

City of Valdosta Valdosta, Georgia



PURCHASING POLICY AND PROCEDURE MANUAL

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SECTION I

INTRODUCTION

1.01 PURPOSE

The purpose of this policy is to state the City's position regarding the responsibility and authority for the acquisition and contracting for goods, services, professional services, real estate, and capital assets. This document will clarify purchasing functions and outline purchasing policies, as well as describe departmental relationships, responsibilities and participation in the procurement cycle. This policy will provide control functions, assure proper record keeping, and confirm purchases in writing to allow the City to meet the following goals:

- A. Maintain at all times and under all conditions a continuous supply of goods and services necessary for the operation of the City;
- B. Encourage and promote fair and equal opportunity for all persons doing, or seeking to do, business with the City;
- C. Safeguard the quality and integrity of the City's procurement process;
- D. Ensure compliance with laws and regulations pertaining to the procurement of goods, services, professional services, real estate, construction services and capital assets;
- E. Manage procurement and inventories of purchased goods to meet the use requirements of City departments at the most advantageous cost to the City;
- F. Administer procurement contracts and contract amendments; and
- G. Properly dispose of all material and equipment declared to be surplus or obsolete.

This manual will be available on the City's Valdosta's web site www.valdostacity.com. Please check for revisions from time to time. As updates are completed the effective date at the bottom of the page will change and reflect when the change was made.

1.02 GENERAL STATEMENT

It is the goal of the City of Valdosta to maintain a comprehensive electronic purchasing system. This system will provide greater cost-effectiveness and public accountability in the procurement process as well as providing for a records keeping system that is effective, accurate, and meets the needs of all City departments.

1.03 SCOPE

The policies and procedures outlined in this manual shall apply to all departments involved with any procurement for the City of Valdosta.

The scope of this purchasing policy covers the procurement of most goods and services for non-construction purposes without regard to the past method by which the material or service has been or is customarily procured. The policy covers all contractual and purchase agreements between the City and another entity. The procurement function includes the initial agreement/purchase, changes and/or re-negotiations. This policy establishes the specific responsibility and authority of the procurement of materials and services.

The provisions of this policy do not apply to procurements for the following:

- A. Public works construction contracts to the extent governed by O.C.G.A. §36-91-1 et seq.;
- B. Services and construction whose procurement falls under a conflicting federal or Georgia statute;
- C. Land, artistic work, or other goods whose inherent nature is unique and cannot be competitively compared to other goods within its class, except as provided in Section V, Letter f., page 41. Real Estate Acquisition;
- D. Employee benefits and health related services procured through a quotation and negotiating process conducted by an expert in the field, or to maintain continuity of employee-health records;
- E. Travel, entertainment, conferences, training, speakers, instructors, facilitators, and meeting expenses, or other expenditures covered by another City policy;
- F. Insurance procured through a negotiating process;
- G. Items or services procured for resale or to generate a revenue;
- H. Advertising;
- I. Subscriptions and dues established during the budget process;
- J. Utilities;
- K. Other items as agreed upon by the City Manager that does not conflict with any current laws, ordinances, or other legislation;
- L. Seized Property included in a court order authorizing disposal; and
- M. Contracts involving federal funding whose procurement fall under a conflicting Federal or Georgia statute or regulation, except as provided in Section VIII, page 57 and Section VIII page 62.

1.03 GENERAL POLICIES

- A. All elected and appointed officials of the City who participate in the negotiation and approval of purchases and contracts are personally responsible for becoming familiar with and abiding by all applicable Federal Laws, Georgia State Statutes, City policies and procedures, and Code of Ordinances governing such activities.
- B. The City's goal is to receive maximum value for the public dollar and to purchase in the best interest of the City. The City Council reserves unto itself the final approval of all purchases in excess of \$25,000.00 or more with the exception of certain uses of the construction authorization process or IT purchases.
- C. As per the authority as set in Section 2-5001 of the City Ordinance, the City Manager or other person designated by the City Manager as the authorized purchasing agent for the City has the responsibility to give leadership in all purchasing and contracting activities to the City.
- D. It is the City Manager's responsibility to issue regulations and procedures and delegate purchasing responsibilities.
- E. Awards shall be made to the bid that provides the best value to the City, taking into consideration the vendor's skill, business judgment, experience, financial ability and facilities to carry out the contract. The City reserves the right to waive irregularities, reject and/or accept any and all bids, in whole or in part, or take such other action as serves the best interests of the City.
- F. Acceptance of gifts, other than items of nominal value such as advertising novelties, is prohibited. Officials and employees shall not become obligated to any vendor and must not conclude any City transaction from which they may personally benefit.
- G. All qualified bidders shall be afforded equal opportunities to quote and will compete on equal terms.
- H. The City shall strive to maintain strong and enduring relationships with vendors of proven ability and with those who have a desire to meet the needs of the City. To accomplish this, purchasing activities shall be conducted so the vendors will value the City's business and will make every effort to furnish its requirements on the basis of quality, service, and price.
- I. Individuals/Departments engaged in purchasing shall promote constructive competition by constantly seeking new bidders, obtaining several bids when

necessary and developing more than one active source of supply for various products and services.

- J. It is City policy to effect maximum feasible standardization of products used within and among departments in order to minimize stock levels and obtain better prices through large volume purchases.
- K. It is the intent of the City to buy only from suppliers who have adequate financial strength, high ethical standards and a record of adhering to specifications, maintaining shipping promises, and giving maximum service. New sources of supply will be given due consideration, as multiple sources of supply are necessary to ensure availability of materials.

1.04 DEFINITIONS

Acceptable Quality Level – The allowable deviation from a defined standard of performance that can occur before the City will reject the specific service.

Acceptance – The assumption of a legal obligation by a party to a contract and the terms and conditions of that contract.

Acknowledgement – A form used by a vendor to advise a purchaser that an order has been received, and usually implies acceptance.

Addendum – An addition or supplement to a document, for example, items or information added to a procurement document. This is used to issue additional or correct information during the bid process.

Advertising – A form of public notice of an intended purchase. See “Public Notice”.

Agreement – A duly executed and legally binding contract.

Alternate Bid – A bid submitted in knowing variance from the specifications, terms, conditions, or provisions of the solicitation. The City reserves the right to determine acceptance of proposed equivalent or equal items.

Amendment – A revision or change to a document, often used to correct a contract or to add additional scope of work to change an existing contract.

Appeal – A specific written objection by an interested person to a Request for Qualifications (RFQ), a Request for an Informal Written Quote (IRQ), an Invitation for Bid (IFB), an Invitation to Negotiate (ITN), a Request for Proposal (RFP), or an award or proposed award of a contract, with the intention of receiving a remedial result.

Appropriation – A legislative authorization to expend public funds for a specific purpose. Money set apart for specific use.

As Is – Term indicating that goods offered for sale are without warranty or guarantee and that the purchaser takes the goods at his own risk without recourse against the seller for the condition or performance of the goods.

Assignment – The legal transfer of a claim, right, interest, or property.

Assignee – The grantee, or recipient, of an assignment.

Assignor – A person who makes an assignment.

Award – Council’s approval of a bid or a proposal.

Best Interest of the City – The rationale granting a purchasing official discretion in taking action most advantageous to the City when it is impossible to interpret adequately a specific response by law or regulation.

Best Value – A method of award that uses a cost/benefit analysis to define the best combinations of quality, services, time, and cost considerations over the useful life of the acquired item.

Bid – A competitive price offer made by an intended seller, normally by written notice, offered as a result of a formal invitation to prospective vendors.

Bid Acceptance – The unconditional receipt of the bid at the designated bid location within the time frame and conditions set in the bid document. Any alterations to the bidder’s offer after the close of the bid or any deviations from the conditions set in the bid document may result in the rejection and removal of the bid.

Bid Bond – An insurance agreement in which a third party agrees to be liable to pay a certain amount of money in the event that a selected bidder fails to accept the contract as bid.

Bid Deposit – Certified check, cashier’s check, bank money order, bank draft of any national or state bank, surety bond or cash deposited with and as instructed by the prospective purchaser to guarantee the bidder will, if selected, accept the contract in accordance with the bid. If the bidder does not accept the contract, he forfeits the amount of deposit.

Bid Evaluation – The approach for selection of the bid award, which shall be based on the requirements set forth in the bid documents. The evaluation may include criteria to determine acceptability such as inspections, testing, quality, workmanship, delivery and suitability for a particular purpose and to existing systems and equipment. It may also be based on total and life cycle costs as well as freight, set-up, or installation charges.

Bid Opening – The process of opening and reading bids conducted at the time and place specified in the Invitation for Bid, and/or advertisement, and in the presence of all who wish to attend.

Bid Sample – A sample required of a bidder for examination, comparison, testing, and evaluation by the prospective purchaser.

Bidder – Any person submitting a competitive bid in response to a solicitation.

Bidders List – A vendors list maintained by a data management provider or software setting out the names and addresses of suppliers from whom bids, proposals and quotations can be solicited.

Blanket Order – A type of purchase order under which a purchaser contracts with a vendor to provide the purchaser's requirements for an item(s) or service on an as-required and over-the-counter basis. Properly prepared, such an arrangement sets a limit on the period of time it is valid and the maximum amount of money that can be spent at one time or within a specified period of time.

Boilerplate – Informal designation for standard terms and conditions, usually preprinted, incorporated in all Invitation for Bids, Request for Proposals or a contract or purchase order.

Brand Name – A product name that serves to identify a product of a particular manufacturer, a trade name.

Brand Name Specification – A specification that cites the brand name, model number or some other designation that identifies a specific product to be offered exclusive of others.

Brand Name or Equal Specification – A specification that cites brand names, model numbers, or other identifications as representing quality and performance called for, and inviting bids on comparable items or products of any manufacturer.

Breach of Contract – A failure without legal excuse, to perform any promise that forms a whole or part of a contract.

Breach of Warranty – An infraction of an expressed or implied agreement as to the title, quality, content, or condition of a product sold.

Bulk Purchasing – Purchasing in large quantities to seek a lower price per unit i.e. volume purchasing.

Buyer – A purchaser who buys goods or services from a vendor in a transaction.

Buying Cooperative or Buying Alliance - A group of public entity purchasers organized for the purpose of creating contracts or pricing agreements in order to take advantage of

group or quantity buying discounts or special pricing from which members of the group can benefit.

Calendar Day – Every day shown on the calendar, Saturdays, Sundays, and holidays included.

Cash Discount – A discount from a bill if payment is made within a designated period.

Caveat Emptor – “Let the buyer beware.” A maximum stating the buyer should be careful in making a purchase because the burden of defective goods rests with him. In contracts, the seller can be held responsible for certain defects by means of suitable specifications, warranties and contractual terms and conditions.

Centralization of Purchasing – A system of purchasing in which authority, responsibility, and control of activities is concentrated in one administrative unit. (See Decentralized Purchasing)

Certificate of Non-collusion – A statement signed by a bidder and submitted with his bid affirming that his bid is made freely, independently and without consultation with any other bidder.

Change Order – A written order that affects a change to the original contract or purchase order related to increase in quantities or additional materials.

City – The City of Valdosta and, as the context warrants, those persons or bodies authorized to act on its behalf, including but not limited to the City Council, committees, boards, and staff.

Code of Ethics – The rules or standards governing the conduct of the members of a profession. An example is the National Institute of Governmental Purchasing.

Collusion – A secret agreement or cooperation between two or more persons to accomplish a fraudulent, deceitful or unlawful purpose.

Collusive Bidding – The response to bid invitations by two or more vendors who have secretly agreed to circumvent laws and rules regarding independent and competitive bidding.

Commodity – An article of trade, a movable article of value, something that is bought or sold; any movable or tangible thing that is produced or used as the subject of barter or sale.

Commodity Code – A system of words and numbers designed to identify and list commodities or services by classes and sub-classes.

Competition – The process by which two or more vendors vie to secure the business of a purchaser by offering the most favorable terms as to price, quality, delivery and /or service.

Competitive Bidding – The submission of prices by individuals or firms competing for a contract, privilege, or right to supply merchandise or services. Competitive sealed bidding is the preferred method of source selection in public purchasing.

Competitive Sealed Proposal – A method for acquiring goods, services, and construction for public use in which discussions or negotiations may be conducted with responsible offeror's who submit proposals and prices in the competition that meet the required criteria.

Conflict of Interest – A situation where the personal interests of a contractor, public official or classified employee are, or appear to be, at odds with the best interests of the jurisdiction.

Consideration – Acts, promises, or things of value exchanged by two parties that validates a contract between them.

Construction - Means the process of building, altering, improving or demolishing any public structure or building, or other public improvements of any kind to any public real property including the provision of materials therefor. The term "Construction" does not include the routine operation, repair and/or maintenance of existing structures, buildings or real property.

Contract – Contractual instrument, including, but not limited to contracts, leases, inter-local agreements, grants, sales agreements, service agreements, joint participation agreements, maintenance agreements, attachments, change orders, addendum, bonds, fee schedules, and any other related documents for incorporation into the contractual agreement.

Contract Administration – The management of all actions that must be taken to assure compliance with the terms of the contract after the award of the contract.

Contract Execution – The act of overseeing the signing of a legally binding document that shall include signatures of the Contractor, City Manager or Mayor, City Attorney and City Clerk with appropriate notaries and seals.

Contract Extension - Means an Amendment to a Contract that includes an increase in the term of a Contract, for which no options to renew the Contract beyond the current expiration date exist.

Contract Renewal - Means an exercise of an approved, existing option to increase the term of a Contract. Options to renew a Contract are often done in annual increments.

Contractual Services – Basic services provided to the City under contract or Purchase Order in which charges, effective periods, and extent of work are defined. Examples of contractual services are janitorial services, maintenance services, mechanical services and construction services.

Davis-Bacon Act (1931) – A Federal law requiring all contractors performing Federally funded Public Works construction projects to pay their workers, at a minimum, the prevailing wage rate paid in the area for similar work, as set by the Secretary of Labor.

Debarment – The exclusion of a person or company from participating in a procurement activity for an extended period of time, as specified by law, because of previous illegal or irresponsible action.

