

## PROCUREMENT RULES AND REQUIREMENTS

### TABLE OF CONTENTS

	<u>Page Number</u>
Introduction	5
 <u>CHAPTER 1 – SCOPE AND RESPONSIBILITY FOR ADMINISTRATION</u>	
1.1.1 Scope of Purchasing Authority	6
1.2.1 Responsibilities for Administration	6
 <u>CHAPTER 2 – SOURCE, SELECTION AND CONTRACT FORMATION</u>	
2.1.1 Methods of Source Selection	10
2.2.1 Competitive Sealed Bidding	10
2.3.1 Multi-Step Sealed Bidding	10
2.4.1 Competitive Best Value Bidding	11
2.5.1 Competitive Fixed Price Bidding	11
2.6.1 Competitive On-Line Bidding	11
2.7.1 Competitive Sealed Proposals	11
2.8.1 Design-Build	12
2.9.1 Informal Bids	13
2.10.1 Small Purchases Procurement	14
2.11.1 Sole Source or Negotiated Procurement	14
2.12.1 Emergency Procurement	14
2.13.1 Cancellation or Rejection of Invitation for Bids or Request for Proposals	14
2.14.1 Pre-qualification of Suppliers	14
2.15.1 Approval of Contracts, Bonds, and Certificates of Insurance	15
2.16.1 Types of Contracts	15

2.17.1	Multi-term Contracts	15
2.18.1	Right to Inspect Facilities	16
2.19.1	The Right to Audit Records	16
2.20.1	Reporting of Anti-Competitive Practices	16
<b><u>CHAPTER 3 – DEFINITIONS, RULES OF CONSTRUCTION AND APPLICATIONS</u></b>		
3.1.1	Definitions	17
3.2.1	Definitions of Terms Commonly Used in Construction Specifications	21
3.3.1	Purposes, Rules of Construction	22
3.4.1	Application	23
3.5.1	General	23
<b><u>CHAPTER 4 – MODIFICATION AND TERMINATION OF CONTRACTS FOR SUPPLIERS AND SERVICES</u></b>		
4.1.1	Modification of Contracts	28
4.2.1	Authority to Debar or Suspend	28
4.3.1	Authority to Resolve Contract and Breach of Contract Controversies	29
<b><u>CHAPTER 5 – BIDDING GUIDELINES FOR VENDORS</u></b>		
5.1.1	Invitation to Bid	31
5.2.1	Vendor Address	31
5.3.1	Signature on Bid	31
5.4.1	Terms and Conditions	31
5.5.1	Pricing	32
5.6.1	Errors	32
5.7.1	Discounts	32
5.8.1	Taxes	32
5.9.1	Time of Performance	33

5.10.1	Specifications	33
5.11.1	Alternate Bids and Specifications	33
5.12.1	Amendment or Withdrawal of Bids	33
5.13.1	Correspondence Concerning Bid Invitations	34
5.14.1	Samples	34
5.15.1	Product Testing and Demonstration	34
5.16.1	Trade-ins	35
<b><u>CHAPTER 6 – PROTESTS</u></b>		
6.1.1	Administrative Review	36
6.2.1	Right to Protest	36
6.3.1	Authority to Resolve Protests	36
6.4.1	Decision	36
6.5.1	Notice of Decision	36
6.6.1	Appeals	37
<b><u>CHAPTER 7 – PREFERENCE TO THE U.S. MADE OR MANUFACTURED END-PRODUCTS</u></b>		
7.1.1	General Policy	38
7.2.1	Definitions	38
7.3.1	Application	38
7.4.1	Exceptions	39
7.5.1	Enforcement	39
7.6.1	Implementation	39
<b><u>CHAPTER 8 – STANDARDIZATION</u></b>		
8.1.1	Purpose	40
8.2.1	Scope	40

8.3.1	General	40
<u><a href="#">CHAPTER 9 – SMALL AND DISADVANTAGED BUSINESS</a></u>		
9.1.1	General Policy	41
9.2.1	Definition – Small Disadvantaged Business	41
9.3.1	Eligibility Certification	41
9.4.1	Price Evaluation	41
9.5.1	Small Disadvantaged Businesses Subcontracts	42

## INTRODUCTION

The magnitude of public purchasing expenditures brings into focus the principle of accountability. A basic tenet of our society is that public officials having the authority to supply public resources also have a responsibility to give a full accounting of their actions. This accountability relates to the manner in which resources are applied and to the effect of their application, as well as the specific objects for which public funds are spent.

