed to the Potential Phase II Construction Services Opportunity. The City may require supplementary evidence of financial stability prior to signing a contract for Phase I or II services. Note the City is a public body subject to the State of South Carolina Freedom of Information Act. Information submitted as part of this RFQ may be subject to public release.
12. A statement of the general contractor's past performance in contracting with Minority and Women Owned Business Enterprises (MWBEs) in projects completed in the last 12 months. This statement should provide the number of MWBE vendors, suppliers, or subcontractors and the percentage of MWBE participation in each of general contractor's projects completed within the previous two years.
13. A statement of the experience in projects involving HUD Section 3 requirements.

14. A statement of experience in construction of LEED certified buildings.
15. Lump Sum Fee Proposal for Preconstruction Phase Services – In addition to the Statement of Qualifications, each firm submitting a Statement of Qualifications, must provide a lump sum fee proposal for Phase I Preconstruction Services. The Fee Proposal should be included with the Statement of Qualifications but provided in a separate sealed envelope, identified as Fee Proposal – Phase I Preconstruction Project Development Phase Services. The City will consider fee proposals only after making its selection for interviews, conducting interviews, and ranking the firms based on its evaluation of qualifications.
16. Statements of Qualifications shall be mailed or hand delivered in sealed envelopes.

Selection, Award Process, and Schedule: The City may select the general contractor the City determines to be the most qualified and responsive firm based on its evaluation of the Statement of Qualifications and interviews if conducted. The City will act, at its sole discretion, in what it considers to be in the best interest of the City. The City will evaluate the comparable experience, capability, project management, workload, financial strength, history of engaging MWBEs, and other factors the City deems pertinent and will select the firm that it deems to be most qualified. The City will be the sole judge in determining the most qualified firm.

Any protests or objections to the City's Request for Qualifications, selection of contractor, and/or contractor award process must be submitted in writing to the Procurement and Property Manager.

XXVII. Noncompetitive Proposals (Sole Source)

Procurement of noncompetitive proposals will only be used when the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals and at least one of the following circumstances applies:

- The item is available only from a single source.
- The public exigency or emergency for the requirements will not permit a delay resulting from competitive solicitations.
- FTA authorizes noncompetitive negotiations.
- After solicitation of a number of sources, competition is determined inadequate; or
- The item is an associated capital maintenance item as defined by the FTA that is procured directly from the original manufacturer or supplier of the item to be replaced. City of Spartanburg will first certify in writing to FTA: (i) that such manufacturer or supplier is the only source for such item; and (ii) that the price of such item is no higher than the price paid for such item by like customers.

City of Spartanburg will develop a *cost analysis* verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profit.

XXVIII. Construction and Repair Work

Formal Construction or Repair Contracts: Construction contracts shall be the responsibility of the City Project Manager, Engineering Department and other City officials as deemed necessary. These officials are responsible for specification development. Good faith efforts will be a required component of the bid specification in an effort to afford DBEs subcontracting opportunities. When applicable, requirement such as Davis Bacon Act, Clean Air Act, and Buy American clauses will be a component of the bid specifications.

After specifications are completed they are forwarded to the Procurement Manger to be advertised and distributed to potential offers. The Purchasing Manager shall be schedule pre-bid conference and bid opening dates.

After the formal bidding process is completed, the evaluation committee shall forward their recommendations for award to the Purchasing Manager, and the City Manager. This recommendation should be based on the results of the bid process, indicating the lowest responsible bidder who is in the best interest of the city. Upon receipt of this recommendation, the award will be made by the appropriate party. Upon award and execution of the contract, the Department Head shall initiate a requisition so that a purchase order can be generated to encumber the expenditure account.

Bid and Performance Bonds: Bid and performance bonds or other securities may be requested for supply contracts or service contracts as the Procurement and Property Manager and/or Division/Department head deems advisable to protect the City's interest. Any such bonding requirements shall be set forth in the solicitation.

Bid security: in an amount equal to at least five percent (5%) of the amount of the bid shall be required for all competitive bidding for construction contracts exceeding \$100,000. Bid security shall be a legitimate bid bond provided by a surety company authorized to do business in South Carolina, or the equivalent in cash, certified check, cashiers' check, or money order. The City, at its option, may require bid bonds on construction contracts under \$100,000 when the circumstances warrant. Noncompliance with this provision mandates that the City reject the bid. Bid security will be returned to the unsuccessful bidders upon contract award by the Procurement and Property Manager.

When a construction contract is awarded in excess of \$100,000 the following bonds or security shall be delivered by the successful bidder to the City and shall become binding on the parties upon the execution of the contract.

