

Purchasing Manual

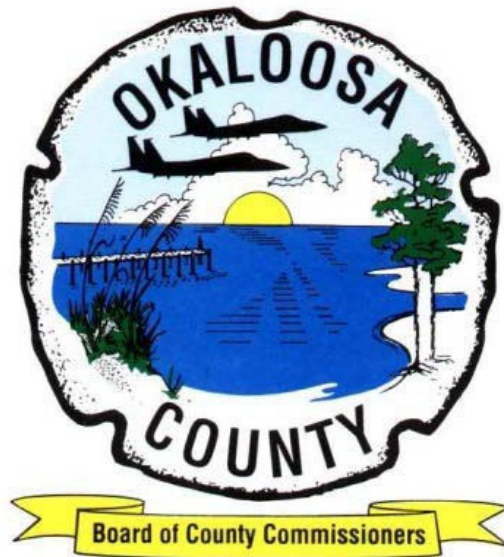


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PART 1 – GENERAL

SECTION 1 - PURPOSE

The County maintains a central procurement system which promotes efficiency, economy, and fair and open competition in an effort to reduce the appearance and opportunity for favoritism or impropriety, and to inspire public confidence that all purchases and contracts are awarded equitably and economically. The purpose and objectives of this Purchasing Manual (the “Manual”) are:

1. To deal fairly and equitably with all suppliers wishing to do business with Okaloosa County.
2. To assure adherence to all purchasing laws, regulations, and procedures.
3. To maximize competition for all procurements.
4. To administer the contracting function with internal efficiency.
5. To purchase goods and services at the lowest price, consistent with quality, performance, and delivery requirements from capable suppliers meeting the County’s needs.

This Manual is to serve as a permanent, up-to-date guide to County procurement policies and procedures.

SECTION 2 – DISTRIBUTION & REVISIONS

This Manual will be made available electronically to all County employees. The OMB Department shall be responsible for maintaining the official adopted version of this Manual electronically and for the continual updating of this Manual as necessary, including any subsequent revisions as necessary.

All revisions to this Manual must be reviewed by the OMB Director, County Administrator or designee, County Attorney and approved by the Board of County Commissioners (the “Board”).

SECTION 3 - APPLICATION OF MANUAL AND EXEMPTIONS

3.01 - Applicability

This Manual, and the policies and procedures contained herein, govern all departments and divisions under the jurisdiction of the Board, as well as all purchasing transactions, which are paid for directly from County and grant funds under the control of the Board. The contents of this Manual preempt all previously existing purchasing manuals, policies and procedures.

3.02 - Exemptions from the Purchasing Manual

The following types of purchasing activities shall be exempt from the competitive procurement requirements of this Manual as described below. These exemptions do not preclude the County from utilizing competitive procurement practices where possible.

1. Service/Maintenance Contracts; Continuing service and/or maintenance contracts which are a part of product acquisition/installation to a vendor who is the manufacturer, developer, or who is the authorized service agent thereof are exempt from further competitive requirements of this Manual. Examples: building systems maintenance, security systems, etc.
2. Real property, options of title or abstracts of title for real property, title insurance for real property, and other related costs of acquisition, rental, or sale of real property.
3. Library Media and Materials. The purchase of library books, education and/or textbooks, printed instructional materials, reference books, periodicals, databases, indexes, pre-recorded library media materials, (e.g. audio and video cassettes, film strips, films, sound recordings, etc.) and printed library cards that are to be a part of the library collection are exempt.
4. Publication of notices and legally required advertisements.
5. Training Media and Services. When such materials or services are available only from the producer, publisher, owner of the copyright or patent, educational institution or training service provider, which developed the training program, the purchase is exempt from competitive requirements.
6. Software. Upgrades, software modification services by the copyright holder, maintenance agreements, and related software enhancements to installed software purchased through competitive means are exempt. The purchase of new software packages or systems shall follow the thresholds and procedures of the Manual to ensure competitive selection.
7. Training and educational courses, lectures by individuals and education events or programs, contracts between the County and governmental entities or nonprofit corporations, memberships, training/trades publications, meeting rooms, and hotels when below the formal bid threshold.
8. Services of legal counsel authorized by the Office of the County Attorney, including, but not limited to, expert witnesses, conflict counsel, and other services required by the Office of the County Attorney as may be authorized in the County Attorney's contract.
9. Food, to include water and beverages, may be purchased with an explanation of the public purpose.
10. Lobby services.

SECTION 4 – IMPLEMENTATION

4.01 - Delegation for Implementation

- A. It shall be the responsibility of the County Administrator or designee, through the OMB Department, headed by the OMB Director, to implement and enforce the policies and procedures set forth in this Manual.
- B. The OMB Director, as head of the OMB Department, shall exercise functional authority over the County procurement process for the purpose of implementing and enforcing these policies and procedures on a County wide basis, as well as in the OMB Department for its role in the process.

- C. Each department and division director shall be responsible for implementing and enforcing these policies and procedures within their respective jurisdictions.

4.02 - Violations of the Purchasing Manual

A violation of any of the policies and procedures in this Manual may be grounds for disciplinary action and may result in the County's refusal to pay for any improperly ordered goods or services.

4.03 - Waiver of the Purchasing Policies and Procedures

The Board shall have the authority to waive the policies and procedures contained in this Manual when deemed to be in the best interest of the County.

SECTION 5 – TRAINING

All County employees who are responsible for implementing the procurement process within their department/division must attend mandatory training classes provided by the Purchasing Division on an annual basis. Purchasing Division will provide the training and maintain records related thereto. New employees must attend mandatory training classes. Consultants and other County contractors when applicable must attend mandatory training classes.

SECTION 6 – SUPPLEMENTARY GENERAL PRINCIPLES OF LAW APPLICABLE

The principals of law and equity, including laws relative to contracts, agency, business entities, ethics, fraud, misrepresentation, duress, coercion, mistake or bankruptcy shall supplement the provisions of this Manual. All contracts awarded by virtue of this Manual, and all procurements of the County pursuant to this Manual, shall be governed by and construed under the laws of the State of Florida and the local laws of Okaloosa County, Florida, unless otherwise provided.

SECTION 7 - CODE OF ETHICS

7.01 - Ethics General

Okaloosa County is committed to a purchasing process which fosters fair and open competition, is conducted under the highest ethical standards, and enjoys the complete confidence of the public. To achieve these purposes, the County subscribes to the following code of ethics:

- A. The County will avoid unfair practices by granting all competitive respondents equal consideration as required by State, Federal, and County regulations.
- B. The County will conduct business in good faith; demanding honesty and ethical practices from all participants in the purchasing process.
- C. The County will promote positive respondent and contractor relationships by affording respondent representatives courteous, fair, and ethical treatment.

- D. The County will make every reasonable effort to negotiate equitable and mutually agreeable settlements of dispute or disagreement with a respondent.
- E. The County will avoid involvement in any transactions or activities that could be considered to be a conflict between personal interest and the interest of the County.

7.02 - Employee Ethics

Employees are subject to the Human Resources Policy - Code of Conduct and Florida Statute Section 112.313 as may be revised and amended from time-to-time. All employees, regardless of position, will maintain high standards of ethics and conduct and will avoid the appearance of unethical or compromising practices in relationships, actions and communications. Purchasing staff shall maintain complete independence and impartiality in dealings with vendors to preserve the integrity of the competitive process and to ensure public confidence in all procurement activities.

In addition, the provisions of Section 112.313, Florida Statutes, pertaining to the standards of conduct for public officers and employees shall expressly apply to all county officials and employees. A violation of Section 112.313, Florida Statutes, pertaining to purchasing or contractual relationships shall also be deemed a violation of this Manual. Violations of these provisions of ethics and standards of conduct will be subject to disciplinary action up to and including termination of employment.

SECTION 8 – DEFINITIONS

The following terms defined in this section shall have the meanings set forth below whenever they appear in this Manual:

- (1) **ADVERTISEMENT** – is a public announcement inviting responses for services to be performed or materials to be furnished.
- (2) **AGREEMENT** – includes all types of agreements, regardless of what it may be called, that involve the purchase or disposal of supplies, services, materials, equipment, or construction.
- (3) **AUDIT** – is an official inspection of an individual’s or organization’s accounts, either by the County or its designee.
- (4) **AWARD** – is the acceptance, by the County, of the successful bidder, respondent or contractor’s proposal.
- (5) **BEST AND FINAL OFFER**- may be used at the end of a competitive negotiation to obtain the proposer’s most favorable terms for price, service or product to be delivered. May be used in the request for proposal and invitation to negotiate process.
- (6) **BID, PROPOSAL or QUOTATION** – is an offer specifically given to the County in response to an Invitation.

- (7) **BIDDER** – is any individual, partnership, firm or corporation, acting directly or through a duly authorized representative, sole proprietor, joint venture, or any other legal entity, who submits a bid or proposal for the goods or services contemplated.
- (8) **BIDDING DOCUMENTS** – is the Advertisement or Invitation to Bid, instruction to bidders, the bid form and the proposed contract documents, including all addenda issued prior to receipt of bids.
- (9) **BIDDING REQUIREMENTS** – is the Advertisement or Invitation to Bid, instruction to bidders and the bid forms.
- (10) **BLANKET ORDER** – is a purchase order with a supplier to allow multiple delivery dates over a period of time, often negotiated to take advantage of predetermined pricing. It is normally used when there is a recurring need for expendable goods.
- (11) **BOARD** – is the Board of County Commissioners of Okaloosa County, Florida. The Board maintains the authority to enter into all agreements on behalf of the County under the County’s proper name.
- (12) **BONDS** – are performance, payment and supply bonds and other instruments of surety.
- (13) **BRAND NAME OR EQUIVALENT SPECIFICATION** – is a specification limited to one or more items by, for example, manufacturers’ names or catalogue numbers to describe the standard of quality, performance, and other characteristics needed to meet the County requirements and which provide for the submission of equivalent products.
- (14) **BUSINESS** – is any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.
- (15) **CCNA** – is Consultants’ Competitive Negotiations Act per section 287.055, Florida Statutes.
- (16) **CENTRAL REPOSITORY** – is a file system of all fully executed contracts, leases and non-grant agreements maintained in auditable format.
- (17) **CERTIFICATES OF COMPLIANCE** – is a written statement by the manufacturer stating the material furnished is in conformance with the work specifications. Also called a certificate of conformity or certificate of conformance.
- (18) **CHANGE ORDERS** – is a document, which amends the scope of, or corrects errors, omissions, or discrepancies in an agreement or purchase order, which is signed by the Contractor and approved in accordance with authorization levels.
- (19) **CLERK’S RECORDS OFFICE** – is the section under the Clerk of Court that maintains a repository of all original contracts and grant documents.
- (20) **COMMODITY** – is a product, goods or materials that the County may contract for or purchase for the use and benefit of the County. A specific item, which is different from the rendering of time and effort by a provider.

- (21) **COMPETITIVE SEALED BIDDING (Invitation to Bid)** – is a written solicitation for sealed competitive bids used for the procurement of a commodity, group of commodities, or services valued more than the threshold for this category. The invitation to bids must be publicly advertised with the title, date, and hour of the public bid opening designated and specifically define the commodity, group of commodities, or services for which bids are sought. It includes instructions prescribing all conditions for bidding and shall be distributed to all prospective bidders simultaneously. The invitation to bids is used when the County is capable of specifically defining the scope of work for which a contractual service is required or when the County is capable of establishing precise specifications defining the actual commodity or group of commodities required.
- (22) **CONSTRUCTION** – is the process of building, attaining, repairing, improving, or demolishing any public structure or building, or other public improvement of any kind to any public real property. It does not include routine operation, routine repair, or routine maintenance of existing structures, buildings or real property.
- (23) **CONTRACT** – includes all types of legally enforceable agreements, regardless of what they may be called, for the purchase or disposal of supplies, services, materials, equipment, or construction and which describe the terms and obligations of the business transaction.
- (24) **CONTRACT AMENDMENT OR MODIFICATION** – is any alteration in specification, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.
- (25) **CONTRACTOR** – is any person under contract with Okaloosa County (not to include employment contracts).
- (26) **CONTRACT/LEASE CONTROL NUMBER** – is a systemized unique number assigned by Purchasing Staff to each fully executed contract, lease or agreement providing ready reference, status and totality of the agreement.
- (27) **CONTRACT/LEASE DATABASE** – is a computer automated file affording organized search and retrieval of contracts, agreements, and leases.
- (28) **CONTRACTUAL SERVICES** – is the rendering by a contractor of its time and effort rather than the furnishing of specific commodities. The term applies only to those services rendered by individuals and firms who are independent contractors, and such services may include, but are not limited to: evaluations; consultations; maintenance; accounting; security; management systems; management consulting; educational training programs; research and development studies or reports on the findings of consultants engaged thereunder; and professional, technical, and social services.
- (29) **CONTRACTUAL SERVICES CONTRACT** – is a contract for a contractor’s time and effort rather than the furnishing of specific commodities. Satisfactory completion of services and/or a specified period of time or date complete such contract.
- (30) **COOPERATIVE PURCHASING** – is a procurement conducted by, or on behalf of, more than one public procurement unit.

- (31) **COST ANALYSIS** – is the evaluation of cost data for the purpose of arriving at costs actually incurred or estimates of costs to be incurred, prices to be paid, and costs to be reimbursed.
- (32) **COUNTY** – is Okaloosa County, Florida. The Board retains the authority to enter into all contracts on behalf of the County within the County’s proper name.
- (33) **DEPARTMENT MONITOR** – is the department director, manager, or designee, responsible for monitoring compliance with terms and conditions, oversight, and review of contracts within the issuing/managing County Department.
- (34) **DEFINITE QUANTITY CONTRACT** – is a contract whereby the contractor(s) agree to furnish a specific quantity of an item or items at a specified price and time to specified locations. Delivery by the contractor and acceptance of the specific quantity by the County completes such contract.
- (35) **EFFECTIVE DATE OF AGREEMENT** – is the date indicated in the agreement on which it becomes effective.
- (36) **EMERGENCY PURCHASE** – is a purchase necessitated by a sudden unexpected turn of events (e.g., including but not limited to acts of God, riots, fires, floods, hurricanes, accidents, terrorism, or any circumstances or cause beyond the control of the agency in the normal conduct of its business) where the delay incident to competitive bidding would be detrimental to the interest of the County. It may also be a condition that stops or seriously impairs the necessary function of County government.
- (37) **EMPLOYEE** – is a full time, part time, or temporary employee, whether elected or non- elected. For the purposes of this Manual, it also includes any non-compensated individual performing services for the County.
- (38) **ESTABLISHED CATALOG PRICE** – is the price included in a catalog, price list, schedule, or other form that:
- a. Is regularly maintained by a manufacturer or contractor;
 - b. Is either published or otherwise available for inspection by customers; and
 - c. States prices at which sales are currently or were last made to a significant number of any categories of buyers or those buyers constituting the general buying public for the supplies or services involved.
- (39) **EXPIRED FILES** – are files of agreements where the time period fixed in the contract, lease or agreement has expired. Retention of expired files shall be in accordance with the State of Florida’s retention schedules.
- (40) **FINAL PAYMENT** – is payment issued upon satisfactory completion and final close-out of agreement or lease.
- (41) **FISCAL YEAR** – is a twelve (12) month period of time to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. Okaloosa County’s fiscal year is from October 1 through September 30.

- (42) F.O.B. or (Free on Board) – is a term used in conjunction with an identified physical location to determine the responsibility and basis for payment of freight charges, and the point at which title for the shipment passes from seller to buyer.
- (43) FULLY EXECUTED AGREEMENT – is a contract, lease or agreement executed and approved by the appointed representative of both parties, submitted with all required supporting documentation, approved per appropriate threshold signature and signed by an official.
- (44) FUND – is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and charges therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.
- (45) GENERAL FIXED ASSETS – are fixed assets used in operations accounted for in governmental funds. General fixed assets include all fixed assets not accounted for in proprietary funds. For additional information on fixed assets, please see the Tangible Personal Property Manual.
- (46) IMPROVEMENT – includes buildings, other structures, and other attachments or annexations to land which are intended to remain so attached or annexed, such as sidewalks, trees, drives, tunnels, drains and sewers. Sidewalks, curbing, sewers and highways are sometimes referred to as “betterment” but the term “improvements” is preferred.
- (47) INTENT TO AWARD – is a written notice that states the firm(s) to whom the County intends to award a contract resulting from a solicitation and which establishes the period in which a notice of intent to protest may be timely filed. The Intended Decision is posted on the County website and on the Public Notice board in the Purchasing Division.
- (48) INVENTORY OF SUPPLIES – is an asset account, which reflects the cost of supplies on hand for use in operations.
- (49) INVITATION TO BID (Competitive Sealed Bidding) – is a written solicitation for sealed competitive bids used for the procurement of a commodity, group of commodities, or services valued more than the threshold for this category. The invitation to bids must be publicly advertised with the title, location (physical or electronic), date, and hour of the public bid opening designated and specifically define the commodity, group of commodities, or services for which bids are sought. It includes instructions prescribing all conditions for bidding and shall be distributed to all prospective bidders simultaneously. The invitation to bids is used when the County is capable of specifically defining the scope of work for which a contractual service is required or when the County is capable of establishing precise specifications defining the actual commodity or group of commodities required.
- (50) INVITATION TO NEGOTIATE (ITN) – is a written solicitation that calls for responses to select one or more persons or business entities with which to commence negotiations for procurement of commodities or contractual services.
- (51) INVITATION TO QUOTE (ITQ) – is a solicitation that calls for pricing information for purposes of competitively selecting and procuring commodities and contractual services.

- (52) **IRREGULARITY** – is any change or omission in an offer or contract that does not have an adverse effect on the County’s best interest, and does not affect the outcome of the source selection process by giving an offeror an advantage or benefit not enjoyed by any other offeror, and not inconsistent with applicable laws.
- (53) **ISSUING DEPARTMENT** – is the department for which the procurement documents (ITB, ITN, ITQ, RFP), agreement or lease is to be issued and where the agreement procedures are to be administered.
- (54) **JOINT VENTURE** – is (1) a combination of contractors performing a specific job in which business enterprises participate and share a percentage of the net profit or loss; or, (2) a joint business association of individual(s)/firm(s) to carry out a single business enterprise for which purpose the individuals/firms combine their property, money, efforts, skills and/or knowledge.
- (55) **LEASE** – is the written instrument in which the rightful possessor of real or tangible property (Lessor) conveys the right of use and/or to occupancy of property to another (Lessee) in exchange for consideration, usually in the form of rent.
- (56) **LESSEE** – is one who has a possessory interest in real or personal property under a lease.
- (57) **LESSOR** – is a person who conveys real or personal property by lease; esp., Landlord.
- (58) **MACHINERY AND EQUIPMENT** – includes tangible property of a more or less permanent nature, other than land or buildings and improvements thereon. Examples are tools, trucks, cars, furniture, and furnishings.
- (59) **MANUFACTURER** – is a person or firm engaged in the process of making, fabricating, constructing, forming or assembling a product(s) from raw, unfinished, semi-finished, finished, or recycled materials through a direct contract/agreement on behalf of the general contractor.
- (60) **MATERIAL MISTAKE** – is any deviation or variance from the bid requirements or other mistake that gives one bidder a substantial advantage over other bidders. A non-material mistake is any mistake that does not affect the price, give one bidder an advantage or benefit not enjoyed by other bidders and does not adversely affect the interests of the County.
- (61) **NOTICE OF COMMENCEMENT** – is a notice recorded in accordance with Section 713.13, F.S. prior to the commencing or recommencing to improve any real property.
- (62) **NOTICE OF AWARD** – is the written notice by the Purchasing Division to notify the successful respondent that the offer they submitted for the advertised work has been accepted, contingent upon written approval by the appropriate County designee as determined by the authorization thresholds.
- (63) **NOTICE TO PROCEED** – is a written notice given by the Purchasing Division establishing the original date on which the work under the agreement/contract will commence. The Contractor shall begin to perform his/her obligation according to the agreement documents on the dates provided in the Notice to Proceed.
- (64) **OFFER** – is any bid, proposal or quotation made to the County.

- (65) OFFEROR – is any business submitting an offer to the County.
- (66) OMB DIRECTOR – is the County employee designated as the Director of Office of Management and Budget who is duly authorized to enter into and administer contracts and make written determinations with respect thereto under the terms of this Manual.
- (67) OPTION TO RENEW – is a contract clause that allows a party to reinstate the contract for an additional term.
- (68) ORIGINAL – is the initial, non-reproduced, signed agreements, amendments, change orders and task orders, and any and all other documents that are required to be retained by the Clerk’s Records Office.
- (69) PAYMENT BOND – is the approved form of security furnished by the Contractor and their surety as a guaranty that they will pay all bills and accounts for materials and labor used in the work or services. For contracts subject to FTA requirements, payment bonds shall be specified in FTA C4220.1F, IV, 2,i(1)c, as may be revised from time to time.
- (70) PERFORMANCE BOND – is the approved form of security furnished by the Contractor and their surety as a guaranty that the Contractor will complete the work or service in accordance with the terms of the agreement. For contracts subject to FTA requirements, performance bonds shall be specified in FTA C4220.1F, IV, 2,i(1)c, as may be revised from time to time.
- (71) PERSON – is any business, individual, committee, club, other organization or group of individuals.
- (72) PETTY CASH - an accessible store of money kept by the County for expenditure on small items.
- (73) PRE-BID CONFERENCE (or PRE-PROPOSAL CONFERENCE) – is a meeting held with prospective bidders prior to solicitation of, or the date of receipt of, bids or proposals, to discuss technical aspects, specifications, and standards relative to the subject, and to elicit expertise and bidders interest in pursuing the task.
- (74) PROFESSIONAL SERVICES – may include any services provided by a licensed professional in a particular field or subject. As to Consultants’ Competitive Negotiations Act (CCNA), professional services are defined as those services within the scope of the practice of architecture, professional engineering, landscaping architecture, or registered land surveying, as defined by the State of Florida, or those performed by any architect, professional engineer, landscape architect, or registered land surveyor in connection with his professional employment or practice.
- (75) PROPERTY – is any external thing over which the rights of possession, use and enjoyment are exercised.
- (76) PURCHASING CARDS (P-CARDS) – are County-issued credit cards to be used for small purchases of supplies or services within the single purchase limits established in this manual and the limit set by the issuing agency.

- (77) PURCHASE ORDER – is the County’s official document issued separately or in conjunction with other documents such as a contract, which delineates the responsibilities of both parties in provisions of the payment of goods and services required by the County. The Purchase Order is also the mechanism by which budgetary and cash balances are encumbered in the County’s finance system.
- (78) PURCHASING – is buying, procuring, renting, leasing, or otherwise acquiring any materials, supplies, services, construction, or equipment. It also includes all functions that pertain to the obtaining of any material, supplies, services, construction, and equipment, including description of specifications and requirements, selection and solicitation resources, preparation and award of contract.
- (79) QUOTES –
- (a) VERBAL QUOTES – is the procurement procedure used to purchase commodities or contractual services with a value within the threshold amounts. At least one quote must be obtained for each purchase.
 - (b) WRITTEN QUOTES – is the procurement procedure used to purchase commodities or contractual services with a value within the threshold amounts. Written Quotes are conducted by obtaining written quotations from three or more vendors. It does not require a public bid opening, and are awarded as per threshold limits and authorizations. In those instances where the securing of three (3) quotations is not practicable, Purchasing Division shall provide written justification of such. Written evidence of all quotations must be maintained.
- (80) REAL PROPERTY – is land and anything growing on, attached to, or erected on it, excluding anything that may be severed without injury to the land. Real property can be either corporeal or incorporeal.
- (81) RECYCLED CONTENT – are materials that have been recycled and are contained in the products or materials to be procured, including, but not limited to, paper, plastic, aluminum, glass and composted materials. The term does not include internally generated scrap that is commonly used in industrial or manufacturing processes or waste or scrap purchased from another manufacturer who manufactures the same or a closely related product.
- (82) REGULATION– is a statement by the County having general or particular applicability and future effect, designed to implement, interpret, or prescribe law, policy or practice.
- (83) REQUEST FOR PROPOSALS (RFP) – is a written solicitation for sealed proposals with the title, date, and hour of public opening designated. The request for proposals is used when the scope of work, specifications, or contractual terms and conditions cannot be well defined. Evaluation of a response is based on prior established criteria which involves more than price. May be a single or multi-step process. May include a provision for the negotiation of a best and final offer. A request for proposal includes, but is not limited to, applicable laws and rules, functional or general specifications, statement of work, proposal instructions, and evaluation criteria.
- (84) REQUEST FOR QUALIFICATIONS (RFQ) – is a written solicitation for sealed qualifications with the title, date, and hour of public opening designated. The request for qualifications is used where the specifications of required services are broad and specialized in nature. Evaluation of a response is based on prior established criteria which involves more than price.

- (85) REQUISITION – is a written request to have commodities or services purchased.
- (86) RESPONSIBLE BIDDER OR OFFEROR– is having the capability in all respects to perform fully the contract requirements and the experience, capacity, facilities, equipment, credit, sufficient qualified personnel, and having the integrity and reliability with a record of timely and acceptable past performance that will assure good faith performance.
- (87) RESPONDENT – is a person who replies to something: one who is supplying information or responding to an advertisement or solicitation/procurement.
- (88) RESPONSIVE BIDDER OR OFFEROR– is an individual, person, contractor, business or institution who has submitted a bid, which conforms in all material respects to the requirements and criteria set forth in the Invitation to Bid, Invitation to Negotiate or the Request for Proposals.
- (89) SERVICES – is the furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than those which are not defined as supplies and which are merely incidental to the required performance. This term shall not include employment agreements or collective bargaining agreements.
- (90) SINGLE SOURCE – is a commodity or service that can be purchased from multiple sources, but, in order to meet certain functional or performance requirements (e.g., parts matching existing equipment or materials) there is only one economically feasible source for the purchase.
- (91) SMALL PURCHASES – is the procurement of commodities or services with a value within the thresholds set for this category without the requirement of quotes, or bids, from at least three (3) vendors.
- (92) SOLE SOURCE – is a commodity or service that can be legally purchased from only one source. This is usually due to the source owning patents and/or copyrights. A requirement for a particular proprietary item does not justify a sole source purchase, if, there is more than one potential supplier for that item. Use of Brand Names and Model numbers does not constitute a sole source.
- (93) SPECIFICATIONS – is any description of the physical or functional characteristics of the nature of a material, supply, service, construction, or equipment item. It may include a description of any requirement for inspection, testing, recycling or degradable materials content, or preparing a material, supply, service, construction, or equipment item for delivery.
- (94) SUBDIVIDING PROCURMENTS – is the illegal act of submitting two or more purchases to the same vendor within a period of time in order to acquire goods and/or services over the limitations and requirements set forth.
- (95) SUCCESSFUL BIDDER – is the lowest, responsible and responsive bidder to whom the Purchasing Division, based on evaluation, recommends award of the fully executed agreement.
- (96) SUPPLIER – is a person or firm who engages in the selling of materials and supplies to contractors, subcontractors, and/or manufacturers for the purpose of constructing, repairing, altering, remodeling, adding to or subtracting from or improving any building, structure or property through a direct contract/agreement on behalf of the general contractor.

- (97) **SUPPLY BOND** – is a surety guarantee that the supplier will furnish supplies or material as contracted.
- (98) **SURETY BOND** – is a written promise to pay damages or to indemnify against losses caused by the party or parties named in the document, through nonperformance or through default. For example, a surety bond might be required of an independent contractor. Surety bonds also include Fidelity Bonds covering governmental officials and employees.
- (99) **SURPLUS PROPERTY** – is any tangible personal property or real property interest owned by the County which has been declared by the County as obsolete or the continued use of which is uneconomical or inefficient or which serves no useful function as to any activity or location under the County’s supervision.
- (100) **TASK ORDER** –is synonymous with the term “new work” against an existing task-order specific contract approved by the Board of County Commissioners. Selected contractor will be given a scope of work by the managing department. Contractor will prepare and submit a written technical and cost proposal addressing the scope of work. The issuing department will review and negotiate the terms of the task order and forward the task order to the Purchasing Division for authorization. The next consecutive task order # will be assigned and the document will be forwarded for the appropriate level of approval.
- (101) **TANGIBLE PERSONAL PROPERTY** – is personal property that can be seen, weighed, measured, felt or touched, or is in any way perceptible to the senses, such as furniture. It is not fixed in place and not an integral part of a structure or facility; and is not an integral part or component of another piece of equipment. The Tangible Personal Property Manual is available on the Purchasing Division website.
- (102) **TIE (IDENTICAL PROCUREMENT)** – is when two or more responses to a procurement are equal with respect to price and it appears the quality and service offered by the vendors are otherwise comparable.
- (103) **USING AGENCY** – is any department, division, agency, commission board, committee, authority or other unit in the County government using supplies or procuring contractual services as provided for in this Manual.
- (104) **VENDOR** – (also known as a supplier) is an individual or business that will be or has been awarded a contract by the County.

PART 2 – PROCUREMENTS

SECTION 9 - REQUISITIONS

9.01 - Requisitions General

1. When a department desires to procure a service or good, it must first submit a requisition electronically to the Purchasing Division.
2. For each requisition the requesting department shall:
 - a. Draft a requisition. The requesting department's director or designee must authorize the requisition. Any designee of a department director must be listed with the Purchasing Division. The Purchasing Division will annually review the list.
 - b. Only place items of similar nature on the requisition (e.g., hardware, paint, building materials, etc.).
 - c. The requisition should be precise and define the supply or service requested.
 - d. Submit in a timely manner to ensure that the Purchasing Division has the opportunity and time to obtain the requested good or service.

9.02 - Instructions for Preparing the Requisitions

For more detailed instructions, refer to the Electronic Requisition Procedure.

1. Requisitions shall be forwarded directly to the Purchasing Division's requisition printer electronically.
2. Once received from the requesting department, the Purchasing Division will, in a timely manner, review/process requisitions. In no event shall a requisition be held in excess of five (5) working days without action.
3. Based on the requisition, the Purchasing Division will solicit information for the procurement of the requisitioned items in accordance with the threshold amounts set forth in Table 1, and the procurement methods set forth herein.

