

Petersburg Redevelopment and Housing Authority



Procurement Policy

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CHAPTER I ADMINISTRATION AND PROCEDURE

A. Purpose

This Procurement policy, adopted by the Petersburg Redevelopment and Housing Authority (the "Authority") in connection with its purchase of goods, services, insurance or construction from individuals and companies, is intended to ensure that the Authority will obtain high quality goods and services at reasonable cost, that all procurement procedures will be conducted in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety, and that all qualified vendors will have access to the business of the Authority. This policy further reflects the Authority's desire to ensure that no offeror will be arbitrarily or capriciously excluded and that full and open competition consistent with the standards of 2 CFR 200.317 – 200.326 the Authority's Annual Contributions Contract with the United States Department of Housing and Urban Development ("HUD"), and the applicable provisions of the 1950 Code of Virginia, as amended, will be sought to the maximum feasible degree. It is the intent of the Authority that the rules governing contract awards will be made clear in advance of the competition and that specifications will reflect the procurement needs of the Authority rather than being drawn to favor a particular vendor.

The term "procurement" includes both contracts and modifications (including change orders) for construction or services, as well as purchases, lease or rental of supplies and equipment.

B. Procurement Authority and Administration

1. All procurement transactions shall be administered by the Contracting Officer, who shall be the **Executive Director**, or by another individual whom the Executive Director has authorized in writing.
2. The duties of the Contracting Officer shall be to ensure the following:
 - a. That each proposed procurement is reviewed by the department head responsible for originating the procurement with the goal of avoiding purchase of unnecessary or duplicative items; that consideration be given to the consolidation or separation of procurement in order to obtain a more economical purchase; and that an analysis of lease options versus purchase alternatives be considered in order to ensure the most economical approach;
 - b. That contracts and modifications are in writing, clearly specifying the desired supplies, services, or construction, and are supported by sufficient documentation regarding the history of the procurement, including the method of procurement chosen, the selection of the contract type, the rationale for selecting or rejecting offers, and the basis for the contract price;
 - c. For procurements other than small purchases (as defined in Chapter IV), that public notice of the Invitation to Bid or the Request for Proposal is given at least ten (10) calendar days prior to the date set for receipt of bids or proposals. See Chapter III.B. and III.C. hereof.

- d. That solicitation procedures are conducted in compliance with 2 CFR 200.317 - 200.326 or in compliance with state and local laws which are more stringent than, yet consistent with 2 CFR 200.317 - 200.326.
- e. That an independent cost estimate is prepared in advance of each solicitation and/or contract modification and is appropriately secured for each procurement above the small purchase limitation; that such information remains confidential and is not disclosed outside of the Authority; and that a cost or price analysis is conducted of the responses received for **all** procurements;
- f. That the contract award is made to the responsive and responsible bidder offering the lowest price (in the context of competitive sealed bidding) or to whose proposal offers the greatest value to the Authority, considering price, technical, and other factors as specified in the Request for Proposal (in the context of competitive negotiation);
- g. That contracts are only awarded to responsible bidders who possess the ability to perform successfully under the terms and conditions of the proposed contract; that factors to be considered in making such a determination include contractor integrity, compliance with public policy, record of past performance, and financial and technical resources; that any determination of non responsibility is fully documented and copies of such documents are placed in the contract file; that bidders and offerors who are found to be non-responsible are informed of the reasons for such a finding;
- h. There are sufficient encumbered funds available to cover the anticipated cost of each procurement before contract award or modification (including change orders), each contract indicates the schedule of payments to be made to the contractor, work is inspected before payment, and that payment is promptly made for contract work performed and accepted.
- i. This Statement and any later changes shall be submitted to the Board of Commissioners for approval. The Board appoints and delegates procurement authority to the Executive Director and is responsible for ensuring that any procurement policies adopted are appropriate for the Authority.

CHAPTER II

ETHICS IN PUBLIC CONTRACTING

A. Definitions

1. "Immediate family" shall mean parents, spouse, spouse's parents, sister, brother, child, grandparents, grandchildren, step-children, step-parent, step-sister, step-brother or guardian.
2. "Official responsibility" shall mean administrative or operating authority, whether intermediate or final, to initiate, approve, and disapprove or otherwise affect a procurement transaction, or any claim resulting there from.
3. "Pecuniary interest arising from the procurement" shall mean a material financial interest as defined in the State and Local Government Conflict of Interests Act, Va. Code Ann. ' 2.1-639.1 et seq.
4. "Procurement Transaction" shall mean all functions that pertain to the obtaining of any goods, services or construction, including description of requirements, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration.

B. Conflicts of Interest

No employee, agent, or officer of the Authority shall participate in any procurement transaction if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

1. The employee, officer, or agent is contemporaneously employed by a bidder, offeror or contractor involved in the procurement transaction; or
2. The employee, officer, agent, any member of their immediate family or their partner holds a position with a bidder, offeror, or contractor such as an officer, trustee, director, partner or the like, or is employed in a capacity involving personal and substantial participation in the procurement transaction, or owns or controls an interest of more than five percent; or
3. The employee, officer, agent, any member of their immediate family, their partner or any organization which employs, or is about to employ, any of the foregoing has a pecuniary interest arising from the procurement transaction; or
4. The employee, officer, agent, any member of their immediate family, or their partner is negotiating, or has an arrangement concerning, prospective employment with a bidder, offeror, or contractor.

C. Prohibited Activity

1. No employee, agent, or officer of the Authority who is participating in a procurement transaction shall solicit, demand, accept, or agree to accept from a bidder, offeror, contractor or subcontractor any payment, loan, subscription, advance, deposit of money, services of anything of more than nominal or minimal value, present or promised, unless consideration of substantially equal or greater value is exchanged. The Authority may recover the value of anything conveyed in violation of this section.

2. No employee, agent, or officer of the Authority having official responsibility for procurement transactions shall accept employment with any bidder, offeror, or contractor with whom the employee dealt with in an official capacity concerning procurement transactions for a period of one year from the cessation of employment with the Authority. An employee, agent or officer may be accepted from this rule if he/she provides written notification to the Authority prior to commencement of employment with that bidder, offeror, or contractor.
3. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements.
4. No bidder, offeror, contractor, or subcontractor shall confer upon any employee, agent, or officer involved in a procurement transaction any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is exchanged.
5. No contractor or subcontractor shall demand or receive from any of its suppliers or subcontractors, as an inducement for the award of a subcontract or in return for an agreement not to compete on a public contract, any payment, loan, subscription, advance, deposit of money, services or anything, present or promised, unless consideration of substantially equal or greater value is exchanged.
6. Should a subcontractor or supplier make a kickback or other prohibited payment as described in this section, the value thereof shall be presumed to have been included in the price of the subcontract or order and ultimately borne by the Authority. However, the Authority reserves the right to recover the value of the kickback from both the maker and the recipient. In the exercise of this right, recovery from one offending party shall not preclude recovery from other offending parties.
7. No building materials, supplies, or equipment for any building or structure constructed by or for the Authority shall be sold by or purchase from the follow:
 - a. Any person employed as an independent contractor by the Authority to provide architectural or engineering services.
 - b. Any entity which has provided, or is currently providing, design services which specify a sole source for such material, supplies, or equipment to be used in such building or structure.
 - c. Any partnership association or corporation in which such architect or engineer has a pecuniary interest.