Decentralized Purchasing – A system of purchasing in which there is a (varying) degree of delegation of authority, responsibility, and control of purchasing activities to the using agencies.

Delivery Schedule – A required or agreed upon time, or rate, for delivery of goods or services.

Discount – Vendor's deduction from the selling price, usually contingent upon some cost reducing condition such as prompt payment.

Disposal – The act of surrendering ownership of excess or surplus property.

Dispute – Disagreement between parties to a contract over performance or other contract term requiring administrative action to resolve.

Emergency Purchase – A purchase made without following the normal purchasing procedures in order to obtain goods or services quickly to meet an urgent and unexpected requirement where health and public safety or the conservation of public resources is at risk. The City Manager shall have the authority to make emergency purchases provided that all such purchases shall be reported to the City Council at its next regularly scheduled meeting.

Employee - Means an individual drawing a salary or wage from the City whether on a full-time or part-time basis. The term shall encompass all members of the City Council without regard to whether or not such individuals are compensated.

Equal, Or Equivalent – A phrase used to indicate the acceptability of a product of similar or superior function, purpose, design, and/or performance. (See Brand Name)

Evaluation Criteria – Factors, usually weighted, relating to management capability, technical capability, manner of meeting performance requirements, price and other important considerations used to evaluate which proposer in a competitive negotiation has made the most advantageous offer.

Expedite – Effort to assure delivery of goods purchased in accordance with a time schedule, or to accelerate delivery.

Fiscal Year – A period of twelve consecutive months selected as a basis for annual financial reporting, planning or budgeting. The fiscal year for the City of Valdosta is July 1 through June 30.

Fixed Asset – An asset of a long-term character having a useful life of more than one year and a value of at least \$5,000.00, stands alone and functions by itself.

Fixed Price Contract – A contract that provides for a firm price, subject to any contractual conditions allowing price adjustment, under which the contractor bears the full responsibility for profit or loss.

Formal Advertising – The placement of a notice in a newspaper of general circulation according to legal requirements to inform the public that the City is requesting bids on a specific purchase it intends to make.

Free on Board (F.O.B.) – Determines the point at which title for the shipment passes from vendor to purchaser.

F.O.B. Destination – The title changes from vendor to purchaser when the shipment reaches its destination.

Functional Specifications – A type or manner of writing a purchase description characterized by what results are required rather than a generic description of the product or service.

GMP (Guaranteed Maximum Price) – The maximum to be paid for services and materials regardless of cost to contractor.

Gifts or Favors - Means anything or any service or value as interpreted by the City of Valdosta.

Goods or Commodities - Means supplies, apparatus, materials, equipment and other forms of tangible personal property used by a City department in the accomplishment of its responsibilities other than Capital Assets.

Guarantee – An assurance for the fulfillment of a condition, quality of, or the length of use to be expected from a product offered for sale.

Guaranteed Buy Back – This means a bidder will guarantee a buy back price for a piece of equipment that originally was sold to a government entity usually associated with a five year time frame or 5,000 hours of usage.

Hold Harmless Clause – Contractual clause requiring the contractor to assume sole liability in any actions brought against the contract and absolving the jurisdiction from any responsibility.

Indefinite Quantity Contract – Contract covering a specified period of time, usually one year, with orders to be placed on an “as needed” basis.

Identical Bid – A bid that is the same in all salient respects with another bid. If Identical Tie Bids exist, preference shall be given to businesses with the best value or that has been awarded prior contracts in an acceptable manner. With all things being equal after this provision, the City Manager has the authority to break ties any way he deems fair and equitable.

Informal Bid – A competitive bid or price quotation for supplies or services that is conveyed by letter, telephone, or other means and does not require a sealed bid, public opening, or public reading of bids.

Inventory – Goods in stock or an itemized list of the goods on hand at a particular time showing quantity, volume and values.

Indemnify – To protect against hurt or loss, to exempt from incurred penalties or liabilities. To compensate or pay for damage.

Invitation for Bids (IFB) – A formal request to prospective vendors soliciting price quotations or bids. It contains, or incorporates by reference, the specifications or scope of work and all contractual terms and conditions.

Invitation to Negotiate (ITN) - Means documents used for soliciting competitive proposals in which negotiation of price and other factors is to commence after receipt of proposals and prior to recommendation of award. This process may be used when the scope of work is complex or difficult to define, if strict comparison of Services or Goods required may be difficult because components are likely to vary among Proposers or in any situation when it is in the City’s best interest to negotiate prior to recommendation of award to obtain the Services or Goods that best meet the City’s needs, price and other factors being considered.

Invoice – Seller’s itemized bill stating prices and quantities of goods and/or services delivered, and sent to Accounts Payable for payment.

Late Bid or Offer – A bid or offer received at the place specified in the solicitation after the time designated for all bids or proposals to be received.

Lead Time – The period of time from date of ordering to date of delivery. This includes the time required for the vendor to manufacture or prepare the goods for shipment, and may include the time needed by the procurement function to process the purchase request, issue a solicitation, evaluate bids and award a contract.

Lease – A contract conveying from one person to another the use of real estate or property for a term in return for a specified rent or other compensation.

Lease-Purchase Agreement – A lease contract containing a purchase option in which the lessee’s periodic payments or parts thereof may be applied to serve both as the rental obligation and as installments for acquiring ownership of the property upon lessee exercising the purchase option; a conditional sales contract.

Legal Notice – Notice of a proposed purchase as required by law.

Life Cycle Costing – A procurement evaluation technique that takes into account operating, maintenance, money costs, other costs of ownership and usage and resale or residual value in addition to acquisition price in determining the award of contracts on the basis of lowest total cost over the period the item will be used.

Line Item – A procurement item specified in an Invitation for Bid for which the bidder is asked to tender an individual price and which, under the terms of the invitation, is usually susceptible to a separate contract award.

Liquidated Damages – An amount of money, designated in the solicitation and as part of a contract, to be calculated on a per diem or other basis and paid upon default of a contract.

Lump Sum – The total price of a group of items that are put together and priced as a whole, aggregate. A price not based on unit cost or quantities.

Material Safety Data Sheets (MSDS) – Documentation concerning a hazardous chemical. They identify the chemical, the common names of the ingredients, the physical and chemical characteristics, and the hazards of the chemical. They also include emergency and first aid procedures to be considered when working with that chemical.

Multiple Award – The award of contracts to two or more vendors or contractors to furnish the same or similar supplies or services, where more than one vendor is needed to meet the contract requirements for quality, delivery, or service.

Multi-step Bidding – A source selection method involving at least two competitive steps, combining the elements of both competitive sealed bids and competitive sealed proposals. The first step requires the submission of (un-priced) technical proposals. In the second step, bidders with acceptable technical proposals are asked to submit sealed bid prices.

Negotiation – Contracting through the use of proposals and discussions to obtain best and final offers that result in the best value to the agency.

Net Price – Price after all discounts, rebates, etc., have been allowed.

No Bid – A response to an Invitation for Bid stating that the respondent does not wish to submit a bid.

Non-responsive Bid – A bid that does not conform to the mandatory or essential requirements of the Invitation for Bid.

Notice of Award – A written notification from the jurisdiction to the successful bidder, stating that there is an award of a contract in accordance with a bid or proposal previously submitted.

Official - Means any City elected or appointed person who holds office or any person appointed by the mayor and council of the City to serve on (1) the planning commission of the City, (2) any board or commission of the City having quasi-judicial authority; and, (3) any authority created by the City, either individually or jointly with other local governments pursuant to Georgia law.

Option to Renew – A contract clause that allows a party to reinstate the contract for an additional term, in accordance with contract terms.

Order (Purchase) – A request or command issued to a supplier for goods or services at a specified price or agreed basis for payment.

Partial Payments – The payment authorized in a contract upon delivery of one or more complete units called for under the contract, or upon completion of one or more distinct items of service called for in the bid.

Payment Bond – A bond which assures payments, as required by law, to all persons supplying labor or material for the completion of work under the contract. Also called labor and materials bond.

Payment Terms - Means the established due date for payments by the City to pay an invoice. Absent any agreement otherwise stated, the City's payment term will be Net 30.

Performance Bond – A contract of guaranty executed subsequent to award by a successful bidder to protect the City from loss due to contractor's inability to complete the contract as agreed.

Performance Record – A record to indicate a supplier's ability to keep delivery promises and reliability, together with consistency of quality of the products.

Performance Specification – A specification describing the performance characteristics sought in a product or service, a purchase description accenting performance over design, a functional rather than a generic or physical specification.

Piggyback Method – A form of intergovernmental cooperative purchasing in which an entity requests competitive sealed bids, enters into a contract, and arranges, as part of the contract, for other public purchasing units to purchase from the selected vendor under the same terms and conditions as itself.

Pre-Bid Conference – A meeting that is scheduled in a solicitation for the purpose of providing clarification as needed. Substantive questions raised at a pre-bid conference are answered in writing and may modify the solicitation.

Pre-Qualification of Bidders – The screening of potential vendors in which such factors as financial capability, reputation, and management are considered in order to develop a list of qualified vendors.

Pre-Solicitation Conference – An informal meeting inviting comments and suggestions from selected vendors on the draft of a proposed solicitation. Used for technical and complex service transactions.

Price – The amount of money that will purchase a definite quantity, weight, or other measure of a commodity or service.

Price Adjustment Clause – A condition in a solicitation and resultant contract that allows the price under the contract to decrease or increase under defined conditions; the condition should provide for the purchaser to cancel any individual item affected, or the contract, if a request for increase is not acceptable.

Privatization – The divestiture of a government program or service including control and management as well as real and personal property to private entrepreneurs.

Procurement – The procedures for obtaining goods or services, including all activities from the planning steps and preparation and processing of a requisition, through receipt and acceptance of delivery and processing of a final invoice for payment. The acts of preparing specifications, evaluating bids or proposals, making awards and administering contracts are involved; in some contexts, property management is implied.

Professional Service – Means services rendered by an independent contracting individual or firm having expertise in a particular industry or subject matter due to specialized education, training, licensure or skill, and consisting primarily of advice reports, conclusions, recommendations or other outputs resulting from the time and effort of the service provider, as opposed to the acquisition of specific commodities, or of services not requiring any specialized education, licensing, training or skill (e.g. janitorial services). Professional Services include but are not limited to evaluations, consultations, management systems, management consulting, compiling statistical data, support of planning and operating activities, appraisal services, and research and development studies or reports.

Progress Payments – Payments arranged in connection with purchase transactions requiring periodic payments for certain stated amounts or for specified percentages of the total purchase price.

Proposal – An offer made by one party to another as a basis for negotiations for entering into a contract.

Proposer - Means a Person submitting a proposal or qualifications to the City for the supply of Goods, Capital Assets, Real Estate, Construction Services, Services, or Professional Services.

Protest – A written objection to a solicitation by a prospective bidder, a bidder, a contractor or other interested party with the intention of achieving a remedial result.

Public Notice – Means the distribution or dissemination of information to interested parties using methods that are reasonably available. Such methods include publication in newspapers of general circulation, electronic or paper mailing lists, and web site (s) designated and maintained for that purpose.

Purchase Description – The words used in a solicitation to describe the supplies, services or construction to be purchased, including any performance, physical or technical requirements. Unless the context requires otherwise, the terms “purchase description,” “purchase specification,” and “specification” may be used interchangeably.

Purchase Order – A purchaser’s written document to a supplier formally stating all terms and conditions of a proposed transaction. A purchase order commits the City financially, by encumbering funds.

Purchasing – Buying materials and services of the right quality, in the right quantity, at the right price, from the right source, and for delivery at the right time.

Purchasing Cycle – The full sequence of activities carried out by a purchasing department in the acquisition of goods and services. (See Procurement)

Purchasing Ethics – Moral principles or code to be respected by the Purchasing Division, or any division or department having responsibility in the procurement process.

Purchasing Manual – A document that describes the rules and procedures to be followed by the using agencies.

Purchasing Policy – A course of action officially adopted in purchasing affairs.

Purchasing Procedure – A mode of conducting purchasing activities.

Quotation – A statement of price, terms of sale, and description of goods or services offered by a prospective seller to a prospective purchaser, usually for purchases below the amount requiring formal bidding. May be non-binding if solicited to obtain market information for planning purposes.

Receiving Report/Partial & Complete – The form used to inform others in the organization of the receipt of purchased goods.

Request for Proposal (RFP) – (1) Solicitation document used when price is not the determining criteria. (2) The solicitation document used in the competitive negotiated process. The procedure allows changes to be made after proposals are opened and contemplates that the nature of the proposals and/or prices offered will be negotiated prior to award.

Request for Quotation (RFQ) – The document generally used for seeking competition on small purchases or on any purchase lower than the amount that requires competitive sealed bidding. Can be used for obtaining price and delivery information for sole-source and emergencies.

Requirements Contract – An indefinite quantity and delivery contract in which purchase requirements are filled by the selected vendor, with deliveries to be scheduled by placing orders with the vendor.

Requisition – Request for Purchase Order. An internal document completed by the using department listing details of materials and services needed.

Responsible Bidder – A person who has the capability in all respects to perform in full the contract requirements, along with the integrity and reliability that will assure good faith performance.

Responsive Bidder – (1) A person who has submitted a bid which conforms in all material respects to the Invitation for Bids. (2) One whose bid conforms in all material respects to the terms, conditions, specifications and other requirements of the Invitation For Bids.

Restrictive Specification – A specification or purchase description that unnecessarily limits competition by precluding items that would be capable of satisfying the intended need.

Salvage – Property that has some residual value but which is no longer useful as a unit in its present condition and whose restoration to usefulness as a unit is economically not feasible.

Sealed Bid – A bid that has been submitted in a sealed envelope to prevent its contents being revealed or known before the deadline for the submission of all bids.

Service Contract – A contract that calls for a contractor's time and effort rather than for a product.

Site Inspection – The requirement in a solicitation that the potential bidders or offerors visit the physical location where the contract is to be performed to become familiar with site conditions.

Sole Source Procurement – An award for a commodity or service to the only known capable supplier, occasioned by the unique nature of the requirement, the supplier, or market conditions.

Solicitation – A request for bids to provide supplies, services or construction.