SECTION 10 – PURCHASING CATEGORIES; THRESHOLD AMOUNTS; GENERAL GUIDELINES

10.01 - Delegation of Threshold Amounts

1. The procurement method and authorization authority varies based upon the amount of the purchase. Generally, all purchases for commodities, equipment and services, when the estimated cost thereof shall equal or exceed \$50,000.00 shall be purchased competitively; purchases below \$50,000.00 shall be handled in the manners specified herein, which are designed to maximize competition and ensure the county is receiving a fair price while balancing against the need for an efficient use of staff resources. The Board may waive the competitive procurement requirements when deemed to be in the best interest of the County.
2. Table 1 establishes the thresholds and procedures to govern procurement of commodities, equipment and services. Additionally, the authority for approving purchases within the established threshold set forth

below is hereby delegated to the person(s) with designated signature authority. For purchases utilizing a Purchasing Card, refer to Appendix 1.

Table 1 – Purchasing Process Thresholds

Procurement Method	\$0- to \$4500	\$4,501 to \$25,000	\$25,001 to \$50,000	\$50,001 to \$100,000	\$100,001
Verbal Quotes (See Section 12.1)	Department Director or designee	N/A	N/A	N/A	N/A
Requisitions / Written Quotes (See Sections 9 and 12.2)	Department Director or designee	Department Director or designee And... Purchasing Manager	Department Director or designee And... Purchasing Manager And... OMB Director	Department Director or designee And... Purchasing Manager And... OMB Director And... County Administrator***	Department Director or designee And... Purchasing Manager And... OMB Director And... County Administrator And... BOCC
Direct Payments (See Section 23)	Department Director or designee	Department Director or designee	Department Director or designee	Department Director or designee	Department Director or designee
Contracts (Amendments / Task Orders) (Amendments see Section 33.4; Task Orders see Section 33E)	Department Director or designee	Department Director or designee And... Purchasing Manager	Department Director or designee And... Purchasing Manager And... OMB Director	Department Director or designee And... Purchasing Manager And... OMB Director And... County Administrator***	Department Director or designee And... Purchasing Manager And... OMB Director And... County Administrator And... BOCC
*Change Orders (Purchase Orders / Contracts) (Change orders see Section 33.3; Purchase Order see Section 34)	Department Director or designee	Department Director or designee And... Purchasing Manager	Department Director or designee And... Purchasing Manager And... OMB Director	Department Director or designee And... Purchasing Manager And... OMB Director And... County Administrator***	Department Director or designee And... Purchasing Manager And... OMB Director And... County Administrator And... BOCC

* Change orders and contract amendments must be executed by the authorized individual pursuant to Table 1 who approved and executed the original purchase order or contract, unless the change order or contract amendment increase the total dollar amount to such a level that in accordance with Table 1, it shifts to another authorized individual/entity (the approval authority). In such instances the change order or contract amendment will be required to be approved and executed by the new appropriate authority pursuant to Table 1. Change orders and contract amendments shall not be used to avoid any standard purchasing procedure for procurement by the competitive procedures. The valuation of the procurement will be calculated based upon the value of the initial term of the contract to be awarded. The valuation of contract renewals will be based upon the value of the renewal term.

* For purposes of construction contracts, the County department shall not be required to have a change order executed by the individual who approved the original purchase order or contract if such change order(s) includes minor changes in the Work not involving an adjustment to the Contract Amount or an extension to the Contract Time which would cumulatively exceeding ten percent (10%) of the Work or the Original Contract Time. Such changes shall be effective by a written executed change order which may be executed by the authorized individual pursuant to the Table 1.

*For purposes of task orders, all task orders between \$50,001.00 and \$100,000 shall be published on the weekly Intent to Award.

*For purposes of contracts, when a contract has expired and the start date needs to be retroactive, any contract up to \$100,000 can be signed and approved by the County Administrator or Designee. If the contract is over \$100,001, it will require BOCC approval.

3. All procurements will be procured in accordance with the methods permitted in relation to the threshold amounts, and as set forth in this Manual.

10.02 - Encumbrance of Funds

1. It is the responsibility of each department director to ensure sufficient and proper funding is available prior to obligation and/or expenditure.
2. No county employee, except in cases of emergency as defined in this Manual, or as provided by Florida Statutes Chapter 252, and/or as instructed by the County Administrator, shall issue any order for delivery on a contract or open market procurement until there is, to the credit of the using department concerned, a sufficient unencumbered appropriation balance to defray the amount of such order and the order is for a budgeted commodity or service.
3. After determining availability of funds, the procurement as set forth in this Manual shall be performed. After procurement a purchase order or contract shall be approved as set forth within this Manual.

SECTION 11 - PETTY CASH

(See Table 1, Section 10 for threshold requirements for the procurement method).

11.01 - Petty Cash General

Petty Cash transactions are limited to the immediate need of making change for citizens' purchases or small cash purchases necessary to continue productivity, such as tools, supplies and repair parts which do not individually exceed \$200.00. Purchases from petty cash do not require competitive quotes. Employees who are authorized cardholders in the County's Purchasing card program, are strongly encouraged to use the purchasing card whenever possible to reduce administrative time and costs.

11.02 - Requirements for Petty Cash Transactions

Purchases from any petty cash fund or the reimbursement for a purchase shall be governed by the following requirements:

1. No purchase of any single item from any petty cash fund or for reimbursement shall exceed the authorized dollar limit for petty cash/reimbursement in Table 1 above.
2. Reimbursement for employees travel expenses from a petty cash fund shall not be allowed, except for local parking or toll costs.
3. Funds contained within a petty cash fund shall not be expended for the payment of salaries.
 - a. Expenditures from a petty cash fund or personal funds shall be reimbursed, provided: They are supported by itemized vouchers, invoices, or receipts signed by the division or department director or designee.
 - b. They qualify as a proper public purpose.
 - c. They are expenses included within the approved annual budget of the division or department.
 - d. No purchase of any single item from any petty cash fund or for reimbursement shall exceed the authorized dollar limit for petty cash in Table 1.
 - e. The custodian of petty cash must perform a monthly reconciliation and inform the finance department of any discrepancies.

11.03 - Misuse of Petty Cash

Misuse of petty cash funds is subject to personal liability and disciplinary action up to and including termination of the County employee.

SECTION 12 - QUOTES

12.01 - Verbal Quotes (not to exceed \$4,500.00)

(See Table 1, Section 10 for threshold requirements for the procurement method).

1. Commodities, equipment, and services with an estimated cost within the threshold authorized in Table 1 for verbal quotes, except those purchased on p-cards and through direct purchases, shall be procured by competitive, verbal quotes. Purchases at this level do not require written quotes, except when deemed advisable by the Purchasing Division. Additionally, if there is an ongoing need for certain commodities, equipment, or services on a fairly regular basis that would otherwise qualify for a procurement through verbal quotes pursuant to the threshold amount in Table 1 if viewed in isolation, then competitive procurement may be required if the threshold in accordance with Table 1 is met in a fiscal year.
2. At least one (1) quote must be obtained for each purchase, which must then be approved by the department director. The county employee soliciting the quotes shall clearly document the commodities, equipment, or services requested on a consistent basis from each vendor to assure a like-to-like comparison and shall document the date, vendor, and quotation received for the purchasing file. Quotes may also be obtained from reputable internet vendors. All vendors providing verbal quotes must have the required expertise and capability to perform the work or supply the commodities or equipment. In determining if a vendor has the capability to perform the work or supply the commodities or equipment, consideration shall be given to the vendor's geographic proximity to the county for future ease of delivery, mobilization, or customer support after a purchase. The lowest cost, responsible and responsive vendor who is capable of performing the services or supplying the commodities or equipment shall be awarded the contract.

12.02 - Written Quotations (not to exceed \$50,000)

(See Table 1, Section 10 for threshold requirements for the procurement method).

1. Commodities, equipment, and services with an estimated cost within the threshold under Table 1 shall be procured by competitive, written quotations.
2. At least three (3) written quotations must be obtained for each purchase by the Purchasing Division. In those instances where the securing of three (3) quotations is not practicable, the Purchasing Division shall provide written justification of such. The Purchasing Division shall prepare a written quotation solicitation form that clearly documents the commodities, equipment, or services requested and when needed, contact information, the due date for quotation, any vendor requirement, and other relevant transactional terms. The requested commodities, equipment, or services must be adequately described on a consistent basis to assure a like-to-like comparison among vendors. The written quotation solicitation form shall be emailed or mailed to at least three (3) vendors who have the required expertise and capability to perform the services or supply the commodities or equipment.
3. Quotes must be on company letterhead, a county approved quote form, or in a similar format with a date and signature of an authorized representative of the vendor.
4. All vendors providing written quotes must have the required expertise and capability to perform the work or supply the commodities or equipment. In determining if a vendor has the capability to perform the work or supply the commodities or equipment, consideration shall be given to the ease of delivery, mobilization, or customer support after a purchase. The lowest cost, responsible and responsive vendor who is capable of performing the services or supplying the commodities or equipment shall be awarded the contract.

SECTION 13 – TYPES OF COMPETITIVE PROCUREMENTS

13.01 - Standard Formats

All competitive procurements shall be developed using a standardized format and language, unless an exception is made by the County Administrator and/or County Attorney. It should be noted on all competitive procurements that the County retains the right to reject any and all responses and may choose to resolicit at its discretion.

13.02 - Requests for Proposals (RFP)

(See Table 1, Section 10 for threshold requirements for the procurement method).

1. Definition: Requests for proposals are used when the scope of work, specifications, or contractual terms and conditions cannot be well defined. Evaluation of a response is based on prior established criteria which involves more than price. A request for proposal includes, but is not limited to, applicable laws and rules, functional or general specifications, statement of work, proposal instructions, and evaluation criteria. The Purchasing Division and department director shall decide, based on the specific services needed, if professional services are required. This decision can be made once it is determined that in-house resources are not available to adequately provide such services.
2. Criteria: The department director shall outline specific needs and objectives that will make up the scope of services to be addressed by the proposers. The Purchasing Division, in conjunction with the department director, shall prepare the criteria and development of the request for proposals which should include, but not be limited to, the following:

- Introduction;
- Background;
- Scope of work or scope of services required;
- Time schedule;
- Price schedule;
- Evaluation criteria;
- Terms and conditions;
- Selection process;
- Required forms; and
- Proposed contract.

Selection: Proposers shall be ranked by a selection committee, as further detailed in Section 32, and presentations may be made to the selection committee or board for consideration.

13.03 - Invitation to Bid (ITB)

(See Table 1, Section 10 for threshold requirements for the procurement method).

1. Definition: The invitation to bid should be utilized when the County is capable of establishing precise specifications for a commodity or defining, with specificity, a scope of services for the commodities or contractual services sought and when the estimated cost of these commodities, equipment or services exceeds the amount specified in Table 1. Through this process, vendors are able to compete on a cost basis for like items or services. The selection will be based upon the lowest priced, responsive, and responsible bidder.

2. Criteria: The department director shall outline specific needs and objectives that will make up the scope of services to be address by the proposer. The Purchasing Division, in conjunction with the department director, shall prepare the criteria and development of the invitation to bid which should include, but not be limited to, the following:
 - Introduction;
 - Background;
 - Scope of services, commodities or equipment required;
 - Time schedule;
 - Price sheet;
 - Terms and conditions;
 - Evaluation criteria;
 - Selection process;
 - Required forms; and
 - Proposed contract.

3. Selection: Evaluation of bids shall be conducted by the Purchasing Division in conjunction with the requesting Department Director or designee. Evaluation of bids must include consideration of the total cost of the bid.

4. A contract shall be awarded to the responsible and responsive vendor who submits the lowest responsive bid.

13.04 - Invitation to Negotiate (ITN)

(See Table 1, Section 10 for threshold requirements for the procurement method).

1. Definition: The invitation to negotiate should be utilized when the scope of the project is not clearly defined and the County has determined that negotiations may be necessary to receive the best value. The invitation shall invite vendor input on the scope, schedule, and process for initiating the project. This method of procurement is frequently used in areas experiencing constant change in the marketplace and the County wants the opportunity to obtain current up-to-date goods or services at the time of contracting.
2. Criteria: The department director shall outline the general scope of services to be addressed by the proposers. The Purchasing Division, in conjunction with the department director, shall prepare the criteria and development of the invitation to negotiate which should include, but not be limited to, the following:
 - Introduction;
 - Background;
 - Evaluation criteria;
 - Selection Process;
 - Required Forms; and
 - Proposed contract.
3. Selection: Proposers shall be ranked by a selection committee, as further detailed in Section 32, and presentations may be made to the evaluation committee or Board for consideration.

13.05 - Invitation to Quote (ITQ)

(See Table 1, Section 10 for threshold requirements for the procurement method).

1. Definition: The invitation to quote format should be utilized when the County is capable of establishing precise specifications for a commodity or defining, with specificity, a scope of services for the commodities or contractual services sought and when the estimated cost of these commodities, equipment or services does not exceed the amounts specified in Table 1. Through this process, vendors are able to compete on a cost basis for like items or services. The selection will be based upon the lowest priced, responsive, and responsible bidder.
2. Criteria: The department director shall outline specific needs and objectives that will make up the scope of services to be addressed by the proposers. The Purchasing Division, in conjunction with the department director, shall prepare the criteria and development of the invitation to quote which should include, but not be limited to, the following:
 - Terms and conditions;
 - Scope of service or commodities required;
 - Schedule;
 - Proposed price; and
 - Selection process.
3. Selection: Evaluation of quotes shall be conducted by the Purchasing Division in conjunction with the requesting Department. Evaluation of quotes must include consideration of the total cost of the quote.
4. A contract shall be awarded to the responsible and responsive vendor who submits the lowest responsive submittal.

SECTION 14 - COMPETITIVE PROCUREMENT – THE PROCESS

All competitive procurements are to be prepared by the Purchasing Division in conjunction with issuing department, who will provide input on the scope of the commodities, equipment or services needed, the legal ads, dates, vendor lists and other pertinent information as may be required by the Purchasing Division.

14.01 - Response Submission

1. Responses to all competitive procurements shall be submitted electronically via the eProcurement by using the eProcurement link listed on the purchasing website no later than the date and time designated in the instructions.
2. Mandatory and non-mandatory conferences may be held when deemed necessary by the Purchasing Division. Notification of the conferences will be outlined in the competitive procurement package or provided by separate notice. However, any written material to be distributed to potential respondents must be approved in advance by the Purchasing Division and made part of the competitive procurement.
3. Registration or certification under Florida Statute Chapter 489 is required before any contract is awarded for construction work on buildings or other improvements to real property, except for roads or utilities as specified in Florida Statutes section 489.113, or otherwise exempt under Florida Statutes section 489.103.

14.02 - Opening of Responses

1. All competitive procurements shall be opened in public at the time and place stated in the public notice with at least two (2) witnesses present. At least one witness shall be a County employee to record the opening. The other witness may or may not be an employee of the County, but they cannot be a respondent to the competitive procurement.
2. The purpose of the opening is to record the responses received and to ensure that the responses are in compliance with the basic requirements of the competitive procurement. Responses are not analyzed for quality or substance at the opening. See Section 28 for additional information.

14.03 - Rejecting Responses

The OMB Director shall have the authority to reject any and all responses. The County will not be held responsible for any costs incurred by vendors/bidders in the case of rejection.

14.04 - Correction or Withdrawal of Responses; Material Mistakes; Cancellation of Awards

1. A response submitted to the County as part of a competitive procurement may not be withdrawn unilaterally by the respondent. Correction or withdrawal of inadvertently erroneous responses before or after the competitive procurement opening, or cancellation of the awards or contracts based on such mistakes, may be permitted where appropriate. Mistakes discovered before the competitive procurement opening may be modified or withdrawn by written notice received in the office designated in the procurement prior to the time set for opening.

2. After the competitive procurement opening, corrections of mistakes shall be permitted only to the extent that the vendor can show by clear and convincing evidence that a material mistake or nonjudgmental character was made, the nature of the mistake, and the price actually intended. After the competitive procurement opening, no changes in prices or other provisions prejudicial to the interests of the County or fair competition shall be permitted. The assigned unit price, when applicable, will be the prevailing decision when an extension price is in error. In place of correction, a low bidder establishing a non-judgmental material mistake of fact may be permitted to withdraw its procurement if:
 - a. The response was submitted in good faith;
 - b. The magnitude of the error made would make enforcement a severe hardship;
 - c. The miscalculation was not the result of gross negligence;
 - d. The error was reported immediately to the County;
 - e. It is not later than 24 hours after the competitive procurement opening, except that if the following day is not a business day for the county, in such case, a withdrawal may be made until 12:00 (noon) the next County business day.

14.05 - Evaluations of Invitations to Bid

In an invitation to bid process, the County may consider, but is not limited to, the following factors in addition to price when determining whether the bidder is responsive and responsible:

1. Ability, capacity, and skill of the bidder to perform the contract.
2. Whether the vendor can perform the contract within the time specified, without delay, interference, or conflict with current workload.
3. Quality of performance of previous contracts.
4. Previous and existing compliance by the vendor with laws and regulations relating to the contract.
5. Sufficiency of the financial resources and ability of the vendor to perform the contract or provide the product or service.
6. Quality, availability, and adaptability of the supplies or contractual services to the particular use required.
7. Ability of the vendor to provide further maintenance and service for the use of the subject of the contract.
8. Number and scope of conditions attached to the bid or quote.
9. Qualifications of personnel, licensing and corporate qualifications.
10. Evidence of improper litigation.
11. Use of one or more subcontractors with a record of poor performance.
12. For the purpose of this section, the County may consider evidence from the ten-year period preceding the subject bid submittal date.

13. In the event the lowest, responsive, responsible bid for a construction project exceeds the architectural or engineering cost estimates, the County Administrator or designee is authorized, when time or economic considerations preclude rebidding of work of a reduced scope, to negotiate an adjustment of the scope of work with the lowest, responsive, responsible bidder, in order to bring the bid within the amount of available funds. If the cost estimates exceed the County Administrator's threshold amount, results of negotiations will be contingent upon Board approval.
14. The County may run a financial background check during the evaluation of any solicitation. The vendor will need to have an adequate capital and credit rating in order to do business with Okaloosa County.

14.06 - Evaluation of Requests for Proposals, Requests for Qualifications, and Invitations to Negotiate

All responses to a request for proposals, requests for qualifications and invitations to negotiate that are deemed to meet the basic requirements of the competitive procurement and have not been rejected shall be distributed to the selection committee, as established in Section 32, for review in accordance with the established time frames outlined in the competitive procurement.

14.07 - Intent to Award

1. Once the County has determined the lowest, responsive, responsible bidder as provided for in Section 14.05 above or once the selection committee has completed its evaluation in accordance with Section 14.06 above, the Purchasing Division shall prepare and post a notice of intent to award the competitive procurement.
2. The notice of intent to award shall be sent by electronic mail to the selected vendor, all responsive vendors to the competitive procurement, and the Board of County Commissioners within 24 hours of the determination. The notice of intent to award shall also be posted in the County Administration building and on the County website within 24 hours of the determination.
3. Upon the distribution of the notice of intent to award to all responsible vendors, which shall be considered done once the notice is sent by the County, the time period for a procurement challenge, outlined in Section 31, shall begin to run.
4. Final Payment, shall be sent by electronic mail to the Board of County Commissioners on the weekly intent to award. Final payment will be made unless a Commissioner of the Board of County Commissioners requests, after receiving the intent to award that it be placed upon the Board's agenda for review, in which case it shall be placed onto the next available Board agenda.

14.08 - Notice of Award and Contract Negotiations

1. After the challenge period in Section 31 has expired, the procurement shall be awarded with reasonable promptness by the person(s) authorized to approve the purchase, as provided in Table 1 of this Manual, unless a Commissioner of the Board of County Commissioners request after receiving the intent to award that it be placed upon the Board's agenda for review, in which case it shall be placed onto the next available BOCC Agenda. Any notice of award shall be sent to the successful respondent.
2. All procurements will be formalized by entering into either a contract with, or issuing a Purchase Order to, the successful respondent as described below.
3. Upon approval of the selection, the OMB Director or designee, in consultation with the issuing department

director and, if requested, with the assistance of the County Attorney, will negotiate a contract with the top ranked vendor.

4. Should the OMB Director or designee be unable to negotiate a satisfactory contract with the top ranked vendor within a reasonable time, upon approval by the County Administrator, negotiations with the vendor shall be formally terminated by letter to the vendor. The OMB Director or designee shall then undertake negotiations with the second ranked vendor, if any.
5. Should the OMB Director or designee be unable to negotiate a satisfactory contract with the second ranked vendor, upon approval by the County Administrator, negotiations with the vendor shall be formally terminated by letter to the vendor. The OMB Director or designee shall, with the approval of the Board, negotiate with additional vendors from the original shortlist or re-procure.
6. Once a satisfactory contract has been reached, the contract shall be presented for approval and execution by the appropriate authority as provided in Table 1. Upon execution by both parties, the notice to proceed shall be issued.

SECTION 15 - NOTICE REQUIREMENTS FOR COMPETITIVE PROCUREMENTS

15.01 - Newspaper

1. Noticing of all requests for proposals, requests for qualifications, invitations to bid, invitations to quote, and invitations to negotiate (unless waived by the Board) shall be done by publishing once in a newspaper of general circulation in the County at least 14 calendar days prior to the date set for receipt of the competitive procurement.
2. If state or federal law or a state or federal agency provides other required methods of newspaper notice which differentiate from the County's requirements, in those circumstances, the requirements of state or federal law or state or federal agency shall be followed when advertising in a newspaper.
3. Florida Statutes section 255.0525, states that any construction project that is projected to cost more than \$200,000.00 shall be publicly advertised at least once in a newspaper of general circulation in the County at least twenty-one (21) calendar days prior to the bid received date and at least five (5) calendar days prior to any scheduled pre-bid conference. If the construction project is expected to cost more than \$500,000.00, it must be advertised at least thirty (30) calendar days prior to the bid received date and at least five (5) calendar days prior to any pre-bid conference.
4. The notice shall include a general description of the goods and services to be purchased, the location where specifications may be obtained, closing date, and the time and place for receipt of and the opening of the competitive procurement.
5. Notice of all requests for written quotations, pursuant to Section 12, shall not require a newspaper ad.

15.02 - Website

Legal advertisements and public notices may also be posted on the official County website at the Board's discretion or as authorized by law.

SECTION 16 - REQUEST FOR QUALIFICATIONS (CCNA)

1. A request for qualifications (“RFQ”) is used where the specifications of required services are broad and specialized in nature. Evaluation of a response is based on prior established criteria which involves more than price. The purpose of obtaining professional services is to offer to the County special expertise, practical experience, knowledge, resources and an objective outside professional opinion. An RFQ must be utilized in CCNA procurements, but may be used in other instances when deemed appropriate by the Purchasing Division.
2. The provisions and exemptions contained in Florida Statutes section 287.055 (commonly known as the Consultants’ Competitive Negotiation Act, “CCNA”), shall apply herein for the procurement of all professional architecture, engineering, landscape architecture, or registered surveying and mapping services for projects that exceed certain statutory dollar thresholds.
3. For more information on CCNA please refer to Florida Statutes Sections 287.017 and 287.055.
4. Selection of consultants for FTA funded projects shall be acquired in accordance with The Brooks Act, 40 U.S.C. 11, et seq, as may be amended from time-to-time.

SECTION 17 - EMERGENCY PROCUREMENTS

1. An emergency procurement is a procurement necessitated by a sudden unexpected turn of events (e.g., including but not limited to acts of God, riots, fires, floods, hurricanes, accidents, terrorism, or any circumstances or cause beyond the control of the agency in the normal conduct of its business) where the delay incident to competitive procurement would be detrimental to the interest of the County. It may also be a condition that stops or seriously impairs the necessary function of County government.
2. Following all purchases under this emergency procurement section, a report shall be prepared by the department director who initiated the procurement. The report must include complete documentation clearly stating justification for exception from normal purchasing procedures, an itemization of all individual transactions relating to the emergency procurement, and itemization of any additional work hours above and beyond the affected employees’ usual work schedule, and documentation of communication with other governmental entities (FEMA, SERT, etc.) that have taken place.
3. In the case of emergencies that require the immediate purchase of commodities, equipment or services, the OMB Director or his/her designee, shall be empowered to secure such commodities, equipment or services without competitive bidding. In this event, all measures as are reasonably possible under the circumstances shall be taken to assure the maximum cost benefit to the County of the commodities, equipment or services procured.
4. In addition during non-business hours, a department director, is authorized to make purchases without competitive bids, when an emergency arises and such immediate purchases are necessary to protect the health, safety, welfare, or property of the County or any of its citizens or to continue operations of the department.
5. Documentation for emergency purchases pertaining to the above shall be submitted to the County Administrator with a detailed explanation, and support materials attached if applicable, within ten working days after the event occurred. Emergency purchases that meet the \$100,000.00 or greater amount shall be submitted to the Board for ratification.

6. While Government Services Administration (GSA) schedules 70 and 84 can be used by the County for routine business, all GSA schedules become open to County use during recovery from a natural disaster or in response to a public health emergency.

SECTION 18 - SOLE SOURCE PROCUREMENTS

1. A sole source is when the commodity or service can be legally purchased from only one source. This is usually due to the source owning patents and/or copyrights. A requirement for a particular proprietary item does not justify a sole source purchase, if, there is more than one potential supplier for that item. Use of Brand Names and Model numbers does not constitute a sole source.
2. A contract may be awarded, except as otherwise provided under state law, for a supply, service, material, equipment or construction item(s) without competition when the OMB Director or designee, certifies in writing, after conducting a good faith review of available sources, that there is only one available source for the required material, supply, service, equipment, or construction item(s).
3. Prior to award, a notice of intent to award shall be posted for any and all sole source procurements as set forth in Section 14.07 of this policy.
4. Such awards will be made within the authorized procurement limits identified in Table 1 of this Manual. When a purchase exceeds the threshold amount for staff approval, the item will be placed on the agenda for Board approval.
5. The Purchasing Division shall be authorized, after initial sole source certification, to make additional purchases from a sole source vendor for a reasonable specified period of time, not to exceed 365 days, as set forth in a written agreement between the County and contractor or until such time as contrary evidence is presented regarding sole source eligibility, whichever period is less.

SECTION 19 - SINGLE SOURCE PROCUREMENTS

1. A single source means that a commodity or service can be purchased from multiple sources, but, in order to meet certain functional or performance requirements (e.g., parts matching existing equipment or materials) there is only one economically feasible source for the purchase.
2. Purchases of goods and/or services from a single source may be exempted from the competitive procurement requirements upon confirmation that: (1) the use is justified based on costs or interchangeability factors; (2) the use is recommended by the project architect, engineer, or affected department director; and (3) the rationale for single source is approved by the OMB Director. Such awards will be made within the authorized limits identified in Table 1 of this Manual.
3. Prior to award, a notice of intent to award shall be posted for any and all single source procurements as set forth in Section 14.07 of this policy.
4. When a purchase exceeds the threshold amount for staff approval, the item will be placed on the agenda for Board approval.
5. The Purchasing Division shall be authorized, after initial single source certification, to make additional purchases for a single source vendor for a reasonable specified period, not to exceed 365 days, of time as set forth in a written agreement between the County and contractor or until such time as contrary evidence is presented regarding single source eligibility, whichever period is less.

SECTION 20 - COOPERATIVE PROCUREMENTS (PIGGYBACKING)

20.01 - General Cooperative (Piggybacking) Procurement Requirements

1. The Purchasing Division shall have the authority to purchase from and join with other units of governments in cooperative purchasing ventures when the best interest of the County would be served thereby. It is standard policy of the County to cooperate with other government agencies in the purchase of commodities, equipment and services required by the County.
2. The most common form of cooperative purchasing agreements include, but are not limited to, purchasing from contracts issued by the State of Florida, Federal General Services Administration, U.S. Communities, National Joint Powers Alliance, and other government pricing for specific commodities, equipment and services.
3. When any other government agency had competitively procured and awarded any contract for any commodities or service, the County may purchase that commodity or service from the awarded vendor at the awarded price if the original bid specifications and award allow it. Where the public purchasing unit administering a cooperative purchase complies with the requirements of this Manual, the County when participating in such a purchase, shall be deemed to have complied with the provisions of this article. Such purchases shall be made without additional county competitive procurement provided that the funding has been appropriated and the purchase has been authorized by a person with signatory authority as provided in Table 1.
4. The County may bid and award the purchase of any commodities, equipment or services with the stipulation that any other government agency may also purchase the awarded product or service at the same awarded price.

20.02 - Cooperative Procurements - Documentation Requirements

The following documentation is the minimum required to use another government entity's awarded contract.

Florida Contracts. The Purchasing Division is authorized to purchase commodities, equipment or services for any dollar amount from authorized vendors listed on the respective state contracts (state term continuing supply contracts, SNAPS agreements (state negotiated agreement price schedules), agreements resulting from invitations to negotiate (ITN), the Florida Sheriff's Association statewide purchasing contract, or other such contracts authorized by statute for use by local governments) of the Florida Department of Management Services, other state agencies and groups. For all cooperative procurements from state contracts, the current state contract number is required. If the contract has fixed unit prices, a copy of the contract is required. If the contract is a percent discount from list, then a copy of the original manufacture's list price must be attached. This will usually be in the form of a published price list. If only some of the items on the contract are being sought, then only the pages with those prices are required.

1. Federal GSA contracts. The Purchasing Division is authorized to purchase commodities, equipment and services for any dollar amount from authorized vendors listed on the eligible federal supply schedules (such as GSA schedule 84 for Emergency Preparedness and First Responder Equipment, Training and Services, GSA schedule 70 for Information Technology) issued by the Federal General Services Administration.

