

**GREENVILLE WATER**POLICY NO. FIN-7DATE: 06/03/2014SUBJECT: Procurement Policy**CONTENTS**

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**I. Objectives**

Greenville Water establishes this procurement policy in order to:

- A. Establish the authority for the procurement function within the organization;
- B. Enable uniform procurement procedures throughout the organization;
- C. Build public confidence in procurement;
- D. Ensure the fair and equitable treatment of everyone who deals with the procurement system;
- E. Provide for increased efficiency, economy and flexibility in procurement activities and maximize to the fullest extent the purchasing power of Greenville Water;
- F. Foster effective broad-based competition from all segments of the supplier community;
- G. Safeguard the integrity of the procurement system and protect against waste, fraud, and abuse; and
- H. Ensure appropriate public access to contracting information.

**II. Definitions**

As used throughout this policy, the words and terms defined in this section shall have the meanings set forth below unless the context in which they are used clearly requires a different meaning or a different definition is prescribed for a particular section or portion thereof.

- 1. Bid Bond. A form of bid security executed by the bidder as principal and by a surety to guarantee that the bidder will enter into the contract within a specified time and furnish any required performance bond.
- 2. Bid Deposit. A sum of money or certified/cashier's check deposited by the bidder to guarantee that the bidder will enter into the contract within a specified time and furnish any required performance bond.
- 3. Certificate of Insurance. A document issued by an insurance company/broker that is used to verify the existence of insurance coverage under specific conditions granted to listed individuals. The document lists Greenville Water as

- an additional insured, the effective date of the policy, the type of insurance coverage purchased, and the types and dollar amount of applicable liability limits.
4. Competitive Best Value Bidding. Allows factors other than price to be considered in the determination of award for specific supplies, services, or construction services based on pre-determined criteria.
  5. Competitive Online Bidding. Real-time purchasing process in which bidders compete to provide the lowest bid price in an open and interactive environment.
  6. Construction. The process of building, altering, repairing, improving, installing, constructing or demolishing any structure, building, roadway, pipe, tanks, or other improvements of any kind to any real property. It does not include the "routine" operation, "routine" repair, "routine" maintenance of existing structures, buildings, or real property.
  7. Construction Management at-Risk. A project delivery method in which separate contracts are awarded, one for design services to design a project and the second to a construction manager at-risk for both construction of the project according to the design and construction management services, which include but are not limited to those professional services associated with contract administration, project management, and other services provided in connection with the administration of a construction project.
  8. Contract. All types of Greenville Water agreements, regardless of how they may be styled, for the procurement or disposal of supplies, services, or construction services.
  9. Contractor. Any person having a contract with Greenville Water.
  10. Debarment. Disqualifying one from receiving invitations for bids or request for proposals or the award of contracts by Greenville Water for a specified period of time commensurate with the gravity of the offense, or the failure or inadequacy of performance.
  11. Design-Build Services. Approaches to construction contract management that allow for the selection of a single firm to perform and/or manage the complete design and construction of a project.
  12. End-Product. The term sought by Greenville Water described in the solicitation including all component parts and in the final form and ready for the use intended by Greenville Water.
  13. Indefinite Delivery Contract. A type of contract that provides for an indefinite quantity of supplies or services during a fixed period of time.
  14. Invitation for Bids. A written or published solicitation issued by an authorized procurement official for bids to contract for the procurement or disposal of stated supplies, services, or construction services, which will ordinarily result in the award of the contract to the responsible bidder making the lowest responsive bid.
  15. Made. To assemble, fabricate or process component parts into a finished end-product.
  16. Manufacturer. To make or process raw material into a finished end-product.
  17. Payment Bond. A bond of a contractor/vendor in which a surety guarantees to Greenville Water the payment of all bills and obligations arising from the performance of the contract.
  18. Performance Bond. A bond of a contractor/vendor in which a surety guarantees to Greenville Water that the work/services will be performed in accordance with the contract documents and may, at the discretion of Greenville Water, include a letter of credit issued by a financial institution.

19. Procurement. The buying, purchasing, renting, leasing, or otherwise acquiring of any supplies, services, or construction services. It also includes all functions that pertain to the obtaining of any supply, service, or construction services, including description of requirements, selection, and solicitation of sources, preparation and award of contracts, and all phases of contract administration.
20. Public Procurement Unit. Any county, city, town, and any other subdivisions of the state or public agency of any such subdivision, public authority, educational, health, or other institution, and any other entity which expends public funds for procurement of real property, supplies, services, or construction services.
21. Purchasing Administrator. Any person duly authorized to enter into and administer contracts and make written determinations with respect thereto. The term also includes an authorized representative acting within the limits of authority.
22. Purchase Order. A formal request or instruction issued by the Purchasing Administrator to a vendor to supply or provide a certain quantity of supplies or services at or by a certain point in time subject to certain specifications, prices and agreed terms and conditions.
23. Real Property. Any land, all things growing on or attached thereto, and all improvements made thereto including buildings, and structures located thereon.
24. Request for Information. A written or published solicitation issued by an authorized procurement officer soliciting input from offerors as to the availability of products and services.
25. Request for Proposals. A written or published solicitation issued by an authorized procurement officer for proposals to provide supplies, services, or construction services which ordinarily result in the award of a contract to the responsible proposer making the proposal determined to be most advantageous to Greenville Water.
26. Request for Qualifications. A written or published solicitation issued by an authorized procurement officer requesting information only on qualifications, experience, and ability to perform the requirements of the contract. Such requests shall contain, at a minimum, a description of supplies, services, or construction services to be solicited by the request for proposals or invitation for bids, the general scope of work, the deadline for submission of information, and how prospective offerors may apply for consideration.
27. Requisition. A request for the creation of a purchase order that includes the supplies or services to be purchased, specifications, quantities, estimated cost, account code, requested delivery date, etc.
28. Services. The furnishings of labor, time or effort by a contractor not required to deliver specific end product, other than reports which are merely incidental to required performance. This term includes professional services but does not include employment agreements.
29. Sole Source Procurement. Where it can be substantiated that only one vendor can supply the commodities, technology and/or perform the services required.
30. Specifications. Any description of the physical or functional characteristics of or the nature of a supply, service, or construction item. It may include a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery.
31. Supplies. All property including, but not limited to vehicles, equipment, furnishings, materials, printing, insurance, and leases, but excluding real property.