Specification – A description of what the purchaser seeks to buy, and consequently, what a bidder must be responsive to in order to be considered for award of a contract. A

specification may be a description of the physical or functional characteristics, or the nature of a supply or service. It may include a description of any requirements for inspecting, testing, or preparing a supply or service item for delivery. A purchase description.

Specifications Committee – A committee which advises and assists the central purchasing authority in establishing specifications. Often such a committee includes representatives with expertise from using agencies and specializes in a particular product area. A committee may also contribute advice and assistance in the development of standards.

Standard – A characteristic or set of characteristics for an item that, for reasons of performance level, compatibility or interchangeability with other products, etc., is generally accepted by producers and by users of the item as a required characteristic of all items for the designed purpose.

Standard Specification – A specification established through a prescribed process and used for all or most purchases of the item involved.

State Contract – A competitive or negotiated contract for the procurement of a good or service that was initiated by the Department of Administrative Services Procurement Division that is mandatory for State agencies to utilize and provides for other governmental entities to piggy-back in an effort to save time and money without having to go through the typical procurement process.

Stock/Stores – The supply of goods maintained in a stores system to satisfy anticipated demand.

Subcontractor – A party contracting with a prime contractor to perform all or any part of the latter's contract.

Surplus Property – Inventory or fixed assets not needed by the owning agency or by other agencies at the present time or in the foreseeable future.

Tabulation of Bids – A recording of bidders and abstract of their bids listing items offered, prices, deliveries, etc., in response to a specific solicitation, made for purposes of comparison and record-keeping.

Term Contracting – A technique by which a source of supply is established for a specific period of time.

Terms and Conditions – A general reference applied to the provisions under which bids must be submitted and which are applicable to most purchase contracts.

Terms of Payment – A purchase transaction's required payment for the goods or services received, and with exception of an unusual exchange or barter agreement there are three basic payment terms: cash, open account, and secured account.

Trade In – The City may trade in used or obsolete equipment to a provider in order to decrease the price of the solicitation. Also, Guaranteed “Buy Backs” are allowed when available and encouraged to keep the fleet updated with newer equipment.

Uniform Commercial Code (UCC) – Uniform statute law adopted by some states for consistency in law governing commercial transactions.

Value Added – A term used to describe items offered within a proposal or sealed bid that add value to the contract. These items may include a signing bonus, free equipment, free advertising or any and all items that may be offered to enhance the value of the bid offer.

Value Analysis – Organized effort to analyze the function(s) of products, systems, specifications, standards, practices and procedures for purpose of satisfying the required function(s) in the most economical manner.

Vendor – Any individual, firm, corporation, etc., offering for sale, trade, exchange or otherwise supply items, goods, or services to the City in exchange for compensation.

Waiver of Bid(s) – A process authorized by law or rule whereby a government purchasing office may procure items without competitive bidding procedures because of unique circumstances related to a particular need or procurement.

Waiver of Mistake or Informality – The act of disregarding errors or technical nonconformity’s in bids which do not change the substance of the bid and will not adversely affect the competition between bidders.

Warranty – A representation either expressed or implied that a certain fact regarding the subject matter of a contract is presently true or will be true.

1.06 ETHICS IN PROCUREMENT

Each person involved in the procurement process must adhere to a high standard of ethics. Each will be bound by the City Code of Ethics and this Section 1.06 and any other City ordinances, documents, or other applicable policies.

A. Employee Conflict of Interest

It shall be unethical for any City Employee or Official to transact any business or participate directly or indirectly in a procurement Contract when the Employee or Official knows that:

1. The Employee or Official or immediate family of such Employee or Official has a substantial interest pertaining to the procurement Contract, except that the purchase of Goods and Services from businesses which a member of the City Council or other City Employee has a substantial interest is authorized as per O.C.G.A. § 36-1-14, or the procurement Contract is awarded pursuant to

O.C.G.A. § 45-10-22 and § 45-10-24, or the transaction is excepted from said restrictions by O.C.G.A. § 45-10-25, interpreting such statutes as if they were applicable to a municipality.

2. Any other person, business or organization with whom the Employee, Official or immediate family of such Employee or Official is negotiating or has an arrangement concerning prospective employment is involved in the procurement Contract.
3. An employee, official or any immediate family of such employee or official who holds a substantial interest in a disclosed blind trust shall not be deemed to have a conflict of interest with regard to matters pertaining to that substantial interest.
4. All employees and officials may be asked to sign a disclosure document indicating his or her compliance with the City Ethics Policy.
5. The terms “immediate family” and “substantial interest” shall have the meaning given to such terms in the City Code of Ethics.

B. Gratuities, Rebates or Kickbacks

1. **Gratuities.** It shall be unethical for any person to offer, give, or agree to give any employee or official or for any employee or official to solicit, demand, accept, or agree to accept from another person, a gratuity, rebate, loan, an offer of employment or other services or property of value in connection with any decision, approval, disapproval, recommendation or preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore in any manner inconsistent with the State of Georgia’s Department of Administrative Services Gratuity Policy. Rebates normally or routinely offered to customers in the ordinary course of business of such vendor for the purchase of their goods and services are acceptable and are the property of the City.

Nothing in this section shall preclude an employee or official of the City from attending seminars, courses, lectures, briefings, equipment build, or similar functions at any vendor's facility or at any other place if any such seminar, course, lecture, briefing, or similar function is for the purpose of furnishing the official, employee, or agent with knowledge and information relative to the vendor's products or services and is one which the city manager determines would be of benefit to the City.

In connection with any such seminar, course, lecture, briefing, equipment build, or similar function, nothing shall preclude the employee or official from receiving meals or educational materials and business related items of not more than nominal value from a vendor. Nothing contained in this section shall permit the employee or official to accept travel or lodging for less than the value thereof from any vendor which is typically covered in bid documents.

2. Kickbacks and Rebates. It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor, or any person associated therewith, as an inducement for the award of a subcontract or order.
3. Contract Clause. The prohibition against gratuities, rebates and kickbacks prescribed in this section shall be conspicuously set forth in every contract and solicitation documents therefore.
4. Courtesies. Employees may accept for themselves and members of their families common courtesies usually associated with customary business practices so long as a strict standard is enforced with respect to gifts, services, discounts, entertainment or consideration of any kind from suppliers of merchandise, services, supplies, etc. to the City. An example of a common courtesy is free pens or notepads with the vendor's name on them.
5. Cash. It is never permissible for an employee or official to accept a gift in cash, cash equivalents, stocks or other forms of marketable securities of any amount.

C. Prohibition Against Contingent Fees

It shall be unethical for a person to be retained, or to retain a person, to solicit or secure a contract upon any agreement or understanding for a commission, percentage, brokerage or contingent fee, except for agreements with manufacturer representatives, or agents, including but not limited to commercial services sales agents engaged in the business of soliciting contracts on behalf of vendors.

D. Use of Confidential Information

It shall be unethical for any Employee or Official knowingly to disclose or use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

E. Unauthorized Purchases

No purchases of goods and services shall be made in the name of the City or one of its departments, except such as is required for official use by the City or one of its departments. Purchases in the name of the City or a department for personal use

by an individual or for other than official use are prohibited, and no City funds will be expended or advanced therefore.

F. Penalties and Sanctions

1. Legal or disciplinary action by City Council. The City Council may take appropriate legal and/or disciplinary actions pursuant to the City Code of Ethics against any employee, official or other person in violation of these ethical standards.
2. Legal or disciplinary action by city manager. The city manager is authorized to take any appropriate legal and/or disciplinary actions, including dismissal, of any employee violating this ethics policy.
3. Administrative penalties for employees. The city manager may impose any one or more of the following penalties or sanctions on an employee for violations of the ethical standards in this Section as appropriate to the situation, subject to the personnel manual or other appropriate appeals procedures:
 - a) Oral or written warnings or reprimands.
 - b) Suspensions with or without pay for specified periods of time.
 - c) Termination of employment.
4. Administrative penalties for outside contractors/vendors. The City may impose any one or more of the following penalties or sanctions on a vendor or other person or organization for violations of these ethical standards:
 - a) Written warnings or reprimands.
 - b) Termination of contracts.
 - c) Debarment or suspension.

G. Disclaimer of Responsibility for Improper Purchasing

The City may disclaim responsibility and liability for any purchase, expenditure, or agreement for expenditure arising from any procurement made in its name, or in the name of any governmental body under its authority, by an unauthorized person or any person acting outside this policy or the authorization or delegation as provided in this policy. The expense of any such disclaimed transaction will become the personal liability of the individual who acted improperly.

H. Vendor Contact During Open Solicitations

Persons seeking an award of a City contract may not initiate or continue any verbal or written communications regarding a solicitation with any official, employee or other City representative other than the purchasing agent or other named individual in the solicitation between the date of the issuance of the solicitation and the date of the final contract award. Exceptions to this are clarification, telephone or on site conference for short listing purposes. The City Manager or designee will review violations. If determined that such communication has compromised the competitive process, the offer submitted by the individual, firm or business may be disqualified from consideration for award.

*Section II***DUTIES AND RESPONSIBILITIES**
PURCHASING DIVISION**2.01 PURCHASING DIVISION RESPONSIBILITIES**

The purchasing division under the direction of the finance director is responsible for establishing purchasing policies and coordinating the purchasing procedures for the City. They initiate the reports necessary to permit analysis of purchasing performance, consolidating the purchase of like or common items, analyzing prices paid for materials, equipment and services, and generally defining how to obtain savings. They also provide training and supervision for using departments as well as various contract administration.

2.02 FUNCTION

- A. Develop purchasing objectives, policies, programs and procedures for the acquisition of materials, equipment, supplies and services.
- B. Coordinate and supervise purchasing procedures of user departments when applicable.
- C. Draft specifications with assistance of using departments for formal bids.
- D. Provide contract administration where applicable.
- E. Ensure that all departments are following the ordinance and policy as written. This ensures the City will pass audits and no fraudulent activity is occurring such as splitting purchase orders, avoiding quotes, etc.

2.03 OBJECTIVES

- A. To know and become acquainted with the needs of all departments.
- B. To procure a product or service that will meet the department's requirements and is the best value to the City.
- C. To research the source and availability of needed products.
- D. To write manuals, provide training and assist all departments in meeting their purchasing needs.
- E. To maintain good vendor relations.
- F. To inform department heads of market changes, new products and other such factors.

- G. To provide an understanding of sound purchasing policy and procedures throughout all departments of the City.
- H. To exchange ideas and information with other public purchasing agencies in an effort to solve common problems.
- I. To develop standardized specifications for use by all departments, improve the purchasing practices and apply them when feasible.
- J. To be familiar with all legal procurement laws and ensure purchasing personnel comply.
- J. To attend training sessions offered by state and national organizations.

2.04 RELATIONS WITH CITY DEPARTMENTS

- A. Cooperation and understanding between City departments is necessary for the effective operation of the purchasing division.
- B. The purchasing division shall establish and maintain communication with City departments in order to meet their purchasing requirements.
- C. In cases where technical equipment, specifications and supplies are involved, the department concerned will indicate their requirements; all purchasing actions will be coordinated with them prior to placing an order.
- D. The purchasing function is a cooperative effort and the mutual benefits derived for the good of the City depend upon this cooperation between departments. This manual is to be used as a guide in helping departments to do their part and to point out their responsibilities in purchasing.

2.05 REQUESTING DEPARTMENT'S RESPONSIBILITIES

- A. Determine the need, funding source, and specifications/scope of work.
- B. Enter requisitions in a timely manner to allow sufficient lead time for the purchasing division to complete the purchase order and the vendor to deliver goods or services.
- C. Follow the City purchasing ordinance and policy outlined and provide necessary assistance when needed to complete a purchase.
- D. Prepare technical specifications when needed for products or services.
- E. Review bid tabs and submitted proposals to inform purchasing of their department's recommendations for award.

Section III

GENERAL GUIDELINES

This section is an introduction to the general guidelines and/or rules for the purchasing process, which establishes policy. Subsequent sections provide those procedures and methods to be utilized to carry out this policy.

NOTE: No item or service is to be ordered, received, or paid for without a purchase order, blanket purchase order, emergency purchase order or procurement card.

3.01 PURCHASES OF \$0.01 TO \$1,000.00

Purchases in this category should be paid with a purchase order or procurement card. Departments should use existing City contracts when applicable. Other items not to exceed \$1,000.00 may be purchased at the department's discretion.

3.02 PURCHASES OF \$1,000.00 TO \$10,000.00

Ordering shall be done only after the receipt of competitive prices by internet or telephone; provided however that competitive prices shall not be required if only one source of supply exist. Purchases in this category may be made on a procurement card with prior approval or a purchase order when the vendor does not except the procurement card. If using the procurement card, insert the quotes received into your procurement card statement file for the purpose of supplying proof of quotations in case of an audit. In cases of completing a requisition, attach the quotes to the electronic requisition.

3.03 PURCHASES OF \$10,000.00 TO \$25,000.00

Ordering shall be done only after the receipt of printed internet or written quotes; provided however that competitive prices shall not be required if only one source of supply exist. Purchases in this category may be made on a procurement card with prior approval or a purchase order when the vendor does not accept the procurement card. If using the procurement card, insert the quotes received into your procurement card statement file for the purpose of supplying proof of quotations in case of an audit. In cases of completing a requisition, attach the quotes to the electronic requisition. Also, request above \$10,000 have to now be entered into the Georgia State Procurement Registry. Contact the purchasing division for more information.

3.04 PURCHASES OVER \$25,000.00

Purchases in this category may be made on a procurement card with prior approval or a purchase order when the vendor does not accept the procurement card. The receipt of sealed, competitive bids or proposals is required and will be opened at a specified time by the City Manager, Purchasing Agent, or any other city employee designated by the City

Manager to act in this capacity in the presence of representatives of competing bidders, or, in the event that no bidders are present, at least two (2) witnesses shall be present; provided, however, that competitive bids shall not be required if only one source of supply exists. At least seven (7) calendar days prior to the receipt of bids, except in cases of utmost urgency, a notice of the city's intent to receive bids shall be printed one time in a newspaper of general circulation in the city, a formal notice shall be posted on site in the lobby, State Procurement website and posted on the City of Valdosta website. Formal award will be made by Mayor and Council after placing an agenda item to be considered at a regularly scheduled Council meeting unless approval is granted by the City Manager in case of emergencies.