No employee, agent, or officer of the Authority having official responsibility for a procurement transaction shall knowingly falsify, conceal, or misrepresent a material fact; knowingly make any false, fictitious or fraudulent statements or representations; or make or use any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry.

8. The Authority reserves the right to require from its employees, agents, or officers who have participated in procurement transactions written certification that they complied with the provisions of this section.

CHAPTER III PROCUREMENT METHODS

A. Contract Amounts; General Requirements

1. Purchases Not Expected to Exceed \$ 60,000 for Professional Services or \$100,000 for Goods and Services Other Than Professional Services

Where the value of the professional services is not expected to exceed \$ 60,000 or the value of goods or services other than professional services is not expected to exceed \$100,000, this Authority may proceed in accordance with the **Small Purchase Contract Procedures** and shall not be required to obtain such goods and services by competitive sealed bids or competitive negotiation. See Chapter IV. In such cases, price or rate quotations shall be obtained from at least three qualified sources. Requirements for goods and services expected to exceed \$100,000 in the aggregate shall not be broken down into several purchases of less than \$ 60,000/\$100,000 merely to permit contract awards under the Small Purchase Procedures.

"Professional Services" means work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, medicine, optometry, pharmacy or professional engineering.

2. Purchases Expected to Exceed \$60,000 for Professional Services or \$100,000 Goods and Services Other Than Professional Services

All Authority contracts with non-governmental contractors for the purchase or lease of goods, or for the purchase of services, insurance, or construction, where the value of the professional services or the value of goods or services other than professional services is expected to exceed \$100,000 shall be awarded after **competitive sealed bidding** or **competitive negotiation** except as otherwise provided herein. These contracts shall be approved by the Board of Commissioners.

3. The Authority will not make an award to any contractor or individual suspended or debarred from Federal or State contracts.
4. When requested by HUD the Authority shall submit specified bid documents to HUD for review in connection with the following contracting actions:
 - a. Solicitations and contracts whose procurement procedures or operation fails to comply with the standards set forth in 2 CFR 200.317 - 200.326 (b);
 - b. Non-competitive procurement expected to exceed \$100,000, including any procurement in which only one bid or proposal is received;
 - c. Brand name only procurement expected to exceed \$100,000;
 - d. Awards over \$100,000 to other than the apparent low bidder under a sealed bid procurement;
 - e. Proposed contract modifications changing the scope of a contract or increasing the contract amount by more than \$100,000;

5. The following contracting actions require prior HUD approval:
 - a. Contracts that exceed five years, including options;
 - b. Procurement for legal or other services in connection with litigation.

B. Competitive Sealed Bidding

1. Contracts shall be awarded based on competitive sealed bidding if the following conditions are present: a complete, adequate, and realistic specification or purchase description is available; three or more responsible and responsive bidders are willing and able to compete effectively for the work; the procurement lends itself to a firm fixed price contract; and the selection of the successful bidder can be made principally on the basis of price. Sealed bidding is the preferred method for construction procurement. For procurements under the Capital Fund Program (CFP), sealed bidding shall be used for all construction and equipment contracts exceeding the small purchase limitation. For professional services contracts, sealed bidding shall not be required.

“Responsible bidder” or “offeror” means a person who has the capability, in all respects, to perform fully the contract requirements and the moral and business integrity and reliability that will assure good faith performance.

“Responsive bidder” means a person who has submitted a bid that conforms in all material respects to the Invitation to Bid.

2. The procedure for competitive sealed bidding is as follows:
 - a. A written **Invitation to Bid** shall be prepared defining the terms or services to be procured and containing or incorporating by reference the specifications and contractual terms and conditions which are to apply to the proposed procurement. The Invitation to Bid shall include a statement of any requisite qualifications of potential contractors. Where possible, the Invitation to Bid shall lend itself to the formation of firm, fixed- price contracts so that the selection of the successful bidder can be made principally on the basis of price.
 - b. The Invitation to Bid shall be posted in the main lobby of the Authority's Central Office and published in The Progress Index or other newspaper having general circulation in the City of Petersburg, Virginia, at least ten (10) calendar days prior to the date set for receipt of bids. In addition, copies of the Invitation to Bid shall be sent directly to an adequate number of known potential contractors.
 - c. The bids shall be opened publicly and announced on the date set forth in the Invitation to Bid. Each bid shall be date-time stamped upon receipt in order to document its timeliness. Sealed bids shall be stored in a safe place until the appointed time for bid opening to ensure that they are not tampered with. When the bids are opened the bidders' names and the bid prices shall be read aloud. This information shall be recorded and made available to the public. No commitments shall be made to any bidder at the bid opening. Any disputes or questions concerning the bids, which must be submitted to the Contracting Officer in writing, shall be deferred until such time as the Contracting Officer has had ample opportunity to review all the pertinent facts.

- d. Bids shall be evaluated on the basis of the requirements set forth in the Invitation to Bid. No bid shall be considered for award if the bid is not responsive or is submitted by a non-responsible bidder. The Contracting Officer shall examine bids to ensure that bidders do not attempt to impose conditions or additional terms to their bids.
- e. The contract shall be awarded to the lowest, responsible bidder whose bid conforms with all material terms of the Invitation to Bid, provided that the bidder has the capability, in all respects, to fully perform the contract requirements. Such bidder shall also have the integrity and business reliability which will assure good faith performance of the contract.
- f. In the event the bid from the lowest responsible bidder exceeds available funds, the Authority may negotiate with the apparent low bidder to obtain a contract price within available funds. Such negotiation shall only be undertaken with the apparent low bidder (or, if only one responsive bid is received from a responsible bidder, such negotiation shall be with that bidder) and shall be initiated by the Authority within thirty (30) calendar days from the date on which the bids were opened. Any negotiated contract price shall be approved by the Contracting Officer. The Contracting Officer may establish additional procedures to implement this provision, provided those procedures are summarized in the Invitation to Bid.