32. Surety Bond. Secures the bid or the performance or payment of a contract.
33. Surplus Property. Supplies, materials and equipment that are no longer used or which have become obsolete or unusable.
34. Suspension. Disqualifying one from receiving invitations for bids or requests for proposals or the award of a contract for a specified period.
35. Using Department. Any department of Greenville Water which utilizes any supplies, services, construction services or any other procured item under this policy.

### **III. Organization**

#### **A. Authority, Role and Responsibilities of Purchasing Administrator.**

1. Serves as the principal public procurement official of Greenville Water and is responsible for the procurement of supplies, services, or construction services in accordance with this policy.
2. Administers all procurement procedures authorized by this policy, and any other procedures necessary to its operation, subject to the approval of the Chief Financial Officer (CFO).
3. Forecasts market conditions, supply and availability of materials, and economic conditions.
4. Works with using departments, suppliers and potential suppliers in search of new materials, processes, techniques and equipment.
5. Reviews bid tabulation and awards contracts to the vendor most advantageous to Greenville Water after consulting with the appropriate Department Director.
6. Sells, trades, or otherwise disposes of surplus property.
7. Works with using department to establish and maintain programs for the inspection, testing, and acceptance of supplies, services, or construction services.
8. Announces through public notice the procedures pertaining to procurement by Greenville Water.
9. Cooperates with auditors in the preparation of information related to procurement activities, usage and disposition of supplies, services, or construction services. All departments shall furnish such reports as may be required concerning usage, needs, and inventory.
10. Works in coordination with using departments to prepare and issue specifications for supplies, services, or construction services required by Greenville Water. All specifications shall be drafted so as to promote overall economy for the purpose intended and encourage maximum free and open competition in satisfying Greenville Water's needs, and shall not be unduly restrictive.
11. Acts to procure for Greenville Water the highest quality supplies and contract services at the least expense to Greenville Water and its customers.
12. Keeps informed of current developments in the field of procurement, prices, market conditions and new products. Secures for Greenville Water the benefits of research done in the field of procurement by other governmental jurisdictions, national technical societies, trade associations having national recognition, and by private business and organizations.



13. Maintain all original documents and records pertinent to procurement activities.

#### **B. Procurement Authority**

The authority to make procurements shall be as follows:

1. Department Directors shall have the authority to approve any procurement of supplies, services or construction services governed by this policy that are equal to or less than \$25,000.
2. The Chief Operating Officer (COO), Chief Administrative Officer (CAO) and Chief Financial Officer (CFO) shall have the authority to approve any procurement of supplies, services, or construction services governed by this policy that are equal to or less than \$50,000.
3. The Chief Executive Officer (CEO) shall approve all procurements of interests in real property and any procurement governed by this policy that is greater than \$50,000.
4. Change orders may be approved by the COO, CAO and CFO, for their respective departments, up to twenty percent (20%) of the original contract amount, not to exceed \$10,000. Change orders exceeding \$10,000 must be approved by the CEO.

#### **C. Shared Responsibility for Procurement.**

All departments have the primary responsibility for the determination of supplies, services, or construction services they require. However, the Purchasing Administrator assists departments, as needed, and administers the process by which vendors of supplies, services, or construction services are selected. Together, the Purchasing Administrator and the using departments share the duty to evaluate the quality, quantity and type selected to ensure that the best interests of Greenville Water are served, that departments receive the supplies and services needed in a timely and cost-effective manner, and that procurement activities are compliant with Greenville Water policy, as well as state and federal regulations, where applicable. Departments must routinely consult with the Purchasing Administrator concerning specifications for supplies, services, or construction services and clarification of this policy and applicable procedures relating to procurement as well as for other general information.

#### **D. Compliance.**

Compliance is the responsibility of all employees who are involved in any way with selecting, monitoring, supervising, or paying providers for supplies, services, or construction services. Procuring supplies, services, or construction services on behalf of Greenville Water without following adopted procedures can result in disciplinary action and can result in the individual being held personally responsible for charges incurred.

#### **E. Specialized Equipment Oversight.**

To ensure cross-departmental interoperability, certain types of specialized equipment require oversight from technical service departments.

1. Telecommunications equipment, computer hardware and software, and certain office equipment will be procured following procurement policies and procedures, upon the approval and direction of Information Technology Director.

2. Vehicles and all other motorized equipment, with the exception of lawn care equipment, will be procured following procurement policies and procedures, upon the approval and direction of the Fleet Manager.

**F. Extraordinary Circumstances.**

Notwithstanding any other provision of this policy, the Chief Executive Officer (CEO) has the authority to approve a procurement where the CEO determines that an unusual or unique situation exists that makes the application of all requirements of competitive sealed bidding or competitive sealed proposals contrary to the public interest. A written determination of the basis for the procurement and selected vendor shall be reduced to writing, approved by the CEO and retained as part of the record for that procurement.

**G. Procurement Regulations of Other Entities.**

Whenever procurements are funded with state or federal funds, the procurement shall be made in compliance with applicable state and federal laws and regulations, if required as a condition of the receipt of the funds. Whenever this policy is more restrictive than the state or federal laws and regulations, the provisions of this policy and related Greenville Water procedures shall be followed.