- a. For all cooperative procurements off federal GSA contracts, a copy of the GSA contract showing the contract name, number and contract term is required. The ordering information pages and the pages with the pricing are also required. If the contract is a percent discount from list, then a copy of the original manufacturer's list price must be attached. This will usually be in the form of a published price list. If only some of the items on the contract are being sought, then only the pages with those prices are required.
2. Contracts with other government entities. The Purchasing Division shall have the authority to join with other units of government in cooperative purchasing ventures when the best interest of the county would be served thereby, and the same is in accordance with county and state law. The Purchasing Division shall appropriately document such cooperative procurement arrangements. All cooperative procurements conducted under this section shall be through contracts awarded through full and open competition, including use of source selection methods equivalent to those required by this Manual. Each selection method shall clearly state the intention to include participation by other units of government as a requirement for use in cooperative procurement. For all cooperative procurements from other government entities, the required documentation includes:
- a. A complete copy of the original procurement;
 - b. A copy of award letter/memo/agenda item with minutes by the government entity to the vendor to document award;
 - c. A complete copy of the vendor's proposal; and
 - d. A complete copy of the current contract with the vendor and any amendments thereto. If federal funds are used, the County may exercise the option to utilize other government contracts provided that:
 - The original contract was procured in compliance with 2 C.F.R; An assignability clause is included in the originating government's contract, the terms and conditions are substantially similar to the terms and conditions of the option as stated in the original contract at the time it was awarded;
 - The option price is better than prices available in the market, or that when it intends to exercise the option, the option is more advantageous;
 - The original contract contained an assignability clause and that the terms and conditions of that contract meet the FTA requirements (if funded by FTA);
 - The original contract contains appropriate assignability provisions that permit 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;
 - The contract price is fair and reasonable;
 - The contract provisions are adequate for compliance with all Federal requirements;
 - The scope of work to be performed falls within the scope of work under the original contract and there are no cardinal changes to the contract, the scope of the assigned contract originally procured by the assigning party does not exceed the amount of property and services required to meet the assigning party's original, reasonably expected needs. The

regulation at 44 C.F.R. § 13.36 requires the grantee or subgrantee to have procurement procedures that preclude it from acquiring property or services it does not need. Therefore, a contract would have an improper original scope if the original party added excess capacity in the original procurement primarily to permit assignment of those contract rights to another entity. Moreover, an assignable contract with an overbroad scope of work may lead to unreasonable pricing and thus should not be used. For example, a statewide debris removal contract that does not have pricing that accounts for variables in the actual scope of work required by a local government subgrantee or the specific conditions of that local market may lead to unreasonable pricing;

- The quantities the assigning party acquired, coupled with the quantities the acquiring grantee or subgrantee seeks, do not exceed the amounts available under the assigning entity's contract.

SECTION 21 - AIRPORT PROMOTIONAL TRAVEL AND PROMOTIONAL EXPENSES; TOURISM PROMOTIONAL, PRODUCTION, MEDIA, AND ENTERTAINMENT – RELATED EXPENSES

21.01 - Airport Promotional Travel and Promotional Expenses

The Airports Department is authorized and approved to make expenditures of airport revenues to publicize, advertise, and promote the activities of the County's airports; to make known the advantages, facilities, resources, products, attractions, and attributes of the County's airports; to create a favorable climate of opinion concerning the County's airports; to cooperate with other agencies, public and private, to accomplish these purposes; and, in furtherance thereof, to authorize expenditures for the purposes here enumerated, including meals, hospitality, and entertainment of persons in the interest of promoting and engendering goodwill toward its airports (other than direct subsidy of air carrier operations which is prohibited) provided they are in accordance with section 331.20, Florida Statutes. All travel, meals, hospitality, and entertainment of person's expenses shall be pre-approved in accordance with the threshold approval and authority set forth in Table 1.

21.02 - Tourism Promotional and Entertainment-Related Expenses

The Tourist Development Department is authorized and approved to make expenditures of tourist development tax revenues in accordance with Section 125.0104(9), Florida Statutes, in the performance of job duties carried out pursuant to the Tourist Development Plan, Sales & Marketing Plan, and/or annual budget including, but not limited to, trade shows, sales missions, public relations events, familiarization tours, media missions, site visits, and film festivals. Payment of promotional and entertainment related expenses is governed by County policies as applied under the provisions of Section 112.061, Florida Statutes, as well as the provisions of Section 125.0104(9), Florida Statutes. All travel, meals, hospitality, and entertainment expenses shall be pre-approved in accordance with the threshold approval and authority set forth in Table 1. Additionally:

1. The County recognizes the rental of space, furniture, services, and accessories that may be required in connection with the performance of promotional duties (e.g. trade show, road show, sales mission) meets the statutory requirement of being essential to tourism promotion and only available if advance payment is made. These types of purchases shall not be considered payment in advance requiring Board approval.
2. The County recognizes that success in the public relations, groups, convention center, and film sales industries is often the result of sales calls, continual networking, and relationship cultivated over a period of time through meetings and discussions for which no published, posted, or emailed agenda or correspondence exist. In such case, an outline of activities including names, titles, dates, locations and purpose/discussion shall be provided to document entertainment-related expenses.

3. The County recognizes that tips and gratuities are customary within the tourism industry (e.g. tours, excursions). As long as these expenses are in connection with the performance of promotional duties, they are authorized by Florida Statutes. County staff will remain cognizant of the public perception of county funds being used for this purpose and will limit tips and gratuities to no more than 20% of the retail cost exclusive of taxes or other fees.
4. The County recognizes that providing meals (e.g. familiarization tour participants) is customary within the tourism industry. Partnership with the Florida Restaurant & Lodging Association (FRLA) is authorized for the provision of meal vouchers.
5. The County recognizes that providing transportation (e.g. familiarization tour participants) is customary within the tourism industry. Either airfare or mileage reimbursement may be provided, considering the most efficient and economical means as well as participant convenience and preference. Participants for whom airfare is purchased may be required to sign an agreement identifying the terms under which reimbursement to the County will be required in the event the participant cannot attend or reschedule. Purchase of airfare for a participant meets the statutory requirement of being essential to tourism promotion and only available if advance payment is made, and shall not be considered payment in advance requiring Board approval.
6. The County recognizes that promotional incentives (e.g. overnight stays, tour tickets, airline tickets) are customary within the tourism industry (e.g. familiarization tours, road shows, sweepstakes) for the promotion of the destination. As long as these expenses are in connection with the performance of promotional duties, they are authorized by Florida Statutes. County staff will remain cognizant of the public perception of county funds being used for this purpose and will attempt to receive such items on a complimentary basis from partners prior to purchase with tourist development tax dollars. TDD staff shall adhere to the code of conduct applicable to County employees.

21.03 - Production Proof of Performance & Payment

21.03.01 – Production

1. Production is defined as the development of creative assets, pilot programs, research, and publicity events (i.e. TDD-hosted events that are not part of a paid media buy).
2. The County recognizes the importance of qualitative factors in marketing to reach the desired target audience. The advertising agency is authorized to engage third-party vendors via the County’s task order process. This leverage of agency resources shall be deemed to satisfy the competitive bid process of the County’s Purchasing Manual.
3. All production task orders shall identify payment terms (actuals or lump sum) and deliverable requirements.
 - a. Travel may be included at a not-to-exceed amount based on a set number of trips, waiving travel policy requirement of receipts and Voucher for Traveling Expenses.
 - b. The use of local vendors for “above the line” production expenses (e.g. executive producer, director, producer(s)) and “below the line” production expenses (e.g. talent, crew, equipment) shall be identified, if applicable.
4. All production task orders shall be encumbered in the accounting system and scanned into the document portal.

21.03.02 - Production Proof of Performance & Payment

1. Invoicing shall be in sufficient detail for pre- and post-audit review (e.g. vendor invoices if actuals) to ensure the services were performed and the correct amount has been invoiced.
2. The County shall issue payment to the advertising agency based on reconciliation of invoicing to the approved production task order. Examples of acceptable deliverables include, but are not limited to:
 - a. Creative Assets, Pilot Programs – photography, audio, video
 - b. Research – plans, scripts, reports, video
 - c. Publicity Events – documentation of occurrence (e.g. photos, rsvp/attendance list, media coverage, video)

21.03.03 - Advance Payment

Pursuant to Section 215.422(14) F.S. and County policy, Board approval for advance payment may be granted if the payment results in savings equal to or greater than the amount earned by investing the funds and paying later or if the payment is essential to the operations of the agency and the goods or services are available only if advance payment is made.

1. The County recognizes the industry standard for progress payments for production assignments. Advance payment of fees is authorized when the task order identifies progress payment deliverable milestones and final payment upon receipt of deliverable.
2. All other requests for payment in advance require Board approval.

21.04 – Tourist Development Department (Tdd) Paid Media

21.04.01 - Media Planning

1. Media planning is defined as research, strategy, and pricing information for potential media placements and related events to develop the Media Plan contained within the annual Sales & Marketing Plan (SMP). The TDD’s advertising agency performs media planning directly with media vendors.
 - a. For purposes of this section, “media” shall be defined to include traditional types such as print, digital, broadcast, and outdoor, as well as emerging types such as media events and takeovers.
2. In consideration as to whether a particular media source meets the needs of the County, the advertising agency may consider, but is not limited to, price, size, placement location, added value items (e.g. online banners, e-blasts, social media), time of day, season, target audience, and public relations potential. Competitive pricing from media sources that reach the desired target audience for media placements and events shall be obtained by the advertising agency’s buying team and shall be deemed to satisfy the competitive bid process of the County’s Purchasing Manual.
3. The Media Plan is presented to the Tourist Development Council and Board of County Commissioners for approval. Actual dollar spend and media placements may vary from the adopted Media Plan, but vendors and paid media reimbursement shall not exceed the total Media Plan dollar amount approved for the year.

21.04.02 - Media Negotiation and Insertion Orders

1. Media negotiation is defined as finalizing media placement details and results in a detailed annual media flowchart along with media insertion orders/confirmations/contracts (hereafter “insertion orders”) specifying buy details and payment terms. All components related to a particular media package, including print, digital, added-value, events, etc. shall be included on one insertion order.
 - a. The Tourist Development Department Director or Deputy Director of Marketing is authorized to sign insertion orders for media placements identified on the approved Media Plan, and modifications thereto to ensure media is responsive to market conditions and media opportunities, regardless of dollar value on behalf of the County, so long as the total dollar value of the approved Media Plan is not exceeded.
 - b. Insertion orders for media placements not included on the approved Media Plan, and modifications thereto, shall be approved pursuant to the County’s procurement approval thresholds.
 - i. For purposes of determining approval authority, the net/actual cost of the media buy shall be used rather than the total market/promotional value.
2. All insertion orders shall be at net cost without markup and approved in advance by the County.
3. All insertion orders shall identify payment terms and proof of performance requirements.
4. All insertion orders shall be encumbered in the accounting system and scanned into the document portal.

21.04.03 - Media Proof of Performance and Payment

1. Invoicing shall be in sufficient detail for pre- and post- audit review (e.g. vendor invoices, advertising materials, proof of performance) to ensure the services were performed and the correct amount has been invoiced.
 - a. It is understood and accepted that actual amounts, air dates, publication dates, etc. may vary from those on the approved insertion order due to market conditions. Such deviations shall not preclude payment of invoices so long as the scope and total payments do not exceed the approved insertion order.
2. The advertising agency shall review and approve all paid media invoices.
3. The County shall issue payment directly to media vendors based on reconciliation of invoicing to the approved insertion order. Examples of acceptable proof of performance include, but are not limited to:
 - a. Itemized vendor invoice in sufficient detail to identify gross and net cost, run dates, unit impressions, net media cost per thousand impressions (CPM’s), and any associated fees
 - b. Recapitulation of debits/credits affecting previously submitted invoices
 - c. Print – actual publication; the tear sheet alone is not acceptable
 - d. Digital – screen shots demonstrating creative placement and statistics regarding impressions, click-through, and geo-targeting.

- e. Broadcast – actual broadcast report or affidavit of performance
- f. Outdoor – photo of billboard and physical location, impressions report if digital
- g. Media Events – documentation of occurrence (e.g. photos, rsvp/attendance list, media coverage, video)

21.04.04 - Advance Payment

1. Pursuant to Section 215.422(14) F.S. and County policy, Board approval for advance payment may be granted if the payment results in savings equal to or greater than the amount earned by investing the funds and paying later or if the payment is essential to the operations of the agency and the goods or services are available only if advance payment is made.
 - a. The County recognizes the industry standard for media production and media event setup/activation fees is advance payment. Advance payment of these fees is authorized when the insertion order identifies progress payment deliverable milestones and final payment upon production or event conclusion.
2. All other requests for payment in advance require Board approval.

21.05 - Tourist Development Department (TDD) Travel Writers

21.05.01 - Travel Writers

1. Public relations is defined as overall strategic communications that foster a positive relationship between a brand and its target audience.
2. The County recognizes the importance of qualitative factors in selecting travel writers to reach the desired target audience. The advertising agency’s public relations partner is authorized to engage travel writers (e.g. traditional media, online influencers and bloggers) to promote/heighten brand awareness and differentiate the destination from the competition to a target audience.
3. All task orders shall identify payment terms (typically 50% upon execution of engagement agreement and 50% upon completion) and deliverable requirements.
4. The following factors may be considered as appropriate to determine whether a particular travel writer meets the needs of the County. This evaluation shall be deemed to satisfy the competitive bid process of the County’s Purchasing Manual:
 - a. Target audience (e.g. demographics, geography, reach)
 - b. Relevance of usual posts and expertise to current marketing campaign
 - c. Success rate for this travel writer (e.g. number of website clicks, Facebook friends, Twitter followers, etc. generated from previous posts)

21.05.02 - Travel Writer Proof of Performance and Payment

1. Invoicing shall be in sufficient detail for pre- and post-audit review (e.g. vendor invoices, proof of performance) to ensure the services were performed and the correct amount has been invoiced.

2. Examples of acceptable proof of performance include:
 - a. Social media posts, videos, and images
 - b. Print publication articles, and videos

21.05.03 - Advance Payment

1. Pursuant to Section 215.422(14) F.S. and County policy, Board approval for advance payment may be granted if the payment results in savings equal to or greater than the amount earned by investing the funds and paying later or if the payment is essential to the operations of the agency and the goods or services are available only if advance payment is made.
 - a. The County recognizes the industry standard for travel writers is advance payment. Advance payment of these fees is authorized when the task order identifies progress payment deliverable milestones and final payment upon final publication.

All other requests for payment in advance require Board approval.

SECTION 22 – RECOGNITION AND HOSPITALITY

22.01 - Purpose

The expenditure of public funds in compliance with the requirements of this policy are declared to serve a proper and valid public purpose, and the requirements set forth herein, provide controls to guard against abuse and assure accountability to the taxpayers and the public.

22.02 - Policy

It shall be the policy of the County to establish clear and concise guidelines for the expenditure of funds to be used for approved County events or recognition to employees, officials and volunteers within the county government, and to governmental boards, councils, committees, and other ad hoc groups established by the County and their members.

22.03 - Authority

The County Administrator or designee shall be authorized to approve the expenditure of public funds for the purposes below.

22.04 - Procedures

1. Authorized Expenditures

1. The reasonable cost of food, refreshments, and non-alcoholic beverages, to include meal utensils and associated items, pursuant to approval:
2. Served at a meeting, training program, recognition event, workshop or function held by Okaloosa County specifically designed to recognize longevity, retirement, or meritorious service to County government; or to improve employee work skills or professionalism; or to recognize completion of specialized court programs; or to otherwise enhance work productivity.

- a. to be consumed by members of the public in or on the grounds of county- owned or county- controlled facilities or property during an open house or special event, including but not limited to meetings of regional or intergovernmental agencies or organizations when held at a county facility, where furnishing of such food and refreshment is a customary role of the host agency.
3. Frames, plaques, certificates, trophies, pins and other suitable tokens of recognition to acknowledge significant contributions by individuals for their service to county government and the community to include employees, volunteers, members of unpaid advisory boards, councils and committees.
4. Coffee and water available for the public who are visiting the County Commission offices.

2. Approval

1. Recognition and hospitality items detailed and adopted in the annual budget are considered approved by the County Administrator.
2. Other authorized expenditures not exceeding \$100 may be approved by the Department Director and the Deputy County Administrator.
3. Any other requests must be pre-approved in writing by the County Administrator.
4. Documentation must be provided with monthly P-Card Approval Reports (or other approved payment method) and must include:
 - 1) the date;
 - 2) a list of items and purchase price; and
 - 3) the authorized event or purpose.

SECTION 23 - DIRECT PAYMENTS

The following types of payments are exempt from the competitive procurement requirements of this Manual, but must be approved in accordance with the authorized individual as set forth in Table 1. After receiving the appropriate approval, all departments shall submit payment requests directly to Finance Department for the following items:

1. Postage/Shipping;
2. Subscriptions, publications, legal advertisements;
3. Memberships and associated fees;
4. Travel (Hotel, Registration, Employee, Transportation of Discharged Inmates per section 951.04, Florida Statutes);
5. Training (Tuition, Lab Fees, Books, Required Course Material for Approved Schooling);
6. Permits;
7. Utilities (Electric, Water & Sewer, Phone, Garbage, Internet, Cable Television, Medical Oxygen, etc.);
8. Court Orders;

9. Recurring Budgetary Appropriations (with County Administrator's annual approval);
10. Notary Services;
11. Risk Management Claim Settlements;
12. Refunds (Deposits and Overpayments);
13. Employee Reimbursements;
14. Recording Fees;
15. Title insurance, and Title searches;
16. Value Adjustment Board Fees;
17. Insurance payments for coverage for property, liability and special risk insurance;
18. Lectures/training by Individuals;
19. Court Reporting Services;
20. Vehicle Registration;
21. Electronic Payments to the State of Florida and the IRS;
22. Florida Department of Law Enforcement Payments (FDLE), Okaloosa County Sheriff's Office payments;
23. Software modification services by the copyright holder, maintenance agreements, and related software enhancements to installed software purchased through competitive means;
24. TDD Paid Media;
25. Payments for employee drug testing medical services;
26. Payment of invoices on behalf of the State Attorney's Office, Public Defender, and Court Administration-IT when the State's \$2 filing fee is exhausted;
27. SHIP Rehabilitation Contractors, so long as the Contractor:
 - a. Submits a complete SHIP Rehabilitation Contractor Application;
 - b. Submits an executed Certification of Compliance with City, County, State and Federal Laws and Regulations;
 - c. Submits all documentation as required by the County and SHIP;
 - d. Complies with the Okaloosa County Contractor Handbook SHIP Housing Rehabilitation Programs; and Receives approval by the County.
28. Allow payments to vendors and governmental agencies who do not accept electronic payments for amounts under \$4,500.00. All invoices shall be signed off by the Department Head and the County Administrator.

SECTION 24 - OWNER DIRECT PURCHASES CONSTRUCTION MATERIALS, SUPPLIES AND OR EQUIPMENT

Pursuant to Florida Statutes, Section 212.08(06), and Florida Administrative Code, 12A-1.094, Okaloosa County is exempt from Florida Sales Tax for purchase of construction materials, supplies and/or equipment incorporated into a construction project. Under this program, only the Florida Sales Tax rate shall apply. All owner direct purchases for supplies and materials for use in County construction projects shall be made in accordance with Owner Direct Purchase Manual set forth in Appendix 2.

SECTION 25- IDENTICAL (TIE) PROCUREMENT RESPONSES

In cases of identical procurement responses, the award shall be determined either by lot or on the basis of factors deemed to serve the best interest of the County. In the case of the latter, there must be adequate documentation to support such a decision.

SECTION 26 - UNAUTHORIZED PROCUREMENTS

26.01 - Ultra Vires Procurements

Except as herein provided, it shall be a violation of Board policy for any officer, employee or agent of the board to order the purchase of any commodities, equipment or services or to make any contract within the purview of this Manual other than through the guidelines established in this Manual. Any purchase order or contract made contrary to the provisions herein shall be considered to be an ultra vires act, shall not be approved, and the County shall not be bound thereby.

26.02 - Subdividing Procurements

Purchases, orders, or contracts that are subdivided to circumvent the requirements of this Manual or threshold authority as set forth in Table 1 shall be considered unauthorized purchases and are prohibited.

SECTION 27 - MINORITY, WOMEN, AND SMALL BUSINESS ENTERPRISE (W/MBE) AND DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM.

27.01 - General

1. The purpose of the minority, women, and small business enterprise program and Disadvantaged Business Enterprise is to provide guidance in the outreach of W/MBEs to ensure awareness and opportunities of doing business with Okaloosa County. The minority, women, and small business enterprise program shall only apply to those projects, services, or commodities funded by a federal or state grant / contract / agreement having W/MBE requirements and, not otherwise covered by a W/MBE or disadvantaged business enterprise program.
2. The Purchasing Division will ensure compliance with this purpose by ensuring its requirements are included in competitive procurements as it applies to both primary and subcontractors.
3. The County will accept certification of W/MBE status from the City of Tallahassee, Leon County and State of Florida, Office of Supplier and Diversity as well as the Florida Department of Transportation (FDOT), DBE program in lieu of creating its own certification program. The County may also consider and accept certification from other State of Florida, county or city programs on a case by case basis.

27.02 - W/MBE Requirements

1. The County will utilize the State of Florida and/or when deemed appropriate FDOT directories to notify certified W/MBE firms of procurement opportunities in Okaloosa County. The efforts of such outreach shall be maintained in the original procurement solicitation file.
2. When deemed appropriate by the County, primary contractor that intends to use subcontractors shall also use the State of Florida, and/or when deemed appropriate FDOT directories of W/MBE to solicit W/MBEs for subcontracting opportunities under a primary contract.
3. When deemed appropriate by the County, primary contractor that intends to use subcontractors shall be responsible for documenting outreach activities in accordance with the competitive procurement document.

SECTION 28 - PUBLIC RECORDS AND PUBLIC MEETINGS INVOLVING PROCUREMENTS

28.01 - Public Records

The County is governed by the state public records laws provided in Florida Statutes Chapter 119. Pursuant to current state law, responses to competitive procurements received by the County may be exempt until such time as the County provides notice of an intended decision or until thirty (30) days after opening, whichever occurs first. Certain proprietary and financial information from vendors may also be confidential or otherwise exempt from public disclosure.

1. Official records and documents shall be retained per the requirements set forth in the Florida Statutes regarding records retention.

28.02 - Public Meetings

1. The County is governed by the state public meeting laws as provided in Florida Statutes section 286.011. Any meetings of a board or committee where presentations, rankings, short listings, or other award recommendations or decisions are to be made shall be held at a duly noticed public meeting, unless otherwise exempt from Florida Statutes section 286.011.
2. Any portion of a meeting at which a negotiation with a vendor is conducted pursuant to a competitive procurement, at which a vendor makes an oral presentation as part of a competitive procurement, or at which a vendor answers questions as part of a competitive procurement is exempt from Florida Statutes section 286.011.
3. Any portion of a negotiation team meeting at which negotiation strategies are discussed is exempt from Florida Statutes section 286.011.
4. A complete recording shall be made of any meeting, or portion thereof, that is exempt from state public meeting laws. The recording of, and any records presented at, the exempt meeting are exempt from Florida Statutes section 119.07(1), until such time as the County provides notice of an intended decision or until 30 days after opening the bids, proposals, or final replies, whichever occurs first.

SECTION 29 - CONE OF SILENCE

29.01 - Cone of Silence

A cone of silence shall be established on all County competitive selection processes. The cone of silence prohibits any communication regarding a ITB, RFP, ITQ, ITN, RFQ or other competitive solicitation between the bidder (or its agents or representatives) or anyone on behalf of the bidder regarding such competitive solicitation, and any County Commissioner or County employee, selection committee member or other persons authorized to act on behalf of the Board including the County's Architect, Engineer or their subconsultants, or anyone designated to provide a recommendation to award a particular contract, other than Purchasing Division staff. The cone of silence shall be in effect from the time of advertisement until contract award. Each competitive solicitation shall provide notice of the cone of silence requirement. Violation of the cone of silence by, or on behalf of, a bidder shall be grounds for disqualification from competing in the competitive solicitation.

29.02 - Exceptions to the Cone of Silence

The cone of silence shall not apply to:

1. Communications at any public proceeding or meeting, including pre-bid conferences, selection committee presentations or pre-award meetings.
2. Communications during contract negotiations between designated County employees and the intended contract awardee.
3. Communication with a vendor by a Purchasing Division employee following bid opening to clarify the vendor's bid or intended scope of services.
4. Communication following the filing of a protest between the protesting party and the Purchasing Division, County Administrator's Office and County Attorney's Office, including, but not limited to, during the dispute resolution process provided herein.
5. Purchases exempt from competitive selection, sole source procurements, single source procurements, and emergency procurements, as defined in this Manual.
6. Communications with existing vendors in the performance of existing contracts.

29.03 - Termination of the Cone of Silence

The cone of silence commences from the date of advertisement until award of contract.

SECTION 30 – GRANT FUNDING USED IN PROCUREMENTS

1. Expenditures other than general or enterprise fund tax dollars may require special processing because of specific legal terms and conditions placed by the funding agency. Grants often have certain purchasing requirements that are different or additional to the County's purchasing manual and require special purchasing procedures. For example, federal grant pass through contracts, see Attachment 3 for additional procurement requirements. It is the responsibility of the using department to identify any special purchasing requirements or provisions, notify the Purchasing Division of them, and to ensure that all requirements are followed.

2. Unless otherwise specified in the grant, all grant purchases shall follow the County’s purchasing manual.
3. Purchases utilizing Federal Transit Administration (FTA) and/or other federal funds must comply with all requirements of Title 2 of the Code of Federal Regulations (CFR) and FTA Circular C 4220.1F, as amended from time to time, and shall include all federal contract clauses, and Executive Orders, as applicable.

SECTION 31 – PROCUREMENT CHALLENGE

31.01 - General – Procurement Challenge

Any competitive procurement award recommendation may be challenged on the grounds of material irregularities in the procurement procedure, or material irregularities in the evaluation of the response.

31.02 - Time Requirements for a Challenge

1. To initiate a challenge, the vendor must file a notice of intent to challenge the procurement in writing with the Purchasing Division within three (3) business days of posting of the notice of intent to award in accordance with Section 14.07.
2. A formal written procurement challenge shall be filed within three (3) business days in the County Administrator’s office, after the date on which the notice of intent to challenge has been submitted.

31.03 - Untimeliness of Challenge and Standing

Failure to file a timely notice of intent to challenge, or failure to file a timely formal written procurement challenge shall constitute a waiver of procurement challenge proceedings. Vendors who do not submit a legitimate response to the competitive procurement challenge shall constitute a waiver of procurement challenge proceedings. Vendors who do not submit a legitimate response to the competitive procurement do not have standing to file a protest. Furthermore, vendors who would not be awarded the subject contract, even if the protest were successful, lack standing.

31.04 - Contents of the Notice of Intent to Challenge and Formal Written Challenge

1. The notice of intent to challenge shall contain at a minimum: the name of the vendor, the vendor’s address, e-mail address, fax number and phone number, the name of the vendor’s representative to whom notices may be sent, the name and procurement number of the competitive procurement, and a brief factual summary of the basis of the intended challenge.
2. The formal written procurement challenge shall contain at a minimum: the name of the vendor, the vendor’s address, e-mail address, fax number and phone number, the name of the vendor’s representative to whom notices may be sent, the name of the procurement number of the competitive procurement, a clear statement of the grounds on which the challenge is based, refer to the statutes, laws, ordinances, or other legal authorities which the challenger deems applicable to such grounds and specific request the relief to which the challenger deems itself entitled by application of such authorities to such grounds.

31.05 - Agency Action/Determination for a Challenge

The County Administrator shall, within ten (10) business days of receipt of the formal written challenge, cause the challenge to be reviewed and provide a written recommendation as to the challenge. In the event the challenge is not resolved, the Board shall, within a reasonable time, be presented with the written challenge and the County Administrator's analysis and recommendation to the challenge prior to award of the contract. The Board shall consider the challenge and the County Administrator's analysis and recommendation and issue a written determination as to the challenge. The Board's decision shall constitute final agency action.

31.06 - Tolling of Procurement Process and Exceptions

1. The procurement subject to the protest shall not proceed until a final decision is made; unless the Board makes a determination that the contract must proceed without delay to protect the interest of the County.
2. Nothing herein relinquishes the County's right to waive irregularities and formalities in accordance with its procurement package and instructions. Further, nothing herein shall create any rights in the unsuccessful challenger.

SECTION 32 – PROCUREMENT SELECTION COMMITTEE

1. For purposes of reviewing Requests for Qualifications, Requests for Proposals, and Invitations to Negotiate, a standing selection committee shall review the procurements and make recommendations to the Board.
2. The Selection Committee shall be comprised of five primary members of County staff and five alternate members of County Staff. The Board shall designate every fiscal year the Selection Committee members and their alternates.
3. The Selection Committee shall meet as needed to review procurements and a quorum of three members is required to take any official action. All meetings of the Selection Committee shall be advertised, open to the Public, and have minutes recorded.
4. The Board may establish a separate selection committee in to review any particular procurement in lieu of the Procurement Selection Committee.