3.05 PROCUREMENT CARD PURCHASES

Selected departments have been or will be issued City procurement cards. The use of the procurement card should only be done while following the policies and procedures in this manual and when sufficient funds are budgeted. Personal use of the procurement card is strictly forbidden and will result in personnel action up to separation.

Using the procurement card does not negate the requirements of requesting quotes or bids. It is suggested when ordering by telephone that the order be faxed or emailed to the vendor to be used as verification that the order was received. When departments use the purchasing card for purchases that require written quotations, the quotations should be filed with your monthly purchasing card statement. This should be done to aid the auditors when completing year end close out.

3.06 IT HARDWARE AND SOFTWARE PURCHASES

The designated IT contractor for the City will be responsible for recommending and/or consulting on the procurement of all information technology hardware and software utilizing the best source of supply with regards to price, service, and standardization. Purchase orders or procurement card amounts over twenty five thousand dollars (\$25,000) must go before mayor and council for approval. Any purchase below \$25,000 must be approved by the City Manager, his designee or any other City employee designated by the Mayor and Council. To that extent any city department that uses in-house IT services may utilize the services of staff for procurement needs but in no event shall any purchase orders or procurement card transactions be issued unless approval is obtained as provided in this sub-paragraph.

3.07 CONSTRUCTION PROJECTS BETWEEN \$25,000 AND \$50,000.00

Specific pricing of construction projects between \$25,000.00 and \$50,000.00 may be issued only after approval from the city manager or his/her designee. Receipts of competitive pricing by the requesting department from consultants and/or contractors for expedition including professional services and the award of construction contracts or associated projects such as painting, equipment repair, furnishings, or other needs. Competitive prices will be independently verified by at least two individuals including the

city manager, purchasing agent, department head, or any other city employee designated by the city manager or Mayor and Council. A construction authorization form must be completed and have the appropriate signatures to be valid. The construction authorization should be attached to the requisition. Also, HB 489 requires any formal bid or proposal opportunity over \$10,000.00 to be posted to the Georgia Procurement Registry including public works construction contracts.

Section IV

PURCHASING METHODS TO BE UTILIZED

4.01 COMPETITIVE FORMAL (SEALED) BID

This method is the most preferred and is used when: specifications are clear, competition is prevalent, substitutions are allowable, and time is not a constraint.

Sealed bids allow a maximum degree of competition among a number of suppliers offering similar products. As a result, prices obtained are generally considerably lower than standard “list” pricing. Sealed bids require considerable effort in the preparation of their terms, conditions, and specifications.

4.02 REQUEST FOR PROPOSAL (RFP)

This method of procurement is used when competitive sealed bidding is not practical.

Formal proposals differ from formal bids in the nature of their intent. Bids will usually supply, in detail, the nature and specifications of the goods or services desired. The requesting department has generally provided this data. Proposals, however, will specify the nature of a requirement that needs to be met. Often, the means of satisfying this requirement is unknown to the requesting department. Therefore, the Purchasing Division will request that vendors submit their proposals for accomplishing a specific goal. These proposals will be diverse relative to approach, means, and cost.

Formal proposals are best used when the objective is vague or lacking in details; or when the vendor’s knowledge of his field may provide innovative and economical solutions. Evaluation criteria must be included in the proposal and may utilize a numerical rating system.

The disadvantages of proposals include difficulty in judging among the submittals and lack of assurances that the vendor’s proposal will accomplish the desired goal.

4.03 STATE CONTRACT, OTHER GOVERNMENT AGENCY CONTRACTS AND CONSORTIUMS (US COMMUNITIES, NJPA, ETC)

The use of State Government and other Governmental Entities contracts that have already been competitively bid or negotiated may be used after approval from the City Manager or his or her designee. This method of purchase is particularly desirable if chances for obtaining better prices from other sources is poor. Major changes to the original document (specifications) must be approved by the City Manager, Purchasing Agent, or approved designee. This practice is commonly known as piggybacking. Formal award is still required by the Valdosta City Council for amounts over \$25,000.00. Utilization of these

sources eliminates the need for a formal advertisement and the requirements used in the Competitive Formal Bid method.

4.04 SOLE SOURCE PURCHASES

Sole source purchases are defined as being non-competitive in price or availability. Examples might be purchasing from a manufacturer's sole sales agency or purchase of a particular brand of computer equipment because it is exclusively compatible with the mainframe computer. Other examples could be specific equipment is desired to match current equipment where the vendors are territory protected by the manufacture.

The City Council must approve sole source purchases over \$25,000.00.

Caution should be exercised when requesting "sole source" approval from City Council for a purchase. In many cases, other sources do exist for a given item, and these must be investigated by the using department and purchasing division before committing to "Sole Source".

The department should try to provide documentation from the manufacturer proving sole source status. Providing a patent number or other information indicating they are the only suppliers in the area may satisfy this requirement. Commodities that are territory protected should be avoided when possible but there are instances when there is no other solution.

4.05 EMERGENCY PURCHASES

An "Emergency" is defined as a situation brought about by a sudden unexpected turn of events i.e. Act of God, riots, fires, floods, accidents, or any circumstance or cause beyond the control of the City in the normal conduct of its business. An emergency purchase is made to alleviate a situation where there is a threat to health, welfare, injury, or loss to the City, which can only be rectified by immediate purchase of equipment, supplies, materials, or services.

A department head often makes true emergency purchases on weekends, holidays, or after hours. The city manager may authorize purchases in excess of \$25,000.00 when the City manager has determined circumstances require immediate acquisition of goods or services. The city manager shall inform the City Council at the next council meeting when actions of this nature take place.

An "emergency purchase" must fit the circumstances noted above. Poor planning and inadequate management are not "emergencies" and cannot be treated as such. Purchases of this nature may be expedited, but still do not justify "emergency" status.

*Section V***COMPETITIVE PROCUREMENTS****5.01 INVITATION FOR BIDS (IFB)****A. PURPOSE**

Invitation for Bids (IFB) are prepared and issued to prospective Bidders, with the goal of obtaining competitive responses in the procurement of Goods, Capital Assets, Services and Construction Services.

Public notice (such as publication in a newspaper of general circulation and posting on the purchasing agent's internet web page) of the IFB must be given a minimum of seven (7) calendar days prior to the date set for bid opening, unless it can be demonstrated that an emergency requirement for goods capital assets, services or construction services exists, in which instance, the requirement for public notice may be reduced by the city manager or his/her designee. Construction and public works projects require different advertising elements which the appropriate departments are responsible for.

Bids shall be opened publicly in the presence of the purchasing agent or the designee and at least two other witness at the time and place designated in the invitation for bids. All relevant information, including each bid amount and bidder's name, will be recorded on a summary sheet. The City of Valdosta phone system time will be the official timing mechanism and all times are Eastern Standard Time.

Split or partial bid awards may be awarded with the same guidelines and restrictions as those provided for split or partial quotation awards.

Tie Bids: In the event two or more identical bids are received, the bid to be most favorable to the City will be awarded by the city manager or his designee.

Correction or withdrawal of inadvertently erroneous bids is permitted in accordance to the terms indicated within the IFB; however, minor irregularities may be waived by the City. No bid may be withdrawn for a period of ninety (90) days after the time scheduled for bid opening, or as otherwise stated in the IFB.

Late bids will be rejected and returned unopened or disposed of without opening.

Bids will be evaluated based on the qualification factors set forth in the IFB, which may include criteria to determine acceptability of goods or capital assets (for example, inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose). Also, each IFB issued by any department will have a statement asking the bidder if they are currently debarred from any State or Federal entity. Criteria for the acceptability of goods or capital assets shall be used to determine

whether particular goods are responsive to the IFB, and not to determine the relative desirability between acceptable goods or capital assets. The City reserves the right to waive any informalities or irregularities of bids, to request clarification of information submitted in any bid, to further negotiate with the responsive and responsible bidder selected for contract award, or to reject any or all bids for any reason whatsoever.

Except as otherwise provided by law, if no responsive and responsible bids are received or all bids are rejected, the City may procure such goods and services by direct negotiation as indicated below in non-competitive procurement of goods and services.

The bid will be awarded, if an award is made, to the responsible and responsive bidder offering the lowest price whose bid meets the requirements and criteria set forth in the invitation to bid. The bid may require a contract.

B. REQUEST FOR PROPOSAL (RFP)

When the purchasing agent determines the use of an invitation for bids is not practical or not advantageous because of existing market conditions or the type of items required, the City may procure goods, capital assets, services, or construction services through receipt of competitive sealed proposals. Competitive sealed proposals are solicited through the use of an RFP, with the goal of obtaining competitive responses.

Public notice of the RFP shall be given in the same manner as the procurement described in section V, sub-section A of this policy.

Proposals shall be opened publicly by the purchasing agent, in the presence of one or more witnesses at the time and place designated in the RFP. A register of proposals is prepared that lists each proposer's name and how many copies the proposer provided if more than one copy was requested. Interested persons shall have access to information regarding procurement transactions of the City in accordance with city policy and the Georgia Open Records Act, O.C.G.A. §50-18-70 et seq.

All meetings of the City's Council are duly noticed public meetings and all documents submitted to the City as a part of or in connection with a proposal may constitute public records under Georgia law regardless of any person's claim that proprietary or trade secret information is contained therein. Unless otherwise provided herein, by submission to the City, proposers waive any claim to the proprietary nature of submitted information. The proposer may designate in the smallest increments possible, that part of the qualifications which is deemed to be proprietary, which, subject to the City's reasonable determination, shall be redacted for purposes of the public agenda. Proposals and all related correspondence are governed by the Georgia Open Records Act and shall be provided to anyone

properly requesting same, after contract award. The City cannot protect proprietary data submitted in vendor proposals unless provided for under the open records law and clearly marked as proprietary by the proposer. In the event the proposer deems certain information to be exempt from the disclosure requirements, the proposal must specify what content is considered exempt and cite the applicable provision of the law to support that assessment. In the event such information is requested under the open records law, the proposer's assessment will be examined by the City attorney who will make a determination. The decision to withhold or release the information will be at the City attorney's sole discretion.

Correction or withdrawal of proposals is permitted in accordance with instructions contained within the RFP. No proposal may be withdrawn for a period of ninety (90) days after the time scheduled for proposal opening, or as otherwise stated in the RFP.

Late proposals will be rejected and returned unopened or disposed of unopened.

The RFP will identify the criteria to be considered and evaluated as the basis of award.

Proposals submitted by responsible and responsive proposers are evaluated by the department that required the RFP or the designee of the city manager based upon the criteria applicable to the RFP. All proposals (or the most acceptable proposals in the discretion of any committee evaluating proposals) will be ranked in order of their acceptability to the City, giving consideration to the criteria. Unless otherwise provided by law, the City has no obligation to award the contract to the proposer who proposes the lowest price.

The City reserves the right to waive any informalities or irregularities of proposals, to request clarification of information submitted in any proposal, to further negotiate with a responsive and responsible proposer who has been selected for contract award, or to reject any or all proposals for any reason whatsoever.

The contract award will be awarded, if award is made, by the City to the responsive and responsible proposer whose proposal is determined, in the City's exclusive discretion, to be the most advantageous to the City, taking into consideration price, qualifications, and other factors as indicated in the RFP. The RFP will contain the basis on which the award is to be made.

If no responsive and responsible proposals are received or all proposals are rejected, the City may procure such goods, capital assets, services, and construction services by direct negotiation as indicated below in non-competitive procurement of goods and services, except as otherwise provided by law.

C. REQUEST FOR QUALIFICATIONS (RFQ)

Requests for qualifications (RFQ) may be used when it is determined to be in the City's best interest to evaluate the experience and qualifications of a service, construction service or professional service provider, without regard to price or prior to considering price.

The procedure for soliciting, opening and evaluating statements of qualifications shall be the same as described herein for competitive sealed proposals. Such service providers whose qualifications meet the criteria established in the RFQ, at the sole discretion of the City, may be considered for contract award by participation in the completion price negotiation. The City shall attempt to negotiate a fee with the highest ranked firm. If no agreement is reached, the City shall begin negotiations with the next highest ranked firm. Negotiations will proceed in this manner until an agreement is reached. Alternatively, the city manager or designee may, by direct negotiation, finalize terms with service providers who are selected for award based on qualifications. The City reserves the right to reject any or all responses for any reason. Clarification of information may be requested by the City. Late RFP's will be rejected and returned unopened or disposed of unopened.

D. INVITATION TO NEGOTIATE

An Invitation to Negotiate (ITN) may be used when the City determines it is in its best interest to commence negotiation of price and other factors prior to recommendation of award, and it is approved by the city manager. An ITN may be used for goods, capital assets, services, construction services or professional services when the scope of work is complex or difficult to define, if strict comparison of goods, capital assets, services, construction services or professional services required may be difficult because components are likely to vary among proposers, or in any situation in which it is in the City's best interest to negotiate prior to recommendation of award to obtain the product that best meets the City's needs, price and other factors being considered.

The procedure for soliciting and opening initial responses to an ITN shall be the same as described herein for competitive, sealed proposals.

The ITN will identify the criteria to be considered during the evaluation of proposals. Late ITN's will be rejected and returned unopened or disposed of unopened.

All responsive and responsible proposals submitted are evaluated based upon the criteria applicable to the ITN. Clarification of information submitted in the proposal may be requested. The City reserves the right to waive any informalities

or irregularities of proposals, to request additional information from any proposer, or to reject any or all responses for any reason whatsoever.

The City may, at its sole discretion, shortlist firms that are deemed to best meet the City's requirements, taking into consideration all criteria listed in the ITN, including price. The City may, at its sole discretion, ask for formal presentations from all of the responsive and responsible proposers, or only from those firms that are short-listed, if short-listing is determined to be in the best interest of the City. Negotiations will be conducted and may take place in person or via telephone with all of the proposers or, if short-listing occurs, with all of the short-listed proposers. Proposers that participate in the negotiations may be given an opportunity to submit their best and final offers.