**H. Intergovernmental Agreements.**

Whenever Greenville Water enters into an intergovernmental agreement for a joint project with the federal, state, county or municipal government or another governmental entity including, but not limited to a regional council, special purpose district, special tax district, state authority, joint district, or public university, then the Purchasing Administrator may use the procurement practices of the other public entity, provided such practices reasonably appear to comply with the applicable law.

**I. Public Records.**

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

**IV. Source Selection**

**A. Methods of Source Selection.**

Except where noted herein, all Greenville Water contracts shall be awarded by one of the following methods:

1. Small Purchases
2. Competitive Sealed Bidding
3. Competitive Sealed Proposals
4. Competitive Best Value Bidding
5. Competitive Online Bidding
6. Emergency Procurements
7. Sole Source Procurement

**B. When Competitive Procurement is Required.**

Competitive procurement is required for any procurement of supplies, services, or construction services in the categories below.

1. Supplies, Services, or Construction Services Costing from \$3,001 - \$25,000. Unless otherwise exempted in this policy, all procurements of or contracts for supplies, services, or construction services which have a value greater than \$3,000, and up to \$25,000, shall be procured by the Purchasing Administrator. Written quotations shall be solicited from three qualified vendors if applicable. Using departments shall solicit the quotations and provide these on the requisition.
2. Supplies, Services, or Construction Services Costing greater than \$25,000. Unless otherwise specifically exempted, all procurements of or contracts for supplies, services, or construction services greater than \$25,000 shall be procured by the Purchasing Administrator using the competitive processes which involve written solicitations or requests and the submissions of written bids, proposals, or quotes unless otherwise exempt in this policy.

**C. Small Purchases.**

Procurement Cards are used to purchase supplies and services not exceeding \$3,000 (net of taxes and shipping). Procurement Card purchases shall not be artificially divided so as to constitute a small purchase under this Section. Competition is recommended, but is not required for such purchases of supplies and services.

**D. Competitive Sealed Bidding.**

1. Invitation for Bids. Is a procurement method used when the best value is expected to result from the selection of the lowest evaluated priced offer. An Invitation for Bids (IFB) shall include specifications, all contractual terms and conditions, and evaluation criteria applicable to the procurement.
2. Public Notice. An IFB shall be publicly advertised on the Greenville Water website. Greenville Water may also utilize one additional form of media to provide public notice. Public notice shall be given not less than five (5) calendar days prior to the bid opening date.
3. Receipt and Safeguarding of Bids. All bids shall be kept in a secure location and shall remain unopened until the announced time and date of bid opening.
4. Discussions Prior to Bid Opening. After issuance of the IFB, discussions with potential bidders will be directed to the Purchasing Administrator. All questions and/or clarification deemed pertinent by the Purchasing Administrator and the Department Director of the using department will be communicated to all potential bidders. Discussions may be held for the purpose of clarification of bid requirements to assure full understanding of and conformance with the IFB. All bidders shall be afforded fair and equal treatment with respect to any opportunity for discussion and revision of bids, provided such revisions occur prior to award. No oral statement is binding on Greenville Water unless it is reduced to writing.
5. Bid Opening. Bids shall be opened publicly in the presence of one or more witnesses at the time and the place designated in the IFB. The

amount of each bid and the name of each bidder shall be announced and recorded by the Purchasing Administrator or his/her designee.

6. Bid Acceptance and Bid Evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized by this policy. Bids shall be evaluated based on the requirements set forth in the IFB, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose.
7. Discussion with Bidders. As provided in the IFB, discussions may be conducted with apparent responsive bidders for the purpose of clarification if in Greenville Water's judgment such clarification is necessary. Clarification of any bidder's submittal must be documented in writing by the Purchasing Administrator and shall be included with the bid file.
8. Correction or Withdrawal of Bids. Correction or withdrawal of inadvertently erroneous bids before or after bid opening, or cancellation of awards or contracts based on such mistakes, may be permitted subject to the following:
  - a. Appropriate mistakes discovered by the bidder before bid opening may be modified or withdrawn prior to the time set for bid opening.
  - b. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of Greenville Water or fair competition shall be permitted.
9. Responsible and Responsive Bidders. Projects can be awarded only to responsible, responsive bidders. Determination criteria for determining whether a bidder is responsible and responsive are as follows:
  - a. A responsible bidder means a person, partnership, or firm who in the bid document has demonstrated with reasonable specificity and relevance the capability to perform fully the contract requirements and who has demonstrated with project descriptions or references the integrity and reliability which will assure good faith performance.
  - b. A responsive bidder means a person, partnership or firm who in the bid documents provides information in substantially the same form as requested by the IFB.
  - c. The Department Director responsible for the contract may establish for each IFB issued relevant criteria to be used in determining the qualifications of a responsible and responsive bidder for the contract. The criteria shall include, but shall not be limited to, prior performance on comparable projects and financial stability. The Department Director, retained owner's representative, or panel of reviewers, as may be applicable to the project, shall determine which bidders are responsible and responsive in relation to the criteria stated by Greenville Water in any invitation or request issued by Greenville Water.
  - d. The Purchasing Administrator shall send written notice to any non-qualifying bidder, and the notice shall state the basis for the determination.
10. Bid, Performance, and Payment Bonds. Bid, performance, and payment bonds or other security may be required for supply contracts, service



contracts, or supply and service contracts as the Purchasing Administrator and/or Department Director reasonably deems advisable to protect Greenville Water's interest. Bonding requirements shall be set forth in the solicitation.