PART 3 – CONTRACTS AND PURCHASE ORDERS

SECTION 33 - GUIDELINES OF USE CONTRACTS, PURCHASE ORDERS, CHANGE ORDERS, CONTRACT AMENDMENTS, and TASK ORDERS

All procurements will require a contract and/or purchase order with the vendor. The following provides guidance as to when each method shall be utilized:

1. **Purchase order.** A purchase order is issued for any requisitioned items, either separately or in conjunction with a contract. A purchase order is used to authorize a vendor to proceed with the purchase of goods, services and/or construction as specified, and obligated the county for payment. The purchase order is used in support of other contracts or by itself to establish legal financial obligations. A purchase order may result from any type of procurement. A purchase order shall be issued upon receipt of an acceptable, authorized requisition, after having justification, proper procurement as per the thresholds set forth in Table 1 and after confirming the availability of funding. A purchase order is issued only after a requisition has been completed and approved. The purchase order must be written so that all pertinent information is clear, concise and complete therefore preventing any unnecessary misunderstandings with the vendor.
2. **Contract (written contract).** A written contract, as described below, is used when engaging in construction, purchasing of goods and/or services where a purchase order is not adequate to describe all the terms and conditions, and is required to be executed by both parties. A purchase order, as described above, may be used as backup to a contract and processed as encumbrance of funds. The OMB Director, Risk Manager, County Attorney, County Administrator, and/or Board must approve the written contract where applicable per this Purchasing Manual. A contract refers to a written document, between the supplier, contractor, and/or vendor and Okaloosa County. This document establishes the legal working relationship between the two parties. It specifies everything that is to be provided: what, when, where, how much, how many, what size, what color, how delivered, where delivered, etc. It specifies how and when payments of goods and services are to be made, maintenance terms, guaranties, etc. The contract establishes in advance the ground rules of the terms and conditions.
3. **Change order or contract amendment.** A change order or contract amendment is processed whenever a change to the original agreement is necessary. Change orders or contract amendments are completed for modifications to scope, descriptions, unit cost, quantities, completion times etc. Change orders and contract amendments must be executed by the authorized individual pursuant to the Table 1 who approved and executed the original purchase order or contract, unless it is a construction contract as further detailed in subsection D below or unless the change order or contract amendment increases the total dollar amount to such a level that in accordance with Table 1, it shifts to another authorized individual/entity (the approval authority). In such instances the change order or contract amendment may be approved and executed by the new authorized individual/entity pursuant to Table 1. Change orders and contract amendments shall not be used to avoid any standard purchasing procedure for procurement by the competitive procedures. The change order and contract amendment must be clearly and concisely defined with justification provided as to why the change is being requested.

- a. For purposes of construction contracts, It shall not be required to have a change order executed by the individual who approved the original purchase order or contract if such change order includes changes in the Work not involving an adjustment to the Contract Amount or an extension to the Contract Time that would cumulatively exceed ten percent (10%) of the Contract amount or the Original Contract Time. Such changes shall be effective once executed by the individual authorized pursuant to Table 1.
4. Task orders. A task order is processed whenever there exists new work to be assigned under an existing contract previously approved; many times these involve consultant and engineering contracts. All task orders require a written request which has been reviewed and signed signifying approval by the issuing department's director and the contractor/vendor. Approval shall be pursuant to the threshold level for authorization and requires contract coordination where any terms and conditions differentiate from those set forth in the original contract. All task orders must contain a clearly defined and detailed scope of work must not exceed the terms and conditions of the approved contract, unless otherwise approved by the Board. Task order approvals must follow the threshold guidelines. All task orders between \$50,001.00 and \$100,000.00 must be published on the weekly Intent to Award before processing.
5. All contracts shall be in a form approved by the County Attorney's office.

SECTION 34 - PURCHASE ORDERS GENERAL

1. A purchase order is prepared for any requisitioned items, regardless as to whether or not a contract is also involved, with the exception of the Purchasing Card purchases and those purchases defined as direct pay.
2. A completed purchase order shall be sent electronically to the Finance Department.
3. The Purchasing Division has the responsibility to review the purchase order and shall determine that the expenditure serves a public purpose, that the necessary approvals and procedures for the expenditure have been complied with and that the issuing Department has certified that funds are available for the purchase. The funds are encumbered and obligated at this point in the purchasing process. The Finance Department shall forward the certified purchase order to the Purchasing Division.
4. The Purchasing Division shall distribute copies of the certified purchase order as follows:
 - a. Original Copy
 - a.1 Email copy to the vendor, send a copy to the issuing Department to be used as a "Receiving Report."
 - b. Copies
 - b.1 Shall be retained by the Purchasing Division (as a file copy) and sent to the issuing Department (as a reference/file copy).
5. When all materials are received, the Department Director or designee shall sign and return the Receiving Report to the Finance Department to authorize payment.

6. Purchase orders may be amended to reflect any changes that may have been necessary during delivery of a commodity, supply or service. The increase/decrease shall be approved based on the thresholds defined in Table 1. The original Purchase Order will be returned to Finance to be replaced with the Amended Purchase Order.

SECTION 35 - CONTRACTS GENERAL

1. When reasonably feasible, contracts will be drafted in a format established by the Purchasing Division in conjunction with the County Attorney's Office. Contracts will be initially drafted prior to advertisement of the procurement and attached as part of the procurement packet.
2. It is the responsibility of the issuing Departments to submit the following information to the Purchasing Division:
 - a. The scope (including, but not limited to, technical details, and projected compensation amounts);
 - b. The proposed term of the contract; and
 - c. If any, the proposed renewal term of the contract.
3. Once in receipt of the required information, the Purchasing Division shall draft a proposed contract, in an approved form, to be submitted as part of the procurement.
4. Once procurement has been awarded, any necessary changes to the proposed contract shall be made by the Purchasing Division in coordination with the issuing Department during the contract negotiation process. Once the contract is in final draft form, the Purchasing Division shall coordinate with the County Attorney's Office and Risk Management Department for review and approval of the contract. No contract shall be signed by the vendor prior to contract coordination approval.
5. The Purchasing Division shall establish a central repository of all county contracts, leases, and non-grant agreements in the Purchasing Division.
6. It shall be the responsibility of the individual departments to assign a department monitor for each of the department's agreements, and serve as point-of-contact throughout the term of the agreement. Administration of the agreement rests with the issuing Department.
7. All continuing contracts shall clearly set forth a defined term and such term may not exceed five (5) years plus a ninety (90) day extension period if allowed by contract to allow for completion of services or re-bid process. Contract terms exceeding the aforementioned term require Board approval. Contracts utilizing FTA funding shall not exceed five (5) years. All continuing contracts shall clearly set forth a total maximum contract value. Such maximum value may be exceeded to allow for completion of a project or re-bid process if approved through an amendment process.

SECTION 36 – DUTIES AND RESPONSIBILITIES ASSIGNED FOR CONTRACTS

36.01 - Purchasing Division Responsibilities

1. Maintain a central repository of all county contracts, leases and non-grant agreements.
2. Assign a unique contract/lease control number; refer to Contract Control Number form in Form Appendices.

3. Create and maintain a file of approved agreements in contract/lease control number sequence. This information will be available on-line to the public and departments.
4. Prepare and file Contract, Lease, and Agreement Control Form. Conduct periodic reviews to maintain accuracy.
5. Establish and update agreements in the Contracts/Lease database.
6. File all related correspondence in the repository file with copies forwarded to the Clerk's Records Office and department monitor.
7. Assist county issuing departments in the administration and maintenance of agreements.
8. Coordinate contract/lease agreement through the departmental review process and actively pursue timely corrections as required.
9. Review all Board agendas and minutes to determine repository action (if appropriate).
10. Generate, as necessary, correspondence and inquiries required to maintain the integrity of the Repository. Issuing department monitors will be initial points of contact.
11. Review repository lease and agreement insurance certificates to ensure valid policy effective dates. If expired, request in writing, a department monitor to contact contractor/lessee to obtain a current compliant Certificate of Insurance from the contractor or lessee.
 - In the event a portion of an invoice submitted to the County for payment is disputed, payment for the disputed amount may be withheld pending resolution of the dispute, and the remainder of the invoice may be processed for payment without regard to that portion which is in dispute.
12. Close out agreement in database upon notification of approved final payment.
13. Participate, as required, in audits and the resolution of issues raised in those audits.
14. Maintain an automated computer insurance certificate database in Contract Number Order.
15. Maintain close liaison with the Clerk's Records Office to ensure the integrity of the original files and the repository.
16. Responsible for recording Performance/Payments Bonds and Notice of Commencement with the Clerk of Court and making distribution upon completion.
17. Responsible for coordinating and reviewing the final contract payment and closeout documents prior to Board approval. Closeout documents will be forwarded to the Finance Department for financial review and submission to the County Administrator for inclusion in the Board Agenda (if approval threshold requires).
18. Attend Pre-bid conference.
19. Responsible for coordinating and reviewing all task orders assigned by departments to existing contracts.

36.02 - Issuing Department Responsibilities

1. Ensure agreements, amendments and change orders are properly authorized by the Board, County Administrator or OMB Director using the appropriate authorizing thresholds and forms provided herein.
2. Assign a department monitor for each department-initiated agreement to serve as point-of- contact throughout the term of the agreement.
3. Administration of the agreement rests with the issuing County Department.
4. Serve as liaison with the contractor or lessee or subrecipient.
5. Point of contact for all agreement questions, concerns and initial correspondence.
6. Assure that standard contract/lease insurance terminology is included in agreement and any other requirements noted by the Risk Manager, if applicable.
7. Ensure appropriate administrative controls and monitoring procedures are in place to oversee agreement compliance. Periodic inspections shall be conducted as an integral part of the monitoring procedures.
8. Attend meetings as applicable with contractor or lessee, such as pre-construction conference, progress meetings, job conferences and other related agreement meetings.
9. Review progress schedule. Conduct on-site observations of the work/service.
10. Maintain a log as applicable, recording contractor hours on the job site, weather conditions, data relative to questions of work directive changes and change orders.
11. Monitor contractor completion of work in accordance with the agreement for the price found in the bid prior to certifying invoices for payment.
12. Review contractor change orders, if allowable, forward to Department Director for approval and submission to the Board, County Administrator or OMB Director or their designee for approval pursuant to the approval authority contained in this Manual.
13. Notify Contracts & Lease Coordinator of agreement completion.
14. Liaison with Contracts & Lease Coordinator and contractor providing service/work regarding contract or lease performance, operational requirements and monitoring as applicable
15. Ensure project is conducted in accordance with the approved agreement.
16. Provide, as required, supporting agreement documentation to Contracts & Lease Coordinator for inclusion into the repository file and originals to Clerk's Records Office.

36.03 - County Attorney Responsibilities

Review all contracts, leases and agreements for legal sufficiency and to assure that the County is in compliance with Federal, State, and local rules and regulations.

36.04 - Risk Management Responsibilities

Review all agreements to ensure:

1. Agreements incorporate the necessary insurance and bonding requirements.
2. Purchased insurance and bonding policies provide the nature and scope of coverage intended.
3. If specific coverage is unavailable, the Risk Manager may approve alternate policy or assurances.
4. If discrepancies exist, Risk Manager will resolve discrepancies with Department Monitor.

SECTION 37 - CLOSE OUT OF CONTRACT PROCEDURES

Upon project completion, the issuing Department must review the contract closeout requirements. Submission of the closeout “package” must be forwarded to the Purchasing Manager prior to approval. The package will consist of:

1. Final Invoice;
2. Completed Contract Payment Form Marked “Final”;
3. Required Closeout documents as specified in the contract; and
4. Posting on Intent to Award to the Board of County Commissioners as outlined in Section (D).

PART 4 – BONDS AND INSURANCE

SECTION 38 - BID BONDS

1. All bidders are required to submit a bid bond (when deemed by the OMB Director or designee to be in the best interest of the County) in the form of a cashier's, certified check or paper Bid Bond in the amount of 5% of their total bid.
2. The bid bond shall be attached to the electronic bid submittal. The original shall be mailed and received by the Purchasing Division within 48 hours of bid opening.
3. Unsuccessful bidders shall be entitled to full return of their bid bond.
4. Upon determination by the Board, the successful bidder shall forfeit its bid bond or a portion thereof, upon failure to enter into a contract or failure to act on the purchase order issued after the bid award date.
5. The release of any bid bond shall be determined by the OMB Director.

SECTION 39 – SUPPLY, PAYMENT AND PERFORMANCE BONDS

1. When a construction project is less than Two Hundred Thousand dollars (\$200,000), the County may require a payment and performance bond.
2. When a construction project is Two Hundred Thousand dollars (\$200,000) or more (\$100,000 or more for FTA/federally funded procurements), a payment and performance bond shall be required. The conditions of the payment and performance bonds shall be set forth in the County's standard contract. Approval of such bonds is subject to compliance with the written standards for sureties developed and approved by the OMB Director.
3. All bonds shall be written by a surety with no less than an "A" rating by a national rating agency. All sureties must be on the U.S. Department of Treasury's Listing of Approved Sureties (Department Circular 570) and bonds must be within the Treasury's underwriting limitation.
4. All bonds must be delivered to the Purchasing Division and then is submitted to the Okaloosa County Clerk of Circuit Court and recorded in official records.

SECTION 40 - INSURANCE REQUIREMENTS

1. Insurance policies for procurements shall be required as established by the Department of Risk Management.
2. All insurance policies shall be with insurers licensed in the State of Florida with a minimum Rating of A+, Class X or higher in the Bests Key Rating Guide.
3. All policies shall be written such that Okaloosa County will be notified in writing of cancellation or amendment at least 30 days prior to effective date of cancellation or amendment.
4. The certificate holder shall be Okaloosa County.

5. Contracts & Lease Coordinator shall be furnished Certificates of Insurance prior to commencement of any work or lease execution. The County shall retain the right to reject all insurance contracts that do not meet our requirements. The contract, lease or agreement will not be fully executed until all insurance requirements are met.
6. The County matches insurance requirements to the risk exposure. Consult the contract, lease or agreement for specific insurance types and limits required.
7. The County reserves the right to amend the insurance requirements upon 60-days' notice to affected third party.
8. All liability insurance shall be written on an occurrence basis only.
9. Statutory limits must be indicated for worker's compensation.
10. Contractor shall purchase and maintain in force insurance as required by and for the life of the contract, lease or agreement.

PART 5 – FEDERALLY FUNDED PROCUREMENTS

SECTION 41 - FEDERALLY FUNDED PROCUREMENTS

41.01 - General, Federal Funding Procurements

Purchases utilizing Federal Transit Administration (FTA), Federal Emergency Management Agency (FEMA) or other Federal funds must conform to applicable Federal law, including: 2 CFR Part 1201 incorporating 2 CFR 200 “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” and comply with all requirements of FTA Circular C 4220.1F, as amended from time to time. Contracts utilizing Federal funds shall include all required Federal contract clauses (see Appendix 3, Exhibit L).

41.02 - Solicitation Prohibitions

Solicitation requirements may not contain features that unduly restrict competition including, but not limited to:

1. Imposing unreasonable business requirements/qualifications for bidders or offerors.
2. Imposing unnecessary experience requirements for bidders and offerors.
3. Using prequalification procedures (except in the case of qualifications based procurement for Architect/Engineer services).
4. Making a noncompetitive award to any person or firm on a retainer contract with the recipient if the award is not for the property or services specified for delivery under the retainer contract.
5. Excessive Bonding shall not be permitted. Bid bonds and payment performance bonds shall be required for construction projects in excess of the federal small purchase threshold only.
6. Specifying only a “brand name” product without allowing offers of “an equal” product, or allowing “an equal” product, or allowing “an equal” product without listing the salient characteristics that the “equal” product must meet to be acceptable for award.
7. Specifying in-State or local geographical preferences, or evaluating bids or proposals in light of in-State or local geographical preferences, even if those preferences are imposed by State or local laws or regulations. In particular, 49 U.S.C. Section 5325 (i) prohibits an FTA recipient from limiting its bus purchases to in-State dealers.
8. Supporting or acquiescing in noncompetitive pricing practices between firms or between affiliated companies including acceptance of submission of identical bid prices for the same products by the same group of firms, or an unnatural pattern of awards that had the cumulative effect of apportioning work among a fixed group of bidders or offerors.
9. Taking any arbitrary action in the procurement process.

41.03 - Pre-procurement

1. The **Procurement Decision Matrix** (Appendix 3, Exhibit A) shall be used to determine the most efficient and economical method of purchase.
2. An **Independent Cost Estimate** (Appendix 3, Exhibit B) is required prior to bidding for all Federally grant funded purchases over the Simplified Acquisition Threshold and can be obtained by:
 - a. Design/engineering firm or in-house technical staff for construction work;
 - b. Published price lists or past pricing with inflation factors; and
 - c. Independent third-party staff member not impacted by the final procurement.
3. **Statement of Work Template** (Appendix 3, Exhibit C) shall be completed for all piggyback purchases.
4. The **Piggybacking Checklist** (Appendix 3, Exhibit D) shall be completed for all piggyback purchases. Vendor shall be checked for Conflict of Interest to piggyback purchase.
5. A **Sole Source Justification Form** (Appendix 3, Exhibit E) and Cost Analysis (Appendix 3, Exhibit F) is required for all sole source purchases. Sole sourcing shall be allowed if:
 - a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - c. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
 - d. After solicitation of a number of sources, competition is determined inadequate.
6. A review of proposed procurements shall be conducted to avoid purchase of unnecessary or duplicative items and to ensure an economic purchase. This may include breaking out or combining purchases, or using annual contracts and performing a lease versus buy analyses to ensure the most economical approach.
7. Qualification based procurements shall be acquired in accordance with The Brooks Act, 40 U.S.C. 11, et seq.

41.04 – Procurement

1. The County shall ensure that adequate competition exists by confirming that two or more responsible bidders are willing and able to compete effectively for the business.
2. A **Cost Analysis** (Appendix 3, Exhibit F) is required for all State grant funded procurements over \$35,000 [per Florida Statutes 287.055(5)(a)].
3. **Price Analysis** (Appendix 3, Exhibit G) and/or **Fair and Reasonable Price Determination** (Appendix 3, Exhibit H) shall be completed prior to purchase as well as a **Procurement Summary** (Appendix 3, Exhibit I). The County shall rely on FAR Part 31, Contract Cost Principles and Procedures for allowable costs. In general, costs must be necessary and reasonable, allocable to the project, authorized or not prohibited by Federal law or regulation, and must comply with Federal cost principles applicable to the recipient.

4. Advertisement shall be once in a newspaper of general circulation in the County not later than the fourteenth day before the day set for receipt of bids.

41.05 - Post-Bidding

1. Buy America pre and post-delivery audits are required for purchase of rolling stock greater than \$100,000.
2. A **Responsibility Determination Form** (Appendix 3, Exhibit J) and reference check form shall be completed prior to the recommendation for award in order to consider whether the bidder meets the standards of qualification. Factors to be considered shall include whether the bidder has the following:
 - a. The appropriate financial, material, equipment, facility, and personnel resources and expertise available or the ability to obtain them, necessary to indicate its capability to meet all contractual requirements;
 - b. A satisfactory record of performance;
 - c. A satisfactory record of integrity;
 - d. Ability to get bonding and insurance;
 - e. The legal ability to contract with the County;
 - f. Supplied all necessary information in connection with the inquiry concerning responsibility including, but not limited to licenses, permits, or organization papers required;
 - g. Satisfactory status with the County;
 - h. No conflict of interest. An organizational conflict of interest exists, when any of the following occur:
 - i. Because of other activities, relationships, or contracts, a contractor is unable, or potentially unable, to render impartial assistance or advice;
 - ii. A contractor's objectivity in performing the contract work is or might be otherwise impaired; or
 - iii. The contractor has an unfair competitive advantage.

41.06 - Contracts

1. Contract Administration. All contracts shall include provisions adequate to form a sound and complete agreement which shall comply with Federal laws and regulations and include all required Federal contract provisions to ensure compliance with those laws and regulations.
 - A. The Contract Administration procedures in Appendix 3 shall be followed for all federally funded contracts.
 - B. The Procurement History File Checklist (Appendix 3) shall be used to ensure proper contract administration including, but not limited to:
 - a. The executed contract and notice of award;
 - b. Performance and payment bonds, bond-related documentation, and correspondence with any sureties;
 - c. Contract-required insurance documentation;
 - d. Post-award (pre-performance) correspondence from or to the contractor or other Government agencies;

- e. Notice to proceed;
 - f. Approvals or disapprovals of contract submittals required by the contract and requests for waivers or deviations from contractual requirements;
 - g. Modifications/changes to the contracts including the rationale for the change, change orders or amendments issued, and documentation reflecting any time and or increases to or decreases from the contract price as a result of those modifications;
 - h. Documentation regarding settlement of claims and disputes including, as appropriate, results of audit and legal reviews of the claims and approval by the proper authority of the settlement amount;
 - i. Documentation regarding stop work and suspension of work orders and termination actions (convenience as well as default); and
 - j. Documentation relating to contract closeout.
2. The Contract Clause Matrix (Appendix 3) shall be used to determine Federally Required Contract Clauses (Appendix 3) to be included with each contract.
 3. Time and Materials contracts shall only be allowed, in the following instances:
 - A. After determination that no other contract type is suitable,
 - B. The contract specifies a ceiling price that the contractor may not exceed except at its own risk.
 4. Davis-Bacon prevailing wage and hour restrictions shall apply to all construction contracts exceeding \$2,000.
 5. Cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be allowed.
 6. A change order/amendment review checklist (Appendix 3) shall be completed for all Contract Change Orders/Amendments. All out-of-scope Contract Change Orders/Amendments shall include the following:
 - A. An independent estimate and cost analysis prepared by the Architect/Engineer or Project Manager,
 - B. The contractor's proposal,
 - C. Meeting minutes discussing the change order and written evidence of negotiations,
 - D. Evidence of Board approval prior to initiation of work (if applicable),
 - E. Change order form signed by all parties.

Cardinal Changes (tag-ons) defined as a change which cannot be redressed within the contract (base and option) as it was not bargained for when originally advertised, competed, and awarded, whether for the use of the buyer or for others, and then treating the add-on portion as though it met the requirements of competition shall not be allowed.

7. Revenue Contracts. A revenue contract is a contract in which the County or sub-recipient provides access to public transportation assets for the primary purpose of either producing revenues in connection with an activity related to public transportation, or creating business opportunities with the use of FTA assisted property. The County shall provide opportunities as follows:
 - A. Limited Contract. If there are several potential competitors for a limited opportunity (such as advertising space on the side of a bus), then the recipient should use a competitive process to permit interested parties an equal chance to obtain that limited opportunity.
 - B. Open Contract. If, however, one party seeks access to a public transportation asset (such as a utility that might seek cable access in a subway system), and the recipient is willing and able to provide contracts or licenses to other parties similarly situated (since there is room for a substantial number of such cables without interfering with transit operations), then competition would not be necessary because the opportunity to obtain contracts or licenses is open to all similar parties.

The requirements for competitive selection procedures apply to all business opportunities including all revenue generating contracts. The competitive process may consist of a formal bid or proposal process and the County shall document how competitive requirements were met.

8. Options. Contracts may include options to ensure the future availability of property or services, so long as the recipient is able to justify those options as needed for its purposes. An option to unilateral right in a contract by which, for a specified time, a recipient may acquire additional equipment, supplies, or services than originally procured. An option may also extend the term of the contract

41.07 - Protest Procedures

The procedure outlined in Section 31 shall be followed. The granting agency (for example: the FTA) shall be notified in writing within seventy-two (72) hours or receipt of a protest in instances when all or part of the funding for the contract is by the granting agency. The granting agency shall be copied on all subsequent responses to the protest and appeals filed in accordance with this Section.

APPENDICES

APPENDIX 1- PURCHASING CARDPOLICY

A. - PURCHASING CARD POLICY AND PROCEDURES

The Okaloosa County Purchasing Card Program is designed to improve efficiency in processing low dollar purchases from vendors accepting the Purchasing Card. This program will allow cardholders to purchase approved commodities and services directly from our vendors. The Purchasing Division and the Finance Department will monitor the performance of the program.

All questions, requests, or concerns related to this program shall be directed to:

Procurement Related - Purchasing Manager, (850) 689-5960

Accounting Related - Finance Department, Clerk of Court, (850) 689-5000

B. - ASSIGNMENT AND CONTROL OF THE PURCHASING CARD

1. Requests For and Issuance of Purchasing Cards

- a. Purchasing Cards will be issued to employees who purchase goods and services in single transaction amounts of up to \$4,500.00.
- b. The Purchasing Card will contain the employee's name, the County name, the County tax-exempt number and the individual account number.
- c. Requests for new cardholders or for changes to current cardholders must be authorized by Department Directors, using the Purchasing Card Maintenance form. Such requests shall be submitted for review to the Purchasing Card Administrator.
- d. New cardholders will be required to personally take receipt of Purchasing Cards by signing a card holder agreement. New cardholders will be given a copy of the Purchasing Card policies and procedures and a verbal review of the program. The Purchasing Division shall annually review the list of current cardholders to ensure card holder agreement forms have been received and are on file with the Purchasing Division. Refreshed training as to the use of the Purchasing Card shall be conducted when determined by the Purchasing Division to be appropriate
- e. The Purchasing Card Administrator shall notify the requesting department and the Finance Department upon issuance of any Purchasing Cards.

C. - LOST OR STOLEN PURCHASING CARDS

Cardholders must notify the Purchasing Card Administrator of any lost or stolen Purchasing Card (see Lost or Stolen Purchasing Card Reporting Form).

D. - TERMINATION OR TRANSFER OF CARDHOLDER

1. If the cardholder is no longer employed by the County, the department responsible for ensuring the Purchasing Division is notified for cancellation and the Purchasing Card is destroyed. (The Human Resources Department provides a resignation/termination/retirement notification to the Purchasing Division upon any employee separation from the County. This notification is utilized to ensure that the Purchasing Card has been reduced to a zero credit limit by the Purchasing department.)
1. If a department is unable to collect the Purchasing Card when an employee leaves employment with the County, the Department Director must immediately notify the Purchasing Card Administrator.
2. If a cardholder transfers to a new department, the cardholder is responsible to inform the Purchasing Card Administrator of the transfer. The cardholder is responsible to verify with the new Department Director if they are to retain the card within the new department. If they are not to retain the card, the cardholder is responsible to the Purchasing Division for cancellation.

E. - PURCHASING CARD INVENTORY

The Purchasing Card Administrator shall maintain a list of Purchasing Cards issued to allcounty employees.

F. - USE OF PURCHASING CARDS

1. The Purchasing Card may only be used by the employee whose name is embossed on the card. No other person is authorized to use the Purchasing Card (in person, online or by phone).
2. The Purchasing Card is to be used for Okaloosa County authorized purchases only. The Purchasing Card shall not be used for any personal transaction. State or Federal financial assistance purchases must be in compliance with the applicable funding source.
3. Spending Limitations
 - a. The maximum single limit/transaction for regular cardholders shall be \$4,500.00.
 - b. Each cardholder will have a monthly dollar limit to be set by the Department Director. Limit changes must be initiated and authorized by Department Directors through the Purchasing Card Administrator.
4. Payment for purchases shall **not** be divided to circumvent the single purchase limit.
5. All items purchased must be immediately available. No back ordering is allowed.
6. Established County Contracted Services and Utilities are not allowed to be expensed with the p-card.
7. Gas and Fuel are also not allowed, unless defined in the travel or emergency p-card section.
8. Cash advances **may not** be obtained using the Purchasing Card.
9. The Purchasing Card Administrator shall block card use for certain types of goods and services. It shall be the cardholder's responsibility to become familiar with these limits and restrictions.

G. - TAX EXEMPT NUMBER

Purchasing Card purchases are exempt from all Florida state and local use tax. The County's tax-exempt ID number is printed on the face of the Purchasing Card. This number shall be given to all vendors to avoid payment of state and local use tax. **The use of the County's tax-exempt ID number for personal use is strictly prohibited.** Any employee who uses the County's tax-exempt ID number for personal use shall receive disciplinary action which may include immediate termination of employment. Additionally, F.S. 212.085 states that in addition to being liable for payment of the tax plus a mandatory penalty of 200 percent of the tax, such person shall be liable for fine and punishment as provided by law for a conviction of a felony of the third degree, as provided in s. 775.082, s. 775.083, or s. 775.084, F.S.

H. – PURCHASES

1. The cardholder must obtain the customer copy of the itemized receipt or invoice.
2. The itemized receipt or invoice shall be retained by the cardholder and attached to the Cardholder Approval form which shall be submitted to the Department Card Administrator monthly.
3. When placing a telephone or on-line order, the cardholder must confirm that the vendor will charge the Purchasing Card **only after** shipment is made.
4. The description and public purpose of the purchase shall be clearly documented on the Cardholder Approval form at the time the order posts in the system.
5. By the 15th of each month, or the first business day preceding the 15th of each month should it fall on a weekend or holiday, the Departments will submit all transactions with complete documentation to the Finance Department for payment. If invoices are submitted without sufficient time to make a timely payment, the interest, if any, will be charged to the department's budget.
6. Failure to comply with the guidelines for filing P-Card expenses may result in loss of Purchasing Card privileges.

I. - DISPUTED CHARGES

In the event there are disputed charges or a cardholder has any questions which the Purchasing Card Administrator cannot resolve, a Purchasing Dispute Form shall be completed and forwarded to the Purchasing Division immediately.

J. – RETURNS

In the event of returns, the cardholder must check the subsequent monthly statements to ensure credit has been received and attach documentation (credit slip) when processing the monthly detail for payment. If a credit slip was not obtained, attach other documentation explaining the return. Credit receipts must be submitted with original purchase receipts.

K. - REVIEW

1. Department Director designated card representatives (“Department Card Administrators”) shall review each individual Cardholder Approval form within their department and assign departmental account numbers for billing purposes utilizing the online Purchasing Card system.
2. Each cardholder’s immediate supervisor shall review and approve the Cardholder Approval form to ensure:

NOTE: In absence of the immediate supervisor, the Department Director or Designee shall be allowed signature authority to sign the Finance reports.

- a. The goods and services obtained were necessary and appropriate;
 - b. The public purpose for the expenditure is sufficiently documented;
 - c. The date the goods or services were received is sufficiently documented; and
 - d. An itemized receipt/invoice is provided;
3. Cardholder Approval forms of Department Directors shall be reviewed by the County Administrator or designee prior to being forwarded to the Finance Department for approval of payment. The County Administrator’s Cardholder Approval form shall be reviewed by the Chairman of the Board. The Board members’ Cardholder Approval forms shall be reviewed by the Clerk’s Finance Department.