The Commissioners' Purchasing Manual contains instructions regarding the basic policy, procedure and practice for procurement at the Commissioners of Public Works of the City of Charleston.

These instructions are for the guidance of all personnel who participate in the actions and decisions relating to procurement at the Commissioners of Public Works of the City of Charleston.

These instructions are for the guidance of all personnel who participate in the actions and decisions relating to procurement and for all other personnel in order to give them a more complete understanding of purchasing policies, procedures, and practices.

Purchasing is an important activity where it is mandatory that the responsibility for buying materials and services be assigned to a group of people skilled in negotiating, cost reduction and other purchasing techniques. The primary responsibility is to provide for the purchase of materials, supplies and services with the objective that they will be available at the proper time, in the proper place, in quantity, quality, and price consistent with the needs of the Commission. This balancing of several factors is critical.

To achieve this overall objective, the responsibilities, authorities and controls set forth in this manual must be adhered to by all personnel.

---

Thomas B. Pritchard  
Chairman

---

F. Kin Hill  
Chief Executive Officer

## CHAPTER 1

### PROCUREMENT RULES AND REQUIREMENTS

#### SCOPE AND RESPONSIBILITY FOR ADMINISTRATION

- 1.1.1 **Scope of Purchasing Authority** – The Director of Operations Support or his designated representative shall have the authority and it shall be his duty to:
- (A) Purchase or contract for all suppliers and contractual services needed by the Commission in accordance with purchasing procedures as prescribed herein and such rules and regulations as shall be adopted for the internal management and operation and such other rules and regulations as shall be prescribed by the Chief Executive Officer and the Commissioners.
  - (B) Prepare and adopt a standard purchasing nomenclature for using departments and suppliers.
  - (C) Declare vendors who default on their quotations as irresponsible bidders and disqualify them from receiving any business from the Commission for a stated period of time.
  - (D) Maintain a public record of CPW's procurement information to the extent required by Chapter 3 or Title 30 (The Freedom of Information Act), South Carolina Code of Laws, 1976, as amended, with the exception of that commercial or financial information obtained in response to a "Request for Quotation" or "R.F.Q." which is privileged and confidential and shall not be disclosed.
  - (E) Ensure that all actions involving the CPW of any agent of the CPW with procurement of supplies, or construction for the Commission are in compliance with the provisions of Chapter 13 of Title 8 (State Ethics Act), South Carolina Code of Laws, 1976.

#### 1.21. RESONSIBILITIES FOR ADMINISTRATION

(A) COMMISSIONERS

- (1) Establish purchasing policy

Amend from time to time the established purchasing rules and regulations.

Chapter 1  
Scope and Responsibility  
for Administration

(B) CHIEF EXECUTIVE OFFICER

- (1) Has overall responsibility for the administration of the Commission's financial program, including the purchasing system.

(C) DIRECTOR OF OPERATIONS SUPPORT

- (1) Authorizes the Commission's purchasing system and assures that all departments adhere to the procedures.
- (2) Shares or is wholly responsible for a variety of related or complementary activities.
- (3) Responsible for interpreting provisions of the purchasing manual.
- (4) Establishes, and amends when necessary, all purchasing procedures authorized by these rules and regulations, and any others necessary to its operation, subject to the approval of the Chief Executive Officer.
- (5) Serves as the principal public procurement official of the Commission and is responsible for the procurement of supplies, services and construction in accordance with this manual.
- (6) Procures or supervises the procurement of all supplies, services, and construction needed in the required quality, at the cost most advantageous, at the proper time, and in quantities as needed by the Commission.
- (7) Forecasts market conditions, supply and availability of materials, and economic conditions.
- (8) Works with suppliers and potential suppliers in search of new materials, processes, techniques and equipment.
- (9) Reviews bid tabulation and awards contracts to the vendor most advantageous to the Commission after consulting with the Chief Executive Officer as needed.
- (10) Sells, trades, or otherwise disposes of surplus supplies belonging to the Commission after consulting with the Chief Executive Officer.