- a. Bid security, in an amount equal to at least five percent (5%) of the amount of the bid shall be required for all competitive bidding for construction contracts. Bid security shall be a legitimate bid bond provided by a surety company authorized to do business in South Carolina, or the equivalent in cash, certified check, cashiers' check, or money order. Noncompliance with this provision is a basis for the bid to be rejected by Greenville Water. Bid security will be returned to the unsuccessful bidders upon contract award by the Purchasing Administrator.
  - b. When a construction contract is awarded, the following bonds or security shall be delivered by the successful bidder to Greenville Water and shall become binding on the parties upon the execution of the contract.
    1. A performance bond shall be in an amount equal to one hundred percent (100%) of the contract amount.
    2. A payment bond for the protection of all persons supplying labor and material to the contractor or its subcontractors for the performance of the work shall be in an amount equal to one hundred percent (100%) of the contract amount.
    3. The Purchasing Administrator is authorized, upon request of the contractor, to reduce the amount of performance and payment bonds to fifty percent (50%) of the contract amount when work equaling at least fifty percent (50%) of the contract amount has been successfully completed or when such action is in Greenville Water's best interest and in compliance with other applicable law.
11. Tie in Price. When two or more vendors are tied in price, while otherwise meeting all required terms and conditions of the IFB, the Purchasing Administrator shall award the contract as described below, to recognize preferences.
- a. If there is a vendor that has a physical location within the Greenville Water service area tied with a vendor that does not have a physical location in the Greenville Water service area, the award shall go to the vendor with a physical location in the Greenville Water service area.
  - b. Tie bids shall otherwise be awarded based upon the vendor whose bid indicates the earliest completion of performance of the contract.
12. Bid Award. The Purchasing Administrator shall make the award of bid after obtaining the recommendation from the Department Director or his/her designee. The recommendation and award shall be based on criteria contained in the IFB. Upon approval by the Purchasing Administrator, notification will be sent to the selected vendor and all other bidders of the award. The award letter shall be issued by the Purchasing

Administrator to the lowest responsible and responsive bidder meeting the requirements set forth in the IFB.

- a. After award notification, final negotiations will be undertaken by the Department Director or his/her designee with the most responsive and responsible bidder on price, or on matters affecting the scope of the contract, so long as the changes are within the general scope of the IFB, or on both. If a satisfactory contract cannot be negotiated with the most responsive and responsible bidder, negotiations may be conducted, at the discretion of the Purchasing Administrator, with the second, and then the third, and so on, most responsive and responsible bidder as determined by the Purchasing Administrator. The Purchasing Administrator may become part of this negotiation.
  - b. Once final negotiations are complete, the Department Director, or his/her designee will coordinate with the Purchasing Administrator for the preparation of the contract document.
13. Negotiations after unsuccessful competitive sealed bidding. When bids received pursuant to an IFB are considered unreasonable by either the Purchasing Administrator or responsible Department Director, or are not independently reached in open competition, or the low bid exceeds available funds as certified by the CFO, and it is determined in writing by the Purchasing Administrator and responsible Department Director, that time or other circumstances will not permit the delay required to re-solicit competitive sealed bids, a contract may be negotiated pursuant to this section, provided that:
- a. Each responsible bidder who submitted a bid under the original solicitation is notified of the determination and is given reasonable opportunity to rebid;
  - b. The negotiated price is lower than the lowest rejected bid by any responsible and responsive bidder under the original solicitation; and
  - c. The negotiated price is the lowest negotiated price offered by any responsible and responsive bidder and meets available funds.
14. Right of Rejection and Resolicitation. Greenville Water reserves the right, prior to award of the contract, to reject any or all bids for cause, or without cause, as it deems appropriate. Greenville Water has the right to determine not to award the contract to any bidder or to determine to resolicit bids based upon modified terms and conditions.

#### **E. Competitive Sealed Proposals.**

1. Request for Proposals. When the Purchasing Administrator and the Department Director of the using department determine that the use of competitive sealed bidding is not suited to the complexity of the project, may not allow for flexibility needed as the project evolves and changes, may not result in innovative approaches when such approaches are important, or may unduly restrict potential cost savings, then the Purchasing Administrator may issue Request for Proposals (RFPs) to procure supplies, services, or construction services, including design-build services. This determination shall be reduced to writing by the

Purchasing Administrator and placed into the file prior to issuance of the RFP.

2. Public Notice. An RFP shall be publicly advertised on the Greenville Water website. Greenville Water may also utilize one additional form of media to provide public notice. An RFP may be issued to at least three qualified vendors appropriate for the particular procurement. In making a determination of which vendors to invite proposals, the Purchasing Administrator will rely on input from the Department Director. Public notice shall be given not less than five (5) calendar days prior to the proposal opening date.
3. Discussions Prior to Proposal Opening. After issuance of the RFP, discussions with potential proposers will be directed to the Purchasing Administrator. All questions and/or clarification deemed pertinent by the Purchasing Administrator and the Department Director of the using department will be communicated to all potential proposers. Discussions may be held for the purpose of clarification of proposal requirements to assure full understanding of and conformance with the RFP. All proposers shall be afforded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, provided such revisions occur prior to award. No oral statement is binding on Greenville Water unless it is reduced to writing.
  - a. Greenville Water employees and the Purchasing Administrator are prohibited from disclosing, directly or by implication, the contents of proposal documents to competing providers during the selection or negotiation process.
  - b. After selection, award, and acceptance, the submitted proposals also shall be open for public review in accordance with FOIA.
4. Evaluation Factors. The RFP must state the relative importance of the factors to be considered in evaluating proposals but may not require a numerical weighting for each factor. Price is not required to be an evaluation factor.
  - a. Proposals shall be evaluated as to whether the proposal is responsive to the RFP and by using the criteria stated in the RFP, which may include best value concepts, and there shall be adherence to any weighting that may have been previously assigned. As part of the evaluation, interviews may be granted to one or more of the most responsible and responsive proposers. Evaluations will be documented in writing, using score sheets or other material used by persons involved in the evaluation. Once the evaluation is complete, responsive proposals shall be ranked from most advantageous to least, considering only the evaluation factors stated in the RFP. If price is an initial evaluation factor, then the award shall be made taking into consideration price along with the other evaluation factors set forth in the RFP. If price is not an initial evaluation factor, negotiations shall be conducted with the top ranked responsive and responsible proposer for performance of the contract at a price which is fair and reasonable.
5. Proposal Award. After evaluation by the selection team, based upon the stated criteria defined in the RFP, the Department Director or his/her

designee will submit a written recommendation (including any documentation, such as score sheets, used in the evaluation process) to the Purchasing Administrator, who will then notify the selected contractor and the other proposers of the award. No award will be made until the Purchasing Administrator receives documentation supporting the selection and approves it.