L. - DISCIPLINARY ACTION – (SEE RESTRICTION OF USE GUIDELINES)

1. Unauthorized purchases shall be reported to the department director and the OMB Director.
2. When purchases are found to be unauthorized, the cardholder must provide a credit receipt proving the item(s) were returned for credit or the cardholder shall reimburse the County within thirty (30) days by submitting a personal check for the full amount of the purchase. Checks shall be sent to the Finance Department with an explanation and account number. Failure to reimburse the County within the above time period shall be authorization for deduction of the full amount of the purchase from compensation paid by the County.
3. Failure to comply with the policies and procedures herein may result in:
 - a. Revocation of Purchasing Cards from individual cardholders for a time period to be determined by the Purchasing Card Administrator.
 - b. Disciplinary action, up to and including termination of employment.

M. - EMERGENCY USE

In the event of an emergency, as defined by the Emergency Purchase section of this Manual, the County Administrator or OMB Director may waive the Purchasing Card requirements. Under such circumstances, the following rules shall apply:

1. Approval must be received from the County Administrator or OMB Director.
2. The individual \$4,500.00 limit per item/purchase is temporarily lifted.
3. Responding Cardholders will be assigned an Emergency Spend Control profile of \$50,000.

The County Administrator or OMB Director shall inform the Chairman in writing if the Purchasing Card requirements have been waived, and the Board shall be notified at the next meeting.

N. - TRAVEL

Purchasing Cards may be used for pre-approved travel expenses, which shall include:

1. Hotel/motel reservations and payments.
2. Flight reservations.
3. Flight Travel payment.
4. Rental car use, taxi, shuttle and ride-share services.

Note (1): If requested using the “P-CARD TRAVEL STL INCREASE REQUEST” form at <https://myokaloosa.com/node/207>, the single transaction dollar limit on travel can be waived and you will be issued a \$20,000 credit limit for your trip. However, all travel expenses/reservations must comply with the County Travel Policy and are subject to review and disciplinary action.

Note (2): All travel (to include the above) over \$200.00 must be approved by the County Administrator, or designee, prior to making arrangements. All travel vouchers will be audited to confirm travel was approved prior to purchasing card transaction dates. Failure to adhere to pre-approval requirements may result in suspension of card privileges.

Purchasing Cards **may not be used** for travel meals or travel gas (except for rental car use) and/or as otherwise authorized for certain promotional activities.

O. - TOURIST DEVELOPMENT DEPARTMENT (TDD)

TDD staff may use Purchasing Cards for purchases of goods and services that are authorized by Florida Statutes and by the Operations and Procedures Manual of the Tourist Development Department for the purpose of tourism promotion. All such purchases will be reviewed by the Department Card Administrator for compliance with all other Purchasing Card policy requirements.

P. - RESTRICTION OF USE GUIDELINES

The following shall be used as a guideline for all cardholders to identify the types of infractions and resulting penalties. In the event of an infraction, the P-Card Administrator shall notify the affected cardholder of any infraction. In addition, disciplinary action may be taken in accordance with guidelines set forth in the Human

Note: This is a guideline. Repeat infractions by the same cardholder may result in greater restrictions and/or disciplinary action.

The Purchasing Manager and/or OMB Director shall have the authority to deviate from penalty guidelines in any situation where an employee can show he or she immediately corrected a mistake or has reasonable documentation proving a diligent effort is being made to correct a mistake made by the vendor or the employee.

Violations (Infractions) include: sales tax, missing receipt(s), missing Works report(s), unmatched receipt to transaction amount, delayed submission, split purchase, personal expense, improper immediate supervisor signature, missing public purpose, missing budget account, missing pre-approval travel request, missing uniform issuance forms, gas charges, and others as noted:

Offenses are for the same violation within same fiscal year (County FY Oct 1-Sept 30)

1st offense = written notice to cardholder and reviewer

2nd offense = written notice to cardholder, reviewer and immediate supervisor

3rd offense = written notice to cardholder, immediate supervisor and Dept. Head, includes Remedial P-Card training

4th offense = written notice of 30 day suspension and Remedial P-Card training prior to re-activation of card.

1. Appeal Process - An employee, or department representative on behalf of an employee, may appeal any penalty by submitting a written appeal within five (5) days of penalty imposition to the OMB Director with appropriate documentation. The OMB Director shall forward the appeal along with supporting documentation of the Purchasing Card infraction to the County Administrator or designee who shall have the final authority to determine the appropriate action.
2. Additional Training – The OMB Director may (at his/her discretion) require a County employee to attend a refresher Purchasing Card training session if the employee makes repeated errors/violations within a twelve (12) month period.

APPENDIX 2 – DIRECT PURCHASE PROCEDURES

I. GENERAL

Pursuant to Florida Statutes, Section 212.08(6), and Florida Administrative Code, Number 12A-1.094, Okaloosa County is exempt from Florida Sales Tax for the purchase of construction materials, supplies and/or equipment incorporated into a construction project. Under this program, only the Florida Sales Tax rate shall apply.

The Owner has elected to exercise this right to direct purchase selected materials on all construction projects and such direct purchase shall be without any additional cost to the Owner. All bids are to be submitted with all applicable taxes included. See project plans and specifications for complete details and information.

The Contractor shall assume all risk and remain fully responsible for all material incorporated into any project, directly purchased by the Owner or not. This will include, but not be limited to, insurance, theft, storage, damage during installation, coordination, quantities ordered, submittals, protection, scheduling, shipping, security, expediting, receiving, installation, cleaning and all applicable warranties, etc.

The procedures outlined here may change at any time without prior notice to Contractor.

II. TERMS

For the purpose of this Appendix, the following terms will be defined:

1. Change Order (CO): A written order authorizing a change in the scope of work, contract amount or contract time.
2. Contractor: A General Contractor (GC) or Construction Manager (CM).
3. Okaloosa County: the County or Owner.
4. Direct Material Purchase (DMP): A purchase made directly by the Owner from a vendor, and not through a contractor.
5. Direct Purchase Purchase-Order (DPPO): A purchase order issued by the Owner directly to the Contractor's vendor for the purchase of materials exempt from sales tax.
6. Direct Purchase Procedures (DPP): Guidelines outlined in this document.
7. Facilities: Department under the County that is contract manager for the project.
8. Material: Any material, supplies, or equipment incorporated into a County construction project.
 - a. **Purchase Requisition (PR):** A request to purchase stated material or services for a quoted price.
 - b. **Purchase Order (PO):** A written authorization issued by the Owner for a vendor to deliver material or services at a specified price, which becomes a legally binding contract upon acceptance by the vendor.
 - c. **Vendor:** A company supplying material to the Project, whether such provision includes installation or not.

- d. **Vendor Requisition Form (VRF):** A list of material and price quotes provided by the Contractor to the Owner for issuance of a Direct Purchase Purchase-Order (DPPO) by the Owner.
- e. **Vendor List:** A list provided by the Contractor of the vendors the Owner will direct purchase material from.

Summary of Steps for Direct Purchase of Material

1. Contract Awarded.
2. Contract Signed.
3. Purchase Order issued to Contractor for full amount of contract.
4. Schedule of Values reviewed by the County and selected items identified for DirectPurchase.
5. Contractor will submit a Vendor List to Owner of only the Vendors that the County willpurchase from.
6. Contractor will submit a Vendor Requisition Form (VRF) and required support documents to Owner. Florida Sales Tax rate of 6% shall apply. VRF must include quote fromVendor.
7. Change Order is issued to reduce Contractor's PO in the amount of direct materials purchased.
8. Contractor's PO is reduced for amount of Direct Purchase Change Order.
9. Issuance of Direct Purchase Purchase-Order (DPPO) to Vendor for Direct Purchase asoutlined in the Change Order.
10. The County issues a Letter to Vendor, Contractor and Subcontractor confirming DPPOfor direct purchase material.
11. Contractor coordinates delivery with Vendor.
12. Material is delivered and Vendor sends invoice DIRECTLY to Owner.
13. Upon receipt, Owner records invoice and forwards to Contractor for approval.
14. Contractor approves invoice, returns to Owner (within 5 days).
15. Owner issues check to Vendor in payment for materials delivered.
16. Purchase orders are closed, and tax savings reverts to Owner.

III. INSTRUCTIONS

A. Overview

1. The Owner (Okaloosa County) is exempt from sales tax on the purchase of construction materials, supplies and/or equipment incorporated into a construction project. The Owner has elected to exercise this right to direct purchase selected materials on all construction projects and such direct purchase shall be without any additional cost to the Owner. All bids are to be submitted with all applicable taxes included.

2. The Owner shall, via Direct Purchase Purchase-Order (DPPO), purchase material and the Contractor shall assist the Owner in the preparation of the DPPO. The Owner will purchase the material from Vendors selected by the Contractor for the price originally negotiated by the Contractor.
3. The Contractor's PO and contract amount shall be reduced by the amount of the DPPO plus Florida State Sales Tax. This reduction in the Contractor's PO and contract amount will occur through a Change Order (CO), which will reference the Contractor's PO affected by the change.
4. Issuance of DPPO's by the Owner shall not relieve the Contractor of any contract responsibilities for any material purchased and incorporated into a construction project, directly purchased by the Owner or not, with the exception of the payments for the material or equipment purchased via DPPO.
5. The Contractor shall remain fully responsible for: insurance, theft, storage, damage during installation, coordination, quantities ordered, submittals, protection, scheduling, shipping, security, expediting, receiving, installation, cleaning and all applicable warranties, etc. The Contractor must maintain the Builder's Risk policy to include ALL material and equipment stored on-site and installed on-site.
6. It is recognized that the Contractor may encounter additional overhead costs in assisting the Owner with its Direct Purchase Program. The Contractor is charged with including all additional costs as part of the Bid or Proposal.
7. No payment will be made for material or equipment stored off-site.

All invoices must contain the Owner's DPPO number in order to be accepted and processed for payment.

B. Vendor List

1. Upon contract award of the construction project, the Owner will review the schedule of values with Contractor and determine which items the Owner will direct purchase.
2. Contractor will submit a Vendor List to Owner of only the Vendors that the County will purchase from.

C. Purchase Order Request - Vendor Requisition Form

1. When the materials to be direct purchased have been determined, the Contractor shall issue a Vendor Requisition Form (VRF) addressed to the Owner. The VRF shall contain the following minimum information and be submitted at least 20 days prior to shipment of material.
 - a. Date of VRF
 - b. Project name, number and location
 - c. Contractor contact information
 - d. Subcontractor contact information
 - e. Vendor's full business name, address, complete contact numbers - telephone, fax, e- mail, etc.
 - f. Any special instruction; for delivery and contact person

- g. Quantity of each material
 - h. Description of all material including item and/or serial number
 - i. Unit cost of each material
 - j. Extended price of each material (quantity times unit cost)
 - k. Sales tax on material to be purchased. Florida Sales Tax rate of 6% shall apply.
 - l. Shipping - The VRF and the quote must indicate FOB Destination or Job Site. The Owner will not pay shipping and handling charges.
 - m. Total price for all material ordered (extended prices plus sales tax)
 - n. Copy of detailed quote from Vendor indicating same information including sales tax amount
 - o. Signature and printed name of Contractor
 - p. Signature of the County Project Manager
- 2. All VRF's may be submitted at the same time.
 - 3. All VRF's should be sent by E-mail to the designated County employee.

D. Change Order Request

- 1. At the same time the VRF is requested, a Change Order must be submitted/executed for reduction of the Contractor's PO and issuance of the DPPO. For this CO, the following documents are required:
 - a. Three (3) completed and approved original CO's
 - b. Complete description of proposed change
 - c. The CO must indicate the amount of tax savings
 - d. List all VRF requested

E. Issuance of Purchase Order

- 1. The Owner will issue a DPPO in the amount of the VRF less sales tax. The DPPO will contain the following minimum information:
 - a. Date of DPPO;
 - b. Project name, number and location;
 - c. Vendor's full business name and address;
 - d. Special instruction for delivery and contact person;
 - e. The authorized quantity, material description, unit cost, and extended price for each material;
 - f. Total price for material ordered.

2. The Owner will send the DPPO to the Vendor, with a copy retained by the Owner, and copies sent to the Contractor and subcontractor.
3. Upon receipt of the DPPO by the Vendor, the Vendor and Contractor shall coordinate and schedule delivery of the material to the job site.
4. After delivery, the Vendor must issue and deliver the invoice directly to the Owner. The invoice must clearly reference the Owner's DPPO number.
5. All material is to be delivered to the job site, where the Contractor assumes all responsibility and risk.

F. Invoice Approval and Payment

1. Upon receipt of the Vendor's invoice by the Owner, the Owner will fax a copy to the Contractor for verification and approval. The Contractor will have five (5) working days to process the invoice for payment. Once approved by the Contractor and Owner, the Vendor's invoice will be paid.
2. The Owner will issue payment to Vendor in the amount approved by the Owner and Contractor. The amount paid to the Vendor will not exceed the amount of the DPPO. In order to maintain timely payments, it will be the responsibility of the Contractor to process invoices in accordance with the payment schedule. The Contractor shall pay any late fees incurred as a result of the Contractor's failure to process invoices in a timely manner.

G. Contractor's Pay Request

1. The Contractor shall be responsible for maintaining details of direct material purchased and tax savings on the AIA Form G702, Application and Certificate for Payment, in the project. The material direct purchased by the Owner and the resulting sales tax savings must appear on each pay request along with all other CO's.
2. The Contractor's pay request:
 - a. Must have Direct Material Purchases (DMP) deducted from pay request.
 - b. Must show all CO's and DPPO's (complete details).
 - c. Facilities will reconcile pay request with their records:
 - 1) Contractor will be contacted to resolve any discrepancies.
 - 2) Owner will fax summary as transactions occur.

H. End of Process

1. All DPPO's have been issued, materials delivered, invoices approved and paid.
 2. Facilities will close all DPPO; no CO is required for this action.
- Any discounts for prompt payment are for the account of the Owner.

APPENDIX 3 – FEDERAL PROCUREMENT FORMS AND MATERIALS

ATTACHMENT 3, EXHIBIT A: Procurement Decision Matrix

ATTACHMENT 3, EXHIBIT B: Independent Cost Estimate

ATTACHMENT 3, EXHIBIT C: Statement of Work (SOW) Template

ATTACHMENT 3, EXHIBIT D: Piggybacking Checklist

ATTACHMENT 3, EXHIBIT E: Sole Source Justification Form

ATTACHMENT 3, EXHIBIT F: Cost Analysis Form

ATTACHMENT 3, EXHIBIT G: Price Analysis

ATTACHMENT 3, EXHIBIT H: Fair and Reasonable Price Determination

ATTACHMENT 3, EXHIBIT I: Procurement Summary

ATTACHMENT 3, EXHIBIT J: Responsibility Determination Form

ATTACHMENT 3, EXHIBIT K: Contract Clause Matrix

ATTACHMENT 3, EXHIBIT L: Federally Required Contract Clauses

ATTACHMENT 3, EXHIBIT M: Change Order Review Checklist

ATTACHMENT 3, EXHIBIT N: Procurement History File Checklist

ATTACHMENT 3, EXHIBIT O: Procurement File Checklist

ATTACHMENT 3, EXHIBIT P: Contract Administration

ATTACHMENT 3, EXHIBIT Q: 2 CFR §200.236 & 2 CFR Part 200 Appendix II

ATTACHMENT 3, EXHIBIT R: FEMA Checklist for Reviewing Procurements

EXHIBIT A: PROCUREMENT DECISION MATRIX

Micro-purchase

- Amount < \$3,500
- Multiple Sources

Small Purchase

- Amount < \$150,000
- Complete and Adequate Specification or Description
- Two or more quotes available

Sole Source

- Approved by FTA
- OEM, Custom Item OR
- Only One Source OR
- Lease vs. Buy Analysis (attach if applicable)
- Competition Inadequate after Solicitation OR
- Emergency/Public Exigency

Sealed Bid (IFBs)

- Complete and Adequate Specification or Description
- Two or more responsible bidders willing to compete
- Selection can be made on the basis of price alone
- Firm Fixed Price Contract
- No discussion with bidders required after receipt of bids
- Construction – design-bid-build
(design-build shall not be permitted)

Competitive Procurement

- Amount < \$3,500
- Not an Emergency

Competitive Proposals (RFPs)

- Complete Specifications Not Feasible
- Bidder Input Needed
- Two or more responsible bidders willing to compete
- Discussion needed with bidders after proposals
- Fixed price can be set after discussions

Type of Contract

- Fixed price
- Firm Fixed unit prices
- Cost plus fixed fee
- Time and materials
- Blanket Purchase Order
- Indefinite Delivery Indefinite Quantity (IDIQ)



INDEPENDENT COST ESTIMATE

Contract Type:

Date of Estimate:

Description of Goods / Service:

Method of Obtaining the Estimate:

I have obtained the following estimate from...

- Published Price List / Past pricing (date) _____
- Engineering or technical estimate
- Independent Third Party estimate
- Other (specify) _____

Cost Estimate Details:

Through the method stated above it has been determined that the total cost of the goods/services is expected to be: \$ _____. Details are shown below.

Cost of Standard Items

A

Product	Cost (\$/ea)	Cost (\$/ea)	Notes / Data Source
	Delivered	No Freight	

Cost of Services, Repairs, or Non-Standard Items

B

Item / Task:							
Materials	Other Direct Costs	Labor (rate, hours)	Labor Class	Allocated overhead	SG&A	Profit	Total

Signature of Preparer:

The preceding cost estimate was obtained or prepared by: _____

[For complex items or tasks, attach detailed spreadsheet(s) explaining rationale.]



EXHIBIT C: SOW TEMPLATE

Statement of Work Title: _____

1.0 Project Background

- Describe the need for the goods or services, the current environment, and the Transit Agency's key objective(s) as it relates to this requirement. Provide a brief description/summary of the goods or services sought.
- Short statement of the problem to be resolved
- Expected project duration
- Transit Agency organizational units and/or key individuals involved in managing the project
- Alternative solutions or implementation strategies evaluated

a) Transit Agency requires these products and/or services due to:

b) Transit Agency is attempting to complete a project on _____ and requires supplier/contractor assistance in the:

c) The completion of this work will help Transit Agency:

Statement of Work Title: _____

1.0 Project Background

Describe the need for the goods or services, the current environment, and the Transit Agency's key objective(s) as it relates to this requirement. Provide a brief description/summary of the goods or services sought.

Short statement of the problem to be resolved

Expected project duration

Transit Agency organizational units and/or key individuals involved in managing the project

Alternative solutions or implementation strategies evaluated

a) Transit Agency requires these products and/or services due to:

b) Transit Agency is attempting to complete a project on _____ and requires supplier/contractor assistance in the:

3.0 Applicable Documents

List legal, regulatory, policy, security, and similar relevant documents. Include publication number, title, version, date and where the document can be obtained. If only certain portions of documents apply, state this. Indicate the definition of terms, if needed.

List any publications, manuals, and regulations that the supplier / contractor must abide by:

- a) _____

- b) _____

- c) _____

Definitions and Acronyms:

4.0 Summary of Requirements

These are the key tasks expected of the supplier / contractor according to the Schedule and the Statement of Work.

List the key technical and functional requirements for the project. Highlight up to 20 requirements that you consider to be essential to the ultimate success of the project. Include the expected outputs / outcomes and performance standards.

Write tasks to be performed in a logical and sequential arrangement of work to the extent possible. Describe the functionality. Use “work” words, such as:

1) Review...

2) Analyze...

3) Repair...

4) Install...

5) Construct...

All tasks should have quantifiable or observable results.

The following levels of quality are to be judged acceptable under this contract:

a) All milestones or services will be achieved and all reports will be submitted on time in accordance with Section 5.0 of this SOW.

a) All milestones, services, products or reports will meet the outcomes noted in Section 4.0 of this document.

c) Supplier / Contractor work will be monitored by Transit Agency project and Contract Management Staff.

d) Specific quality requirements for this contract are as follows:

1) On time delivery= _____

2) Acceptable quality = _____

3) Responsiveness = _____

4) Service Level = _____

EXHIBIT D: PIGGYBACKING CHECKLIST

Definition: *Piggybacking is the post-award use of a contractual document/process that allows someone who was not contemplated in the original procurement to purchase the same supplies/equipment through that original document/process.* ("FTA Dear Colleague" letter, October 1, 1998).

In order to assist in the performance of your review, to determine if a situation exists where you may be able to participate in the piggybacking (assignment) of an existing agreement, the following considerations are provided. Ensure that your final file includes documentation substantiating your determination.

WORKSHEET	YES	NO	NOTES
1. Have you obtained a copy of the contract and the solicitation document, including the specifications and any Buy America Pre-award or Post- Delivery audits?			
2. Does the solicitation and contract contain an express "assignability" clause that provides for the assignment of all or part of the specified deliverables?			
3. Did the Contractor submit the "certifications" required by Federal regulations? See BPPM Section 4.3.3.2.			
4. Does the contract contain the clauses required by Federal regulations? See BPPM Appendix A1.			
5. Were the piggybacking quantities included in the original solicitation; i.e., were they in the original bid and were they evaluated as part of the contract award decision?			
6. If this is an indefinite quantity contract, did the original solicitation and resultant contract contain both a minimum and maximum quantity, and did these represent the reasonably foreseeable needs of the parties to the contract?			
7. If this piggybacking action represents the exercise of an option in the contract, is the option provision still valid or has it expired?			
8. Does your State law allow for the procedures used by the original contracting agency: e.g., negotiations vs. sealed bids?			
9. Was a cost or price analysis performed by the original contracting agency documenting the reasonableness of the price? Obtain a copy for your files. Have you performed a market analysis of the prices to be paid and have you determined the price to be fair and reasonable and in the best interests of the Agency?			
10. If the contract is for rolling stock or replacement parts, does the contract term comply with the five-year term limit established by FTA? See FTA Circular 4220.1F, Chapter IV, 2 (14) (i).			
11. Was there a proper evaluation of the bids or proposals? Include a copy of the analysis in your files.			
12. If you will require changes to the vehicles (deliverables), are they "within the scope" of the contract or are they "cardinal changes"? See BPPM Section 9.2.1.			
13. Were geographical preferences included in the original solicitation/contract?			

Note: This worksheet is based upon the policies and guidance expressed in (a) the FTA Administrator's "Dear Colleague" letter of October 1, 1998, (b) the *Best Practices Procurement Manual*, Section 6.3.3—*Joint Procurements of Rolling Stock and "Piggybacking."*



EXHIBIT E (1)
SINGLE SOURCE PURCHASE FORM

A single source means that a commodity or service can be purchased from multiple sources, but, in order to meet certain functional or performance requirements (e.g. parts matching existing equipment or materials) there is only one economically feasible source for the purchase.

Date: _____ **PR No.:** _____ **Requestor:** _____ **Phone No.:** _____

Department/Division: _____

Item Description: _____

Vendor: _____

Vendor's Address: _____

Vendor's Telephone No.: _____ **Point of Contact:** _____

Single Source Justification: (Please attach justification) _____

Check One:

_____ The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation (documented emergency condition is attached).

_____ Federal Awarding Agency or Pass-Through Agency authorizes noncompetitive negotiations (letter of authorization is attached).

_____ The item is an associated capital maintenance item as defined in 49 U.S.C. §5307(a) (1) that is procured directly from the original manufacturer or supplier of the time to be replaced (price certification attached).

_____ Other. Additional justification required.

Requesting Department Director Signature
(Or Designee)

Date

REVIEW BY PURCHASING DEPARTMENT

Purchasing Department Comments: _____

Purchasing Director Signature

Date

Approved: _____

Denied: _____



EXHIBIT E
SOLE SOURCE PURCHASE FORM

A sole source is when the commodity or service can be legally purchased from only one source. This is usually due to the source owning patents and/or copyrights. A requirements for a particular proprietary item does not justify a sole source purchase, if, there is more than one potential supplier for that item. Use of Brand Names and Model numbers does not constitute a sole source.

Date: _____ **PR No.:** _____ **Requestor:** _____ **Phone No.:** _____

Department/Division: _____

Item Description: _____

Vendor: _____

Vendor's Address: _____

Vendor's Telephone No.: _____ **Point of Contact:** _____

Sole Source Justification: (Please attach justification) _____

Check One:

___ The item is available only from one vendor (sole source justification is attached).

___ Federal Awarding Agency or Pass-Through Agency authorizes noncompetitive negotiations (letter of authorization is attached).

Requesting Department Director Signature
(Or Designee)

Date

REVIEW BY PURCHASING DEPARTMENT

Purchasing Department Comments: _____

Purchasing Director Signature

Date

Approved: _____

Denied: _____



EXHIBIT F: COST ANALYSIS FORM

COST ANALYSIS SUMMARY (For New Contracts Including Letter Contracts) (See Instructions below)	
SOLICITATION # _____ _____	SUPPLIES AND/OR SERVICES TO BE FURNISHED _____ _____ _____ _____
PREPARER'S NAME, DEPARTMENT, TITLE, PHONE _____ _____ _____ _____	APPROVAL SIGNATURE _____ _____
DIVISION(S) AND LOCATION(S) WHERE WORK IS TO BE PERFORMED _____ _____ _____	APPROVAL SIGNATURE _____ _____

DETAIL DESCRIPTION OF COST ELEMENTS			Vendor A Proposal	Vendor B Proposal	Independent Estimate	Analysis
1. DIRECT MATERIAL						
A. PURCHASED PARTS						
B. SUBCONTRACTED ITEMS						
C. OTHER -						
(1) RAW MATERIAL						
(2) STANDARD COMMERCIAL ITEMS						
<i>TOTAL DIRECT MATERIAL</i>						
2. MATERIAL OVERHEAD (RATE % x \$ BASE *)						
3. DIRECT LABOR	ESTIMATED HOURS	RATE/ HOUR	Vendor A (\$)	Vendor B (\$)	Independent Estimate	Variance
<i>TOTAL DIRECT LABOR</i>						



EXHIBIT F: COST ANALYSIS FORM

PAGE ____ OF ____

4. LABOR OVERHEAD	ESTIMATED HOURS	RATE/HOUR	Vendor A (\$)	Vendor B (\$)	Independent Estimate	Variance
OH Rate						
X BASE (labor total above)						
<i>TOTAL LABOR OVERHEAD</i>						
5. OTHER DIRECT COSTS			Vendor A (\$)	Vendor B (\$)	Independent Estimate	Variance
A. SPECIAL TOOLING/EQUIPMENT						
<i>TOTAL SPECIAL TOOLING/EQUIPMENT</i>						
B. TRAVEL						
(1) TRANSPORTATION						
(2) PER DIEM OR SUBSISTENCE						
<i>TOTAL TRAVEL</i>						
DETAIL DESCRIPTION OF COST ELEMENTS (continued)			Vendor A (\$)	Vendor B (\$)	Independent Estimate	Variance
C. INDIVIDUAL CONSULTANT SERVICES						
<i>TOTAL INDIVIDUAL CONSULTANT SERVICES</i>						
D. OTHER						
<i>TOTAL OTHER</i>						
E. SUBTOTAL DIRECT COST AND OVERHEAD						
6. GENERAL AND ADMINISTRATIVE (G&A) RATE % x \$ BASE (Use 5.E above)						
7. ROYALTIES (if any)						
8. SUBTOTAL ESTIMATED COST						
9. CONTRACT FACILITIES CAPITAL AND COST OF MONEY						
10. SUBTOTAL ESTIMATED COST						
11. FEE OR PROFIT						
12. TOTAL ESTIMATED COST AND FEE OR PROFIT						
13. DISCOUNTS						
14. OPTION COSTS (SPECIFY)						
15. ADJUSTED COST						



EXHIBIT F: COST ANALYSIS FORM

PAGE ____ OF ____

FEDERAL COST PRINCIPALS

Costs must be necessary and reasonable, allocable to the project, authorized or not prohibited by Federal law or regulation, and must comply with Federal cost principles applicable to the COUNTY. Chapter IV, Section 4 C4220.1F states FTA assistance may support contract costs or prices based on estimated costs only if the costs incurred or cost estimates included in negotiated prices comply with applicable Federal cost principles, and the property or services are eligible for Federal assistance under the terms of the underlying grant or cooperative agreement.

ANALYSIS GUIDELINES

1. DIRECT MATERIAL

A. Analyze Purchased Parts: Provide a consolidated price analysis of material quantities included in the various tasks, orders, or contract line items being proposed and the basis for pricing (vendor quotes, invoice prices, etc.).

B. Subcontracted Items: Analyze the total cost of subcontract effort and supporting written quotations from the prospective subcontractors

C. Other:

(1) Raw Material: Review any materials in a form or state that requires further processing. Analyze priced quantities of items required for the proposal. Consider alternatives and total cost impact.

(2) Standard Commercial Items: Analyze proposed items that the offeror will provide, in whole or in part, and review the basis for pricing. Consider whether these could be provided at lower cost from another source.

2. MATERIAL OVERHEAD Verify that this cost is not computed as part of labor overhead (item 4) or General and Administrative (G&A) (Item 6).

3. DIRECT LABOR Analyze the hourly rate and the total hours for each individual (if known) and discipline of direct labor proposed. Determine whether actual rates or escalated rates are used. If escalation is included, analyze the degree (percent) and rationale used. Compare percentage of total that labor represents for each bid.

4. LABOR OVERHEAD Analyze comparative rates and ensure these costs are not computed as part of G&A. Determine if Government Audited rates are available,

5. OTHER DIRECT COSTS

A. Special Tooling/Equipment. Analyze price and necessity of specific equipment and unit prices.

B. Travel. Analyze each trip proposed and the persons (or disciplines) designated to make each trip.

Compare and check costs.

C. Individual Consultant Services. Analyze the proposed contemplated consulting. Compare to independent estimate of the amount of services estimated to be required and match the consultants' quoted daily or hourly rate to known benchmarks.

D. Other Costs. Review all other direct charge costs not otherwise included in the categories described above (e.g., services of specialized trades, computer services, preservation, packaging and packing, leasing of equipment and provide bases for pricing. Scan for duplication or omissions.

6. GENERAL AND ADMINISTRATIVE EXPENSE See notes on labor overhead above and check whether the base has been approved by a Government audit agency for use in proposals.