The contract award will be awarded, if an award is made, by the City to the responsive and responsible proposer whose proposal is determined to be the most advantageous to the City, taking into consideration price and other factors as indicated in the ITN. The City has no obligation to award the contract to the proposer that submits the lowest price; though justification should be documented.

E. MULTI-STEP SOLICITATION

The City may initiate one of the multi-step solicitation processes described below when: (a) in the City's discretion, it is impractical to prepare an adequate or complete description of the goods, capital assets, services or construction services desired (due to insufficient data, uncertain requirements, unfamiliar market options, etc.), (b) the City desires to identify a field of qualified bidders, proposers, goods or services, out of a broader field of bidders, proposers, goods or services, or (c) the City believes a multi-step process would best serve its purposes. The procedure for soliciting, opening and evaluating statements of qualifications shall be the same as described herein for competitive sealed proposals.

1. Consecutive Multi-Step Process:

- a) The City may request unpriced proposals or statements of qualifications to be evaluated based on the criteria in the RFP or the RFQ for purposes of identifying one or more desirable or acceptable goods, capital assets, services, or construction services or for purposes of identifying a field of at least three (if possible and available) qualified or most qualified bidders proposers. The City may request demonstrations, samples, or may conduct interviews with proposers to aid in the identification of desirable or acceptable goods, services, or professional services or in the identification of qualified or most qualified bidders or proposers. In the event the City requests demonstrations or samples, the City is not required to seek or permit demonstrations or samples of goods or services deemed by the City to be less desirable or acceptable than other goods or services for which proposals or statements of qualifications

were received. In the event the City conducts interviews with proposers, the City is not required to interview any proposer deemed by the City to be unqualified or less qualified than other proposers. The City will not be financially responsible for returning samples and will discard any samples remaining after time frame given in document.

- b) After identifying a field of most qualified bidders or proposers with the capability of providing the desirable or acceptable goods, services, or professional services, the City may either follow a competitive award solicitation process among the field of vendors identified as having the capability to meet the City's requirements for the procurement or by direct negotiation as indicated below in non-competitive procurement of goods and services.

2. Simultaneous Multi-Step Process:

- a) The City may request that priced proposals be submitted in two separate envelopes, with pricing information contained in one envelope and all other requested information contained in the other envelope. In such case, proposals will be evaluated in accordance with the requirements set forth in the RFP, initially without regard to price and without opening the envelope containing pricing information. Based on such evaluation, the City will establish a field of at least three (if possible and available) qualified or most qualified proposers. The City may conduct interviews with proposers to aid in the identification of qualified or most qualified proposers. In the event the City conducts interviews with proposers, the City is not required to interview any proposers deemed by the City to be unqualified or less qualified than other proposers.
- b) After establishing a field of qualified or most qualified proposers, the City will open the pricing envelopes of only the qualified or most qualified proposers, and evaluate such pricing information in the manner described in the RFP for purposes of recommending/making an award (e.g. most advantageous proposal, price and other factors considered or low price submitted by qualified proposers). In the absence of specific instructions to the contrary in the RFP, pricing information will be evaluated together with all other information required by the RFP for purposes of selecting among the qualified field of proposers the most advantageous proposal, price and other factors considered.

3. Multi-Step Process to Award Continuing Purchasing Contracts

- a) When it is in the best interest of the City to have pre-qualified, continuing purchasing contracts because of the need to provide quick-response, repetitive services or a range of services or professional

services within a specific field of expertise, the City may use either a consecutive or a simultaneous multi-step procurement process to identify one or more continuing contractors. The purpose is to identify one or more pre-qualified and approved contractors that demonstrate the ability to perform a particular type of service during a specified contract period.

- b) Contract award - The multi-step solicitation shall specify the general types of services required, the selection process to be used, and the selection criteria for award of the pre-qualified and approved contract(s).
- c) Award of a specific scope of work to a pre-qualified and approved contractor - During the term of the continuing contract(s), specific scopes of work may be developed and awarded to pre-qualified and approved contractor(s), by amendment to such continuing contract(s), which shall be subject to approval by city manager or city council as a new contract, provided that the specific scope of work is consistent with the general types of Services upon which award of the continuing contract(s) was made.
- d) When there is more than one pre-qualified and approved contractor available to perform the specific scope of work defined, the process for award of the work is set forth below:
 - i. Work may be rotated during the contract period between the pre-qualified and approved contractor(s) that were selected to perform the general type of services required in the reasonable discretion of the director of the user department; or,
 - ii. Award may be made to the pre-qualified and approved contractor that is deemed, based on its original proposal, to be most advantageous to the City for the specific scope of work required, price and other factors being considered and without regard to rotation among selected contractors; or,
 - iii. Quotations, bids or proposals may be requested from the pre-qualified and approved contractor(s) that were selected to perform the general type of services or professional services required. The City may select the contractor whose quotation, bid, or proposal is deemed to be most advantageous to the City to perform the specific scope of work required.

F. ONLINE REVERSE AUCTION

The City reserves the right to utilize this procurement method when advantageous. The process will be specified in the solicitation documents. The procedure for soliciting, opening and evaluating statements of qualifications shall be the same as described herein for competitive sealed proposals.

G. PERFORMANCE GUARANTEE

A bid/proposal bond or performance bond may be required for any solicitation.

H. APPROVAL OF AWARDS AND RECOMMENDATION

Prior to the consummation of the purchase by the City for goods, services, construction, or professional services, such purchase shall be approved by a person having approval authority over such purchase.

I. NON-COMPETITIVE PROCUREMENT

The provisions of this policy section shall apply to the procurement of goods, capital assets, services, construction services or professional services, when competitive procurement is not practical, feasible, possible or desirable. Notwithstanding any other provision, any contract or subcontract entered into by the City with any person for the construction, reconstruction, or maintenance of all or part of a public road in the City, including but not limited to a contract or subcontract for the purchase of materials, for the hiring of labor, for professional services, or for other things or services incident to such work, shall be entered into in accordance with O.C.G.A. § 32-4-114.

a) Sole Source Procurement

The City may acquire goods, capital assets, services, construction services or professional services pursuant to a sole source procurement. Sole source procurement is available when goods, services, or professional services are limited to one source, or when they must be obtained from a specific manufacturers' dealer and valid competition among dealers does not exist. The user must provide the justification for the sole source procurement to the city manager or his designee after approved by the city manager or City Council.

b) Single Source Procurement

The City may acquire goods, capital assets, services, construction and professional services pursuant to a single source procurement. A single source procurement is a procurement made from one person among others in a competitive market place which, for justifiable reasons, is found to be most advantageous for the purpose of fulfilling the given purchasing need. The user must provide the justification for the single source procurement to the city manager or his designee after obtaining

approval by the city manager or City Council. The purchasing agent may elect to purchase particular brand name goods or services when the goods or services comprise a major brand system, program or service previously selected by the City and due to operational effectiveness, future enhancements or additions, or maintenance or storage of spare parts precludes the mixing of brands, manufacture, etc.

c) Direct Negotiation

Following the completion of a competitive award solicitation process above that fails to produce a responsible or responsive bidder or proposer, fails to produce a qualified respondent, or for which all submissions were rejected for any reason, the City may procure the goods, capital assets, services, construction services or professional services that were the subject of such failed solicitation by direct negotiation with any provider of such goods or services when issuing a revised solicitation is not recommended by the city manager with concurrence from legal counsel.

Direct negotiation will be completed by the city manager or his/her designee, assisted as needed by the end user and legal counsel.

d) Emergency Procurement

The City may acquire goods, capital assets, services, construction services or professional services by directly negotiating an award in the event of an emergency. The city manager shall make the determination when an emergency exists. Such emergency procurements shall be made with as much competition as is practicable under the circumstances.

A written basis for declaring the emergency and for the selection of the particular person for the provision of goods, capital assets, services, construction services or professional services shall be included in the contract file. As soon as practicable, a record of each emergency procurement shall be made and shall set forth the contractor's name, the amount and type of the contract, a listing of the item procured under the contract, and the identification number of the contract file.

If an emergency situation should arise after office hours which requires immediate action on the part of the agency involved for the protection of the best interest of the City or if a like situation arises on a weekend or holiday and when it is not possible or convenient to reach the city manager or purchasing agent, any purchase necessary shall be made by the official in charge of such department or agency, and such purchase reported to the purchasing agent within 24 hours.

e) Direct Negotiation and Other Public Entities and Co-ops

The City may acquire goods, capital assets and services by direct negotiation or other method involving limited or no competition from a supplier having a requirements contract/annual agreement with any public entity (e.g., federal, state, county, city, authority, school board, buying cooperative, etc.) for goods, capital assets or services described in such contract and at prices or discounts no less favorable than any set forth in such contracts.

Use of state/co-op contracts: The purchasing agent may, independent of the requirements of bid process of this article, procure supplies, services or construction items through the contract established through competitive means by the purchasing division of the State of Georgia, national co-ops (e.g.-U.S. Communities), and collaborative purchasing agreements with other local governments when deemed to be in the best interest of the City.

f) Real Estate Acquisition

1. Compliance with applicable regulations

All real estate acquisition activities shall conform to applicable federal, state (e.g. O.C.G.A § 36-80-18 and O.C.G.A § 36-60-13) and local laws and regulations and shall be subject to the provisions of the City code of ethics.

2. Confidentiality

The City Council and City staff shall maintain the confidentiality of potential and on-going real estate acquisitions and related information subject to the provisions of the open meetings and open records acts.

3. Formal Approval

All real estate transactions shall be formally approved by the City Council in a public meeting prior to the City entering a sales contract. This shall not prohibit or interfere with the City Council's ability to discuss same and negotiate terms in executive session subject to the requirements of the open meeting and open records acts.

4. Appraisals

For any piece of real estate, for which a sales contract has been signed, the City will conduct at least one appraisal by an independent third-party who holds the Member of the Appraisal Institute (MAI) membership designation.

5. Land Acquisition Procurement Process

- a. City staff will investigate and identify properties for purchase that generally meet an approved plan or strategy. Furthermore, land purchased with a specific funding source will only be used for such purposes anticipated and/or authorized. If the City determines that the land cannot be used for its intended purpose, the City may dispose of the property in a manner consistent with Georgia law.
- b. City staff will work with a real estate broker to gather information and make site visits related to properties under consideration for acquisition.
- c. City staff will regularly brief the City Council in executive session on properties the city is considering purchasing to receive direction on “terms and price” from the City Council.
- d. City staff will negotiate for “letters of intent” with land owners on properties the City Council has provided staff with direction on “terms and price”.
- e. City staff will present the “letter of intent” at a public meeting, and at that time request a resolution from the City Council authorizing the city manager to execute a sales contract to purchase the real estate or to execute an agreement to lease the real estate using the Letter of Intent as the guidelines for a contract. (PUBLIC HEARING REQUIRED) in the case of the purchase of real estate)
- f. City staff will make the “letter of intent” public on the city website and through a press release within 48 hours of the city receiving a fully executed copy of the “Letter of Intent.”
- g. City staff will publish the executed sales contract or lease on the city website.
- h. City staff will conduct due diligence on the real estate to be purchased including at a minimum but not limited to:
 - i. Environmental testing (Phase I required, Phase II and specialized testing if warranted);
 - ii. Production of an American Land Total Association (ALTA) survey of the property;
 - iii. Production of a MAI appraisal of the property;
 - iv. Complete title work on the property; and
 - v. Other reasonable due diligence activities as warranted.

City staff will present the findings of the due diligence on the property to be purchased at a public meeting and request a resolution from the City Council authorizing the city manager to execute any and all closing documents to complete the purchase of the property. (PUBLIC HEARING REQUIRED)

G. PARTIAL PAYMENTS

Partial payments will not be made except when partial deliveries are made or are called for in the contract documents such as construction projects for the convenience of the City or when a discount is available. In the case of construction contracts, partial payments will be made as approved construction is completed or materials are stored. Such progress draws will be subject to appropriate retainage.

SECTION VI

BIDS AND PROPOSALS

Formal (sealed) bids and proposals are the most effective procedures for soliciting competitive prices from vendors in the public (governmental) purchasing sector.

As discussed in Section IV, each method has advantages and disadvantages. In this section, the procedures for preparing and processing bids and proposals are addressed.

6.01 FORMAL (SEALED) BIDS

A. PURPOSE OF BID

Before proceeding with any bid other than construction and public works projects, the purchasing division must determine the purpose that is to be served. Will the bid result in procuring goods, services, or a combination of both? Is there a necessity for special protection for the City through bonds and insurance? Will the contract provide a one-time purchase or an annual blanket agreement?

B. VENDOR SELECTION

A vendor list sufficient to generate at least three responses is required for all purchases over \$25,000.

Potential suppliers may be located by using the following resources:

1. Finance Department Approved City of Valdosta Vendor List
2. State Purchasing Contracts
3. Product Catalogs
4. Telephone Directories
5. Purchasing Records
6. Thomas Register
7. Salesperson
8. Department head recommendation
9. Trade journals
10. Other sources

C. ADVERTISEMENT OF BIDS

Adequate public notice of the invitation for bid shall be given. The City will advertise once, at least seven (7) calendar days prior to receipt of bids in a newspaper of general circulation in Valdosta, Georgia, post the opportunity on the City of Valdosta website and Georgia Procurement Registry Webpage (HB 489), and post the advertisement on site. The City's Code of Ordinances requires this stipulation to be met except in cases of the utmost urgency.

The newspaper advertisement shall include the bid or proposal number, bid title, bid opening date if advertised alone, the location for delivery of bids, and contact information such as phone, email, and facsimile number of the purchasing division.

D. PRE-BID CONFERENCE

A pre-bid conference may be held with all bidders and concerned project personnel on complex procurement projects.

The primary objective of such a conference is to provide a clear understanding of instructions to bidders relative to drawings, specifications, local conditions, location of the work, and basic work requirements. A site visit may be scheduled following the conference if the project personnel feel it would be beneficial for clarification of specifications.