- a. Final negotiations will be undertaken by the Department Director or his/her designee with the highest ranking proposer on price, or on matters affecting the scope of the contract, so long as the changes are within the general scope of the RFP, or on both. If a satisfactory contract cannot be negotiated with the highest ranking proposer, negotiations may be conducted, at the discretion of the Purchasing Administrator, with the second, and then the third, and so on, ranked proposers to the level of ranking determined by the Purchasing Administrator. The Purchasing Administrator may become part of this negotiation.
  - b. Once final negotiations are complete, the Department Director, or his/her designee will coordinate with the Purchasing Administrator for the preparation of the contract document.
6. Right of Rejection and Resolicitation Until Award. Greenville Water has the right to determine not to award the contract to any proposer or to determine to resolicit proposals based upon modified terms and conditions.

#### **F. Competitive Best Value Bidding.**

1. Conditions for Use. When the Purchasing Administrator determines that the use of competitive sealed bidding is either not practicable or not advantageous to Greenville Water, a contract may be entered into by competitive best value bidding subject to the provisions of Section IV (D) of this policy.
2. Best Value Bidding. The purpose of best value bidding is to allow factors other than price to be considered in the determination of award for specific materials, services, or information technology based on pre-determined criteria identified by Greenville Water.
3. Public Notice. Adequate public notice of the request for the solicitation shall be given in the same manner as provided in Section IV (D).
4. Bid Opening. At bid opening, the only information that will be released is the names of the participating bidders. Cost information will be provided after the ranking of bidders and the issuance of award.
5. Evaluation Factors. The best value bid must state the factors to be used in determination of award and the numerical weighting for each factor. Cost must be a factor in determination of award and will be weighted at a minimum of sixty percent (60%). Best value bid evaluation factors may include, but are not limited to, any of the following as determined by the Purchasing Administrator in his/her sole discretion and not subject to protest:
  - a. Operational costs Greenville Water would incur if the bid is accepted;
  - b. Quality of the product or service or technical competency;
  - c. Timeliness of delivery and implementation schedules;



- d. Warranties, guarantees, and return policy;
  - e. Vendor financial stability;
  - f. Consistency of the proposed solution with Greenville Water strategic program direction;
  - g. Prior record of vendor performance;
  - h. Industry and program experience; and
  - i. Vendor expertise with engagement of similar scope and complexity.
6. Discussion with Responsive Bidders. Discussions may be conducted with apparent responsive bidders to assure understanding of the best value bid. All bidders whose bids, in the Purchasing Administrator's sole judgment, need clarification shall be afforded such an opportunity.
  7. Selection and Ranking. Bids shall be evaluated by using only the criteria stated in the best value bid and by adhering to the weighting as assigned. Once the evaluation is complete, all responsive bidders shall be ranked from most advantageous to least advantageous to Greenville Water, considering only the evaluation factors stated in the best value bid.
  8. Award. Award must be made to the responsive and responsible bidder whose bid is determined, in writing, to be most advantageous to Greenville Water, taking into consideration all evaluation factors set forth in the best value bid. The contract file shall contain the basis on which the award is made and must be sufficient to satisfy external audit.

#### **G. Competitive On-Line Bidding.**

1. Conditions for Use. When the Purchasing Administrator determines that on-line bidding is more advantageous than other procurement methods provided by this policy, a contract may be entered into by competitive on-line bidding, subject to the provisions of Section IV (D) and the ensuing regulations, unless otherwise provided in this section.
2. Bidding Process. The solicitation must designate both an Opening Date and Time and a Closing Date and Time. The Closing Date and Time need not be a fixed point in time, but may remain dependent on a variable specified in the solicitation. At the Opening Date and Time, Greenville Water must begin accepting real-time electronic bids. The solicitation must remain open until the Closing Date and Time. Greenville Water may require bidders to register before the Opening Date and Time and, as a part of that registration, to agree to any terms, conditions, or other requirements of the solicitation. At any time before the Closing Date and Time, a bidder may lower the price of its bid, but bid prices may not be increased after bids have been submitted. Except for bid prices, bids may be modified only as otherwise allowed by this policy. A bid may be withdrawn only in compliance with Section IV (D). If the lowest responsive bid is withdrawn after the Closing Date and Time, Greenville Water may cancel the solicitation in accordance with this policy or reopen electronic bidding to all pre-existing bidders by giving notice to all pre-existing bidders of both the new Opening Date and Time and the new Closing Date and Time. Notice that electronic bidding will be reopened must be given as specified in the solicitation.

3. Receipt and Safeguarding of Bids. Other than price, any information provided to Greenville Water by a bidder must be safeguarded as required by Section IV (D).
4. Provisions Not to Apply. By utilizing the competitive on-line bidding method, bids will not be opened publically as provided in this policy under Section IV (D).

#### **H. Emergency Procurements.**

When there is an immediate threat to public health, welfare, critical economy and efficiency, or safety under emergency conditions, a Department Director may authorize his/her department to make emergency procurements that do not comply with this policy, providing as much competition as practical was addressed given the circumstances. In such a case, the Department Director will submit to the Purchasing Administrator a written determination of the basis for the emergency, vendor selection, product/service procured and cost. The Purchasing Administrator will retain this information. If such conditions exist and a procurement exceeds \$50,000, the written determination will be forwarded to the CEO for approval and retained by the Purchasing Administrator.