If, within thirty (30) calendar days from the date on which negotiations are initiated, the Authority is unable to negotiate a contract price that does not exceed available funds, it shall have no obligation to enter into a contract with the low bidder, or as the case may be, the only bidder.
- g. Rejection of any bid during the evaluation process shall be fully documented, stating all reasons for the rejection. Copies of such documentation shall be placed in the contract file.

C. Competitive Negotiation

- 1. Professional services performed by an independent contractor within the scope of the practice of accounting, land surveying, landscape architecture, law, medicine, optometry, or professional engineering shall be procured by **competitive negotiation**.
- 2. The Authority may also procure construction services by competitive negotiation for the alteration, repair, renovation or demolition of buildings when the contract is not expected to cost more than \$100,000 upon a determination made in advance by the Authority and set forth in writing that competitive sealed bidding is either not practicable or fiscally advantageous to the Authority. The written document shall state the basis for this determination.

“Construction” means building, altering, repairing, improving or demolishing any structure, building or highway, and any draining, dredging, excavation, grading or similar work upon real property.”

- 3. The procedure for competitive negotiation is as follows:
 - a. A written **Request for Proposal** shall be prepared. Such Request for Proposal shall (i) indicate what is sought to be procured, (ii) specify the factors to be used in evaluating the proposal and, (iii) contain, or incorporate by reference the other applicable contractual terms and conditions including any unique capabilities or qualifications which will be required of the contractor.

- b. The Request for Proposal shall be posted in the main lobby of the Authority's Central Office and published in The Progress Index or other newspaper having general circulation in the City of Petersburg, Virginia at least ten (10) calendar days prior to the date set for receipt of proposals. In addition, proposals will be directly solicited from at least three known potential contractors.
- c. Prior to the issuance of the Request for Proposal a method for evaluating the technical capabilities and, in the case of non-professional services, proposals shall be established. Proposals shall be conducted in a manner to prevent disclosure of the number of offerors, the identity of the offerors and the contents of the proposals. The proposals shall be evaluated only with regard to the criteria stated in the Request for Proposal.
- d. Negotiations: Negotiations should be conducted with all offerors who submit proposals determined to be responsible and responsive, based on evaluation against the technical and price factors as specified in the RFP and fall within the competitive range. Such offerors shall be accorded fair and equal treatment with respect to any opportunity for negotiation and revision of proposal. The purpose of negotiations shall be to seek clarification with regard to and advise offerors of the deficiencies in both the technical and price aspects of their proposals so as to assure full understanding of and conformance to the solicitation requirements. No offeror shall be provided information about any other offeror's proposal, and no offeror shall be assisted in bringing its proposal up to the level of any other proposal. Offerors shall not be directed to reduce their proposed prices to a specific amount in order to be considered for award. A common deadline shall be established for receipt of proposal revisions based on negotiations.

4. Architect/Engineer Services

- a. Architect/Engineer services using Qualification Based Selection (QBS) procedures, utilizing a Request for Qualifications (RFQ). Sealed bidding shall not be used for A/E solicitations. Under QBS procedures, competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. Price is not used as a selection factor under this method. QBS procedures shall not be used to purchase other types of services, though architectural/engineering firms are potential sources.
- b. The Contracting Officer shall select in order of preference two or more offerors whose professional qualifications and proposed services are deemed most advantageous to the program. The basis of selection shall be limited to the evaluation factors published in the Request for Proposal.
- c. Negotiations shall begin with the offeror ranked first. If a contract, satisfactory and advantageous to the Authority, can be negotiated at a price considered fair and reasonable, the award shall be made to that offeror. Otherwise, negotiations with the offeror ranked first shall be terminated. Negotiations will then commence with the offeror ranked second, and so on until a contract can be negotiated at a fair and reasonable price.
- d. Should the Contracting Officer conclude that only one offeror is fully qualified, or that one offeror is clearly more highly qualified and suitable than the other offerors, then a contract may be negotiated and awarded to that offeror. Such a determination shall be in writing.

5. Contracts for professional services the term of which, including renewal provisions, exceeds

two years must be submitted to HUD for review and approval.

6. Contracts for litigation services must meet the requirements of the HUD Litigation Handbook 1530.1 REV-5.

D. Non-Competitive Procurement; Sole Source; Emergency

1. The Authority may procure goods, services, insurance, or construction through **noncompetitive negotiation** only upon a written determination, by the Contracting Officer setting forth the reasons for the decision and approved by the Board of Commissioners, that procurement is not feasible under small purchase procedures, sealed bids, or competitive negotiation and **one** of the following circumstances is present:
 - a. There is only one source practicably available for that which is to be procured, or
 - b. An emergency exists which will not permit a delay resulting from competitive solicitation, or
 - c. After solicitation for bids or proposals from a number of sources, competition is determined inadequate.
2. The Contracting Officer shall ensure that the following conditions are met when noncompetitive negotiation is used:
 - a. That appropriate steps are taken to assure that the best available price is negotiated from the source of the goods or services;
 - b. That a written explanation of the decision to use non-competitive negotiation be placed in the contract file;
 - c. Upon a determination, in writing by the Contracting Officer, that there is only one source practically available, a contract may be negotiated and awarded to that source without competitive sealed bidding or competitive negotiation. The writing shall document the basis for the determination. The Authority, by action of its Board of Commissioners, shall issue a written notice stating (i) that only one source was determined to be practically available, (ii) identifying that which is being procured, (iii) identifying the contractor selected and (iv) the date the contract was or will be awarded. This notice shall be posted in the Authority's Central Office on the day the Authority awards or announces its decision to award the contract, whichever occurs first;
 - d. In the case of an emergency, that a written notice is issued, stating that the contract is being awarded on an emergency basis, and identifying that which is being procured, the contractor selected, and the date on which the contract was or will be awarded. This notice shall be posted in the Authority's Central Office on the day the Authority awards or announces its decision to award the contract, whichever occurs first, or as soon thereafter as is practicable.
3. The Authority may enter into contracts without competitive sealed bidding or competitive negotiation for insurance if purchased through an association of which it is a member if the association was formed and is maintained for the purpose of promoting the interest and welfare of and developing close relationships with other public bodies, provided such association has procured the insurance by use of competitive principles and provided that the Authority has

made a determination in advance after reasonable notice to the public and set forth in writing that competitive sealed bidding and competitive negotiation is not fiscally advantageous to the Authority.

E. Cooperative Procurement

The Authority may enter into State and local intergovernmental agreements to purchase or use common goods and services. If used, the intergovernmental agreement shall stipulate who is authorized to purchase on behalf of the participating parties and shall specify inspection, acceptance, termination, payment, and other relevant terms and conditions.