Bid or performance bonds shall not be used in substitution for the determination of bidder's responsibility.

- A performance bond shall be in an amount equal to one hundred percent (100 %) of the contract amount; and
- A payment bond for the protection of all persons supplying labor and material to the contract or its subcontractors for the performance of the work shall be in an amount equal to one hundred percent (100 %) of the contract amount.

The Procurement and Property Manager is authorized to reduce the amount of performance and payment bonds to fifty percent (50 %) of the contract amount when such action is in the City's best interest. For contacts less than 100,000 payment security shall comply with FTAC 4220.1 Ch. IV, 2.h(1) (c).

- Assures payment of all persons supplying labor and material
- Required amounts
- Fifty percent of the contract price if the contact price is not more than \$1 million
- Forty percent of the contract price if the contract price is more than \$1 million but not more than \$5 million; or
- Two and a half million dollars if the contract price is more that \$5 million.

XXIX. Term Contracts

The Purchasing Manager, when it is felt to be in the best interest of the City, negotiates for term contract purchases which are covered by a formal contract. The Purchasing Manager makes a continuous study of materials or services to be purchased under a term contract, the period of the contract, and the terms and conditions of the contract. Whenever necessary, the Procurement Manager solicits the assistance of the City Attorney in preparing the contracts.

The following procedures will apply to all yearly or term purchase contracts:

- Following the award of a contract to a vendor, a purchase order may be prepared to cover the cost of the service or materials to be utilized during the period of time covered by the contract.
- Terms shall be for a period of thirty-six (36) months with an option to renew of two (2) additional terms of one (1) year each. All terms and conditions shall apply during the renewal term(s). The option shall be exercised in writing by both parties not less that thirty (30) days prior to the expiration of the existing term. Terms shall not exceed (5) years inclusive of options. An extension of the contract term length that amounts to an out of scope change will require a sole source justification.

XXX. Liquidated Damages Provisions

The City will use liquidated damages if it may reasonably expect to suffer damages and the extent or amount of such damages would be difficult to impossible to determine. The assessment for damage shall be at a specific rate per day for each day of overrun in contact times; and the rate must be specific in the third party contract. Any liquidated damages recovered shall be credited to the project account involved unless the FTA permits otherwise.

Liquidated Damages Provisions: The City will use liquidated damages if it may reasonably expect to suffer damages and the extent or amount of such damages would be difficult to impossible to determine.

1. If a purchase order is written to cover the entire contract period, it will indicate that payment is to be made as items are received following the written approval from the Department Head receiving the service or materials.
2. Vendor invoices will be processed in the normal manner.
3. Individual purchase orders written against a contract will be treated the same as any other purchase orders.
4. Prior to the end of the contract period, the department should review specifications and make any changes necessary and forward to Purchasing for bid preparation for a new contract.

XXXI. City Business License

Any company or person conducting business with, or on behalf of the City of Spartanburg shall obtain a City business license in compliance with the City of Spartanburg's Code of Ordinances.

XXXII. Contract Term Limitation

The City of Spartanburg will shall not enter into any contact for goods or services with a period of performance exceeding five (5) years. The suggested standard language is a three (3) year agreement with two (2) one year options.

When applicable to FTA contacts, the general contractual conditions will include all applicable provision of Federal, State and local laws and regulations. The Best Practices Procurement Manual is the source document for clauses in the contact to be signed with the contacting company. The following clauses from the BPPM, Appendix 4 will be included in the contract with the successful proposer: Buy America Requirements, Charter Bus and School Bus Requirements, Energy Conservation Requirements, Clean Water Requirements, Lobbying , Access to Records and Reports , Federal Changes , Clean Air , Recycled Products , Contract Work Hours and Safety Standards Act , No Government Obligation to Third Parties , Program Fraud and False or Fraudulent Statements and Related Acts, Termination , Government-Wide Debarment and Suspension (Nonprocurement) , Privacy Act , Civil Rights Requirements , Breaches and Dispute Resolution , Transit Employee Protective Agreements , Disadvantaged Business Enterprises (DBE), *State* and Local Law Disclaimer , Incorporation of Federal Transit Administration (FTA) Terms , Drug and Alcohol Testing ,

Debarment, Suspension and Other Responsibility Matters —Any person who is debarred, suspended or voluntarily excluded may not take part in a Federally-covered transaction, either as a participant or a principal during the period of debarment, suspension or voluntary exclusion. Accordingly, neither FTA nor its recipients may enter into any transaction with such debarred, suspended or voluntarily excluded persons during such period. A certification process has been established by 49 CFR, Part 29 as a means to ensure that debarred, suspended or voluntarily excluded persons do not participate in a Federally-assisted project. Each proposer must provide to the City as part of the proposal a signed certificate, found in *Attachment B*, Required Proms, in compliance *with* 49 CFR, Part 29.