#### **I. Sole Source Procurement.**

Any request by a Department Director that a procurement be restricted to one potential source shall be accompanied by a letter signed by the Department Director stating why no other source will be suitable or acceptable to meet the needs of Greenville Water. A contract may be awarded for, but not limited to, a property, supply, service, material or construction items without competition when the Purchasing Administrator determines in writing that there is only one source for the required supplies, service, or construction services or that the proposed award to a single source is a permitted, non-competitive procurement as established herein. After verification of a sole source vendor or the justification of a sole source procurement is warranted, the Purchasing Administrator has the authority to negotiate the price, terms and conditions of the procurement. Examples of a permissible, non-competitive procurement include, but are not limited to, those situations where the Purchasing Administrator and the Department Director have deemed the compatibility of equipment, accessories, services, systems, software or replacement parts is of paramount importance.

#### **J. Contractor's List.**

1. The Purchasing Administrator is authorized to select a group or groups of prequalified firms to provide construction services and/or supplies to Greenville Water for one or more types of projects over an extended period of time (not to exceed two (2) years).
2. Such group(s) of prequalified firms shall be selected pursuant to an RFP or Request for Qualifications process as set forth in this Policy.
3. The Purchasing Administrator may procure services from such group(s) of prequalified firms through an IFB or RFP, except that:
  - a. Public notice shall not be required; and
  - b. Where necessary the Purchasing Director may require bids or proposals on an expedited basis (as early as twenty-four (24) hours).

**K. Alternate Project Delivery Methods.**

1. Design-Build Services. Design-build services may be used as an alternative method for construction contracting administration. Except where provided by this policy, an RFP must be used for the procurement of design-build services.
2. Construction Management at-Risk Services. Construction management at-risk services may be used as an alternative method for construction contracting administration. Except where provided by this policy, an RFP must be used for the procurement of construction management at-risk services.

**L. Projects with Multiple Stages.**

When projects subject to the provisions of this policy have multiple stages, which could be subject to either a single bid or proposal for all stages or to multiple bids or proposals for the stages as they evolve, Greenville Water may seek bids or proposals for the entire project or it may seek bids or proposals for the initial stage of the project and thereafter amend the initial contract after it is in operation, or within a reasonable time of its completion, to include the subsequent stages. In the latter instance, the subsequent stages must be similar in character of performance and location, when location is relevant to the initial stage, and the pricing components for the subsequent stages must be substantially the same as the initial contract submitted for bids or proposals.

**M. Prequalification of Bidders and Proposers.**

1. The Purchasing Administrator may prequalify all prospective bidders or proposers.
2. The Purchasing Administrator may issue a Request for Qualifications (RFQ) to prospective bidders and proposers. The RFQ shall require information only on qualifications, experience, and ability to perform the requirements of the contract. Such requests shall contain, at a minimum, a description of the supplies, services, or construction services to be solicited, general scope of the work, the deadline for submission of information, and how prospective offerors may apply for consideration.
3. The justification for utilizing a RFQ leading to an RFP or IFB shall be reduced to writing by the using department and placed into the file prior to the issuance of an RFP or IFB.
4. On a basis of the submitted Statements of Qualifications from the prospective offerors, the prospective offerors shall be ranked from most qualified to least qualified on the basis of the information provided. Proposals or bids shall then be solicited from at least the top two prospective offerors. The failure of a prospective offeror to be selected to receive the RFP or IFB shall not be viewed by Greenville Water as grounds for protest.
5. Adequate public notice of the RFQ shall be given.

**N. Request for Information.**

The Purchasing Administrator may issue a Request for Information (RFI) to prospective offerors for information proposing a solution(s) to an issue(s) identified by Greenville Water. Greenville Water reserves the right to issue, or

not to issue, an IFB or RFP based on the information received through responses to the RFI.

**O. Exempted Items.**

1. The following services and/or procurements shall be exempt from the provisions of this policy:
  - a. Works of art for museum and public display.
  - b. Published books, library books, maps, periodicals, and technical pamphlets.
  - c. Copyrighted educational films, filmstrips, slides and transparencies.
  - d. Postage stamps, postage fees and telephone service.
  - e. Professional dues, membership fees and seminar registration fees.
  - f. Medicine and prescription drugs.
  - g. Utilities including gas, electric, water and sewer.
  - h. Advertisements in professional publications, website or newspapers.
  - i. Food and beverage items.
  - j. Credit/bank card services.
  - k. Articles for commercial sale by all governmental bodies.
  - l. Professional Services, including but not limited to the following:
    1. Accounting services;
    2. Advertising and marketing services;
    3. Architectural services;
    4. Engineering services;
    5. Environmental remediation services;
    6. Environmental surveying and testing services;
    7. Financial feasibility services;
    8. Governmental relations services;
    9. Insurance consulting and procurement services;
    10. Legal services;
    11. Maintenance and equipment servicing services;
    12. Master planning services, including but not limited to master planning design services.
    13. Management and management consulting services;
    14. Public relations services;
    15. Underwriting and financial services;
    16. Drug and alcohol screening services;
    17. Workplace physical examinations;
    18. Job assessment services.
  - m. Sole source procurements and the use of contractor lists as specified in IV (I) and (J), respectively;
  - n. Brand name procurements and the use of qualified products list, and standardized product procurements as specified in VI (B), (C) and (D), respectively.
2. The term "Exempted Services" shall include out-of-pocket expenses and other charges billed by any of the foregoing service providers where such expenses and charges are of the type usually billed to the client by such type of service provider.



3. Nothing herein shall preclude the Purchasing Administrator from selecting any item or services listed in IV (O) (1) above pursuant to a competitive selection process.
4. Interests in real estate may be acquired, transferred, or sold without a bidding process, provided the amount paid or received can be substantiated and documented with reliable data or a reliable professional opinion, or both, on the fair market value of the interest which is the subject of the transaction. All such transactions involving the acquisition, transfer or sale of interests in real property must be approved by the CEO.