F. Receipt of Comments on Invitations to Bid or Requests for Proposal

Prospective offerors shall be permitted to submit comments on specifications or other provisions in Invitations to Bid or Requests for Proposal in accordance with the following procedure:

1. Comments shall be accepted in writing by the person designated in the Invitation or Request at any time up to 5:00 p.m. on the seventh business day prior to the date set for the receipt of bids or proposals. The person so designated shall be an employee of the Authority who is familiar with the goods or services being procured and with the Authority's requirements therefore.
2. On receipt of any such comment, the Authority employee receiving it shall promptly consult with the Contracting Officer or a third person designated by the Contracting Officer as to whether, in light of the comment, any change should be made in the Invitation or Request in order that the Invitation or Request accurately reflect the Authority's requirements and provide a sufficient basis for responsive bids or proposals.

If a change is deemed necessary, a written amendment will be provided to all potential offerors who were furnished a copy of the original solicitations. If necessary, an extension of the bid opening will be considered. If, despite the matters raised by the comment, the Invitation or Request is deemed by the Authority to be sufficiently accurate to provide a basis for responsive bids or proposals, the offeror submitting the comment shall be so advised in writing at or prior to the opening of bids or proposals.

Every Invitation to Bid or Request for Proposal published by the Authority shall contain the following statement: "Comments on specifications or other provisions in this Invitation to Bid [or Request for Proposal] may be submitted in writing by fax, mail and E-mail to _____ [insert name of person designated to receive comments] at the main office of the Authority at 128 Annex S. Sycamore Street, Petersburg, Virginia, before 5:00 p.m. on _____ [insert date of third business day prior to the date set for opening of bids or proposals]."

G. Cancellation and Modification of Solicitations

Any Invitation to Bid, Request for Proposal, or other solicitation of offers may be canceled or modified by the Authority, provided a written statement of the reason for the cancellation or modification is placed in the contract file and copies are sent to all potential bidders who were originally sent the Invitation, Request, or other solicitation. If the modifications are so substantial as to constitute essentially new requirements, the solicitation shall be canceled and a new solicitation issued.

H. Rejection of Offers

Any or all bids, proposals, or other offers received by the Authority in response to an Invitation to Bid, a Request for Proposal, or other solicitation may be rejected, provided a written statement of the reasons for rejection are placed in the contract file.

I. Waiver of Informalities

The Contracting Officer may waive a minor defect or variation of a bid or proposal from the exact requirements of the Invitation to Bid or Request for Proposal, provided that such waiver does not affect the price, quality, quantity, or delivery schedule for the goods, services, or construction being procured.

J. Mistakes in Bids; Withdrawals

1. Withdrawal before bids are opened: Any bidder for a public construction contract may withdraw their bid for any reason up to one (1) hour before the time at which bids are to be opened, as stated in the Invitation to Bid. Withdrawal shall be accomplished by mailing or delivering to the Authority a written statement that the bid is withdrawn.
2. Withdrawal after bids are opened: A bidder for a public construction contract may withdraw their bid from consideration if the price bid was substantially lower than the other bids due solely to a mistake therein, provided the following:
 - a. The bid was made in good faith
 - b. The mistake was a clerical mistake as opposed to a judgment mistake, and was actually due to an unintentional arithmetic error or an unintentional omission of a quantity of work, labor, or other material made directly in the compilation of the bid.
 - c. The mistake can be clearly shown by objective evidence drawn from inspection of original work papers, documents, and materials used in the preparation of the bid sought to be withdrawn.
3. No bid may be withdrawn under this section when the result would be the awarding of the contract on another bid of the withdrawing bidder or to another bidder in which the ownership of the withdrawing bidder is greater than five percent.
4. If a bid is withdrawn under this section, the lowest remaining bid shall be deemed to be the low bid.
5. No bidder who is permitted to withdraw a bid shall, for compensation, supply any material or labor to or perform any subcontract or other work agreement for the person or firm to whom the contract is awarded or otherwise benefit, directly or indirectly, from the performance of the project for which the withdrawn bid was submitted.
6. Should the Authority deny the withdrawal of any bid under this section, it shall notify the bidder in writing, stating the reasons for the denial. The bidder shall then be awarded the contract at the bid price, provided such bidder is a responsible and responsive bidder.

K. Bonds - Bid Bonds; Performance Bonds; Payment Bonds; Alternate Forms of Security

1. General

Construction contracts awarded by using competitive sealed bidding require, unless otherwise specified, three types of bonds: a bid bond, a performance bond and a payment bond. The purpose of these bonds is to ensure the integrity of the procurement system and the successful completion of the contract.

2. Bond Requirements

- a. Except in cases of emergency, and as set forth in subparagraph (c) below, and subject to paragraph 5 of this section L, all bids and proposals for construction contracts in excess of \$100,000 shall be accompanied by a bid bond from a surety company selected by the bidder which is legally authorized to do business in Virginia, as a guarantee that if the contract is awarded to such bidder, that bidder will enter into the contract for the work mentioned in the bid. The amount of the bid bond shall not exceed five percent of the amount bid.
- b. Upon the award of any construction contract exceeding \$100,000, except as set forth in subparagraph (c) below, the prime contractor shall furnish to the Authority (i) a performance bond in the sum of the contract amount conditioned upon the faithful performance of the contract in strict conformity with the plans, specifications and conditions of the contract, and (ii) a payment bond in the sum of the contract amount, conditioned upon the prompt payment for all material furnished or labor supplied or performed in the prosecution of the work provided for the contract. Each of such bonds shall be executed by one or more surety companies selected by the contractor which are legally authorized to do business in Virginia, shall be made payable to the Authority, and shall be filed with the Authority.
- c. In the case of construction under the Capital Fund Program ("CFP") funded pursuant to the U.S. Housing Act of 1937, the requirements and conditions set forth in subsections (a) and (b) above, shall apply to any contract in excess of \$100,000.

3. Contracts for the furnishing of goods or services other than construction.

The Contracting Officer may require bid, performance and/or payment bonds for contracts for goods or services other than construction. If such bond or bonds is/are to be required, the Invitation to Bid or Request for Proposal shall so state.

4. Action on Bonds

- a. No forfeiture under a bid bond shall exceed the lesser of the following:
 - (1) The difference between the bid for which the bond was written and the next low bid, or
 - (2) The face amount of the bid bond.

- b. An action against the surety on a performance bond must be brought within one year after either completion of the contract (including the expiration of all warranties and guarantees) or discovery of the defect or breach of warranty.
- c. Any claimant who has performed labor or furnished material in accordance with the contract for which a payment bond has been given, and who has not been paid in full therefore before the expiration of ninety days after the day on which such claimant performed the last of such labor or furnished the last of such materials for which he claims payment, may bring an action on such payment bond to recover any amount due him for such labor or material, and may prosecute such action to final judgment and have execution on the judgment. The obligee named in the bond need not be named a party to such action.