Termination for Convenience or Default — With 14 calendar days notice, the City may terminate the

proposed contract in whole or in part, for the City's convenience or because of the failure of the Contractor to fulfill the contract obligations. The City shall terminate by delivering to the Contractor a Notice of Termination specifying the nature, extent and effective date of the termination. If the termination is for the convenience of the City, the Contracting Officer shall make and equitable adjustment in the contract price but shall allow no anticipated profit on performed services.

XXXIII. Disposal of Surplus Property

Each Department Head is required to notify the Purchasing Manager of any surplus, worn out, or obsolete materials and equipment in the possession of their department. This may be done by completing the Surplus Form. The Purchasing Manager shall decide in the best interest of the City, with the aid of the Department Head, if these items shall be sold, traded in, or transferred to another office/department. All disposal of surplus shall be posted and sold on www.Govdeals.com or sold at auction.

XXXIV. Bid Protest Procedures

Policy: The purpose of the Bid Protest Procedure is to establish a procedure for processing any pre-bid opening, or post-bid opening complaints of an interested party on the award of a contract, a bid specification and requirements, or a purchase.

Procedure: The protest must be submitted in writing and shall include the following information:

- The name and address of the protestor;
- The name and telephone number of the protestor contact person;
- A complete statement of the grounds of the protest with documentation of the protest claim(s). This information must be submitted to the City of Spartanburg Attorney who will act as the contact point for all bid protests.

Upon receipt of a protest, the City of Spartanburg Manager will notify the protest committee and establish a time for a committee meeting. This committee shall evaluate the material provided by the protestor and shall prepare a written recommendation for the City Manager concerning the validity of the protest and, if appropriate, any corrective action to be taken.

Time for Filing: Any potential bidder believing that bid documents or drawings contain restrictive specifications or any other improprieties regarding the solicitation for bids may file a protest with City of Spartanburg, which shall be received by City of Spartanburg not later than ten (10) working days prior to, or after the bid opening, and shall contain all reasons for the protest. The committee will then respond to the protest within five (5) working days of the receipt of the protest, and the protestor will have five (5) working days to appeal City of Spartanburg's initial response. Once an appeal has been received, the committee will render its final decision in writing within ten (10) working days to the protestor.

In all cases, if protest deadlines are not met, City of Spartanburg will proceed with the normal bid and contract award procedure.

Review of Protest: City of Spartanburg shall establish a committee to review bid protest(s). This committee shall be appointed by the City Manager and shall include, but not be limited to the following:

- City of Spartanburg Manager
- City of Spartanburg Attorney
- Procurement Manager

The City Manager, at his/her discretion, may appoint other City of Spartanburg personnel or persons outside of the City of Spartanburg to this committee based on technical expertise, or special knowledge of the particular procurement activity.

XXXV. Authority to Resolve Protested Awards – Actual Bidders-Contractors

1. Any actual bidder or contractor who is aggrieved in connection with the intended award or award of a contract shall protest to the City Manager in the manner stated under Subsection “2” of this section within ten (10) calendar days of the date of notification of award posted in accordance with this policy.
2. Protest Procedure: A protest shall be in writing, submitted to the City Manager, as stated above, and shall set forth the grounds of protest and relief requested with enough particularity to give notice of the issues to be decided.
3. Authority to Resolve Protest: The City Manager in coordination with, and under the advisement of the City Attorney, shall have authority, prior to the commencement of an action in court concerning the controversy, to settle and resolve a protest by an actual aggrieved bidder, offeror, or a contractor concerning the award of a contract.
4. Decision: If the protest is not resolved by mutual agreement, the City Manager in coordination with the City Attorney shall issue a decision in writing within ten (10) days after receipt of the protest. The decision shall state the reasons for the action taken.
5. Notice of Decision: A copy of the decision under Subsection “4” of this section shall be mailed or otherwise furnished immediately to the protestant and any other intervening party.
6. Failure to Render Timely Decision: If the City Manager does not issue the written decision required under Subsection “3” of this Section within a reasonable time after written request for a final decision or within such longer period as may be agreed upon by the parties, then the contractor shall proceed as if an adverse decision has been received.