In addition to avoiding quality assurance problems and contingency items in quotations, other benefits that may be derived from conferences are:

1. The number of changes in specifications can be reduced.
2. Competition may be stimulated by interesting more prospective suppliers.
3. Conferences tend to insure that qualified suppliers will submit quotations and tend to discourage submission by suppliers who are not qualified to perform the work or supply the goods.
4. An opportunity is given to discuss schedules. This is particularly valuable when hard to get or special materials and equipment are involved.
5. An opportunity is given to explain policies and requirements with respect to procurement methods, competitive bidding and negotiation, quotation qualifications and conditions, price provisions in solicitations and any resulting contractual agreements, and the determining factors in making awards.

The conference should be a formally announced meeting with bidders. The announcement will state when and where the conference will be held. In order to derive the greatest benefit from a conference, adequate time should be provided for the prospective suppliers to review the plans and specifications prior to the conference. The conference should be attended by personnel qualified to answer completely and accurately all questions relating to matters such as contract provisions, design and specifications, and production techniques that are expected to be discussed. A formal record shall be made of persons attending and the organizations represented through the use of a sign-in sheet.

During the pre-bid conference, the specifications or scope of work are reviewed and discussed with all vendor representatives in attendance. Care shall be taken to clarify the specifications as requested so as to insure that a vendor is not written out, thereby, eliminating him from the bidding without due cause. Only in those instances where a vendor requests a change in the specifications that would result

in compromising the intended use and quality of the equipment are such requests denied. The City is not responsible for any financial cost associated with travel for this purpose.

It is important that persons attending be clearly informed that no oral statement from any person which modifies plans and specifications will in any manner or degree, be considered official until covered in an addendum to the bid or request for proposal.

E. ISSUING ADDENDA

Once an invitation to bid has been issued, no changes in the specifications can be made unless all prospective bidders are so notified by means of an addendum, clearly pointing out such changes.

All addenda shall be issued at least five (5) calendar days prior to bid opening date unless unforeseen emergencies arise.

F. RECEIVING BIDS

Control of the bid document is essential. Bidders will submit their bid in a sealed envelope with the following information clearly marked on the outside:

1. Vendor name
2. Due date (month, day, year)
3. Time due (hour/ a.m. or p.m.)
4. Bid number
5. Bid title

Each bid received will be date and time stamped, and initialed by the individual in the purchasing division who physically received the bid.

On occasion an envelope will be received without proper information on the outside identifying it as a bid reply. After the envelope has been opened, the appropriate bid information will be written on the outside of the envelope, time stamped, reason it was opened accidentally will be noted on the envelope, and resealed for re-opening on bid closing date.

All sealed bids with the exception of those issued by the engineering or utilities department shall be received at the Purchasing Division, P.O. Box 1125, 216 E. Central, Ave., 3Rd Floor, Valdosta, GA., 31601. It is the vendor's responsibility to assure that their bid arrives at the address and office listed above by the bid closing date and time.

G. BID FORMAT

To avoid duplication of effort in bid preparation, the purchasing division has prepared a bid format to be used, which provides the “boilerplate” or general terms and conditions of the bid.

H. BID CONDITIONS

In addition to the general conditions or “boilerplate”, most bids require special conditions, which pertain specifically to the bid in question. Conditions differ from specifications in that conditions refer to requirements, which must be met by the bidder before specifications of his bid item are even considered. For example, a supplier of furniture who cannot meet the required condition of a 30-day delivery will be eliminated, even though his furniture may meet all physical specifications.

Conditions allow the City a high level of protection by the inclusion of various clauses relative to renewal of contract, cancellation, settlement of disputes, payment terms, delivery schedules, etc. Purchasing staff should remember that by referencing the bid in their purchase or procurement card order, they effectively bind the vendor to the terms, conditions, and specifications of that document. Therefore, should disputes arise, the written contract (bid and purchase or purchase card order) will prevail.

I. BID SPECIFICATIONS

A good specification describes the commodity or service required in terms clearly understandable to both the seller and the buyer.

A. SPECIFICATION DEVELOPMENT

In considering and developing specifications, it must always be remembered that expenditures of the City of Valdosta are derived from public sources and cannot be expected to provide for unwarranted levels of quality. Therefore, the general policy of purchasing good, standard grades of merchandise, which represent an optimum of quality and price and provide a satisfactory level of service will be followed.

B. PURPOSE OF SPECIFICATIONS

Bids and quotations will be based on concise but adequate specifications. A lengthy specification composed or designed solely for the purpose of eliminating competition other than those able to supply a particular brand name will not be used. Specifications shall be detailed only to the extent that they assist the purchaser in obtaining the best value, provide a basis for full and fair competitive bidding upon a common standard, and should be free from any restrictions which would have the effect of restricting competition.

C. TYPES OF SPECIFICATIONS

Below are the basic types of specifications used to describe what is to be purchased:

1. Performance – Specifications which describe the characteristics and capabilities that are pertinent to the intended use of the item. This specification is less concerned with how a product is made, and more concerned with how well it performs, and at what cost.
2. Design – Specifications which employ dimensional and other physical requirements of the item being purchased. This type specification concentrates on how a product is to be fabricated or constructed and is used when a structure or product has to be specially made to meet the purchaser's unique need.
3. Approved Products List – Specifications based on manufacturer's names, brand names, and model or catalog numbers which have been tested or examined and approved, prior to seeking prices.
4. Sample - Specifications requiring the suppliers to furnish representative samples of products offered for the purchaser's comparison and evaluation in determining the successful bidder.
5. Name Brand "Or Equal/Equivalent"- Specification wherein the exact product of one or more suppliers or typical workmanship is designated as the level of quality desired, and the purchaser reserves the right to approve any other as equal or acceptable.

D. RECOMMENDED PRACTICES

The following guidance is provided for the preparation of a specification.

1. State exactly what is wanted clearly, definitely and completely.
2. Provide the means or basis for testing deliveries for conformance with the specifications. Without this check, the specification loses much of its force as a purchasing tool.
3. Avoid non-essential quality restrictions that add to cost and difficulty in procurement without adding to utility and value.
4. Avoid definitions that unnecessarily restrict competition.
5. Conform, so far as possible, to established commercial and industrial standards.

E. BID PROPOSAL PAGE

Aside from any attachments such as plans or drawings, a separate document titled “Proposal” shall be provided in each bid package. This page provides blank spaces labeled for the vendor’s company name, address, phone number, signature, title, date, their bid price by unit and/or total, delivery data, freight charges, warranty data, and any other special information required by a specific bid. Vendors will be advised in the bid document to use only the provided “Proposal”. Another clause on the “Proposal Page” will state: “We/I have examined the specifications and agree to furnish the City of Valdosta with the equipment/services accordingly. Any deviations from the specifications will be marked exception on the bid sheet”. The purpose of these clauses is to control the bid submittal documents so that vendors do not submit bids which include verbiage negating or modifying the terms of the bid. Any vendor that attempts to do so, to the disadvantage of the City, will be rejected.

F. INSURANCE AND BONDS

Insurance is required to safeguard the City from any claims resulting from damage to property and/or injury to persons caused by the vendor or his actions. The vendor, at his own cost, must secure insurance policies that name the City of Valdosta as an “additional insured” party if required as part of the invitation to bid or request for proposal.

Bidders are required to submit proof of insurance to the City with their bid response including the types and dollar amounts of coverage they currently maintain. Requirements include:

Indemnification – The Selected Bidder shall indemnify, defend and hold harmless the City, its representatives, employees and elected and appointed officials, from and against all claims, costs, demands, legal fees, costs of action, losses, damages or other expenses arising as a result of any negligent act, conduct, error or omission by the City, its agents, or employees in the performance of this contract or occasioned wholly or in part by any negligent act, conduct, error or omission by the selected bidder, or its agents, employees or subcontractors, in the performance of this contract.

Workers Compensation – The selected bidder shall agree to maintain worker’s compensation insurance & employer’s liability in accordance with Georgia state law.

Commercial General Liability – Commercial general liability for public liability during the lifetime of a contract shall have minimum limits of \$1,000,000 for personal injury, bodily injury, and property damage liability unless otherwise stipulated. Coverage shall include premises and/or operations, independent contractors, products and/or complete operations, contractual liability and broad

form property damage endorsements. Coverage shall not contain an exclusion or limitation endorsement for contractual liability or cross liability. Coverage for the hazards of explosion, collapse and underground property damage (XCU) must also be included when applicable to the work to be performed. All insurance policies shall be issued from a company or companies duly licensed by the State of Georgia. All policies shall be on an occurrence-made basis; the City shall not accept claims-made policies. Specific endorsements will be requested depending upon the type and scope of work to be performed. Requirements may be waived or limits lowered at the City's discretion. The City reserves the right to lower the insurance requirements when deemed acceptable.

Subcontractors – It shall be the responsibility of the selected bidder to insure that all subcontractors comply with the same insurance requirements referenced above.

Deductible Amounts – All deductible amounts shall be paid for and be the responsibility of the selected bidder for any and all claims under this contract.

Coverage limits will be set at the advice of the city manager or his/her designee and should not be changed without their approval. The City reserves the right, but not the obligation, to review and reject any insurer providing coverage. The above referenced insurance requirements are for use when a contract is utilized or any work will be performed on City property.

G. BONDS

Bonds offer tangible protection in the form of monetary assurances that the bidder will meet his obligations. Bonds must be secured by the bidder at his own cost, and generally may be classified as follows:

Bid Bond: This is a document, usually in an amount of 5% of the bid, which guarantees that the bidder will enter into a contract with the City if he wins the award. Bid bonds protect the City from erroneous or deliberate low bids which the vendor has no intention of honoring. Should he fail to enter into a contract, the bid bond is forfeited. Bid bonds must be submitted with the bid when requested.

Performance Bond: This bond is a surety instrument guaranteeing that the vendor will perform according to the terms of the contract, and is generally in an amount of 100% of the bid. This bond affords protection from non-performance and non-completion of major contracts, the efforts of which would result in considerable injury to the City. Should the vendor default, the bond is cashed and the City may then utilize the funds to complete the contract with another vendor. Performance bonds are submitted upon award of the contract.

Cash Bond: In the amount of the bid or contract award.

Letter of Credit: Preferred in the case of certain construction projects or multi-year contracts. The letter of credit must be irrevocable.

Payment Bond: This bonds guarantees payment of sub-contractors and suppliers providing goods and services to the general contractor, who is under contract to the City. The payment bond relieves the City of financial liens against a project should the general contractor fail to pay his suppliers and sub-contractors. These creditors will look to the bond for payment. Payment bonds are submitted upon award of the contract. (Note: Safekeeping procedures for custody of bonds and bid deposits will be determined by the Finance and Purchasing staff.)

Labor & Material Bond: Same requirements as the Payment Bond. All bond guaranty may, at the discretion of the City be in the form of a cashier's check, bank money order, bank draft of any national or state bank, certified check, or surety bond, payable to the City of Valdosta. The surety on any bid bond shall be a company recognized to execute bid bonds for contracts of the Federal Government.

H. BID OPENING

A sealed bid opening is a formal, official event and should be carried out in a professional, business-like manner. Purchasing staff should be on guard not to make any preferential statements, which might compromise the City's position and the reputation of the purchasing division.

Unless conditions demand another site, bids should be opened in the purchasing office or the finance department conference room. Bid openings are open to the public and all interested bidders. The bid opening time must be strictly adhered to. Any and all late bids will not be accepted. If presented in person after the time specified, the bid will not be accepted by the purchasing staff. If received in the mail or by commercial courier service, the bid will be stamped with the date/time, and either remain with the bid file or be returned to the vendor. The clock on the City of Valdosta phone system will be used as the official time keeping device for bid opening times as well as the Eastern Time Zone.

As the bid opening starts, the purchasing agent or official opening the bid should introduce his staff and any City officials present. All present shall sign an attendance sheet for record purposes.

Bids will be opened by the purchasing agent or his/her designee and recorded by another member of the staff. As each bid is read aloud, the dollar amount should be repeated clearly.

After the last bid is opened, attending vendors should be advised that an award decision will be made after review of the submitted proposals, and thanked for

attending the bid opening. Copies of the bid tabulation will be made available on request.

Under no circumstances will vendors or the general public be allowed to privately review bids or leave the Purchasing office with original documents.

J. PUBLIC DISCLOSURE

Under Georgia's Public Records Act, any person has the right to review any document which is kept by the City in the course of regular business.

Accommodate vendor telephone requests for bid results to the maximum extent feasible:

1. Provide bid tab through facsimile.
2. Provide bid tab via email.
3. As a last resort, offer to read information over the phone.

K. PRELIMINARY SCREENING OF BIDS

Unsigned bids may not be considered. After a bid has been opened, no changes in bid prices or other provisions shall be permitted. The City reserves the right to communicate with vendors for clarifications or to assure information is correct.

Prior to the opening of bids a vendor may correct or withdraw his bid. When a mistake is either detected by the purchasing division or alleged by the bidder after opening, the bidder should be asked to verify his bid and produce supporting evidence of the mistake. If the bidder responds supporting the mistake, the purchasing division may correct the bid if the mistake was an obvious or apparent clerical error. Examples are:

1. Obvious errors in placing decimal points.
2. Obvious discount errors.
3. Error in extension of unit prices.

If the mistake is not an obvious or apparent mistake of a clerical nature, it must be referred to the City attorney for action.

L. ALTERNATE BIDS, APPROVED EQUIVALENTS

The bidder may offer any brand for which he is an authorized representative that meets or exceeds the specifications as written. If the bid is based on an "approved equivalent or equal" item, supportive information in the form of the manufacturer's printed literature or brochures, sketches, diagrams, and/or complete specifications must accompany the bid. The bidder must explain in detail the reasons why the proposed equivalent or equal will meet specifications and not be considered an

exception thereto. The City of Valdosta reserves the right to determine acceptance of proposed equivalent or equal items.

If an Invitation to Bid does not expressly permit the submission of alternate bids, a bid which qualifies the specifications can be rejected as unresponsive. However, if a bidder submits a bid conforming to the specification and also offers an alternate, the alternate may be accepted if the bidder is the best value on both bids. Therefore, no prejudice results to the other bidders.

M. ONLY ONE BID RECEIVED

When only one bid is received, the following steps are recommended:

1. Communicate with department to ensure the price offered is reasonable and advantageous to the City.
2. Inquire of those who did not bid to determine the reason for lack of response.
3. Accept or reject the bid based on information received and taking into consideration the City's position favoring competition.
4. Accept the bid if time is crucial and cost is reasonable, as the opportunity for competition was afforded by initial competition.
5. Reject the bid if time permits for re-solicitation.