5. Alternate Forms of Security

In lieu of a payment, or performance bond, a bidder may provide one of the following:

- A performance and payment bond for 100% of the contract price
- Separate payment and performance bonds each for 50% or more of the contract price
- A 20% cash escrow
- A 25% irrevocable letter of credit.

L. Public Inspection of Certain Records

Except as provided for herein, all proceedings, records, contracts, and other public records relating to procurement transactions shall be open to the inspection of any citizen, or any interested person, firm, or corporation, in accordance with the Virginia Freedom of Information Act, Va. Code Ann. ' 2.1-340 et seq. Any competitive sealed bid bidder or competitive negotiation offeror, upon request, shall be afforded the opportunity to inspect bid or proposal records, as the case may be, within a reasonable time after bid opening or proposal evaluation and negotiation, prior to award, except in the event the Contracting Officer decides not to accept any of the bids or proposals and to reopen the contract. Otherwise, bid or proposal records shall be open to public inspection only after award of the contract. Exceptions to this rule are as follows:

1. Any inspection of procurement transaction records under this section shall be subject to reasonable restrictions to ensure the security and integrity of the records;
2. Trade secrets or proprietary information submitted by a bidder, offeror, or contractor in connection with a procurement transaction shall not be subject to public disclosure; however, the bidder, offeror, or contractor must invoke the protections of this section prior to or upon submission of the data or other materials to be protected and state the reasons why protection is necessary;
3. Cost estimates relating to a proposed procurement transaction prepared by or for the Authority shall not be open to public inspection;

M. Brand Names

Unless otherwise provided for in the Invitation to Bid or Request for Proposal, the name of a certain brand, make, or manufacture does not restrict bidders to the specific brand, make, or manufacture named; rather, it conveys the general style, type, character, and quality of the article desired, and any article which the Authority in its sole discretion determines to be the equal of that specified, considering quality, workmanship, economy of operation, and suitability for the purpose intended, shall be accepted.

Brand name or equal specifications **shall** not be used unless the Contracting Officer determines in writing that one of the following apply: no other design or performance specification or qualified products list is available; there is a bona fide need for consistency or standardization of inventory; time does not permit the preparation of another form of purchase description (other than a brand name-only specification); the nature of the Authority's requirements make use of a brand name or equal specification suitable for the procurement; **or** use of a brand name or equal specification is in the Authority's best interests.

If used, brand name or equal specifications **shall** seek to designate as many brands as are practical as "or equal" references and **shall** further state that products that are substantially equivalent to those designated will be considered for award.

N. Tie Bids

In the case of a tie bid between (among) responsible bidders, the tie shall be decided by lot.

CHAPTER IV

SMALL AND MODERATE PURCHASE CONTRACT PROCEDURES

A. Purpose

Any contract not exceeding \$100,000 may be in accordance with the small and moderate purchase procedures authorized in this section. Contract requirements shall not be artificially divided to constitute a small purchase under this section.

The policy of these Procedures is to assure that the Authority obtains high quality goods and services at reasonable cost, that all procurement activities be conducted in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety, that no offeror of goods or services be arbitrarily or capriciously excluded from doing business with the Authority, and that where practicable competition be sought in the acquisition of goods and services.

B. Procurement Methods

1. Credit Card Purchases

Small and moderate purchases that can be satisfied by local sources may be processed using a credit card. Essentially, this is not a procurement method the cards can be a tool to help reduce costs, but the policies should be followed as other small purchases. Each cardholder has a transaction limit that is also their purchasing limits. The Authority's Credit Card Policy and procedures are contained in the Petersburg Redevelopment and Housing Authority Internal Control Policy.

2. Micro Purchases below \$3,000:

Small purchases below \$3,000. For small purchases below \$3,000, only one quotation need be solicited if the price received is considered reasonable. Such purchases must be distributed equitably among qualified sources. If practical, a quotation should be solicited from other than the previous source before placing a repeat order. The individual seeking the item should complete a "Requisition Form" as needed. The purpose of the Requisition form procedure is to restrict purchasing to authorize items through authorized personnel. This is one of the most significant internal control tools of any organization. It is intended to safeguard the Authority's most vulnerable asset – cash.

The employee completing this form should pass it on to their Supervisor or Director for approval. The Supervisor or Director should understand that they are responsible for maintaining their Department's expenditures within the approved budget. Once they have approved the purchase, they would send the form along with any accompanying documentation to the Director of Finance for review and approval. The Director of Finance's authority to review and approve these items would be limited to simply insuring that proper procedures have been observed. The only exception to this procedure would apply to the Director of Finance. The Director of Finance must pass all requests for its Department to the Executive Director for review and approval.

3. Moderate Purchases between \$3,000 and \$60,000/\$100,000:

For purchases between \$3,000 and \$60,000/100,000, Purchase Orders (PO) may be used. For moderate purchases at least 3 quotations need be solicited. All requests above \$ 5,000 must be submitted to the Executive Director for review and approval.

The idea of a purchase order is to restrict purchasing to authorized items through authorized personnel. This is one of the most significant internal control tools of any organization. It is intended to safeguard the most vulnerable asset – cash.

The HUD Handbook 7460.8 REV2, Procurement Handbook for Public Housing Agencies, Chapter 5, paragraph 5-9, states the following concerning purchase orders.

“The issuance of a Purchase Order by the HA and its acceptance by the contractor constitutes a contract. It is crucial; therefore, that the Purchase Order clearly specify the purchased item(s), service(s), and the terms and conditions of the purchase. The Purchase Order will generally contain information regarding scope of work/service to be provided, price, delivery, method of payment, inspection, and acceptance.”

- a. Purchasing Procedures. The purchase order system should follow logical procedures. The responsibility for purchasing should be vested with one individual and the authority for authorizing the purchase should be vested with a different individual. The responsibility for purchasing should be vested with a purchasing agent (herein after referred to as “agent”) while the authorizing Authority should be vested with the Executive Director or designee.

The logical procedures should flow as follows:

- (1) If the organization has a warehouse, the warehousemen should request parts, supplies, etc. from the agent via a requisition. If the organization does not have a warehouse, the requisition could come from a number of different sources. However, in this case, an individual in authority, such as a department head, should sign off on the requisition with the understanding that the cost of the purchase would be charged to its department.
- (2) The individual preparing the requisition should obtain prices from at least three sources if they have ideas of the best place to obtain the product. Such information should be documented on the requisition.
- (3) The requisition would then be passed on to the agent who would either verify the sources and prices submitted with the requisition and, possibly, add its own sources and prices, or, if the individual submitting the requisition had not obtained prices and sources, would obtain at least three possible sources and prices.
- (4) Based on this information, the agent would determine from whom the purchase would be made. This decision would be documented on the requisition.
- (5) The agent would then pass the requisition on to the Budget Accountant who would determine if budget Authority for the purchase existed. This would be documented on the requisition and passed back to the agent.
- (6) The agent must document the date each PO is issued, the date authorized by the

Executive Director, if applicable, the date submitted to the vendor, the date duplicates and related documents were distributed to other departments, the date merchandise was received, and the date the PO was closed out.