7. ROYALTIES If more than \$250, analyze the following information for each separate royalty or license fee; name and address of licensor; date of license agreement; patent numbers, patent application serial numbers, or other basis on which the royalty is payable; brief description (including any part of model numbers or each contract item or component on which the royalty is payable); percentage or dollar rate of royalty per unit; unit price of contract item; number of units; and total dollar amount of royalties,



EXHIBIT F: COST ANALYSIS FORM

PAGE ____ OF ____

8. SUBTOTAL ESTIMATED COST Compare the total of all direct and indirect costs excluding Cost of Money and Fee or Profit. Note reasons for differences.

9. CONTRACT FACILITIES CAPITAL AND COST OF MONEY

Analyze the offerors' supporting calculations and compare to known standards.

10. SUBTOTAL ESTIMATED COST

This is the total of all proposed costs excluding Fee or Profit. Determine the competitive range. Question outliers.

11. FEE OR PROFIT

Review the total of all proposed Fees or Profit.

12. TOTAL ESTIMATED COST AND FEE OR PROFIT Analyze the range of total estimated costs including Fee or Profit, and explain variance to independent estimate. Identify areas for negotiation or areas to be challenged. Explain your conclusions regarding fair and reasonable pricing.

13. DISCOUNTS

Review basis for Discounts and range between offers.

ATTACH NARRATIVE COST ANALYSIS MEMO ADDRESSING ITEMS AS INSTRUCTED ABOVE.



EXHIBIT G: PRICE ANALYSIS

PO / Contract: _____

The evidence compiled by a price analysis includes:

- Developing and examining data from multiple sources whenever possible that prove or strongly suggest the proposed price is fair.
- Determining when multiple data consistently indicate that a given price represents a good value for the money.
- Documenting data sufficiently to convince a third party that the analyst’s conclusions are valid.

The pricing quoted on the attached sheet(s) is deemed to be fair and reasonable based on the following type of analysis:

_____ Comparison with competing suppliers’ prices or catalog pricing for the same item. (Complete comparison matrix and attach supporting quotes or catalog pages.)

_____ Comparison of proposed pricing with in-house estimate for the same item. (Attach signed in-house estimate and explain factors influencing any differences found. Complete summary matrix.)

_____ Comparison of proposed pricing with historical pricing from previous purchases of the same item, coupled with market data such as Producer Price Index or Inflation Rate over the corresponding time period. (Attach data and historical price record).

_____ Analysis of price components against current published standards, such as labor rates, dollars per pound etc. to justify the price reasonableness of the whole. (Attach analysis to support conclusions drawn.)

SUMMARY MATRIX

Item	Proposed Pricing	Average Market Price	Competitor A	Competitor B	In- House Estimate	Other

DATE: _____
Attachments:

PREPARED BY _____



FAIR AND REASONABLE PRICE DETERMINATION

I hereby determine the price to be fair and reasonable based on at least one of the following:

Check one or more:

- Found reasonable on recent purchase.
- Obtained from current price list.
- Obtained from current catalog.
- Commercial market sales price from advertisements.
- Similar in related industry.
- Personal knowledge of item procured.
- Regulated rate (utility).
- Other.

Comments:

Copy of purchase order, quotes, catalog page, price list, etc. is attached.

Purchasing Agent

Date



EXHIBIT I: PROCUREMENT SUMMARY

PROCUREMENT MEMORANDUM

Date: _____
PO / Contract No. _____

Completed by: _____
Source of Funding: _____

Method of Procurement

Micro Purchase: _____
Small Purchase: _____
Competitive RFP: _____

A&E Services: _____
Competitive Bid: _____
Sole Source: _____

Adequate # of Sources Solicited?

Yes/ No _____ # of Sources _____

Justification if Non-Competitive:

Reason for the Procurement

Contract Type: _____

Rationale for contract type: _____

Reason for Contractor selection or rejection:

Lowest responsive, responsible bidder: _____

Evaluation results were:

Basis for Contract Price

Accepted contractor's proposed pricing:

Negotiated Price (attached memorandum) _____

Other: _____

Cost / Price Analysis:

The price offered by the supplier was within ____ % of the independent estimate, and variance between the offerors constituted a range of ____ . The competitive range was determined to be from \$ _____

Pricing discrepancies between the offers was attributed to _____

Other sources/data used to affirm price reasonableness were _____

EXPLAIN:

Evaluation of Options, if any: _____

Exercise of Options, if any: _____

Summary of Responsibility and Responsiveness Checks

Award

Date of contract award: _____

Board Approval (Attach Meeting Minutes):

Change Orders

Identify each and summarize reason for change, dates, cost analysis, time impact, and modification number.



EXHIBIT J: RESPONSIBILITY DETERMINATION FORM

Bid/RFP No: _____
Supplier: _____
Date: _____

For each of the areas described below, check that the appropriate research has been accomplished and provide a short description of the research and the results.

	Acceptable	Comment
1. Appropriate financial, equipment, facility, and personnel	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____ _____ _____
2. Ability to meet the delivery schedule	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____ _____ _____
3. Satisfactory period of performance	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____ _____ _____
4. Satisfactory record of integrity, not on debarred or suspended listings	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____ _____ _____
5. Receipt of all necessary data from supplier	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____ _____ _____
6. System for Award Management (SAM) check	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____ _____ _____
7. Conflict of Interest	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____ _____ _____

EXHIBIT K: 1 OF 2 - CONTRACT CLAUSE MATRIX
 APPLICABILITY OF THIRD PARTY CONTRACT PROVISIONS
 (excluding micro-purchases, except Davis-Bacon requirements apply to contracts exceeding \$2,000)

PROVISION	Professional Services/A&E	Operations/ Management	Rolling Stock Purchases	Construction	Materials & Supplies
No Federal Government Obligations to Third Parties (by Use of a Disclaimer)	All	All	All	All	All
False Statements or Claims Civil and Criminal Fraud	All	All	All	All	All
Access to Third Party Contract Records	All	All	All	All	All
Changes to Federal Requirements	All	All	All	All	All
Termination *	>\$10,000 if 49 CFR Part 18 applies	>\$10,000 if 49 CFR Part 18 applies	>\$10,000 if 49 CFR Part 18 applies	>\$10,000 if 49 CFR Part 18 applies	>\$10,000 if 49 CFR Part 18 applies
Civil Rights (Title VI, EEO, ADA) *	>\$10,000	>\$10,000	>\$10,000	>\$10,000	>\$10,000
Disadvantaged Business Enterprises (DBEs)	All	All	All	All	All
Incorporation of FTA Terms	All	All	All	All	All
Debarment and Suspension	>\$25,000	>\$25,000	>\$25,000	>\$25,000	>\$25,000
Buy America			>\$100,000	>\$100,000	>\$100,000
Resolution of Disputes, Breaches, or Other Litigation	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Lobbying	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Clean Air	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Clean Water	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Cargo Preference			For property transported by ocean vessel.	For property transported by ocean vessel.	For property transported by ocean vessel.
Fly America	For foreign air transport or travel	For foreign air transport or travel	For foreign air transport or travel	For foreign air transport or travel	For foreign air transport or travel
Davis-Bacon Act				>\$2,000 (including Ferry Vessels)	

*APPLIES TO ALL FEMA CONTRACTS NO MATTER THE AMOUNT

EXHIBIT K: 2 OF 2 - CONTRACT CLAUSE MATRIX
 APPLICABILITY OF THIRD PARTY CONTRACT PROVISIONS
 (excluding micro-purchases, except Davis-Bacon requirements apply to contracts exceeding \$2,000)

PROVISION	Professional Services/A&E	Operations/ Management	Rolling Stock Purchases	Construction	Materials & Supplies
Contract Work Hours and Safety Standards Act		>\$100,000 (except Transportation Services)	>\$100,000	>\$100,000 (including Ferry Vessels)	
Copeland Anti-Kickback Act Section 1 Section 2				All All exceeding \$2,000 (including ferry vessels)	
Bonding				\$100,000	
Seismic Safety	A&E for New Building & Additions			New Building	
Transit Employee Protective Arrangements		Transit Operations			
Charter Service Operations		All			
School Bus Operations		All			
Drug Use and Testing		Transit Operations			
Alcohol Misuse and Testing		Transit Operations			
Patent Rights**	Research & Development				
Rights in Data and Copyright Requirements	Research & Development				
Energy Conservation	All	All	All	All	All
Recycled Products		Contracts for items designated by EPA, when procuring \$10,000 or more per year		Contracts for items designated by EPA, when procuring \$10,000 or more per year	Contracts for items designated by EPA, when procuring \$10,000 or more per year
Conformance with ITS National Architecture	ITS Projects	ITS Projects	ITS Projects	ITS Projects	ITS Projects
ADA Access	A&E	All	All	All	All
Notification of Federal Participation for States	Limited to States	Limited to States	Limited to States	Limited to States	Limited to States
DHS Seal, Logo, Flags	All FEMA	All FEMA	All FEMA	All FEMA	All FEMA
Compliance with Federal Law, Regulation & Executive Orders	All FEMA	All FEMA	All FEMA	All FEMA	All FEMA

**DOES NOT APPLY TO FEMA PUBLIC ASSISTANCE WORK CONTRACTS

EXHIBIT L: FEDERALLY REQUIRED CONTRACT CLAUSES

1. Fly America Requirements
2. Buy America Requirements
3. Charter Bus and School Bus Requirements
4. Cargo Preference Requirements
5. Seismic Safety Requirements
6. Energy Conservation Requirements
7. Clean Water Requirements
8. Bus Testing
9. Pre-Award and Post Delivery Audit Requirements
10. Lobbying
11. Access to Records and Reports
12. Federal Changes
13. Bonding Requirements
14. Clean Air
15. Recycled Products
16. Davis-Bacon and Copeland Anti-Kickback Acts
17. Contract Work Hours and Safety Standards Act
18. [Reserved]
19. No Government Obligation to Third Parties
20. Program Fraud and False or Fraudulent Statements and Related Acts
21. Termination
22. Government-wide Debarment and Suspension (Nonprocurement)
23. Privacy Act
24. Civil Rights Requirements
25. Breaches and Dispute Resolution
26. Patent and Rights in Data
27. Transit Employee Protective Agreements
28. Disadvantaged Business Enterprises (DBE)
29. [Reserved]
30. Incorporation of Federal Transit Administration (FTA) Terms
31. Drug and Alcohol Testing
32. Veteran's Preference/Employment
33. Occupational Safety and Health Act Compliance
34. Fair Labor Standards Act
35. Texting When Driving
36. E-Verify

1. FLY AMERICA REQUIREMENTS
49 U.S.C. § 40118
41 CFR Part 301-10

Applicability to Contracts

The Fly America requirements apply to the transportation of persons or property, by air, between a place in the U.S. and a place outside the U.S., or between places outside the U.S., when the FTA will participate in the costs of such air transportation. Transportation on a foreign air carrier is permissible when provided by a foreign air carrier under a code share agreement when the ticket identifies the U.S. air carrier's designator code and flight number. Transportation by a foreign air carrier is also permissible if there is a bilateral or multilateral air transportation agreement to which the U.S. Government and a foreign government are parties and which the Federal DOT has determined meets the requirements of the Fly America Act.

Flow Down Requirements

The Fly America requirements flow down from FTA recipients and subrecipients to first tier contractors, who are responsible for ensuring that lower tier contractors and subcontractors are in compliance.

Model Clause/Language

The relevant statutes and regulations do not mandate any specified clause or language. FTA proposes the following language.

Fly America Requirements

The Contractor agrees to comply with 49 U.S.C. 40118 (the "Fly America" Act) in accordance with the General Services Administration's regulations at 41 CFR Part 301-10, which provide that recipients and subrecipients of Federal funds and their contractors are required to use U.S. Flag air carriers for U.S Government-financed international air travel and transportation of their personal effects or property, to the extent such service is available, unless travel by foreign air carrier is a matter of necessity, as defined by the Fly America Act. The Contractor shall submit, if a foreign air carrier was used, an appropriate certification or memorandum adequately explaining why service by a U.S. flag air carrier was not available or why it was necessary to use a foreign air carrier and shall, in any event, provide a certificate of compliance with the Fly America requirements. The Contractor agrees to include the requirements of this section in all subcontracts that may involve international air transportation.

2. BUY AMERICA REQUIREMENTS
49 U.S.C. 5323(j)
49 CFR Part 661

Applicability to Contracts

The Buy America requirements apply to the following types of contracts: Construction Contracts and Acquisition of Goods or Rolling Stock (valued at more than \$100,000).

Flow Down

The Buy America requirements flow down from FTA recipients and subrecipients to first tier contractors, who are responsible for ensuring that lower tier contractors and subcontractors are in compliance. The \$100,000 threshold applies only to the grantee contract, subcontracts under that amount are subject to Buy America.

Mandatory Clause/Language

The Buy America regulation, at 49 CFR 661.13, requires notification of the Buy America requirements in

FTA - funded contracts, but does not specify the language to be used. The following language has been developed by FTA.

Buy America - The contractor agrees to comply with 49 U.S.C. 5323(j) and 49 C.F.R. Part 661, which provide that Federal funds may not be obligated unless steel, iron, and manufactured products used in FTA-funded projects are produced in the United States, unless a waiver has been granted by FTA or the product is subject to a general waiver. General waivers are listed in 49 C.F.R. 661.7, and include final assembly in the United States for 15 passenger vans and 15 passenger wagons produced by Chrysler Corporation, and microcomputer equipment and software. Separate requirements for rolling stock are set out at 49 U.S.C. 5323(j)(2)(C) and 49 C.F.R. 661.11. Rolling stock must be assembled in the United States and have a 60 percent domestic content.

A bidder or offeror must submit to the FTA recipient the appropriate Buy America certification (below) with all bids or offers on FTA-funded contracts, except those subject to a general waiver. Bids or offers that are not accompanied by a completed Buy America certification must be rejected as nonresponsive. This requirement does not apply to lower tier subcontractors.

Certification requirement for procurement of steel, iron, or manufactured products.

Certificate of Compliance with 49 U.S.C. 5323(j)(1)

The bidder or offeror hereby certifies that it will meet the requirements of 49 U.S.C. 5323(j)(1) and the applicable regulations in 49 C.F.R. Part 661.5.

Date _____
Signature _____
Company Name _____
Title _____

Certificate of Non-Compliance with 49 U.S.C. 5323(j)(1)

The bidder or offeror hereby certifies that it cannot comply with the requirements of 49 U.S.C. 5323(j)(1) and 49 C.F.R. 661.5, but it may qualify for an exception pursuant to 49 U.S.C. 5323(j)(2)(A), 5323(j)(2)(B), or 5323(j)(2)(D), and 49 C.F.R. 661.7.

Date _____
Signature _____
Company Name _____
Title _____

Certification requirement for procurement of buses, other rolling stock and associated equipment.

Certificate of Compliance with 49 U.S.C. 5323(j)(2)(C).

The bidder or offeror hereby certifies that it will comply with the requirements of 49 U.S.C. 5323(j)(2)(C) and the regulations at 49 C.F.R. Part 661.11.

Date _____
Signature _____
Company Name _____
Title _____

Certificate of Non-Compliance with 49 U.S.C. 5323(j)(2)(C)

The bidder or offeror hereby certifies that it cannot comply with the requirements of 49 U.S.C. 5323(j)(2)(C) and 49 C.F.R. 661.11, but may qualify for an exception pursuant to 49 U.S.C. 5323(j)(2)(A), 5323(j)(2)(B), or 5323(j)(2)(D), and 49 CFR 661.7.

Date _____
Signature _____
Company Name _____
Title _____

3. CHARTER BUS REQUIREMENTS
49 U.S.C. 5323(d)
49 CFR Part 604

Applicability to Contracts

The Charter Bus requirements apply to the following type of contract: Operational Service Contracts.

Flow Down Requirements

The Charter Bus requirements flow down from FTA recipients and subrecipients to first tier service contractors.

Model Clause/Language

The relevant statutes and regulations do not mandate any specific clause or language. The following clause has been developed by FTA.

Charter Service Operations - The contractor agrees to comply with 49 U.S.C. 5323(d) and 49 CFR Part 604, which provides that recipients and subrecipients of FTA assistance are prohibited from providing charter service using federally funded equipment or facilities if there is at least one private charter operator willing and able to provide the service, except under one of the exceptions at 49 CFR 604.9. Any charter service provided under one of the exceptions must be "incidental," i.e., it must not interfere with or detract from the provision of mass transportation.

3. SCHOOL BUS REQUIREMENTS
49 U.S.C. 5323(F)
49 CFR Part 605

Applicability to Contracts

The School Bus requirements apply to the following type of contract: Operational Service Contracts.

Flow Down Requirements

The School Bus requirements flow down from FTA recipients and subrecipients to first tier service contractors.

Model Clause/Language

The relevant statutes and regulations do not mandate any specific clause or language. The following clause has been developed by FTA.

School Bus Operations - Pursuant to 69 U.S.C. 5323(f) and 49 CFR Part 605, recipients and subrecipients of FTA assistance may not engage in school bus operations exclusively for the transportation of students and school personnel in competition with private school bus operators unless qualified under specified exemptions. When operating exclusive school bus service under an allowable exemption, recipients and subrecipients may not use federally funded equipment, vehicles, or facilities.

4. CARGO PREFERENCE REQUIREMENTS

46 U.S.C. 1241

46 CFR Part 381

Applicability to Contracts

The Cargo Preference requirements apply to all contracts involving equipment, materials, or commodities which may be transported by ocean vessels.

Flow Down

The Cargo Preference requirements apply to all subcontracts when the subcontract may be involved with the transport of equipment, material, or commodities by ocean vessel.

Model Clause/Language

The MARAD regulations at 46 CFR 381.7 contain suggested contract clauses. The following language is proffered by FTA.

Cargo Preference - Use of United States-Flag Vessels - The contractor agrees: a. to use privately owned United States-Flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, material, or commodities pursuant to the underlying contract to the extent such vessels are available at fair and reasonable rates for United States-Flag commercial vessels; b. to furnish within 20 working days following the date of loading for shipments originating within the United States or within 30 working days following the date of leading for shipments originating outside the United States, a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in the preceding paragraph to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590 and to the FTA recipient (through the contractor in the case of a subcontractor's bill-of-lading.) c. to include these requirements in all subcontracts issued pursuant to this contract when the subcontract may involve the transport of equipment, material, or commodities by ocean vessel.

5. SEISMIC SAFETY REQUIREMENTS

42 U.S.C. 7701 et seq. 49

CFR Part 41

Applicability to Contracts

The Seismic Safety requirements apply only to contracts for the construction of new buildings or additions to existing buildings.

Flow Down

The Seismic Safety requirements flow down from FTA recipients and subrecipients to first tier contractors to assure compliance, with the applicable building standards for Seismic Safety, including the work performed by all subcontractors.

Model Clauses/Language

The regulations do not provide suggested language for third-party contract clauses. The following language has been developed by FTA.

Seismic Safety - The contractor agrees that any new building or addition to an existing building will be designed and constructed in accordance with the standards for Seismic Safety required in Department of Transportation Seismic Safety Regulations 49 CFR Part 41 and will certify to compliance to the extent required by the regulation. The contractor also agrees to ensure that all work performed under this contract including work performed by a subcontractor is in compliance with the standards required by the Seismic Safety Regulations and the certification of compliance issued on the project.

6. ENERGY CONSERVATION REQUIREMENTS **42 U.S.C. 6321 et seq.** **49 CFR Part 18**

Applicability to Contracts

The Energy Conservation requirements are applicable to all contracts.

Flow Down

The Energy Conservation requirements extend to all third party contractors and their contracts at every tier and subrecipients and their sub agreements at every tier.

Model Clause/Language

No specific clause is recommended in the regulations because the Energy Conservation requirements are so dependent on the state energy conservation plan. The following language has been developed by FTA:

Energy Conservation - The contractor agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

7. CLEAN WATER REQUIREMENTS **33 U.S.C. 1251**

Applicability to Contracts

The Clean Water requirements apply to each contract and subcontract which exceeds \$100,000.

Flow Down

The Clean Water requirements flow down to FTA recipients and subrecipients at every tier.

Model Clause/Language

While no mandatory clause is contained in the Federal Water Pollution Control Act, as amended, the following language developed by FTA contains all the mandatory requirements:

Clean Water - (1) The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. The Contractor agrees to report each violation to the Purchaser and understands and agrees that the Purchaser will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office. (2) The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

8. BUS TESTING
49 U.S.C. 5323(c)
49 CFR Part 665

Applicability to Contracts

The Bus Testing requirements pertain only to the acquisition of Rolling Stock/Turnkey.

Flow Down

The Bus Testing requirements should not flow down, except to the turnkey contractor as stated in Master Agreement.

Model Clause/Language

Clause and language therein are merely suggested. 49 CFR Part 665 does not contain specific language to be included in third party contracts but does contain requirements applicable to subrecipients and third party contractors. Bus Testing Certification and language therein are merely suggested.

Bus Testing - The Contractor [Manufacturer] agrees to comply with 49 U.S.C. A 5323(c) and FTA's implementing regulation at 49 CFR Part 665 and shall perform the following:

- 1) A manufacturer of a new bus model or a bus produced with a major change in components or configuration shall provide a copy of the final test report to the recipient at a point in the procurement process specified by the recipient which will be prior to the recipient's final acceptance of the first vehicle.
- 2) A manufacturer who releases a report under paragraph 1 above shall provide notice to the operator of the testing facility that the report is available to the public.
- 3) If the manufacturer represents that the vehicle was previously tested, the vehicle being sold should have the identical configuration and major components as the vehicle in the test report, which must be provided to the recipient prior to recipient's final acceptance of the first vehicle. If the configuration or components are not identical, the manufacturer shall provide a description of the change and the manufacturer's basis for concluding that it is not a major change requiring additional testing.
- 4) If the manufacturer represents that the vehicle is "grandfathered" (has been used in mass transit service in the United States before October 1, 1988, and is currently being produced without a major change in configuration or components), the manufacturer shall provide the name and address of the recipient of such a vehicle and the details of that vehicle's configuration and major components.

CERTIFICATION OF COMPLIANCE WITH FTA'S BUS TESTING REQUIREMENTS

The undersigned [Contractor/Manufacturer] certifies that the vehicle offered in this procurement complies with 49 U.S.C. A 5323(c) and FTA's implementing regulation at 49 CFR Part 665.

The undersigned understands that misrepresenting the testing status of a vehicle acquired with Federal financial assistance may subject the undersigned to civil penalties as outlined in the Department of

Transportation's regulation on Program Fraud Civil Remedies, 49 CFR Part 31. In addition, the undersigned understands that FTA may suspend or debar a manufacturer under the procedures in 49 CFR Part 29.

Date _____
Signature _____
Company Name _____
Title _____

9. PRE-AWARD AND POST DELIVERY AUDITS REQUIREMENTS
49 U.S.C. 5323
49 CFR Part 663

Applicability to Contracts

These requirements apply only to the acquisition of Rolling Stock/Turnkey.

Flow Down

These requirements should not flow down, except to the turnkey contractor as stated in Master Agreement.

Model Clause/Language

Clause and language therein are merely suggested. 49 C.F.R. Part 663 does not contain specific language to be included in third party contracts but does contain requirements applicable to subrecipients and third party contractors.

-Buy America certification is mandated under FTA regulation, "Pre-Award and Post-Delivery Audits of Rolling Stock Purchases," 49 C.F.R. 663.13.

--Specific language for the Buy America certification is mandated by FTA regulation,

"Buy America Requirements--Surface Transportation Assistance Act of 1982, as amended,"

49 C.F.R. 661.12, but has been modified to include FTA's Buy America requirements codified at 49 U.S.C. A 5323(j).

Pre-Award and Post-Delivery Audit Requirements - The Contractor agrees to comply with 49 U.S.C. § 5323(l) and FTA's implementing regulation at 49 C.F.R. Part 663 and to submit the following certifications:

- 1) Buy America Requirements: The Contractor shall complete and submit a declaration certifying either compliance or noncompliance with Buy America. If the Bidder/Offeror certifies compliance with Buy America, it shall submit documentation which lists 1) component and subcomponent parts of the rolling stock to be purchased identified by manufacturer of the parts, their country of origin and costs; and 2) the location of the final assembly point for the rolling stock, including a description of the activities that will take place at the final assembly point and the cost of final assembly.
- 2) Solicitation Specification Requirements: The Contractor shall submit evidence that it will be capable of meeting the bid specifications.
- 3) Federal Motor Vehicle Safety Standards (FMVSS): The Contractor shall submit 1) manufacturer's FMVSS self-certification sticker information that the vehicle complies with relevant FMVSS or 2) manufacturer's certified statement that the contracted buses will not be subject to FMVSS regulations.

BUY AMERICA CERTIFICATE OF COMPLIANCE WITH FTA REQUIREMENTS FOR BUSES, OTHER ROLLING STOCK, OR ASSOCIATED EQUIPMENT

(To be submitted with a bid or offer exceeding the small purchase threshold for Federal assistance programs, currently set at \$100,000.)

Certificate of Compliance

The bidder hereby certifies that it will comply with the requirements of 49 U.S.C. Section 5323(j)(2)(C), Section 165(b)(3) of the Surface Transportation Assistance Act of 1982, as amended, and the regulations of 49 C.F.R. 661.11:

Date _____
Signature _____
Company Name _____
Title _____

The bidder hereby certifies that it cannot comply with the requirements of 49 U.S.C. Section 5323(j)(2)(C) and Section 165(b)(3) of the Surface Transportation Assistance Act of 1982, as amended, but may qualify for an exception to the requirements consistent with 49 U.S.C. Sections 5323(j)(2)(B) or (j)(2)(D), Sections 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act, as amended, and regulations in 49 C.F.R. 661.7.

Date _____
Signature _____
Company Name _____
Title _____

10. LOBBYING
31 U.S.C. 1352
49 CFR Part 19
49 CFR Part 20

Applicability to Contracts

The Lobbying requirements apply to Construction/Architectural and Engineering/Acquisition of Rolling Stock/Professional Service Contract/Operational Service Contract/Turnkey contracts.

Flow Down

The Lobbying requirements mandate the maximum flow down, pursuant to Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352(b)(5) and 49 C.F.R. Part 19, Appendix A, Section 7.

Mandatory Clause/Language

Clause and specific language therein are mandated by 49 CFR Part 19, Appendix A.

Modifications have been made to the Clause pursuant to Section 10 of the Lobbying Disclosure Act of 1995, P.L. 104-65 [to be codified at 2 U.S.C. § 1601, *et seq.*]

- Lobbying Certification and Disclosure of Lobbying Activities for third party contractors are mandated by 31 U.S.C. 1352(b)(5), as amended by Section 10 of the Lobbying Disclosure Act of 1995, and DOT implementing regulation, "New Restrictions on Lobbying," at 49 CFR § 20.110(d)

- Language in Lobbying Certification is mandated by 49 CFR Part 19, Appendix A, Section 7, which provides that contractors file the certification required by 49 CFR Part 20, Appendix A.

Modifications have been made to the Lobbying Certification pursuant to Section 10 of the Lobbying Disclosure Act of 1995.

- Use of "Disclosure of Lobbying Activities," Standard Form--LLL set forth in Appendix B of 49 CFR Part 20, as amended by "Government wide Guidance For New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96) is mandated by 49 CFR Part 20, Appendix A.

Byrd Anti-Lobbying Amendment, 31 U.S.C. 1352, as amended by the Lobbying Disclosure Act of 1995, P.L. 104-65 [to be codified at 2 U.S.C. § 1601, et seq.] - Contractors who apply or bid for an award of \$100,000 or more shall file the certification required by 49 CFR part 20, "New Restrictions on Lobbying." Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on its behalf with non-Federal funds with respect to that Federal contract, grant or award covered by 31 U.S.C. 1352. Such disclosures are forwarded from tier to tier up to the recipient.

EXHIBIT A, 49 CFR PART 20--CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

(To be submitted with each bid or offer exceeding \$100,000)

The undersigned [Contractor] certifies, to the best of his or her knowledge and belief, that:

- 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- 2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96)]. Note: Language in paragraph (2) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be

codified at 2 U.S.C. 1601, et seq.)]

- 3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

[Note: Pursuant to 31 U.S.C. § 1352(c)(1)-(2)(A), any person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.]

The Contractor, _____, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. A 3801, et seq., apply to this certification and disclosure, if any.

Signature of Contractor's Authorized Official

Name and Title of Contractor's Authorized Official

Date

11. ACCESS TO RECORDS AND REPORTS
49 U.S.C. 5325
18 CFR 18.36 (i)
49 CFR 633.17

Applicability to Contracts

Reference Chart "Requirements for Access to Records and Reports by Type of Contracts"

Flow Down

FTA does not require the inclusion of these requirements in subcontracts.

Model Clause/Language

The specified language is not mandated by the statutes or regulations referenced, but the language provided paraphrases the statutory or regulatory language.

Access to Records - The following access to records requirements apply to this Contract:

- 1) Where the Purchaser is not a State but a local government and is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 C.F.R. 18.36(i), the Contractor agrees to provide the Purchaser, the FTA Administrator, the Comptroller General of the United States or any of their authorized representatives access to any books, documents, papers and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions. Contractor also agrees, pursuant to 49
- 2) C.F.R. 633.17 to provide the FTA Administrator or his authorized representatives including any PMO

Contractor access to Contractor's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through the programs described at 49 U.S.C. 5307, 5309 or 5311.

- 3) Where the Purchaser is a State and is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 C.F.R. 633.17, Contractor agrees to provide the Purchaser, the FTA Administrator or his authorized representatives, including any PMO Contractor, access to the Contractor's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through the programs described at 49 U.S.C. 5307, 5309 or 5311. By definition, a major capital project excludes contracts of less than the simplified acquisition threshold currently set at \$100,000.
- 4) Where the Purchaser enters into a negotiated contract for other than a small purchase or under the simplified acquisition threshold and is an institution of higher education, a hospital or other non-profit organization and is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 C.F.R. 19.48, Contractor agrees to provide the Purchaser, FTA Administrator, the Comptroller General of the United States or any of their duly authorized representatives with access to any books, documents, papers and record of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions.
- 5) Where any Purchaser which is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 U.S.C. 5325(a) enters into a contract for a capital project or improvement (defined at 49 U.S.C. 5302(a)1) through other than competitive bidding, the Contractor shall make available records related to the contract to the Purchaser, the Secretary of Transportation and the Comptroller General or any authorized officer or employee of any of them for the purposes of conducting an audit and inspection.
- 6) The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
- 7) The Contractor agrees to maintain all books, records, accounts and reports required under this contract for a period of not less than three years after the date of termination or expiration of this contract, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case Contractor agrees to maintain same until the Purchaser, the FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Reference 49 CFR 18.39(i)(11).
- 8) FTA does not require the inclusion of these requirements in subcontracts.