J. NO BID

On occasion, the invitation to bid will receive no responses. In those cases, these steps will be followed:

1. Extended bid-opening date.
2. Contact all those vendors on the bid list to determine the reason for lack of response.
3. Contact the user department to determine if re-bid is desired, using information obtained from vendor survey.
4. File the closed bid in bid file if decision is made not to re-bid.
5. Review specifications and bid list if decision is made to re-bid.
6. Revise bid documents where appropriate.
7. Initiate the bidding process per regular procedures.

K. WAIVER OF INFORMALITIES

Bids may be defective in that they fail to give certain information requested by the invitation. For example, a bid may fail to furnish required catalogs or descriptive data. These "minor" informalities may be corrected by allowing the bidder to furnish the information prior to award, or by waiving them if time does not permit their correction.

The difference between a minor informality and a failure to conform to the essential requirements of the invitation may be difficult to determine without legal advice. Nevertheless, the decision to allow the defect to be corrected will be judged according to the fundamental principle – Is it in the best interest of the City to do so and will it be prejudicial to the interests of the other bidders.

The City reserves the right to waive any bid informalities when deemed in the City's best interest.

L. TABULATION OF BIDS

The requirement for recording bids involves the preparation of a bid tabulation Sheet. The information which normally is transcribed on the bid tabulation includes the invitation number, opening time and date, item number, description of items and services, unit or total price and discount, bidder's name, signatures of those attending, remarks or any other information which will be helpful in making the evaluation.

M. BID REVIEW

After the bid opening, copies of the tabulation sheet, bid proposal sheets, and all pertinent documents such as warranties, brochures, etc. should be viewed in the purchasing division office by the requesting department.

The requesting department with the Purchasing Division's assistance should thoroughly review each bid for compliance with specifications. Bid items not meeting minimum specifications should be rejected. In general, the lowest bid meeting specifications should be awarded the contract, if it provides the best value to the City.

General Criteria for Award: Recommendations for award of bids are made to the City Council based on the best value to the City meeting all conditions and requirements of the specifications.

1. The following criteria will be used to select the bid that will provide the best value to the City:
 - a. The vendor has sufficient financial resources to complete the order.
 - b. Can meet quoted delivery considering all other business commitments.
 - c. Has a satisfactory record of performance.
 - d. Has adequate staffing to fulfill requirements.
 - e. Has the necessary production, technical equipment and facilities (or ability to readily obtain them).
 - f. Has necessary organizational experience, operational controls, and technical skills (or ability to readily obtain them).

- g. Is there a manufacturer, supplier, authorized distributor or vendor for the required goods or services that are being requested.
 - h. Is otherwise qualified and eligible to receive an award under applicable laws and regulations.
 - i. Has bid within a competitive price range in relation to the needed goods, services or construction.
 - j. The skill and experience demonstrated by the bidder in performing contracts of a similar nature.
 - k. The bidder's past performance.
 - l. Has met all requirements of the solicitation (delivery, quality and price).
 - m. Has met the minimum specifications as required. Absolute conformity is not required, just substantial or material compliance.
 - n. Has met bid security requirements. Lack of security, where required, is a material nonconformity.
2. Price: The element of price is but one of the criteria elements. When considering a proposal:
- a. Evaluate the pricing offered by the bidder; consider lifecycle costing, depreciation, and service contracts.
 - b. Determine what proposal provides the best value to the City.
3. Value Added: The amount or dollar value of a service that the bidder may be able to provide the city.
- a. Value added may be an actual amount given to the City as a signing bonus.
 - b. Value added may be equipment or services given to the City. In this case the value will be determined by the City for the goods or services, not the bidder.

Should there be reason not to award to the lowest bidder, the decision must be fully explained in a memo or email from the requesting department for formal evaluation by purchasing staff if deviations from the specifications are not clearly marked.

Tie Bids: In the event two or more bids are received which are equal with respect to price with no evidence of collusive bidding, preference may be given in the award in the following order or whatever order benefits the City most:

- 1. Location of business
- 2. Quality
- 3. Delivery
- 4. If all items equal, a coin toss or any other tie breaking method desired by the City with the city manager's approval.

Rejection of Bids: The City Council shall have the power to reject all bids. The following reasons may be considered causes for rejection:

1. All prices too high or unbalanced.
2. Sufficient funds not budgeted or available.
3. An error in the specification sufficient to have caused confusion and misunderstanding among bidders.
4. The item on which bids were requested is not needed.
5. Lack of adequate competition or poor past performance.
6. Noncompliance of specifications.
7. Submission of more than one bid in response to a single invitation.
8. Lack of adequate work history and/or work experience.

Recommendation of Awards: After careful review, the requesting department, provided there is no disagreement, will then forward an agenda item request to the city manager's office to be placed on the Mayor/Council agenda.

Formal bid awards are made only by the City Council. The requesting department will prepare a requisition or procurement card order for the award.

Bid Files: Purchasing maintains a complete control file on all formal bids for the City with exception of engineering and utility department bids. These files are maintained by bid number, with the files divided by fiscal years. Each file will be retained for five years after which the file can be disposed of.

The folder for each bid will contain copies of the following:

1. Vendor's list
2. Bid invitation
3. Specifications
4. Bids received
5. Bid tabulation
6. Agenda item request
7. Purchase order or procurement card order.
8. Contract
9. Insurance
10. Bonds

V. BID PROTESTS

- a) Right to protest. Any person who is aggrieved in connection with the solicitation or award of a contract may protest to the City. Protestors shall seek resolution of their complaints initially with the city manager. All protests must be submitted in writing to the city manager within three (3) business days of award of the contract. The complaint shall specify the alleged act or omission by the City that provides the basis for the complaint.

- b) Upon the filing of a written complaint, the city manager, within three (3) business days, shall request a response from the issuing department or division. The response will be returned to the city manager within seven (7) calendar days. If requested by either party, the city manager, or designee shall have a hearing on the complaint within fourteen (14) calendar days of filing the complaint to decide the merits of the claim. The city manager is empowered to decide to uphold, dismiss or amend the decision of the purchasing agent. The City Council shall approve or reject the city manager's decision. If the party bringing the complaint disagrees with the conclusions of the city manager and City Council, the decision may be appealed by filing a writ of certiorari to the superior court of Lowndes County within thirty (30) calendar days of the decision of the City Council.
- c) Protests concerning invitations. A protest with respect to an IFB, ITN, RFQ, or RFP must be submitted in writing prior to the opening of bids or the closing date of proposals. If not done by that time, the complaint or protest is invalid.
- d) Stay of procurement during protests. In the event of a timely protest under subsection (b) of this Section, the purchasing agent shall not proceed further with the solicitation or award of the contract until all administrative remedies have been exhausted or until the city manager or City attorney makes a determination that the award of the contract without delay is necessary to protect the interests of City.

SECTION VII

CONTRACTING FOR PROFESSIONAL SERVICES

7.01. Projects Using Federal Aid Highway Program (FAHP) Funding

Except as provided in Sections F and G below, the City shall use the competitive negotiation method for the procurement of engineering and design related services when FAHP funds are involved in the contract (as specified in 23 U.S.C. 112(b)(2)(A) and 23 CFR 172.5(a)(1)). The solicitation, evaluation, ranking, selection, and negotiation shall comply with the qualifications-based selection procurement procedures for architectural and engineering services codified under 40 U.S.C. 1101–1104, commonly referred to as the Brooks Act. In accordance with the requirements of the Brooks Act, the following procedures shall apply to the competitive negotiation procurement method:

A. Solicitation.

The solicitation process shall be by public announcement, public advertisement, or any other public forum or method that assures qualified in-State and out-of-State consultants are given a fair opportunity to be considered for award of the contract. Procurement procedures may involve a single step process with issuance of a request for proposal (RFP) to all interested consultants or a multiphase process with issuance of a request for statements or letters of interest or qualifications (RFQ) whereby responding consultants are ranked based on qualifications and request for proposals are then provided to three or more of the most highly qualified consultants. Minimum qualifications of consultants to perform services under general work categories or areas of expertise may also be assessed through a prequalification process whereby statements of qualifications are submitted on an annual basis. Regardless of any process utilized for prequalification of consultants or for an initial assessment of a consultant's qualifications under an RFQ, an RFP specific to the project, task, or service is required for evaluation of a consultant's specific technical approach and qualifications.

B. Request for Proposal (RFP).

The RFP shall provide all information and requirements necessary for interested consultants to provide a response to the RFP and compete for the solicited services. The RFP shall:

- a) Provide a clear, accurate, and detailed description of the scope of work, technical requirements, and qualifications of consultants necessary for the services to be rendered. The scope of work should detail the purpose and description of the project, services to be performed, deliverables to be provided, estimated schedule for performance of the work, and applicable standards, specifications, and policies;

- b) Identify the requirements for any discussions that may be conducted with three (3) or more of the most highly qualified consultants following submission and evaluation of proposals;
- c) Identify evaluation factors including their relative weight of importance in accordance with Sections C and D;
- d) Specify the contract type and method(s) of payment to be utilized;
- e) Identify any special provisions or contract requirements associated with the solicited services;
- f) Require that submission of any requested cost proposals or elements of cost be in a concealed format and separate from technical/qualifications proposals as these shall not be considered in the evaluation, ranking, and selection phase; and
- g) Provide a schedule of key dates for the procurement process and establish a submittal deadline for responses to the RFP which provides sufficient time for interested consultants to receive notice, prepare, and submit a proposal, which except in unusual circumstances shall be not less than 14 days from the date of issuance of the RFP.

C. Evaluation Factors.

Criteria used for evaluation, ranking, and selection of consultants to perform engineering and design related services must assess the demonstrated competence and qualifications for the type of professional services solicited. These qualifications-based factors may include, but are not limited to, technical approach (e.g., project understanding, innovative concepts or alternatives, quality control procedures), work experience, specialized expertise, professional licensure, staff capabilities, workload capacity, and past performance. Price shall not be used as a factor in the evaluation, ranking, and selection phase. All price or cost related items which include, but are not limited to, cost proposals, direct salaries/wage rates, indirect cost rates, and other direct costs are prohibited from being used as evaluation criteria. In-State or local preference shall not be used as a factor in the evaluation, ranking, and selection phase. State licensing laws are not preempted by this provision and professional licensure within a jurisdiction may be established as a requirement which attests to the minimum qualifications and competence of a consultant to perform the solicited services. The following non-qualifications based evaluation criteria are permitted under the specified conditions provided that combined total of these criteria do not exceed a nominal value of ten percent of the total evaluation criteria to maintain the integrity of a qualifications-based selection:

- (a) A local presence may be used as a nominal evaluation factor where appropriate. This criterion shall not be based on political or jurisdictional boundaries and may

be applied on a project-by-project basis for contracts where a need has been established for a consultant to provide a local presence, a local presence will add value to the quality and efficiency of the project, and application of this criteria leaves an appropriate number of qualified consultants, given the nature and size of the project. If a consultant outside of the local area indicates as part of a proposal that it will satisfy the criteria in some manner, such as establishing a local project office, that commitment shall be considered to have satisfied the local presence criteria.

(b) The participation of qualified and certified Disadvantaged Business Enterprise (DBE) sub-consultants may be used as a nominal evaluation criterion where appropriate in accordance with 49 CFR Part 26.

D. Evaluation, Ranking, and Selection.

a) Consultant proposals shall be evaluated by the City based on the criteria established and published within the public solicitation.

b) While the contract will be with the prime consultant, proposal evaluations shall consider the qualifications of the prime consultant and any sub-consultants identified within the proposal with respect to the scope of work and established criteria.

c) Following submission and evaluation of proposals, the City shall conduct interviews or other types of discussions to determine three of the most highly qualified consultants to clarify the technical approach, qualifications, and capabilities provided in response to the RFP. Discussions may be written, by telephone, video conference, or by oral presentation/interview. Discussions following proposal submission are not required provided proposals contain sufficient information for evaluation of technical approach and qualifications to perform the specific project, task, or service with respect to established criteria.

d) From the proposal evaluation and any subsequent discussions which have been conducted, the City shall rank, in order of preference, at least three consultants determined most highly qualified to perform the solicited services based on the established and published criteria.

e) Notification might be provided to responding consultants of the final ranking of the three most highly qualified consultants.

f) The City shall retain acceptable documentation of the solicitation, proposal, evaluation, and selection of the consultant accordance with the provisions of 49 CFR 18.42.

E. Negotiation.

a) Independent estimate. Prior to receipt or review of the most highly qualified consultant's cost proposal, the City shall prepare a detailed independent estimate with an appropriate breakdown of the work or labor hours, types or classifications of labor required, other direct costs, and consultant's fixed fee for the defined scope of work. The independent estimate shall serve as the basis for negotiation and ensuring the consultant services are obtained at a fair and reasonable cost.

b) If concealed cost proposals were submitted in conjunction with technical/qualifications proposals, only the cost proposal of the consultant with which negotiations are initiated may be considered. Concealed cost proposals of consultants with which negotiations are not initiated should be returned to the respective consultant due to the confidential nature of this data (as specified in 23 U.S.C. 112(b)(2)(E)).

d) The City shall retain documentation of negotiation activities and resources used in the analysis of costs to establish elements of the contract in accordance with the provisions of 49 CFR 18.42.

F. Small Purchases.

The small purchase method involves procurement of engineering and design related services where an adequate number of qualified sources are reviewed and the total contract costs do not exceed an established simplified acquisition threshold. The City may use the State's small purchase procedures which reflect applicable State laws and regulations for the procurement of engineering and design related services provided the total contract costs do not exceed the Federal simplified acquisition threshold (as specified in 48 CFR 2.101). When a lower threshold for use of small purchase procedures is established in State law, regulation, or policy, the lower threshold shall apply to the use of FAHP funds as allowed by Federal law. The following additional requirements shall apply to the small purchase procurement method:

a) The scope of work, project phases, and contract requirements shall not be broken down into smaller components merely to permit the use of small purchase procedures.

b) A minimum of three consultants are required to satisfy the adequate number of qualified sources reviewed.

c) Contract costs may be negotiated in accordance with State small purchase procedures; however, the acceptance of costs shall be determined in accordance with the Federal cost principles.

d) The full amount of any contract modification or amendment that would cause the total contract amount to exceed the established simplified acquisition threshold would be ineligible for Federal-aid funding. The FHWA may withdraw all Federal aid from a contract if it is modified or amended above the applicable established simplified acquisition threshold.