- (7) Based on this requisition, the agent would prepare a purchase order form (PO). On this form, the agent would document exactly what is sought and the selected vendor.
- (8) Next the requisition, the PO, and other supporting documentation would be passed on to the Executive Director for approval and authorization. The documentation would then be passed on to the agent.
- (9) The agent would then place the order with the vendor and send a copy of the PO, requisition, and other support to the Accounting Department, the Warehouseman, and/or the department head.
- (10) When the merchandise is received, the Warehouseman or Department Head receiving the merchandise would document on a receiving form what was actually received as well as the PO to which the receipt is related. If the amount or nature of items received was not in agreement with the PO, the agent must be notified. If the agent agrees with the items received, he should document such change on the original purchase order and go back to the Executive Director for approval of such change. Notification of the change must then be forwarded to the Accounting Department, the Warehouseman, and/or the department head. If the agent does not agree, the merchandise should be sent back to the vendor and replaced or the PO should be voided. If the PO is voided, the Accounting Department, the Warehouseman, and/or the department head should be notified.
- (11) Once merchandise has been accepted, the receiving report would be sent to the Accounting Department. The Accounting Department would then match the receiving report with the PO.
- (12) All invoices should be routed directly to the Accounting Department. The Accounting Department would send invoices associated with PO's to the agent who would match the PO's and invoices. The agent and the department head or warehouseman concerned and the vendor must resolve differences between the PO and invoice. Once resolved, the agent would document such resolution and send documents to the Accounting Department. The Accounting Department would then process the invoice for payment. The date and check number with which each item was paid would be documented on the Accounting Department's copy of the PO, requisition, and invoice.

4. Blanket Purchase Agreements (BPAs)

BPAs are similar to charge accounts and provide monthly invoicing. They may be used with a local wholesale and retail supply firm for (1) office supplies, (2) janitorial supplies, (3) painting and related materials, (4) hardware items, (5) cleaning and paper supplies, and (6) automobile operating expenses. BPAs should be negotiated for a one to two year period. The BPA must be in writing and must specify a per month dollar limit, a total "not to exceed" contract price and authorized personnel that must sign for items purchased.

Procedures:

- a. Where purchases occur on a repetitive and daily basis for -ordinary PHA expenditures, the Executive Director is to initiate the BPA process.
 - b. Requests for price quotations are not to be considered as offers to buy and shall contain the statement, "This request for price quotation is not an offer to buy, and must not be assumed as such."
 - c. All quotations received shall be examined to determine capability of vendor and analyzed to determine the best overall value for the Authority. The Executive Director shall sign the contract that is most advantageous to the Authority. The contract shall contain: a fixed discount from the standard price or specific prices on individual items, authorized individuals to purchase, a total dollar amount limit for each purchase, and a monthly dollar limit for all purchases.
 - d. The Authority shall chose the firm offering the best value at time of purchase that is able to offer products within a required delivery period and of a quantity that is acceptable to the PHA and compatible with existing systems.
 - e. The purchaser must obtain a sales ticket describing the items and showing the cost, date delivered, and person making the purchase.
 - f. All receipts shall be submitted to the Accounts Payable Clerk who will reconcile receipts with the invoice on a monthly basis, at which time a check is issued for full payment.
4. No contract shall be awarded hereunder on the basis of cost plus a percentage of cost.

CHAPTER V

CONTRACT FORM AND ADMINISTRATION

A. Contract Types

Unless otherwise noted in this section, any type of contract which is appropriate to the procurement and which will promote the best interests of the Authority may be used.

B. Contractor Qualifications And Duties

1. Contractor Responsibility

Procurements shall be conducted only with responsible contractors, i.e., those who have the technical and financial competence to perform and who have a satisfactory record of integrity. Before awarding a contract, the Authority shall review the proposed contractor's ability to perform the contract successfully, considering factors such as the contractor's integrity (including a review of the List of Parties Excluded from Federal Procurement and Non-procurement Programs published by the U. S. General Services Administration), compliance with public policy, record of past performance (including contacting previous clients of the contractor, such as other Authorities), and financial and technical resources. If a prospective contractor is found to be less responsible than should be expected, a written determination of this assertion shall be prepared and included in the contract file, and the prospective contractor shall be advised of the reasons for the determination.

2. Suspension and Debarment

Contracts shall not be awarded to debarred, suspended, or ineligible contractors. Contractors may be suspended, debarred, or determined ineligible by HUD in accordance with HUD regulation (2 CFR 180.22) or by other Federal agencies (e.g., Department of Labor for violation of Secretary of Labor regulations) when necessary to protect the Authority in its business dealings.

C. Contract Terms and Clauses

1. All procurement shall include the clauses and provisions necessary to define the rights and responsibilities of the parties.
2. All contracts shall include the following:
 - a. Description of the Authority's administrative, contractual, or legal remedies in those instances where contractors breach or violate contract terms and a listing of appropriate sanctions and penalties as may be appropriate;
 - b. The following provision concerning contractual claims: "Contractual Claims: Claims arising hereunder shall be submitted by the contractor and decided by the Authority in accordance with Chapter IV of the Authority's Procurement Policy, which is incorporated herein by this reference. That chapter provides that the Authority shall issue its decision on the claim within forty-five (45) days after the date the claim is received by the Authority."

- c. Agreement that all contractors and subcontractors for construction or repair will comply with the Copeland Anti-Kickback Act (40 U.S.C. 1345) as supplemented in Department of Labor regulations (29 CFR part 3);
 - d. Notice of awarding agency requirements and regulations pertaining to reporting, copy rights, and patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract;
 - e. Agreement that all contractors will grant the Authority, the awarding Agency, the Comptroller General of the United States, or any of their duly authorized representatives access to any books, documents, papers, and records of the contractor which are directly pertinent to their contract for the purpose of making audits, examinations, excerpts, and transcriptions;
 - f. Provision which requires all contractors to retain all required records for three years after the Authority has made final payment on a contract and all other pending matters are closed;
 - g. Agreement that all contractors will adhere to the mandatory standards and policies relating to energy efficiency which are contained in the Virginia energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201).
3. Applicable contracts in excess of \$2,000 shall contain provisions which require all contractors to comply with the Davis-Bacon Act (40 U.S.C. 3141-3148) as supplemented by Department of Labor regulations (29 CFR part 5) when required by Federal grant program legislation. See Appendix A for Davis-Bacon Guidance.
4. All contracts and subcontracts in excess of \$10,000 shall contain the following:
- a. Provisions permitting termination for cause and for convenience of the Authority including the manner in which termination will be effected and the basis for settlement;
 - b. That during the performance of the contract, the contractor agrees as follows:
 - (1) The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - (2) The contractor, in all solicitations for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
 - (3) Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