Requirements for Access to Records and Reports by Types of Contract

Contract Characteristics	Operational Service Contract	Turnkey	Construction	Architectural Engineering	Acquisition of Rolling Stock	Professional Services
I. State Grantees	None		None	None	None	None
a. Contracts below SAT (\$100,000)	None unless ¹	Those imposed on state pass thru to Contractor	Yes, if non-competitive award or if funded thru ² 5307/5309/5311	None unless non-competitive award	None unless non-competitive award	None unless non-competitive award
b. Contracts above \$100,000/Capital Projects	non-competitive award					
II. Non State Grantees						
a. Contracts below SAT (\$100,000)	Yes ³	Those imposed on non-state Grantee pass thru to Contractor	Yes	Yes	Yes	Yes
b. Contracts above \$100,000/Capital Projects	Yes ³		Yes	Yes	Yes	Yes

Sources of Authority:

¹ 49 USC 5325 (a)

² 49 CFR 633.17

³ 18 CFR 18.36 (i)

12. FEDERAL CHANGES 49 CFR Part 18

Applicability to Contracts

The Federal Changes requirement applies to all contracts.

Flow Down

The Federal Changes requirement flows down appropriately to each applicable changed requirement.

Model Clause/Language

No specific language is mandated. The following language has been developed by FTA.

Federal Changes - Contractor shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Agreement between Purchaser and FTA, as they may be amended or promulgated from time to time during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract.

13. BONDING REQUIREMENTS

Applicability to Contracts

For those construction or facility improvement contracts or subcontracts exceeding \$100,000, FTA may accept the bonding policy and requirements of the recipient, provided that they meet the minimum requirements for construction contracts as follows:

- a. A bid guarantee from each bidder equivalent to five (5) percent of the bid price. The "bid guarantees" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.
- b. A performance bond on the part to the Contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
- c. A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment, as required by law, of all persons supplying labor and material in the execution of the work provided for in the contract. Payment bond amounts required from Contractors are as follows:
 - (1) 50% of the contract price if the contract price is not more than \$1 million;
 - (2) 40% of the contract price if the contract price is more than \$1 million but not more than \$5 million; or
 - (3) \$2.5 million if the contract price is more than \$5 million.
- d. A cash deposit, certified check or other negotiable instrument may be accepted by a grantee in lieu of performance and payment bonds, provided the grantee has established a procedure to assure that the interest of FTA is adequately protected. An irrevocable letter of credit would also satisfy the requirement for a bond.

Flow Down

Bonding requirements flow down to the first tier contractors.

Model Clauses/Language

FTA does not prescribe specific wording to be included in third party contracts. FTA has prepared sample clauses as follows:

Bid Bond Requirements (Construction)

(a) Bid Security

A Bid Bond must be issued by a fully qualified surety company acceptable to (Recipient) and listed as a company currently authorized under 31 CFR, Part 223 as possessing a Certificate of Authority as described thereunder.

(b) Rights Reserved

In submitting this Bid, it is understood and agreed by bidder that the right is reserved by (Recipient) to reject any and all bids, or part of any bid, and it is agreed that the Bid may not be withdrawn for a period of [ninety (90)] days subsequent to the opening of bids, without the written consent of (Recipient).

It is also understood and agreed that if the undersigned bidder should withdraw any part or all of his bid within [ninety (90)] days after the bid opening without the written consent of (Recipient), shall refuse or be unable to enter into this Contract, as provided above, or refuse or be unable to furnish adequate and acceptable Performance Bonds and Labor and Material Payments Bonds, as provided above, or refuse or be unable to furnish adequate and acceptable insurance, as provided above, he shall forfeit his bid security to the extent of (Recipient's) damages occasioned by such withdrawal, or refusal, or inability to enter into an agreement, or provide adequate security therefor.

It is further understood and agreed that to the extent the defaulting bidder's Bid Bond, Certified Check, Cashier's Check, Treasurer's Check, and/or Official Bank Check (excluding any income generated thereby which has been retained by (Recipient) as provided in [Item x "Bid Security" of the Instructions to Bidders]) shall prove inadequate to fully recompense (Recipient) for the damages occasioned by default, then the undersigned bidder agrees to indemnify (Recipient) and pay over to (Recipient) the difference between the bid security and (Recipient's) total damages, so as to make (Recipient) whole.

The undersigned understands that any material alteration of any of the above or any of the material contained on this form, other than that requested, will render the bid unresponsive.

Performance and Payment Bonding Requirements (Construction)

The Contractor shall be required to obtain performance and payment bonds as follows:

(a) Performance bonds

1. The penal amount of performance bonds shall be 100 percent of the original contract price, unless the (Recipient) determines that a lesser amount would be adequate for the protection of the (Recipient).
2. The (Recipient) may require additional performance bond protection when a contract price is increased. The increase in protection shall generally equal 100 percent of the increase in contract price. The (Recipient) may secure additional protection by directing the Contractor to increase the penal amount of the existing bond or to obtain an additional bond.

(b) Payment bonds

1. The penal amount of the payment bonds shall equal:
 - (i) Fifty percent of the contract price if the contract price is not more than \$1 million.
 - (ii) Forty percent of the contract price if the contract price is more than \$1 million but not more than \$5 million;
or
 - (iv) Two and one half million if the contract price is more than \$5 million.
2. If the original contract price is \$5 million or less, the (Recipient) may require additional protection as required by subparagraph 1 if the contract price is increased.

Performance and Payment Bonding Requirements (Non-Construction)

The Contractor may be required to obtain performance and payment bonds when necessary to protect the (Recipient's) interest.

(a) The following situations may warrant a performance bond:

1. (Recipient) property or funds are to be provided to the contractor for use in performing the contract or as partial compensation (as in retention of salvaged material).
2. A contractor sells assets to or merges with another concern, and the (Recipient), after recognizing the latter concern as the successor in interest, desires assurance that it is financially capable.
3. Substantial progress payments are made before delivery of end items starts.
4. Contracts are for dismantling, demolition, or removal of improvements.

(b) When it is determined that a performance bond is required, the Contractor shall be required to obtain performance bonds as follows:

1. The penal amount of performance bonds shall be 100 percent of the original contract price, unless the (Recipient) determines that a lesser amount would be adequate for the protection of the (Recipient).
2. The (Recipient) may require additional performance bond protection when a contract price is increased. The increase in protection shall generally equal 100 percent of the increase in contract price. The (Recipient) may secure additional protection by directing the Contractor to increase the penal amount of the existing bond or to obtain an additional bond.

(c) A payment bond is required only when a performance bond is required, and if the use of payment bond is in the (Recipient's) interest.

(d) When it is determined that a payment bond is required, the Contractor shall be required to obtain payment bonds as follows:

1. The penal amount of payment bonds shall equal:
 - (i) Fifty percent of the contract price if the contract price is not more than \$1 million;
 - (ii) Forty percent of the contract price if the contract price is more than \$1 million but not more than \$5 million; or
 - (iii) Two and one half million if the contract price is increased.

Advance Payment Bonding Requirements

The Contractor may be required to obtain an advance payment bond if the contract contains an advance payment provision and a performance bond is not furnished. The (recipient) shall determine the amount of the advance payment bond necessary to protect the (Recipient).

Patent Infringement Bonding Requirements (Patent Indemnity)

The Contractor may be required to obtain a patent indemnity bond if a performance bond is not furnished and the financial responsibility of the Contractor is unknown or doubtful. The (recipient) shall determine the amount of the patent indemnity to protect the (Recipient).

Warranty of the Work and Maintenance Bonds

1. The Contractor warrants to (Recipient), the Architect and/or Engineer that all materials and equipment furnished under this Contract will be of highest quality and new unless otherwise specified by (Recipient), free from faults and defects and in conformance with the Contract Documents. All work not so conforming to these standards shall be considered defective. If required by the [Project Manager], the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.
2. The Work furnished must be of first quality and the workmanship must be the best obtainable in the various trades. The Work must be of safe, substantial and durable construction in all respects. The Contractor hereby guarantees the Work against defective materials or faulty workmanship for a minimum period of one (1) year after Final Payment by (Recipient) and shall replace or repair any defective materials or equipment or faulty workmanship during the period of the guarantee at no cost to (Recipient). As additional security for these guarantees, the Contractor shall, prior to the release of Final Payment [as provided in Item X below], furnish separate Maintenance (or Guarantee) Bonds in form acceptable to (Recipient) written by the same corporate surety that provides the Performance Bond and Labor and Material Payment Bond for this Contract. These bonds shall secure the Contractor's obligation to replace or repair defective materials and faulty workmanship for a minimum period of one (1) year after Final Payment and shall be written in an amount equal to ONE HUNDRED PERCENT (100%) of the CONTRACT SUM, as adjusted (if at all).

14. CLEAN AIR
42 U.S.C. 7401 et seq
40 CFR 15.61
49 CFR Part 18

Applicability to Contracts

The Clean Air requirements apply to all contracts exceeding \$100,000, including indefinite quantities where the amount is expected to exceed \$100,000 in any year.

Flow Down

The Clean Air requirements flow down to all subcontracts which exceed \$100,000.

Model Clauses/Language

No specific language is required. FTA has proposed the following language.

Clean Air - (1) The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq. The Contractor agrees to report each violation to the Purchaser and understands and agrees that the Purchaser will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office.

(2) The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

15. RECYCLED PRODUCTS
42 U.S.C. 6962
40 CFR Part 247
Executive Order 12873

Applicability to Contracts

The Recycled Products requirements apply to all contracts for items designated by the EPA, when the purchaser or contractor procures \$10,000 or more of one of these items during the fiscal year, or has procured \$10,000 or more of such items in the previous fiscal year, using Federal funds. New requirements for "recovered materials" will become effective May 1, 1996. These new regulations apply to all procurement actions involving items designated by the EPA, where the procuring agency purchases \$10,000 or more of one of these items in a fiscal year, or when the cost of such items purchased during the previous fiscal year was \$10,000.

Flow Down

These requirements flow down to all to all contractor and subcontractor tiers.

Model Clause/Language

No specific clause is mandated, but FTA has developed the following language.

Recovered Materials - The contractor agrees to comply with all the requirements of Section 6002 of the Resource Conservation and Recovery Act (RCRA), as amended (42 U.S.C. 6962), including but not limited to the regulatory provisions of 40 CFR Part 247, and Executive Order 12873, as they apply to the procurement of the items designated in Subpart B of 40 CFR Part 247.

16. **DAVIS-BACON AND COPELAND ANTI-KICKBACK ACTS**

Background and Application

The Davis-Bacon and Copeland Acts are codified at 40 USC 3141, et seq. and 18 USC 874. The Acts apply to grantee construction contracts and subcontracts that “at least partly are financed by a loan or grant from the Federal Government.” 40 USC 3145(a), 29 CFR 5.2(h), 49 CFR 18.36(i)(5). The Acts apply to any construction contract over \$2,000. 40 USC 3142(a), 29 CFR 5.5(a). ‘Construction,’ for purposes of the Acts, includes “actual construction, alteration and/or repair, including painting and decorating.” 29 CFR 5.5(a). The requirements of both Acts are incorporated into a single clause (see 29 CFR 3.11) enumerated at 29 CFR 5.5(a) and reproduced below.

The clause language is drawn directly from 29 CFR 5.5(a) and any deviation from the model clause below should be coordinated with counsel to ensure the Acts’ requirements are satisfied.

Clause Language

1. Davis-Bacon and Copeland Anti-Kickback Acts

- (A) **Minimum wages** – (i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR Part 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classifications and wage rates conformed under paragraph (1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

- (ii)(A) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (1) Except with respect to helpers as defined as 29 CFR 5.2(n)(4), the work to be performed by the classification requested is not performed by a classification in the wage determination; and
 - (2) The classification is utilized in the area by the construction industry; and
 - (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination; and
 - (4) With respect to helpers as defined in 29 CFR 5.2(n)(4), such a classification prevails in the area in which the work is performed.
- (B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
- (C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
- (D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii) (B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.
- iii. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.
 - iv. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.
 - v. (A) The contracting officer shall require that any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:
 1. The work to be performed by the classification requested is not performed by a classification in the wage determination; and
 2. The classification is utilized in the area by the construction industry; and
 3. The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

- (B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, Employment Standards Administration, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
- (C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination with 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30- day period that additional time is necessary.
- (D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(v) (B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.
- (2) **Withholding** - The *[insert name of grantee]* shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, the *[insert name of grantee]* may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.
- (3) **Payrolls and basic records** - (i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the *[insert name of grantee]* for transmission to the Federal Transit Administration. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under section 5.5(a)(3)(i) of Regulations, 29 CFR part 5. This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock Number 029-005-00014-1), U.S. Government Printing Office, Washington, DC 20402. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors.

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

- (1) That the payroll for the payroll period contains the information required to be maintained under section 5.5(a)(3)(i) of Regulations, 29 CFR part 5 and that such information is correct and complete;
- (2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;
- (3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the Federal Transit Administration or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) **Apprentices and trainees** - (i) Apprentices - Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the

work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator of the Wage and Hour Division of the U.S. Department of Labor determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Bureau of Apprenticeship and Training, or a State Apprenticeship Agency recognized by the Bureau, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees - Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity - The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) **Compliance with Copeland Act requirements** - The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) **Subcontracts** - The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the Federal Transit Administration may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) **Contract termination: debarment** - A breach of the contract clauses in 29 CFR 5.5 may be grounds for

- termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.
- (8) **Compliance with Davis-Bacon and Related Act requirements** - All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.
- (9) Disputes concerning labor standards - Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.
- (10) Certification of eligibility - (i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

17. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

Background and Application

The Contract Work Hours and Safety Standards Act is codified at 40 USC 3701, et seq. The Act applies to grantee contracts and subcontracts “financed at least in part by loans or grants from ... the [Federal] Government.” 40 USC 3701(b)(1)(B)(iii) and (b)(2), 29 CFR 5.2(h), 49 CFR 18.36(i)(6). Although the original Act required its application in any construction contract over \$2,000 or non-construction contract to which the Act applied over \$2,500 (and language to that effect is still found in 49 CFR 18.36(i)(6)), the Act no longer applies to any “contract in an amount that is not greater than \$100,000.” 40 USC 3701(b)(3) (A)(iii).

The Act applies to construction contracts and, in very limited circumstances, non-construction projects that employ “laborers or mechanics on a public work.” These non-construction applications do not generally apply to transit procurements because transit procurements (to include rail cars and buses) are deemed “commercial items.” 40 USC 3707, 41 USC 403 (12). A grantee that contemplates entering into a contract to procure a developmental or unique item should consult counsel to determine if the Act applies to that procurement and that additional language required by 29 CFR 5.5(c) must be added to the basic clause below.

The clause language is drawn directly from 29 CFR 5.5(b) and any deviation from the model clause below should be coordinated with counsel to ensure the Act’s requirements are satisfied.

Clause Language

A. Contract Work Hours and Safety Standards

- Overtime requirements** - No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such work week.
- Violation; liability for unpaid wages; liquidated damages** - In the event of any violation of the clause set forth in paragraph (1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States for

liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

3. **Withholding for unpaid wages and liquidated damages** - The (write in the name of the grantee) shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.
4. **Subcontracts** - The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

18. [RESERVED]

19. NO GOVERNMENT OBLIGATION TO THIRD PARTIES

Applicability to Contracts

Applicable to all contracts.

Flow Down

Not required by statute or regulation for either primary contractors or subcontractors, this concept should flow down to all levels to clarify, to all parties to the contract, that the Federal Government does not have contractual liability to third parties, absent specific written consent.

Model Clause/Language

While no specific language is required, FTA has developed the following language.

No Obligation by the Federal Government.

- (1) The Purchaser and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to the Purchaser, Contractor, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.
- (2) The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

20. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS AND RELATED ACTS

**31 U.S.C. 3801 et seq.
49 CFR Part 31 18 U.S.C. 1001
49 U.S.C. 5307**

Applicability to Contracts

These requirements are applicable to all contracts.

Flow Down

These requirements flow down to contractors and subcontractors who make, present, or submit covered claims and statements.

Model Clause/Language

These requirements have no specified language, so FTA proffers the following language.

Program Fraud and False or Fraudulent Statements or Related Acts.

- A. The Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq. and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 C.F.R. Part 31, apply to its actions pertaining to this Project. Upon execution of the underlying contract, the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, the Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the Contractor to the extent the Federal Government deems appropriate.
- B. The Contractor also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. § 5307, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5307(n)(1) on the Contractor, to the extent the Federal Government deems appropriate.
- C. The Contractor agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

**21. TERMINATION
49 U.S.C. Part 18
FTA Circular 4220.1E**

Applicability to Contracts

All contracts (with the exception of contracts with nonprofit organizations and institutions of higher education,) in excess of \$10,000 shall contain suitable provisions for termination by the grantee including the manner by which it will be effected and the basis for settlement. (For contracts with nonprofit organizations and institutions of higher education the threshold is \$100,000.) In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

Flow Down

The termination requirements flow down to all contracts in excess of \$10,000, with the exception of contracts with nonprofit organizations and institutions of higher learning.

Model Clause/Language

FTA does not prescribe the form or content of such clauses. The following are suggestions of clauses to be used in different types of contracts:

- A. **Termination for Convenience (General Provision)** The (Recipient) may terminate this contract, in whole or in part, at any time by written notice to the Contractor when it is in the Government's best interest. The Contractor shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. The Contractor shall promptly submit its termination claim to (Recipient) to be paid the Contractor. If the Contractor has any property in its possession belonging to the (Recipient), the Contractor will account for the same, and dispose of it in the manner the (Recipient) directs.
- B. **Termination for Default [Breach or Cause] (General Provision)** If the Contractor does not deliver supplies in accordance with the contract delivery schedule, or, if the contract is for services, the Contractor fails to perform in the manner called for in the contract, or if the Contractor fails to comply with any other provisions of the contract, the (Recipient) may terminate this contract for default. Termination shall be effected by serving a notice of termination on the contractor setting forth the manner in which the Contractor is in default. The contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner of performance set forth in the contract.
- If it is later determined by the (Recipient) that the Contractor had an excusable reason for not performing, such as a strike, fire, or flood, events which are not the fault of or are beyond the control of the Contractor, the (Recipient), after setting up a new delivery of performance schedule, may allow the Contractor to continue work, or treat the termination as a termination for convenience.
- C. **Opportunity to Cure (General Provision)** The (Recipient) in its sole discretion may, in the case of a termination for breach or default, allow the Contractor [an appropriately short period of time] in which to cure the defect. In such case, the notice of termination will state the time period in which cure is permitted and other appropriate conditions
- If Contractor fails to remedy to (Recipient)'s satisfaction the breach or default of any of the terms, covenants, or conditions of this Contract within [ten (10) days] after receipt by Contractor of written notice from (Recipient) setting forth the nature of said breach or default, (Recipient) shall have the right to terminate the Contract without any further obligation to Contractor. Any such termination for default shall not in any way operate to preclude (Recipient) from also pursuing all available remedies against Contractor and its sureties for said breach or default.
- D. **Waiver of Remedies for any Breach** In the event that (Recipient) elects to waive its remedies for any breach by Contractor of any covenant, term or condition of this Contract, such waiver by (Recipient) shall not limit (Recipient)'s remedies for any succeeding breach of that or of any other term, covenant, or condition of this Contract.
- E. **Termination for Convenience (Professional or Transit Service Contracts)** The (Recipient), by written notice, may terminate this contract, in whole or in part, when it is in the Government's interest. If this contract is terminated, the Recipient shall be liable only for payment under the payment provisions of this contract for services rendered before the effective date of termination.
- F. **Termination for Default (Supplies and Service)** If the Contractor fails to deliver supplies or to perform the services within the time specified in this contract or any extension or if the Contractor fails to comply with any other provisions of this contract, the (Recipient) may terminate this contract for default. The (Recipient) shall terminate by delivering to the Contractor a Notice of Termination specifying the nature of the default.

The Contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner or performance set forth in this contract.

If, after termination for failure to fulfill contract obligations, it is determined that the Contractor was not in default, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the Recipient.

- G. Termination for Default (Transportation Services)** If the Contractor fails to pick up the commodities or to perform the services, including delivery services, within the time specified in this contract or any extension or if the Contractor fails to comply with any other provisions of this contract, the (Recipient) may terminate this contract for default. The (Recipient) shall terminate by delivering to the Contractor a Notice of Termination specifying the nature of default. The Contractor will only be paid the contract price for services performed in accordance with the manner of performance set forth in this contract.

If this contract is terminated while the Contractor has possession of Recipient goods, the Contractor shall, upon direction of the (Recipient), protect and preserve the goods until surrendered to the Recipient or its agent. The Contractor and (Recipient) shall agree on payment for the preservation and protection of goods. Failure to agree on an amount will be resolved under the Dispute clause.

If, after termination for failure to fulfill contract obligations, it is determined that the Contractor was not in default, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the (Recipient).

- H. Termination for Default (Construction)** If the Contractor refuses or fails to prosecute the work or any separable part, with the diligence that will insure its completion within the time specified in this contract or any extension or fails to complete the work within this time, or if the Contractor fails to comply with any other provisions of this contract, the (Recipient) may terminate this contract for default. The (Recipient) shall terminate by delivering to the Contractor a Notice of Termination specifying the nature of the default. In this event, the Recipient may take over the work and complete it by contract or otherwise, and may take possession of and use any materials, appliances, and plant on the work site necessary for completing the work. The Contractor and its sureties shall be liable for any damage to the Recipient resulting from the Contractor's refusal or failure to complete the work within specified time, whether or not the Contractor's right to proceed with the work is terminated. This liability includes any increased costs incurred by the Recipient in completing the work.

The Contractor's right to proceed shall not be terminated nor the Contractor charged with damages under this clause if-

1. the delay in completing the work arises from unforeseeable causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include: acts of God, acts of the Recipient, acts of another Contractor in the performance of a contract with the Recipient, epidemics, quarantine restrictions, strikes, freight embargoes; and
2. the contractor, within [10] days from the beginning of any delay, notifies the (Recipient) in writing of the causes of delay. If in the judgment of the (Recipient), the delay is excusable, the time for completing the work shall be extended. The judgment of the (Recipient) shall be final and conclusive on the parties, but subject to appeal under the Disputes clauses.

If, after termination of the Contractor's right to proceed, it is determined that the Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the termination had been issued for the convenience of the Recipient.

- I. Termination for Convenience or Default (Architect and Engineering)** The (Recipient) may terminate this contract in whole or in part, for the Recipient's convenience or because of the failure of the Contractor to fulfill the contract obligations. The (Recipient) shall terminate by delivering to the Contractor a Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice,

the Contractor shall (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to the Contracting Officer all data, drawings, specifications, reports, estimates, summaries, and other information and materials accumulated in performing this contract, whether completed or in process.

If the termination is for the convenience of the Recipient, the Contracting Officer shall make an equitable adjustment in the contract price but shall allow no anticipated profit on unperformed services.

If the termination is for failure of the Contractor to fulfill the contract obligations, the Recipient may complete the work by contract or otherwise and the Contractor shall be liable for any additional cost incurred by the Recipient.

If, after termination for failure to fulfill contract obligations, it is determined that the Contractor was not in default, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the Recipient.

Termination for Convenience of Default (Cost-Type Contracts) The (Recipient) may terminate this contract, or any portion of it, by serving a notice of termination on the Contractor. The notice shall state whether the termination is for convenience of the (Recipient) or for the default of the Contractor. If the termination is for default, the notice shall state the manner in which the contractor has failed to perform the requirements of the contract. The Contractor shall account for any property in its possession paid for from funds received from the (Recipient), or property supplied to the Contractor by the (Recipient). If the termination is for default, the (Recipient) may fix the fee, if the contract provides for a fee, to be paid the contractor in proportion to the value, if any, of work performed up to the time of termination. The Contractor shall promptly submit its termination claim to the (Recipient) and the parties shall negotiate the termination settlement to be paid the Contractor.

If the termination is for the convenience of the (Recipient), the Contractor shall be paid its contract close-out costs, and a fee, if the contract provided for payment of a fee, in proportion to the work performed up to the time of termination.

If, after serving a notice of termination for default, the (Recipient) determines that the Contractor has an excusable reason for not performing, such as strike, fire, flood, events which are not the fault of and are beyond the control of the contractor, the (Recipient), after setting up a new work schedule, may allow the Contractor to continue work, or treat the termination as a termination for convenience.

22. GOVERNMENT-WIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT)

Background and Applicability

In conjunction with the Office of Management and Budget and other affected Federal agencies, DOT published an update to 49 CFR Part 29 on November 26, 2003. This government-wide regulation implements Executive Order 12549, Debarment and Suspension, Executive Order 12689, Debarment and Suspension, and 31 U.S.C. 6101 note (Section 2455, Public Law 103-355, 108 Stat. 3327).

The provisions of Part 29 apply to all grantee contracts and subcontracts at any level expected to equal or exceed \$25,000 as well as any contract or subcontract (at any level) for Federally required auditing services. 49 CFR 29.220(b). This represents a change from prior practice in that the dollar threshold for application of these rules has been lowered from \$100,000 to \$25,000. These are contracts and subcontracts referred to in the regulation as “covered transactions.”

Grantees, contractors, and subcontractors (at any level) that enter into covered transactions are required to verify that the entity (as well as its principals and affiliates) they propose to contract or subcontract with is not excluded or disqualified. They do this by (a) Checking the Excluded Parties List System, (b) Collecting a certification from

that person, or (c) Adding a clause or condition to the contract or subcontract. This represents a change from prior practice in that certification is still acceptable but is no longer required. 49 CFR 29.300.

Grantees, contractors, and subcontractors who enter into covered transactions also must require the entities they contract with to comply with 49 CFR 29, subpart C and include this requirement in their own subsequent covered transactions (i.e., the requirement flows down to subcontracts at all levels).

Clause Language

The following clause language is suggested, not mandatory. It incorporates the optional method of verifying that contractors are not excluded or disqualified by certification.

Suspension and Debarment

This contract is a covered transaction for purposes of 49 CFR Part 29. As such, the contractor is required to verify that none of the contractor, its principals, as defined at 49 CFR 29.995, or affiliates, as defined at 49 CFR 29.905, are excluded or disqualified as defined at 49 CFR 29.940 and 29.945.

The contractor is required to comply with 49 CFR 29, Subpart C and must include the requirement to comply with 49 CFR 29, Subpart C in any lower tier covered transaction it enters into.

By signing and submitting its bid or proposal, the bidder or proposer certifies as follows:

The certification in this clause is a material representation of fact relied upon by **{insert agency name}**. If it is later determined that the bidder or proposer knowingly rendered an erroneous certification, in addition to remedies available to **{insert agency name}**, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The bidder or proposer agrees to comply with the requirements of 49 CFR 29, Subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

23. PRIVACY ACT 5 U.S.C. 552

Applicability to Contracts

When a grantee maintains files on drug and alcohol enforcement activities for FTA, and those files are organized so that information could be retrieved by personal identifier, the Privacy Act requirements apply to all contracts.

Flow Down

The Federal Privacy Act requirements flow down to each third party contractor and their contracts at every tier.

Model Clause/Language

The text of the following clause has not been mandated by statute or specific regulation, but has been developed by FTA.

Contracts Involving Federal Privacy Act Requirements - The following requirements apply to the Contractor and its employees that administer any system of records on behalf of the Federal Government under any contract:

A. The Contractor agrees to comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974,

5 U.S.C. § 552a. Among other things, the Contractor agrees to obtain the express consent of the Federal Government before the Contractor or its employees operate a system of records on behalf of the Federal Government. The Contractor understands that the requirements of the Privacy Act, including the civil and criminal penalties for violation of that Act, apply to those individuals involved, and that failure to comply with the terms of the Privacy Act may result in termination of the underlying contract.

B. The Contractor also agrees to include these requirements in each subcontract to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by FTA.

24. CIVIL RIGHTS REQUIREMENTS
29 U.S.C. § 623, 42 U.S.C. § 2000
42 U.S.C. § 6102, 42 U.S.C. § 12112
42 U.S.C. § 12132, 49 U.S.C. § 5332
29 CFR Part 1630, 41 CFR Parts 60 et seq.

Applicability to Contracts

The Civil Rights Requirements apply to all contracts.

Flow Down

The Civil Rights requirements flow down to all third party contractors and their contracts at every tier.

Model Clause/Language

The following clause was predicated on language contained at 49 CFR Part 19, Appendix A, but FTA has shortened the lengthy text.

Civil Rights - The following requirements apply to the underlying contract:

- A. **Nondiscrimination** - In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, the Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.
- B. **Equal Employment Opportunity** - The following equal employment opportunity requirements apply to the underlying contract:
- C. **Race, Color, Creed, National Origin, Sex** - In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the

course of the Project. The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

- D. Age - In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § § 623 and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.
- E. Disabilities - In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, the Contractor agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.
- F. The Contractor also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

25. BREACHES AND DISPUTE RESOLUTION
49 CFR Part 18
FTA Circular 4220.1E

Applicability to Contracts

All contracts in excess of \$100,000 shall contain provisions or conditions which will allow for administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. This may include provisions for bonding, penalties for late or inadequate performance, retained earnings, liquidated damages or other appropriate measures.

Flow Down

The Breaches and Dispute Resolutions requirements flow down to all tiers.

Model Clauses/Language

FTA does not prescribe the form or content of such provisions. What provisions are developed will depend on the circumstances and the type of contract. Recipients should consult legal counsel in developing appropriate clauses. The following clauses are examples of provisions from various FTA third party contracts.