## **V. Contract Administration**

### **A. Multi-term Contracts.**

1. Specified Period. To the extent permitted by law, a contract for supplies or services may be entered into for a period of time not to exceed a total of five (5) years, provided:
  - a. The terms of the contract and the conditions of renewal or extension, if any, are included in the solicitation and funds are available for the first fiscal period at the time of contracting;
  - b. Such contracts shall contain a clause stating that when funds are not appropriated to support continuation of performance in any subsequent fiscal period, the contract shall be cancelled and shall not be subject to nonsubstitution provisions; and
  - c. Pricing increases for succeeding fiscal periods, if any, shall not exceed ten percent (10%) of the preceding year's contract price.

### **B. Certificate of Insurance.**

Contractors and professional service providers contracted by Greenville Water shall be required to provide a Certificate of Insurance that names Greenville Water as an additional insured with limits acceptable to and approved by the Purchasing Administrator prior to commencing work, unless a waiver is obtained for good cause shown.

### **C. Indefinite Delivery Contracts.**

1. Indefinite delivery contracts may be awarded on an as-needed basis subject to the provisions of Section IV (D) of this policy.
2. Such contracts may be signed with more than one vendor. If more than one vendor is selected for a given service(s), a mandatory rotation of each vendor and service is not required.
3. Such contracts are limited to no more than two (2) years in length.

### **D. Blanket Purchase Orders.**

A Blanket Purchase Order is a simplified method of filling anticipated needs for small quantities of supplies and services with qualified sources of supply. Blanket Purchase Orders are designed to reduce administrative costs in accomplishing small purchases by eliminating the need for issuing purchase orders. During the term of the contract, all supplies and services covered by the agreement may be ordered at contract rates from the suppliers to whom the contract was awarded without additional requests for bids, proposals or quotes.

The supplies and services procured through this mechanism must be otherwise compliant with the requirements of this policy. Blanket Purchase Orders may not exceed a twelve (12) month period. Blanket Purchase Orders may be signed with more than one firm having the capability of providing the supplies and/or services.

## VI. Specifications

### A. Maximum Practical Competition.

All specifications shall be defined so as to ensure cost effective procurement for the purposes intended and encourage competition in satisfying needs of Greenville Water and shall not be unduly restrictive.

### B. Brand Name Specifications.

It is the responsibility of the requesting department to write and justify specifications for materials, equipment or services of a technical nature. When listing brand names, vendors should be given the opportunity to submit bids for "equal" products. In the event a particular brand is required, the using Department Director must give written evidence to this requirement to the Purchasing Administrator. In all instances, final approval of the specifications rests with the Purchasing Administrator.

### C. Qualified Products Lists.

1. Qualified Products are any item(s) that have been tested by a using department, under the supervision of that Department Director, prior to their actual procurement under a contract to establish which supplier(s) can comply with the product specifications.
2. Any items approved by the Department Director shall be reduced to writing and submitted to the Purchasing Administrator for approval. Once approved, the Purchasing Administrator shall retain such in the applicable contract or purchase order file.
3. Such qualified products accepted by the Purchasing Administrator shall be procured using the most advantageous method to Greenville Water, utilizing best procurement practices. If only one source can supply the requirement, the procurement shall be made under the guidelines of Sole Source procurement.

### D. Standardization.

Supplies may be standardized when the Purchasing Administrator has determined that it is in the best interest of Greenville Water or when required for health, safety or welfare of the public.

## VII. Ethics and Code of Conduct

### A. Conflict of Interest.

1. In order to safeguard Greenville Water and its employees from charges of favoritism in the acquisition of supplies, services, or construction services, employees must disclose in writing and in advance to their Department Director and the Purchasing Administrator if any of the following exists:

- a. The employee or any member of the employee's immediate family may experience a financial gain pertaining to a procurement;
  - b. A business or organization in which the employee, or any member of the employee's immediate family, may experience a financial gain pertaining to any procurement.
2. The CFO will determine if such a relationship constitutes a conflict of interest. The Purchasing Administrator has the authority to approve or disapprove any procurement of supplies, services, or construction services after review of such conditions and approval must be granted before executing a contract or purchase order.

#### **B. Resolving Protests.**

1. Right to Protest. Any actual or prospective bidder, proposer or contractor who is aggrieved in connection with the solicitation or award of a contract shall protest to the Purchasing Administrator. The protest, setting forth the grievance and the grounds thereof, shall be submitted in writing within ten (10) days after such aggrieved person knows or should have known of the facts giving rise thereto, but in no circumstance after fifteen (15) days of notification of award of contract.
2. Authority to Resolve Protests. The Purchasing Administrator shall have the authority to settle and resolve a protest of an aggrieved bidder, proposer, or contractor, actual or prospective, concerning the award of a contract.
3. Decision. If the protest is not resolved by mutual agreement, the Purchasing Administrator, in consultation with the CFO, shall issue a decision in writing within ten (10) business days after receipt of the protest. The decision shall state the reasons for the action taken. A decision of the Purchasing Administrator shall be final and conclusive, and a copy of the decision shall be mailed or otherwise furnished immediately to the protestor and any other intervening party.

#### **C. Authority to Debar or Suspend.**

After reasonable notice to the person or firm involved and reasonable opportunity to be heard, the Purchasing Administrator, after consultation with the CFO, shall have authority to debar a person, contractor or firm for cause from consideration for award of contracts. The Purchasing Administrator, after consultation with the CFO, shall also have the authority to suspend a person or firm from consideration for award of contracts if there is probable cause to believe that the person or firm has engaged in any activity which might lead to debarment or such actions are considered not to be in the best interest of Greenville Water. The period of debarment or suspension shall be set by the Purchasing Administrator with advice from Greenville Water's attorney.