The contractor will include the provisions of the foregoing paragraphs (1), (2), (3) in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

- c. Agreement that all contractors and subcontractors will comply with Executive Order 11246 of September 24, 1965 (Equal Employment Opportunity) as amended by Executive Order 11375 of October 13, 1967 and as supplemented in Department of Labor regulations (41 CFR 60-1.4(b)).
- 5. All contracts and subcontracts in excess of \$150,000 shall contain provisions which require compliance with all applicable standards, orders, or requirements issued under the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

D. Administration

- 1. **Inspection:** It is the policy of the Authority to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. To that end, performance of ongoing work shall be periodically inspected and carefully monitored, and goods shall be inspected on arrival, to assure compliance with contract requirements. Any defaults, insufficiencies, or defects shall be reported immediately in writing to the contractor, with a demand for prompt corrective action as appropriate.
- 2. **Payment:** It is also the policy of the Authority to insure the prompt payment for goods and services rendered by contractors and subcontractors. Therefore, payment shall be made for goods delivered or services rendered by the **required payment date**. Such payment is conditioned on the following:
 - a. The **required payment date** shall be either:
 - (1) The date upon which payment is due as set by the contract, or
 - (2) If such date is not set by the contract, not more than thirty days after goods and services are received or after the invoice is rendered, whichever is later.
 - b. Separate payment dates may be specified in the contract under which goods and/or services are to be rendered in a series of partial executions or deliveries to the extent that the contract provides for separate payment for partial execution or delivery.
 - c. Within twenty (20) days after the receipt of the invoice or goods or services, the agency shall notify the business concern of any defect or impropriety which would prevent payment by the payment date.
 - d. Unless otherwise provided under the terms of the contract, the Authority shall pay any finance charges assessed by the business concern should it fail to pay by the payment date, provided that such charge does not exceed one (1) percent per month.

3. Modification of Contracts

Terms permitting modification of a contract during performance may be included in the contract, but no fixed-price contract may be increased by more than 25 percent of the amount of

the contract or \$50,000, whichever is greater, without prior written approval of the Board of Commissioners of the Authority.

4. Termination: The Contracting Officer may terminate a contract or purchase order for default or for convenience, provided that written notice is given to the contractor. Such notice shall be sent by certified mail, return receipt requested.
 - a. The required notice of termination shall contain the following:
 - (1) That the contract is being terminated for the convenience of the Authority or for the default of the contractor;
 - (2) Whether the contract is being terminated in whole or in part;
 - (3) If terminated for default, the acts or omissions constituting the default, the Contracting Officer's determination that failure to perform is not excusable, the Authority's rights to charge excess costs of reprocurement to the contractor, and the contractor's appeal rights;
 - (4) The effective date of the termination;
 - (5) The contractor's right to proceed under the unterminated portion (if any) of the contract;
 - (6) Any special instructions.
 - b. Settlement of contract terminations shall be handled as follows:
 - (1) Settlement of contracts terminated for convenience shall be handled by negotiated agreement between the Contracting Officer and the contractor. The contractor shall submit a settlement proposal promptly to the Contracting Officer for the amount claimed as a result of the termination. Any negotiated settlement shall **not** allow for the expected profit of the contractor should the Contracting Officer determine that the contractor would have suffered a loss had the contract been completed.
 - (2) Under a termination for default, the Authority is not liable for the contractor's cost on undelivered work and is entitled to the repayment of any progress payments already paid.

CHAPTER VI

PROTESTS AND CONTRACT DISPUTES

A. Protests

1. Any actual or prospective contractor may protest the solicitation or award of a contract. Any protest against a solicitation must be received by the Authority before the due date for receipt of bids or proposals, and any protest against the award of a contract must be received by the Authority within ten (10) calendar days after the contract award, or the protest will not be considered. No protest shall lie for a claim that the selected bidder or offeror is not a responsible bidder or offeror.
2. All protests shall be in writing and shall be submitted to the Authority in care of the Contracting Officer. The written protest shall include the basis for the protest and the relief sought.
3. The Contracting Officer shall issue a written decision on the matter within ten (10) calendar days stating the reasons for the action taken. This decision shall be final unless the bidder or offeror appeals (in writing) within ten (10) calendar days of the written decision. If the bidder or offeror appeals the decision, the claim will go before PRHA's Board of Commissioners.
4. A protestor must exhaust all administrative remedies with the Authority before pursuing a protest with the appropriate Federal agency, if any.
5. When applicable, reviews of protests by the appropriate Federal agency shall be limited to:
 - a. Violations of Federal law or regulations;
 - b. Violations of the Authority's protest procedures for failure to review a complaint or protest.

B. Contract Disputes

1. Contractual claims for money or other relief arising out of contracts awarded pursuant to these procurement procedures shall be submitted in writing to the Authority no later than sixty (60) days after final payment is made on the contract; however, **written notice** of the contractor's intention to file such a claim must be given to the Contracting Officer at the time of the occurrence or at the beginning of the work on which the claim is based.
2. Acceptance of final payment on the part of the contractor shall not constitute a waiver of their right to file a claim in accordance with this subsection.
3. Within five (5) days of receipt of the written claim, the Contracting Officer shall refer it to a committee consisting of the Authority employee in charge of administering the contract out of which the claim arose, the Contract Compliance Officer of the Authority, and one other member of the administrative staff of the Authority who has not previously been involved with the contract. The committee shall promptly proceed to investigate the claim and shall report its conclusions and recommendations to the Contracting Officer in writing within thirty (30) days from the date of the initial receipt of the claim. As a part of its investigation, the committee shall meet with the contractor who submitted the claim.
4. The Contracting Officer shall then rule on the claim in writing and forward a copy to the

contractor not more than forty-five (45) days after the date of initial receipt of the claim. In reaching their decision, the Contracting Officer is not bound by the recommendations of the committee, and he may reject or accept them in whole or in part.

5. The decision of the Contracting Officer shall be final and conclusive unless the contractor appeals within six (6) months of the date of the final decision on the claim by invoking the administrative procedures provided by the Authority.
6. A contractor may not invoke administrative procedures or institute legal action prior to the receipt of the Authority's decision on the claim, unless the Authority fails to render such decision within the time specified in this section.