Disputes - Disputes arising in the performance of this Contract which are not resolved by agreement of the parties shall be decided in writing by the authorized representative of (Recipient)'s [title of employee]. This decision shall be final and conclusive unless within [ten (10)] days from the date of receipt of its copy, the Contractor mails or otherwise furnishes a written appeal to the [title of employee]. In connection with any such appeal, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of the [title of employee] shall be binding upon the Contractor and the Contractor shall abide by the decision.

Performance During Dispute - Unless otherwise directed by (Recipient), Contractor shall continue performance under this Contract while matters in dispute are being resolved.

Claims for Damages - Should either party to the Contract suffer injury or damage to person or property because of any act or omission of the party or of any of his employees, agents or others for whose acts he is legally liable, a claim for damages therefor shall be made in writing to such other party within a reasonable time after the first observance of such injury of damage.

Remedies - Unless this contract provides otherwise, all claims, counterclaims, disputes and other matters in question between the (Recipient) and the Contractor arising out of or relating to this agreement or its breach will be decided by arbitration if the parties mutually agree, or in a court of competent jurisdiction within the State in which the (Recipient) is located.

Rights and Remedies - The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by the (Recipient), (Architect) or Contractor shall constitute a waiver of any right or duty afforded any of them under the Contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

26. PATENT AND RIGHTS IN DATA
37 CFR Part 401
49 CFR Parts 18 and 19

Applicability to Contracts

Patent and rights in data requirements for federally assisted projects ONLY apply to research projects in which FTA finances the purpose of the grant is to finance the development of a product or information. These patent and data rights requirements do not apply to capital projects or operating projects, even though a small portion of the sales price may cover the cost of product development or writing the user's manual.

Flow Down

The Patent and Rights in Data requirements apply to all contractors and their contracts at every tier.

Model Clause/Language

The FTA patent clause is substantially similar to the text of 49 C.F.R. Part 19, Appendix A, Section 5, but the rights in data clause reflects FTA objectives. For patent rights, FTA is governed by Federal law and regulation. For data rights, the text on copyrights is insufficient to meet FTA's purposes for awarding research grants. This model clause, with larger rights as a standard, is proposed with the understanding that this standard could be modified to FTA's needs.

CONTRACTS INVOLVING EXPERIMENTAL, DEVELOPMENTAL, OR RESEARCH WORK.

A. **Rights in Data** - This following requirements apply to each contract involving experimental, developmental or research work:

- (1) The term "subject data" used in this clause means recorded information, whether or not copyrighted, that is delivered or specified to be delivered under the contract. The term includes graphic or pictorial delineation in media such as drawings or photographs; text in specifications or related performance or design-type documents; machine forms such as punched cards, magnetic tape, or computer memory printouts; and information retained in computer memory. Examples include, but are not limited to: computer software, engineering drawings and associated lists, specifications, standards, process sheets,

manuals, technical reports, catalog item identifications, and related information. The term "subject data" does not include financial reports, cost analyses, and similar information incidental to contract administration.

(2) The following restrictions apply to all subject data first produced in the performance of the contract to which this Attachment has been added:

(a) Except for its own internal use, the Purchaser or Contractor may not publish or reproduce subject data in whole or in part, or in any manner or form, nor may the Purchaser or Contractor authorize others to do so, without the written consent of the Federal Government, until such time as the Federal Government may have either released or approved the release of such data to the public; this restriction on publication, however, does not apply to any contract with an academic institution.

(b) In accordance with 49 C.F.R. § 18.34 and 49 C.F.R. § 19.36, the Federal Government reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, for "Federal Government purposes," any subject data or copyright described in subsections (2)(b)1 and (2)(b)2 of this clause below. As used in the previous sentence, "for Federal Government purposes," means use only for the direct purposes of the Federal Government. Without the copyright owner's consent, the Federal Government may not extend its Federal license to any other party.

1. Any subject data developed under that contract, whether or not a copyright has been obtained; and

2. Any rights of copyright purchased by the Purchaser or Contractor using Federal assistance in whole or in part provided by FTA.

(c) When FTA awards Federal assistance for experimental, developmental, or research work, it is FTA's general intention to increase transportation knowledge available to the public, rather than to restrict the benefits resulting from the work to participants in that work. Therefore, unless FTA determines otherwise, the Purchaser and the Contractor performing experimental, developmental, or research work required by the underlying contract to which this Attachment is added agrees to permit FTA to make available to the public, either FTA's license in the copyright to any subject data developed in the course of that contract, or a copy of the subject data first produced under the contract for which a copyright has not been obtained. If the experimental, developmental, or research work, which is the subject of the underlying contract, is not completed for any reason whatsoever, all data developed under that contract shall become subject data as defined in subsection (a) of this clause and shall be delivered as the Federal Government may direct. This subsection (c), however, does not apply to adaptations of automatic data processing equipment or programs for the Purchaser or Contractor's use whose costs are financed in whole or in part with Federal assistance provided by FTA for transportation capital projects.

(d) Unless prohibited by state law, upon request by the Federal Government, the Purchaser and the Contractor agree to indemnify, save, and hold harmless the Federal Government, its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation by the Purchaser or Contractor of proprietary rights, copyrights, or right of privacy, arising out of the publication, translation, reproduction, delivery, use, or disposition of any data furnished under that contract. Neither the Purchaser nor the Contractor shall be required to indemnify the Federal Government for any such liability arising out of the wrongful act of any employee, official, or agents of the Federal Government.

(e) Nothing contained in this clause on rights in data shall imply a license to the Federal Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Federal Government under any patent.

(f) Data developed by the Purchaser or Contractor and financed entirely without using Federal assistance provided by the Federal Government that has been incorporated into work required by the underlying

contract to which this Attachment has been added is exempt from the requirements of subsections (b), (c), and (d) of this clause, provided that the Purchaser or Contractor identifies that data in writing at the time of delivery of the contract work.

- (g) Unless FTA determines otherwise, the Contractor agrees to include these requirements in each subcontract for experimental, developmental, or research work financed in whole or in part with Federal assistance provided by FTA.
 - 3. Unless the Federal Government later makes a contrary determination in writing, irrespective of the Contractor's status (i.e., a large business, small business, state government or state instrumentality, local government, nonprofit organization, institution of higher education, individual, etc.), the Purchaser and the Contractor agree to take the necessary actions to provide, through FTA, those rights in that invention due the Federal Government as described in U.S. Department of Commerce regulations, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," 37 C.F.R. Part 401.
 - 4. The Contractor also agrees to include these requirements in each subcontract for experimental, developmental, or research work financed in whole or in part with Federal assistance provided by FTA.
 - B. **Patent Rights** - The following requirements apply to each contract involving experimental, developmental, or research work:
 - (1) General - If any invention, improvement, or discovery is conceived or first actually reduced to practice in the course of or under the contract to which this Attachment has been added, and that invention, improvement, or discovery is patentable under the laws of the United States of America or any foreign country, the Purchaser and Contractor agree to take actions necessary to provide immediate notice and a detailed report to the party at a higher tier until FTA is ultimately notified.
 - (2) Unless the Federal Government later makes a contrary determination in writing, irrespective of the Contractor's status (a large business, small business, state government or state instrumentality, local government, nonprofit organization, institution of higher education, individual), the Purchaser and the Contractor agree to take the necessary actions to provide, through FTA, those rights in that invention due the Federal Government as described in U.S. Department of Commerce regulations, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," 37 C.F.R. Part 401.
 - (3) The Contractor also agrees to include the requirements of this clause in each subcontract for experimental, developmental, or research work financed in whole or in part with Federal assistance provided by FTA.
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27. TRANSIT EMPLOYEE PROTECTIVE AGREEMENTS
49 U.S.C. § 5310, § 5311, and § 5333
29 CFR Part 215

Applicability to Contracts

The Transit Employee Protective Provisions apply to each contract for transit operations performed by employees of a Contractor recognized by FTA to be a transit operator. (Because transit operations involve many activities apart from directly driving or operating transit vehicles, FTA determines which activities constitute transit "operations" for purposes of this clause.)

Flow Down

These provisions are applicable to all contracts and subcontracts at every tier.

Model Clause/Language

Since no mandatory language is specified, FTA had developed the following language:

Transit Employee Protective Provisions. (1) The Contractor agrees to the comply with applicable transit employee protective requirements as follows:

- A. **General Transit Employee Protective Requirements** - To the extent that FTA determines that transit operations are involved, the Contractor agrees to carry out the transit operations work on the underlying contract in compliance with terms and conditions determined by the U.S. Secretary of Labor to be fair and equitable to protect the interests of employees employed under this contract and to meet the employee protective requirements of 49 U.S.C. A 5333(b), and U.S. DOL guidelines at 29 C.F.R. Part 215, and any amendments thereto. These terms and conditions are identified in the letter of certification from the U.S. DOL to FTA applicable to the FTA Recipient's project from which Federal assistance is provided to support work on the underlying contract. The Contractor agrees to carry out that work in compliance with the conditions stated in that U.S. DOL letter. The requirements of this subsection (1), however, do not apply to any contract financed with Federal assistance provided by FTA either for projects for elderly individuals and individuals with disabilities authorized by 49 U.S.C. § 5310(a)(2), or for projects for nonurbanized areas authorized by 49 U.S.C. § 5311. Alternate provisions for those projects are set forth in subsections (b) and (c) of this clause.
- B. **Transit Employee Protective Requirements for Projects Authorized by 49 U.S.C. § 5310(a)(2) for Elderly Individuals and Individuals with Disabilities** - If the contract involves transit operations financed in whole or in part with Federal assistance authorized by 49 U.S.C. § 5310(a)(2), and if the U.S. Secretary of Transportation has determined or determines in the future that the employee protective requirements of 49 U.S.C. § 5333(b) are necessary or appropriate for the state and the public body subrecipient for which work is performed on the underlying contract, the Contractor agrees to carry out the Project in compliance with the terms and conditions determined by the U.S. Secretary of Labor to meet the requirements of 49 U.S.C. § 5333(b), U.S. DOL guidelines at 29 C.F.R. Part 215, and any amendments thereto. These terms and conditions are identified in the U.S. DOL's letter of certification to FTA, the date of which is set forth Grant Agreement or Cooperative Agreement with the state. The Contractor agrees to perform transit operations in connection with the underlying contract in compliance with the conditions stated in that U.S. DOL letter.
- C. **Transit Employee Protective Requirements for Projects Authorized by 49 U.S.C. § 5311 in Nonurbanized Areas** - If the contract involves transit operations financed in whole or in part with Federal assistance authorized by 49 U.S.C. § 5311, the Contractor agrees to comply with the terms and conditions of the Special Warranty for the Nonurbanized Area Program agreed to by the U.S. Secretaries of Transportation and Labor, dated May 31, 1979, and the procedures implemented by U.S. DOL or any revision thereto.
(2) The Contractor also agrees to include the any applicable requirements in each subcontract involving transit operations financed in whole or in part with Federal assistance provided by FTA.

28. DISADVANTAGED BUSINESS ENTERPRISE (DBE) **49 CFR Part 26**

Background and Applicability

The newest version on the Department of Transportation's Disadvantaged Business Enterprise (DBE) program became effective July 16, 2003. The rule provides guidance to grantees on the use of overall and contract goals, requirement to include DBE provisions in subcontracts, evaluating DBE participation where specific contract goals have been set, reporting requirements, and replacement of DBE subcontractors. Additionally, the DBE program dictates payment terms and conditions (including limitations on retainage) applicable to all subcontractors regardless of whether they are DBE firms or not.

The DBE program applies to all DOT-assisted contracting activities. A formal clause such as that below must be included in all contracts above the micro-purchase level. The requirements of clause subsection b flow down to subcontracts.

A substantial change to the payment provisions in this newest version of Part 26 concerns retainage (see section 26.29). Grantee choices concerning retainage should be reflected in the language choices in clause subsection d.

Clause Language

The following clause language is suggested, not mandatory. It incorporates the payment terms and conditions applicable to all subcontractors based in Part 26 as well as those related only to DBE subcontractors. The suggested language allows for the options available to grantees concerning retainage, specific contract goals, and evaluation of DBE subcontracting participation when specific contract goals have been established.

Disadvantaged Business Enterprises

- A. This contract is subject to the requirements of Title 49, Code of Federal Regulations, Part 26, *Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs*. The national goal for participation of Disadvantaged Business Enterprises (DBE) is 10%. The agency's overall goal for DBE participation is %. A separate contract goal **[of % DBE participation has] [has not]** been established for this procurement.
- B. The contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of this DOT-assisted contract. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as **{insert agency name}** deems appropriate. Each subcontract the contractor signs with a subcontractor must include the assurance in this paragraph (see 49 CFR 26.13(b)).
- C. **{If a separate contract goal has been established, use the following}** Bidders/offerors are required to document sufficient DBE participation to meet these goals or, alternatively, document adequate good faith efforts to do so, as provided for in 49 CFR 26.53. Award of this contract is conditioned on submission of the following **[concurrent with and accompanying sealed bid] [concurrent with and accompanying an initial proposal] [prior to award]**:
1. The names and addresses of DBE firms that will participate in this contract;
 2. A description of the work each DBE will perform;
 3. The dollar amount of the participation of each DBE firm participating;
 4. Written documentation of the bidder/offeror's commitment to use a DBE subcontractor whose participation it submits to meet the contract goal;
 5. Written confirmation from the DBE that it is participating in the contract as provided in the prime contractor's commitment; and
 6. If the contract goal is not met, evidence of good faith efforts to do so.

[Bidders][Offerors] must present the information required above **[as a matter of responsiveness] [with initial proposals] [prior to contract award]** (see 49 CFR 26.53(3)).

{If no separate contract goal has been established, use the following} The successful bidder/offeror will be required to report its DBE participation obtained through race-neutral means throughout the period of performance.

- D. The contractor is required to pay its subcontractors performing work related to this contract for satisfactory performance of that work no later than 30 days after the contractor's receipt of payment for that work from the {insert agency name}. In addition, [the contractor may not hold retainage from its subcontractors.] [is required to return any retainage payments to those subcontractors within 30 days after the subcontractor's work related to this contract is satisfactorily completed.] [is required to return any retainage payments to those subcontractors within 30 days after incremental acceptance of the subcontractor's work by the {insert agency name} and contractor's receipt of the partial retainage payment related to the subcontractor's work.]
- E. The contractor must promptly notify {insert agency name}, whenever a DBE subcontractor performing work related to this contract is terminated or fails to complete its work, and must make good faith efforts to engage another DBE subcontractor to perform at least the same amount of work. The contractor may not terminate any DBE subcontractor and perform that work through its own forces or those of an affiliate without prior written consent of {insert agency name}.

29. **[RESERVED]**

30. **INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS**
FTA Circular 4220.1E

Applicability to Contracts

The incorporation of FTA terms applies to all contracts.

Flow Down

The incorporation of FTA terms has unlimited flow down.

Model Clause/Language

FTA has developed the following incorporation of terms language:

Incorporation of Federal Transit Administration (FTA) Terms - The preceding provisions include, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by DOT, as set forth in FTA Circular 4220.1E, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any (name of grantee) requests which would cause (name of grantee) to be in violation of the FTA terms and conditions.

31. **DRUG AND ALCOHOL TESTING**
49 U.S.C. §5331
49 CFR Parts 653 and 654

Applicability to Contracts

The Drug and Alcohol testing provisions apply to Operational Service Contracts.

Flow Down Requirements

Anyone who performs a safety-sensitive function for the recipient or subrecipient is required to comply with 49 CFR 653 and 654, with certain exceptions for contracts involving maintenance services. Maintenance contractors for non-urbanized area formula program grantees are not subject to the rules. Also, the rules do not apply to maintenance subcontractors.

Model Clause/Language

Introduction

FTA's drug and alcohol rules, 49 CFR 653 and 654, respectively, are unique among the regulations issued by FTA. First, they require recipients to ensure that any entity performing a safety-sensitive function on the recipient's behalf (usually subrecipients and/or contractors) implement a complex drug and alcohol testing program that complies with Parts 653 and 654. Second, the rules condition the receipt of certain kinds of FTA funding on the recipient's compliance with the rules; thus, the recipient is not in compliance with the rules unless every entity that performs a safety-sensitive function on the recipient's behalf is in compliance with the rules. Third, the rules do not specify how a recipient ensures that its subrecipients and/or contractors comply with them.

How a recipient does so depends on several factors, including whether the contractor is covered independently by the drug and alcohol rules of another Department of Transportation operating administration, the nature of the relationship that the recipient has with the contractor, and the financial resources available to the recipient to oversee the contractor's drug and alcohol testing program. In short, there are a variety of ways a recipient can ensure that its subrecipients and contractors comply with the rules.

Therefore, FTA has developed three model contract provisions for recipients to use "as is" or to modify to fit their particular situations.

Explanation of Model Contract Clauses

Under Option 1, the recipient ensures the contractor's compliance with the rules by requiring the contractor to participate in a drug and alcohol program administered by the recipient. The advantages of doing this are obvious: the recipient maintains total control over its compliance with 49 CFR 653 and 654. The disadvantage is that the recipient, which may not directly employ any safety-sensitive employees, has to implement a complex testing program. Therefore, this may be a practical option only for those recipients which have a testing program for their employees, and can add the contractor's safety-sensitive employees to that program.

Under Option 2, the recipient relies on the contractor to implement a drug and alcohol testing program that complies with 49 CFR 653 and 654, but retains the ability to monitor the contractor's testing program; thus, the recipient has less control over its compliance with the drug and alcohol testing rules than it does under option 1. The advantage of this approach is that it places the responsibility for complying with the rules on the entity that is actually performing the safety-sensitive function. Moreover, it reserves to the recipient the power to ensure that the contractor complies with the program. The disadvantage of Option 2 is that without adequate monitoring of the contractor's program, the recipient may find itself out of compliance with the rules.

Under option 3, the recipient specifies some or all of the specific features of a contractor's drug and alcohol compliance program. Thus, it requires the recipient to decide what it wants to do and how it wants to do it. The advantage of this option is that the recipient has more control over the contractor's drug and alcohol testing program, yet it is not actually administering the testing program. The disadvantage is that the recipient has to specify and understand clearly what it wants to do and why.

**Drug and Alcohol Testing
Option 1**

The contractor agrees to:

- (a) *participate in (grantee's or recipient's) drug and alcohol program established in compliance with 49 CFR 653 and 654.*

**Drug and Alcohol Testing
Option 2**

The contractor agrees to establish and implement a drug and alcohol testing program that complies with 49 CFR Parts 653 and 654, produce any documentation necessary to establish its compliance with Parts 653 and 654, and permit any authorized representative of the United States Department of Transportation or its operating administrations, the State Oversight Agency of (name of State), or the (insert name of grantee), to inspect the facilities and records associated with the implementation of the drug and alcohol testing program as required under 49 CFR Parts 653 and 654 and review the testing process. The contractor agrees further to certify annually its compliance with Parts 653 and 654 before (insert date) and to submit the Management Information System (MIS) reports before (insert date before March 15) to (insert title and address of person responsible for receiving information). To certify compliance the contractor shall use the "Substance Abuse Certifications" in the "Annual List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Agreements," which is published annually in the Federal Register.

**Drug and Alcohol Testing
Option 3**

The contractor agrees to establish and implement a drug and alcohol testing program that complies with 49 CFR Parts 653 and 654, produce any documentation necessary to establish its compliance with Parts 653 and 654, and permit any authorized representative of the United States Department of Transportation or its operating administrations, the State Oversight Agency of (name of State), or the (insert name of grantee), to inspect the facilities and records associated with the implementation of the drug and alcohol testing program as required under 49 CFR Parts 653 and 654 and review the testing process. The contractor agrees further to certify annually its compliance with Parts 653 and 654 before (insert date) and to submit the Management Information System (MIS) reports before (insert date before March 15) to (insert title and address of person responsible for receiving information). To certify compliance the contractor shall use the "Substance Abuse Certifications" in the "Annual List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Agreements," which is published annually in the Federal Register. The Contractor agrees further to [Select a, b, or c] (a) submit before (insert date or upon request) a copy of the Policy Statement developed to implement its drug and alcohol testing program; OR (b) adopt (insert title of the Policy Statement the recipient wishes the contractor to use) as its policy statement as required under 49 CFR 653 and 654; OR (c) submit for review and approval before (insert date or upon request) a copy of its Policy Statement developed to implement its drug and alcohol testing program. In addition, the contractor agrees to: (to be determined by the recipient, but may address areas such as: the selection of the certified laboratory, substance abuse professional, or Medical Review Officer, or the use of a consortium).

32. VETERAN'S PREFERENCE

Chapter IV, 2.c. (1)(c) C4220.1F of FTA C 4220.1F

Contractors working on a capital project funded using such assistance give a hiring preference, to the extent practicable, to veterans (as defined in section 2108 of title 5) who have the requisite skills and abilities to perform the construction work required under the contract. This subsection shall not be understood, construed or enforced

in any manner that would require an employer to give preference to any veteran over any equally qualified applicant who is a member of any racial or ethnic minority, female, an individual with a disability, or former employee.

33. OCCUPATIONAL SAFETY AND HEALTH ACT COMPLIANCE

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Contractor retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

34. FAIR LABOR STANDARDS ACT

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers.

The [contractor | consultant] has full responsibility to monitor compliance to the referenced statute or regulation. The [contractor | consultant] must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

35. TEXTING WHEN DRIVING

In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving" (10/1/2009) and DOT Order 3902.10 "Text Messaging While Driving" (12/30/2009), the FAA encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or sub-grant.

In support of this initiative, the Owner encourages the Contractor to promote policies and initiatives for its employees and other work personnel that decrease crashes by distracted drivers, including policies that ban text messaging while driving motor vehicles while performing work activities associated with the project. The Contractor must include the substance of this clause in all sub-tier contracts and involve driving a motor vehicle in performance of work activities associated with the project.

36. E-VERIFY

Enrollment and verification requirements.

- (1) If the Contractor is not enrolled as a Federal Contractor in E-Verify at time of contract award, the Contractor shall-
 - a. Enroll. Enroll as a Federal Contractor in the E-Verify Program within thirty (30) calendar days of contract award;
 - b. Verify all new employees. Within ninety (90) calendar days of enrollment in the E-Verify program, begin to use E-Verify to initiate verification of employment eligibility of all new hires of the Contractor, who are working in the United States, whether or not assigned to the contract, within three (3) business days after the date of hire (but see paragraph (b)(3) of this section); and,
 - c. Verify employees assigned to the contract. For each employee assigned to the contract, initiate verification

- within ninety (90) calendar days after date of enrollment or within thirty (30) calendar days of the employee's assignment to the contract, whichever date is later (but see paragraph (b)(4) of this section.)
- (2) If the Contractor is enrolled as a Federal Contractor in E-Verify at time of contract award, the Contractor shall use E-Verify to initiate verification of employment eligibility of
- a. All new employees.
 - i. Enrolled ninety (90) calendar days or more. The Contractor shall initiate verification of all new hires of the Contractor, who are working in the United States, whether or not assigned to the contract, within three (3) business days after the date of hire (but see paragraph (b)(3) of this section); or
 - b. Enrolled less than ninety (90) calendar days. Within ninety (90) calendar days after enrollment as a Federal Contractor in E-Verify, the Contractor shall initiate verification of all new hires of the contractor, who are working in the United States, whether or not assigned to the contract, within three (3) business days after the date of hire (but see paragraph (b)(3) of this section); or
 - ii. Employees assigned to the contract. For each employee assigned to the contract, the Contractor shall initiate verification within ninety (90) calendar days after date of contract award or within thirty (30) days after assignment to the contract, whichever date is later (but see paragraph (b)(4) of this section.)
 - (3) If the Contractor is an institution of higher education (as defined at 20 U.S.C. 1001(a)); a State of local government or the government of a Federally recognized Indian tribe, or a surety performing under a takeover agreement entered into with a Federal agency pursuant to a performance bond, the Contractor may choose to verify only employees assigned to the contract, whether existing employees or new hires. The Contractor shall follow the applicable verification requirements of (b)(1) or (b)(2), respectively, except that any requirement for verification of new employees applies only to new employees assigned to the contract.
 - (4) Option to verify employment eligibility of all employees. The Contractor may elect to verify all existing employees hired after November 6, 1986 (after November 27, 2009, in the Commonwealth of the Northern Mariana Islands), rather than just those employees assigned to the contract. The Contractor shall initiate verification for each existing employee working in the United States who was hired after November 6, 1986 (after November 27, 2009, in the Commonwealth of the Northern Mariana Islands), within one hundred eighty (180) calendar days of-
 - i. Enrollment in the E-Verify program; or
 - ii. Notification to E-Verify Operations of the Contractor's decision to exercise this option, using the contract information provided in the E-Verify program Memorandum of Understanding (MOU)
 - (5) The Contractor shall comply, for the period of performance of this contract, with the requirements of the E-Verify program MOU.
 - i. The Department of Homeland Security (DHS) or the Social Security Administration (SSA) may terminate the Contractor's MOU and deny access to the E-Verify system in accordance with the terms of the MOU. In such case, the Contractor, will be referred to a suspension or debarment official.
 - ii. During the period between termination of the MOU and a decision by the suspension or debarment official whether to suspend or debar, the contractor is excused from its obligations under paragraph (b) of this clause. If the suspension or debarment official determines not to suspend or debar the Contractor, then the Contractor must reenroll in E-Verify.
 - iii. Web site. Information on registration for and use of the E-Verify program can be obtained via the Internet at the Department of Homeland Security Web site: <http://www.dhs.gov/E-Verify>.
- Individuals previously verified. The Contractor is not required by this clause to perform additional employment verification using E-Verify for any employee-
- (a) Whose employment eligibility was previously verified by the Contractor through the E-Verify program;
 - (b) Who has been granted and holds an active U.S. Government security clearance for access to confidential, secret, or top secret information in accordance with the National Industrial Security Program Operating

Manual; or

- (c) Who has undergone a completed background investigation and been issued credentials pursuant to Homeland Security Presidential Directive (HSPD)-12. Policy for a Common Identification Standard for Federal Employees and Contractors.

Subcontracts. The Contractor shall include the requirements of this clause, including this paragraph € (appropriately modified for identification of the parties in each subcontract that-

- (1) Is for-(i) Commercial and noncommercial services (except for commercial services that are part of the purchase of a COTS item (or an item that would be a COTS item, but for minor modifications), performed by the COTS provider, and are normally provided for that COTS item); or
 - (ii) Construction; and
- (2) Includes work performed in the United States.



EXHIBIT M: CHANGE ORDER REVIEW CHECKLIST

Date	_____
Contract Number	_____
Contractor	_____
Contract Title	_____
Reviewer	_____
New Contract Total	_____
Change Order Number	_____
Dollar Value Increase	_____
Length of Time Extension Granted	_____
New Performance Period End Date	_____

Change Order Checklist	INCLUDED		N/A	Comment
1. In-House Estimate Prepared				
2. Project Manager Approval				
3. AWO Scope Meeting Held				
3a. Scope of Change Adequate for Bidding				
4. Contractor Proposal Includes Impact Costs, Price				
5. Cost Analysis Conducted				
5a. If Price > 10% of ICE, Evidence of MTA President Approval				
6. Negotiation Memorandum				
7. Written Record of Change				
7a. Signed Change Order in File				
8. Evidence of Board Approval Prior Initiation of Changed Work				
9. Notice to Proceed in file				
10. Work Authorized within Contract Scope				
11. No Evidence of Arbitrary Action				

Other Comment

EXHIBIT N: PROCUREMENT HISTORY FILE CHECKLIST



CONTRACT NUMBER _____
CONTRACTOR NAME _____
CONTRACT AWARD DATE _____
CONTRACT AMOUNT _____
CONTRACT START DATE _____

		Responsible	In File	N/A
1	Procurement Request	Transit		
	Funding/Accounting Code	Transit		
2	Independent Cost Estimate	Transit		
3	Statement of Work (spec)	Transit		
4	Procurement Plan & Timeline	Transit		
5	Single Source Justification	Transit		
6	Market Research Documents	Transit		
7	Bidders List	Purchasing		
8	Source Selection Plan & Docs	Purchasing		
9	Solicitation & Amendments	Purchasing		
10	Pre-solicitation approvals	Transit		
11	Advertising	Purchasing		
12	Pre-bid or proposal conference notes/Q&A	Purchasing		
13	Bid/proposal & solicitation amendment ack	Purchasing		
14	"no bid" letters or offerer disqualification	Purchasing		
15	Cost or price analysis	Transit		
16	Negotiation memo	Transit		
17	Source selection report & related docs	Purchasing		
18	Contractor responsibility determination	Transit		
19	Required award approvals	Transit		
20	Notice of Intent to Award	Purchasing		
21	Protests	Purchasing		
22	Signed (conformed) contract	Purchasing		
23	Contract modifications	Purchasing		
24	Option exercises & related documents	Purchasing		
25	Contract data and reports	Transit		
26	Complaint & performance reports	Transit		
27	Documentation concerning pre or post award mistakes in bid	Purchasing		
28	Invoices/Vouchers	Transit		
29	Other Correspondence	All		
30	General Contract Correspondence	All		
31	Contract Close Out	Transit		

**EXHIBIT O: PROCUREMENT FILE CHECKLIST
 OKALOOSA COUNTY BOARD OF COUNTY COMMISSIONERS
 PROCUREMENT FILE CHECKLIST**



	Completed By	Date
Decision Matrix		
ICE		
Federal Clauses		
Terms and Conditions		
Advertised		
Bid Abstract		
Cost/Price Analysis		
Responsibility Determination		
Fair & Reasonable Determination		
SAM Excluded Parties		
Conflict of Interest*		
Buy America		
Pre-Award		
Post Delivery		
Construction		
Bid Bond		
Performance & Payment Bond		

*no employee, officer, agent, or board member, or his or her immediate family member, partner, or organization that employs or is about to employ any of the foregoing individuals may participate in the selection, award, or administration of a contract supported with FTA assistance if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of those individuals previously listed has a financial or other interest in the firm selected for award.