1. The causes for debarment or suspension shall include, but not be limited to, the following:
  - a. Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract.
  - b. Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving

stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, or directly affects responsibility as a contractor, conviction under state or federal antitrust statutes arising out of the submission of bids or proposals.

- c. Violation of contract provisions, as set forth below, of a character which is regarded by the Purchasing Administrator to be so serious as to justify debarment action.
  - d. Willful or indifferent failure, without good cause to perform in accordance with the specifications or within the time limit provided in the contract.
  - e. A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts with Greenville Water or contracts with other entities which directly affect Greenville Water or its customers; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment.
  - f. Violation of the ethical standards set forth in the South Carolina State Ethics Act or other provisions of law.
  - g. Any other cause, including debarment by another governmental entity for cause, which the Purchasing Administrator determines to be so serious and compelling as to indicate a likely inability to perform contracts as specified on time, within budget, without repeated correction or a high degree of supervision.
  - h. Collusion with other bidders to remove the element of competition from the procurement process.
  - i. Two (2) instances of withdrawal of bids within a twelve (12) month period subsequent to award notification as the lowest responsible and responsive bidder.
  - j. Invalid certification as to the origin of an end-product as made or manufactured in the United States.
2. Decision. The Purchasing Administrator, in coordination with the CFO and Greenville Water's attorney, shall issue a written decision to debar or suspend within ten (10) working days of the completion of administrative review of the matter. The decision shall:
- a. State the reasons for action taken.
  - b. State the period of debarment or suspension and inform the debarred or suspended person or firm involved of the rights to administrative review as provided in this Policy.
  - c. Notice of Decision. A copy of the decision shall be mailed or otherwise furnished immediately to the debarred or suspended person or firm and any other intervening party.
  - d. Finality of Decision. A decision shall be final and conclusive, unless the debarred or suspended person or firm appeals administratively to the CEO by filing a written appeal within ten (10) calendar days after receipt of the appeal. The decision of the CEO shall be final and conclusive. Debarment is not stayed pending appeal.



## VIII. Special Programs

### A. Public/Private Cooperation Agreements.

1. Whenever Greenville Water enters into an agreement with a private developer as a means of coordinating the provision of public services, avoidance of economic waste and timely completion of both components of the project can often be better accomplished by a single entity being responsible for coordinated construction, provided costs are properly accounted for and fair opportunity for competitive participation is preserved.

- a. Development Agreements. Whenever Greenville Water enters into an agreement with a private developer as a means of coordinating a private project with the provision of public services, the construction or installation of improvements, the installation of public improvements, or a combination of such arrangements, then in order to achieve efficiencies for all projects concerned and to avoid confusion and delay in the completion of the respective projects, Greenville Water may enter into written agreements which permit the private entity's procurement practices to be utilized in Greenville Water's component of the project. Any such arrangement, however, must be designed to secure the greatest value for the public good with the most efficient means available in accordance with reasonable business standards. Any written agreement for such coordinated projects must provide for Greenville Water's consent and approval of procurement practices for improvements or activities funded by Greenville Water. Such practices must assure adherence to principles of fairness, efficiency, and value for the use of public funds. The practices must provide for competitiveness, even though bids may not be necessary. To the extent performance bonds or payment bonds are required by the general law of this state for political subdivisions, these practices shall assure their use for public improvements funded by Greenville Water.

### B. Cooperative Purchasing.

Greenville Water may participate in, sponsor, conduct, or administer a cooperative purchasing agreement for the procurement of any supplies, services, or construction services with one or more public procurement entities or external procurement activities in accordance with an agreement entered into between the participants. Such cooperative purchasing may include, but is not limited to, joint or multi-party contracts between public procurement entities and open-ended state public procurement unit contracts which shall be made available to local public procurement units.

### C. U.S. Made or Manufactured End-Products.

1. Competitive procurements shall be of end-products made or manufactured in the United States, if available, before the same or substantially similar foreign-made or manufactured products are procured provided that: (1) bidder or offeror has certified in writing the bid or offer that the end-product was made or manufactured in the United States, and

- (2) the end-product is available, and (3) the cost of the end-product is not unreasonable, and (4) the vendor is a responsible and responsive bidder or offeror, and (5) the bid or offer otherwise complies with this Policy.
2. The cost of an end-product made or manufactured in the United States is unreasonable if the bid or offer exceeds by more than ten percent (10%) the lowest qualified bid or proposal on the same end-product, which is made or manufactured in a foreign country or territory.
3. If the bidder or offeror with an invalid certificate of origin was awarded the contract, they shall pay Greenville Water the amount which the bid based on the invalid certification exceeds the eventual bid award.

**D. Disposal of Surplus Property.**

1. Authority to Dispose of Surplus Property. The Purchasing Administrator shall have the authority to dispose of property that has been declared surplus by the following methods:
  - a. Transfer to another department or agency;
  - b. Trade-in for new supplies, materials, or equipment of similar nature; and
  - c. Sale, as follows: (authorized by the CFO if such action is expected to generate above \$25,000 in revenue)
    1. Auctions (sell items to the highest bidder at public auction),
    2. Sealed bids (public notice must be issued),
    3. Commercial markets; sold by consignment,
    4. Scrap,
    5. Posted prices (sold to the public on a first-come basis), and
    6. Negotiated/direct sale.
2. Other Methods of Disposal. Other available methods, including cannibalization (disassembling item to use its components), and donations as recommended by the Purchasing Administrator and authorized by the responsible Department Director provided there is documentation on good cause for not using a customary approach.
3. Declaration of Property as Surplus.
  - a. All departments shall submit to the CFO, in written form, a listing of all supplies, materials, and equipment which are no longer used or which have become obsolete, worn out or unusable. This information will be submitted to the CEO for review. The CEO has sole authority to declare property as surplus.
  - b. Departments are responsible for using proper judgment in determining which supplies, materials, and equipment are listed as surplus or obsolete and for the reasonable care and security of items declared surplus until submitted for disposal.