C. Legal Action

1. A bidder or offeror, actual or prospective, who is refused permission or disqualified from participation in bidding or competitive negotiation, or who is determined not to be a responsible bidder or offeror for a particular contract, or who is denied withdrawal of a bid, may bring an action in the appropriate circuit court challenging that decision, this shall be reversed only if the petitioner establishes that the decision was arbitrary and capricious.
2. A bidder, offeror or contractor, or potential bidder or offeror on a contract negotiated on a sole source or emergency basis whose protest of an award or decision to award is denied, may bring an action in the appropriate circuit court challenging a proposed award or the award of a contract, which shall be reversed only if the petitioner establishes that the proposed award or the award is not an honest exercise of discretion, but rather, is arbitrary or capricious or not in accordance with the Constitution of Virginia, statutes, regulations, or terms and conditions of the Invitation to Bid or Request for Proposal.
3. A contractor may bring an action involving a contract dispute with the Authority in the appropriate circuit court.
4. A bidder, offeror, or contractor need not utilize administrative procedures, but if those procedures are invoked by the bidder, offeror, or contractor, the procedures shall be exhausted prior to instituting legal action concerning the same procurement transaction **unless** the Authority agrees otherwise.
5. Nothing in this section shall be construed to prevent the Authority from instituting legal action against a contractor.

D. Alternative Dispute Resolution

1. The Authority is authorized to enter into agreements to submit disputes arising from contracts entered into pursuant to this policy to arbitration, mediation, and other alternative dispute resolution procedures.
2. Any such procedures, however, shall be non-binding and subject to ' 2.1-127 of the Virginia Code.

CHAPTER VII

PREFERENCES IN PUBLIC CONTRACTING

A. Women and Minorities

1. In the solicitation or awarding of contracts, the Authority shall not discriminate because of race, religion, color, sex, or national origin of the bidder.
2. The Authority shall take all necessary steps to ensure that minority firms, women's business enterprises, and labor surplus area firms are used when possible. (A "labor surplus area" is a geographical area identified by the Department of Labor in accordance with 20 CFR Part 654, Subpart A, as "an area of concentrated unemployment or underemployment or an area of labor surplus.")
3. Such steps shall include the following:
 - a. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - b. Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
 - c. Dividing total requirements, where economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;
 - d. Establishing delivery schedules where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
 - e. Using the services and assistance of the Virginia Minority Business Enterprise;
 - f. Requiring the prime contractor, if subcontracts are to be let, to take the foregoing affirmative steps in the selection of subcontractors.

B. Geographic Preference Prohibited

In the evaluation of bids or proposals and the awarding of contracts, no preference shall be given on the basis of geographical location, except in situations involving contracts for architectural and engineering services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

CHAPTER VIII

DISPOSITION OF AUTHORITY-OWNED PERSONAL PROPERTY

A. Policy

Personal property owned by the Authority shall be carefully monitored and periodically inspected to determine that which should be declared as excess, obsolete or unusable or otherwise scheduled for replacement. Such property shall then be disposed of at not less than its fair market value. It is the purpose of the following procedures to assure that reasonable efforts are made to determine and obtain a fair market price when Authority-owned personal property is sold or exchanged.

B. Value Under \$5,000

Where the property to be disposed of has an anticipated value in the aggregate of less than \$5,000, the Executive Director or agent appointed by the Executive Director may negotiate a sale in the open market after such informed inquiry as shall be necessary in their judgment to assure the maximum practicable competition and a fair price to the Authority. A summary of the steps so taken shall be retained in the Authority's records.

C. Value of \$5,000

Any single item, or any group of items being disposed of as a single unit, having an anticipated value of \$5,000 or more shall be sold only after public advertisement, bidding, and approval by the Board of Commissioners of the Authority.

1. Advertisement.

A written Invitation to Bid shall be prepared, containing a reasonable description of the item or items being offered for sale, including age and condition, and a statement of the date, time and place for submission of bids. The Invitation to Bid shall be published in The Progress Index or other newspaper having general circulation in the City of Petersburg, Virginia, and posted in the main lobby of the Authority's Main Office where public notices are generally posted at least ten (10) calendar days prior to the date set for receipt of bids. In addition, copies of the Invitation to Bid shall be sent directly to those in the Petersburg area known to trade in the item or items being sold.

2. Bids.

The bids so submitted shall be opened publicly and announced on the date set forth in the Invitation to Bid. Copies of all bids shall be retained in the Authority's records.

3. Approval by Board.

The bids received shall be compiled and submitted to the Board of Commissioners of the Authority, who shall consider them and approve sale of the items to the highest bidder who appears ready and able to perform in accordance with the Invitation to Bid.

D. Sales to Authority Employees

Any sale to an Authority employee or a member of the employee's immediate family shall be made only after the foregoing procedures have been followed and only if the employee's offer is the highest and best received. All sales of \$500 or more to Authority employees or their family members shall be reported to the Board of Commissioners of the Authority.

E. Bills of Sale

All sales shall be documented by a bill of sale signed by the Executive Director, a copy of which shall be retained in the Authority's records.

F. Donations and Other Dispositions Without Consideration

Authority property may be donated to public bodies and charitable and other nonprofit organizations, but only with the prior approval of the Board of Commissioners in each instance. Where the procedures for sale set forth above generate no offers to purchase the property, the Executive Director may appropriately dispose of the property (for recycling if feasible) and report that disposition to the Board of Commissioners of the Authority.

Appendix A

Davis-Bacon Certified Payroll Guidance

1. The certified payrolls may be submitted using the standard WH-347 form from the Department of Labor. However, contractors may also use their own payrolls provided it has all the required information from the WH-347.
2. All payroll certifications must be signed by an officer of the company. If someone other than an officer is designated to sign these documents, an authorization must be submitted to the engineer (or contracted equivalent) designating that individual to sign payroll certifications. The authorization must be signed by an officer of the company. (If using a letter, it must be on the contractor's company letterhead).
3. Payrolls (including subcontractors) must be submitted on a weekly basis to the engineer (or contracted equivalent).
4. Payrolls must be numbered in sequence. "No Work" payrolls must be submitted when no work is performed, and must be numbered in the same sequence as work payrolls.
5. Job classifications must conform to those listed on the Wage Decision issued for the project. Equipment operators must show the type of equipment operated. Laborer must show the type of labor performed (pipelayer, unskilled labor, etc.).
Note: If a classification is not listed on the Wage Decision, please send a request for an additional wage Classification.
6. Apprentices and Trainees must submit certification through the Department of Labor to be recognized as such and receive the appropriate wages.
7. Deductions from employee's wages, other than those listed on the Payroll Deduction Authorization Form must be authorized by the employee by completing the above referenced form.
8. **Subcontractors must complete certified payrolls also and comply with all Davis-Bacon related items.**