G. Noncompetitive.

The noncompetitive method involves procurement of engineering and design related services when it is not feasible to award the contract using competitive negotiation or small purchase procurement methods. The following requirements shall apply to the noncompetitive procurement method:

- a) The City may use their own noncompetitive procedures which reflect applicable State and local laws and regulations and conform to applicable Federal requirements.
- b) The City shall establish a process to determine when noncompetitive procedures will be used and shall submit justification to, and receive approval from, the FHWA before using this form of contracting.
- c) Circumstances under which a contract may be awarded by noncompetitive procedures are limited to the following:
 - (1) The service is available only from a single source;
 - (2) There is an emergency which will not permit the time necessary to conduct competitive negotiations; or
 - (3) After solicitation of a number of sources, competition is determined to be inadequate.
- d) Contract costs may be negotiated in accordance with the City noncompetitive procedures; however, the acceptance of costs shall be determined in accordance with the Federal cost principles.

A. Additional Procurement Requirements.

(1) Common Grant Rule.

- (I.) The City must comply with procurement requirements established in State and local laws, regulations, policies, and procedures which are not addressed by or in conflict with applicable Federal laws and regulations (as specified in 49 CFR 18.36).
- (II.) When State and local procurement laws, regulations, policies, or procedures are in conflict with applicable Federal laws and regulations, the City must comply with Federal requirements to be eligible for Federal aid reimbursement of the associated costs of the services incurred following FHWA authorization (as specified in 49 CFR 18.4).

(2) Disadvantaged Business Enterprise (DBE) program.

(I.) The City shall give consideration to DBE consultants in the procurement of engineering and design related service contracts subject to 23 U.S.C. 112(b)(2) in accordance with 49 CFR part 26. When DBE program participation goals cannot be met through race-neutral measures, additional DBE participation on engineering and design related services contracts may be achieved in accordance with the City's FHWA approved DBE program through either:

(A) Use of an evaluation criterion in the qualifications-based selection of consultants; or

(B) Establishment of a contract participation goal.

(II.) The use of quotas or exclusive set-asides for DBE consultants is prohibited (as specified in 49 CFR 26.43).

(3) Suspension and Debarment.

The City must verify suspension and debarment actions and eligibility status of consultants and sub-consultants prior to entering into an agreement or contract in accordance with 49 CFR 18.35 and 2 CFR part 180.

7.02. Projects Using Federal Transit Authority (FTA) Funding:

Go to www.valdostacity.com Click on Department Menu, Finance, Purchasing Division home page. Locate the green tab labeled Federal Clauses For Procurement 10K or More and click on it to download the Federal Transit Authority clauses that the City follows when applicable.

SECTION VIII

8.01 General Procedures and Approval Authorizations

- A. Periodically, the City may be given private/public grants and donations from sources such as the State and Federal Government and private corporations. These types of solicitations are more restrictive and may dictate the procurement process and methodology that the City is to follow for an award. Both federal and state procurement supersedes the purchasing requirements of the City when buying goods and services using federal or state grant monies. Departments should refer and follow the Federal Acquisition Regulations for guidance on specific federal procurement policies.
- B. All negotiations of agreements for goods and services shall be conducted by the city manager, his designee, or user. It is recognized that special situations may exist where there is a special need for the user to be involved in the negotiation process.
- C. It is the responsibility of the user to secure all necessary approvals of the city manager or his/her designee, and the City Council prior to execution of a contract or purchase agreement.
- D. Procurement by leasing, long-term financing, advance payments or deposits or any other special non-routine method must be approved in advance by the City Council.
- E. In the case of contracts (other than routine purchase orders), leases or service agreements (either new or renewals), the approval process is necessary. All such documents will be kept and updated by the user. The user will acquire the necessary approvals prior to execution of any agreement, contract or lease through the City attorney's office. When said contracts, leases or service agreements are up for renewal or expiration the user will gain approval to either maintain the contract or bid a new contract. The user will be responsible for maintaining a file of all current contracts, leases or service agreements.
- F. The city manager or designee will review the contract for form, completeness, the insurance considerations, legal implications, and any other items dictated by each situation.
- G. Once the contract is officially executed, the original of the contract will be filed in the City clerk's office and a copy kept in the user's office for future reference.
- H. Once a contract is awarded by the City, the contract may be amended, without the necessity of rebidding such contract, provided the original contract amount and the scope of the contract is not substantially altered. The city manager or his/her designee will review all change orders. Change orders will be processed

to correct the account distribution, quantity, addition/deletion of line items, change in description and unit price.

- I. The user shall have the responsibility to ensure the quality, delivery and payment of required goods and services.
- J. Final adjudication of any dispute between the vendor and user shall be made by the city manager or designee with appropriate input from the user.
- K. In most cases, contact with vendors regarding the contract will be by the user as necessary. All vendors must coordinate with the user before visiting any other City department regarding the contract. All visits regarding the contract must be made with the knowledge of the user who has the option of accompanying the visitor. It is recognized that this restriction on visitation will not necessarily apply to those vendors with ongoing relationships such as IT and copy machine service technicians.
- L. All returns of goods or capital assets must be initiated by the using department. Additionally, all amendments or cancellation to any agreements must be made by the city manager or designee.
- M. It shall be the responsibility of the user to ensure that purchased goods and capital assets are received, inspected and verified as to condition. Because the department head signed the purchase requisition, that person cannot be the receiver of the goods and must appoint an individual within the department to be the receiver of the goods and services.
- N. Protests
 - e) Right to protest. Any person who is aggrieved in connection with the solicitation or award of a contract may protest to the City. Protestors shall seek resolution of their complaints initially with the city manager. All protests must be submitted in writing to the city manager within three (3) business days of award of the contract. The complaint shall specify the alleged act or omission by the City that provides the basis for the complaint.
 - f) Upon the filing of a written complaint, the city manager, within three (3) business days, shall request a response from the user. The user's response will be returned to the city manager within seven (7) business days. Failure by the user to file a response may be considered as evidence by the city manager of admission of wrong doing on the part of the user. If requested by either party, the city manager, or his/her designee shall have a hearing on the complaint within fourteen (14) calendar days of filing the complaint to decide the merits of the claim. The city manager is empowered to decide to uphold, dismiss or amend

the decision of the User. The City Council shall approve or reject the city manager's decision. If the party bringing the complaint disagrees with the conclusions of the city manager and City Council, the decision may be appealed by filing a writ of certiorari to the Superior Court of Lowndes County within thirty (30) calendar days of the decision of the City Council.

- g) Protests concerning invitations. A protest with respect to an IFB, ITN, RFQ, or RFP shall be submitted in writing prior to the opening of bids or the closing date of proposals. If not done by that time, the complaint or protest is invalid for not being timely and will be deemed as not having standing.
- h) Stay of procurement during protests. In the event of a timely protest under subsection (b) of this section, the user shall not proceed further with the solicitation or award of the contract until all administrative remedies have been exhausted or until the city manager or City attorney makes a determination that the award of the contract without delay is necessary to protect the interests of City.

SECTION XI

DISPOSAL OF SURPLUS PROPERTY

9.01 DEFINITIONS

- A. **Surplus Property** – City owned property which has reached the end of its useful life or has become obsolete in City service.
- B. **Confiscated Property (Forfeiture)** – Private property seized by the Police Department and subsequently titled over to the City.
- C. **“Lost & Found” Property** – Private property located by or turned in to the Police Department for custodial safekeeping until the owner is located or until a deadline expires.
- D. **Scrap** – Damaged, spent, or otherwise unusable equipment, parts, or materials whose only value lies in the recycling of its component parts or materials.
- E. **Trade-In** – City property that has been acquired may hold certain value even after the expected life. Certain equipment may be included in the procurement process as trade-in to lower the future purchase of similar equipment.

9.02 PROCEDURE FOR SURPLUSING OF PROPERTY

- A. When a department wishes to surplus any City-owned property, they must first complete the proper documentation. The proper form for fixed assets the “Asset Declaration Form” is available from the accounting division. A memorandum listing all “other items” should be created and sent to the purchasing division. Fixed asset tags and reports are to be forwarded to the accounting division.
- B. All surplus vehicles will be stored at the City maintenance center. All other items will be stored at the warehouse until date of sale. Departments are requested to contact the warehouse staff and set up an appointment before delivering the items for surplus sale.
- C. The purchasing division will be responsible for taking photographs of each item and posting items on a free to the City computer/software based automated auction site (e.g. govdeals.com) unless for some reason a live auction is warranted.
- D. All items will be sold to the highest bidder via the internet or live auction if necessary.

- E. Departments may, with prior approval from the city manager, sell directly to a scrap yard for items such as cooper, aluminum, etc. to gain a better price. The funds generated from a sale of this type shall be turned over to customer service division on that same day with a receipt.

9.03 METHOD OF SALE

- A. Generally, all surplus, confiscated, and “lost and found” property will be disposed of via public auction.
- B. Unless requested by City authorities, items will be sold “as is” to the highest bidder. The City will contract with a professional auctioneer or internet auction provider, who will conduct auctions and collect all proceeds. Purchasing staff will supervise the activities of each auction.

If a live sale is taking place, auctions shall be advertised twice prior to the actual sale date in a newspaper of general circulation in the Valdosta, GA area and City website. In addition, advertising may take place via auctioneer’s mailing list, other newspapers, National Auction Bulletin, or other means at the discretion of the purchasing division.

- C. Should attempts to sell surplus or scrap items fail, the city manager may (at his discretion), declare the items as worthless and authorize their discard.
- D. Upon authorization of the City Council, the City may contribute items to non-profit organizations.
- E. City employees nor their families are allowed to purchase surplus property or remove it from the premises. The city manager or his/her designee may discipline the employee up to and including termination.
- F. IT assets may be disposed of by any means necessary as approved by the city manager and may be given at no charge to a certified recycler or shredding company.

9.04 AUCTION DUTIES

A. PURCHASING

Purchasing division shall have overall responsibility for coordinating the efforts of City staff and the contract auctioneer during the preparation and conduct of the auction sale.

- Supply list of items to be auctioned to auctioneer
- Assist the auctioneer in any way to assure a successful sale
- Provide funding for the sale advertisement
- Take photographs and post items on the internet auction site

B. WAREHOUSE STAFF

Provide labor to assist in placement of equipment and miscellaneous surplus items while storing items and assist when buyers pick up their items only after a valid receipt has been recognized.

C. POLICE DEPARTMENT

1. Advise the purchasing division and when confiscated vehicles or other property is available for auction.

D. ACCOUNTING DIVISION

1. Provide titles and keys for vehicles.
2. Audit the complete auction records when deemed necessary.
3. Maintain the financial records of the auction.

SECTION XII

VENDOR RELATIONS

It shall be mandatory that all vendors desiring to sell goods and services to the City make application with the City's purchasing division. This form or instructions are available on the City website and is labeled "How to do business with the City".

Vendors may make application by accessing the City's web page at www.valdostacity.com or contacting the purchasing division directly at P.O. Box 1125, 216 E. Central Ave., 3rd Floor, Valdosta, GA 31601.

10.01 BIDDER'S LIST

- A. The Bidder's list is maintained by the Purchasing Division
 - 1. Name and address of vendor.
 - 2. Name, fax, email address and telephone number of contact person.
 - 3. Class/Item number of commodities sold and/or services provided.

- B. The vendor list maintained by the finance department in the City's financial software and is used for disbursement of funds and is associated with the bidder's list maintained by the purchasing division.

10.02 COMPLAINTS AGAINST VENDORS

All complaints concerning vendor performance shall be in writing and directed to the purchasing division. Staff will investigate any charges against a vendor and shall take whatever action is warranted to correct the problem. An example of a performance complaint is failure to deliver goods and/or services as outlined in an invitation to bid. Appropriate action might be cancellation of bid award, liquidated damages, or some other punitive damages.

10.03 VENDOR RELATIONS

A. INTRODUCTION

The City of Valdosta strives to maintain strong enduring relationships with vendors of proven ability and desire to meet our needs. To accomplish this, our purchasing activities will be conducted so that vendors will value our business and make every effort to furnish our requirements on the basis of quality, service, and price. The relationship between the purchaser and seller is one of mutuality. No contract that proves unsatisfactory to the vendor can be regarded as satisfactory to the buyer.

The City will purchase only from suppliers who have adequate financial strength, high ethical standards, are not debarred, and have a record of adhering to

specifications, maintaining shipping promises and giving full measure of services. New sources of supply will be given due consideration as multiple sources of supply are necessary to ensure availability of materials and promote competition.

It is essential to develop and maintain goodwill between the City of Valdosta and its suppliers. The reputation of the City can be promoted by:

1. Giving all salespersons a full, fair, prompt and courteous hearing.
2. Keeping competition open and fair.
3. Keeping specifications fair and clear.
4. Cooperating with the seller and considering their difficulties in providing the service or products.
5. Having consistent buying policies and principles.
6. Observing strict truthfulness in all transactions and in correspondence.
7. Respecting the confidence of the salespersons or their company as to confidential information.
8. Keeping free from obligation to any vendor.

B. ETHICAL CONSIDERATIONS

In any consideration of public responsibilities, there must be understanding and agreement with reference to the ethics of public purchasing. Please refer to the City of Valdosta's Code of Ethics.

C. INITIAL VENDOR CONTACT

New salespeople are to be directed to purchasing division. The purchasing division staff shall explain the purchasing procedures to each salesperson and provide information of how to be included on the vendor's list.

D. DEPARTMENT CONTACT WITH VENDORS

In the day-to-day conduct of their duties, departmental employees are often in contact with potential vendors and suppliers. While it is sometimes desirable for employees to be in a position to recommend certain products, no department shall attempt to place orders with vendors except as described in this manual.