APPENDIX A

**CITY OF SPARTANBURG CERTIFICATION OF CONFLICT OF INTEREST
IN PROCUREMENT PROCEDURES**

CERTIFY BY MY SIGNATURE HEREON THAT I WILL AVOID CONFLICTS OF INTEREST IN ALL MATTERS I AM A PARTY TO WHILE ENGAGING IN THE PROCUREMENT PROCESSES OF THE CITY OF SPARTANBURG. SPECIFICALLY, BUT NOT LIMITED TO:

1. WHERE TO BE BEST OF MY KNOWLEDGE AND BELIEF, I OR MY SPOUSE, MINOR CHILD, OR PARTNER DOES NOT HAVE A FINANCIAL INTEREST.
2. WHERE I AM AN OFFICER, DIRECTOR, TRUSTEE, PARTNER, CONSULTANT, OR EMPLOYEE OR OTHERWISE ASSOCIATED.
3. WHERE THERE EXISTS ANY ARRANGEMENT CONCERNING MY PROSPECTIVE EMPLOYMENT, FINANCIAL INTEREST, OR OTHER SIMILAR ASSOCIATION.
4. WHERE I HAVE PROVIDED TECHNICAL ASSISTANCE TO THE OFFEROR IN THE PREPARATION OF THEIR PROPOSAL, BID, OR QUOTE.

Ed Memmott	_____	June 19, 2009
Marc Keenan	_____	June 19, 2009
Angela Grant	_____	June 19, 2009
Lois Gonzales	_____	June 19, 2009
Dennis R. Locke	_____	June 19, 2009
Donnita Harris	_____	June 19, 2009
James Kennedy	_____	June 19, 2009
Jackie Dudley	_____	June 19, 2009
Carl F. Wright	_____	June 19, 2009
Cortillia Benson	_____	June 19, 2009
Miguel Fernandez	_____	June 19, 2009
David Cook	_____	June 19, 2009

APPENDIX B

Request for Quote Sheet
 145 West Broad Street
 Spartanburg SC, 29304

Sparta	Airport	City of Spartanburg
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Date: _____

Requisition #/Project _____



Bidder's Name Bidder's Address Email address Federal ID No.	Bidder's Name Bidder's Address Email address Federal ID No.	Bidder's Name Bidder's Address Email address Federal ID No.
---	---	---

QTY	DESCRIPTION	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
	TOTAL						

If less than 3 bids received, explain showing F.O.B.: _____

Quotes Received By:

 Department Head or Division Head

Point on each Bid and Term Discount when allowed

APPENDIX C

City of Spartanburg South Carolina



SOLE SOURCE FORM

Department / Division		Account No.	
Product / Service be acquired		Vendor's Name	
Location		Vendor No	
		Req No. or PO No	

Check Box	A. Reasons for Sole Source Procurements Sole source procurements may be made in the following circumstances: (Check appropriate box and provide explanation below.)
<input type="checkbox"/>	1. When services can be obtained from only one (1) person or firm.
<input type="checkbox"/>	2. When competition is precluded because of the existence of patent rights, copyrights, confidential processes, control of raw material or other such conditions.
<input type="checkbox"/>	3. When the procurement is for electric power or energy, gas, water or other utility services where it would not be practical to allow a contractor other than the utility company itself to work upon the system.
<input type="checkbox"/>	4. When the procurement is for technical services in connection with the assembly, installation or servicing of equipment of a highly technical or specialized nature.
<input type="checkbox"/>	5. When the procurement is for parts or components to be used as replacements in support of equipment specifically designed by the manufacturer.
<input type="checkbox"/>	6. When the procurement involves construction where a contractor is already at work on the site (based on an existing Purchase Order) and it would not be cost effective to engage another contractor.
<input type="checkbox"/>	7. When the procurement involves an emergency. (Refer to Page 2 of 2 - Notes / Policy Reference)
<input type="checkbox"/>	8. When competitive bids are solicited and no responsive bid is received or only a single responsive bid is received and is rejected.
<input type="checkbox"/>	9. With respect to product or technology, the City of Spartanburg wishes to: experiment with or test it; experiment or test a new source for it; evaluate its service or reliability.
<input type="checkbox"/>	10. When a provider of services has unique qualifications.
<input type="checkbox"/>	11. Standardization of a component on the basis of compatibility or maintenance reliability.

EXPLANATION: documentation will include:
Explanation of the sole source situation and the reasons it could not be bid

Reason for the vendor selection.

Cost analysis and evaluation.

APPROVAL OF PURCHASE

Approval Levels	Procurement Manager	SIGNATURE AND DATE:
Approval Levels	Division Head	
Approval Levels	Department Head	
Approval Levels	City Manager's Office	