Chapter 1  
Scope and Responsibility  
for Administration

- (11) Establishes and maintains programs for the inspection, testing, and acceptance of supplies, services, and construction.
- (12) Announces through public notices and procedures pertaining to procurement by the Commission.
- (13) Does not delegate authority to promulgate such policies and procedures. No policy or procedure shall change any commitment, right or obligation of the Commission or any contractor in existence.
- (14) Cooperates with auditors in the preparation of statistical data concerning the procurement, usage, and disposition of all supplies, services, and construction, and employ such trained personnel as may be necessary to carry out this function. All using departments shall furnish such reports as may be required concerning usage, needs, and inventory.
- (15) Prepares and issues specifications for supplies, services, and construction required by the Commission. All specifications shall be drafted so as to promote overall economy for the purpose intended and encourage maximum free and open competition in satisfying the Commission needs, and shall not be unduly restrictive.
- (16) May appoint procurement and advisory groups to help with respect to specifications or procurement in specific areas, and with respect to any other matters within delegated authority.
- (17) Determines required training for procurement personnel.
- (18) Acts to procure for the Commission the highest quality in suppliers and contractual services at the least expense to the Commission.
- (19) Encourages open competition for the benefit of CPW.
- (20) Keeps informed of current development in the field of purchasing, prices, market conditions and new products. Secures for the Commission the benefits of research done in the field of purchasing by other governmental jurisdictions, national technical societies, trade associations, having national recognition, and by private business and organizations.

Chapter 1  
Scope and Responsibility  
for Administration

- (21) Prescribes and maintains such forms as reasonably necessary to the operation of these rules and regulations.
- (22) Prepares, adopts and maintains a vendors' catalog file. Said catalog file shall be filed according to commodity and shall contain description of vendors' products.
- (23) Explores the possibilities of buying "in bulk" so as to take full advantage of discounts.
- (24) Acts so as to procure for the Commission all Federal Tax Exemptions.
- (25) Keeps a record of all open market orders and the bids submitted in competition thereon, and such records shall also be open to public inspection.
- (26) Where a procurement involves the expenditure of federal assistance or contract funds, the Director of Operations Support shall comply with such federal law and authorized regulations which are mandatory, applicable and which are not presently reflected in this manual.

## CHAPTER 2

### PROCUREMENT RULES AND REQUIREMENTS

#### SOURCE, SELECTION AND CONTRACT FORMATION

##### 2.1.1 Methods of Source Selection

- A. All purchases shall be made by competitive procedures except as specifically provided in Sections 2.9.1, 2.10.1, 2.11.1, and 2.12.1.
- B. The preferred method of procurement shall be competitive sealed bidding.
- C. Where only one bid or proposal is received, an award may be made to such bidder or proposer if the Director of Operations Support determines: (1) that the price submitted is fair and reasonable; (2) that other prospective bidders or proposers had a reasonable opportunity to respond; and (3) that there is not adequate time for a re-solicitation. Otherwise, the bid or proposal may be rejected pursuant to Section 2.8.1, and the Director of Operations Support may: (1) cancel the proposed procurement; (2) solicit new bids or proposals; or (3) proceed with procurement pursuant to Section 2.10.1 as appropriate.

##### 2.2.1 Competitive Sealed Bidding

Formal Bids shall be issued when the requisition for goods and services is anticipated to meet or exceed \$50,000.

Where competitive sealed bidding is utilized, an invitation for bids shall be issued which shall include a purchase description and all contractual terms and conditions applicable to the procurement. In addition to price, the Commission shall consider the following before making an award:

- A. The ability and skill of the bidder to perform the contract.
- B. Whether the bidder can perform the contract or provide the supplies/services promptly, without delay or within the time specified.
- C. The quality of performance of previous contracts or services.

##### 2.3.1 Multi-step Sealed Bidding

Multi-step Sealed Bids shall be issued when the requisitions for goods and services is anticipated to meet or exceed \$50,000.

## Chapter 2 Source, Selection and Contract Formation

When it is considered impractical (due to insufficient data, uncertain requirements, etc.) to initially prepare a purchase description to support an award based on price, an invitation for proposals may be issued requesting the submission of un-priced offers to be followed by an invitation for Bids limited to those bidders whose proposals have been qualified under the criteria set forth in the Request for Proposals.

### 2.4.1 **Competitive Best Value Bidding**

When the Director of Operations Support determines that the use of competitive sealed bidding is either not practicable, or not advantageous to the CPW, a contract may be entered into by competitive best value bidding. The purpose of best value bidding is to allow factors other than price to be considered in the determination of award for specific goods and services based on a pre-determined criteria identified by the CPW. The best value bid shall state the factors to be used in determination of award and cost cannot be weighed at less than sixty percent.

### 2.5.1 **Competitive Fixed Bidding**

When the Director of Operations Support determines that the use of competitive sealed bidding is either not practicable, or not advantageous to the CPW, a contract may be entered into by competitive fixed price bidding. The purpose of fixed price bidding is to provide multi sources of supply for specific goods and services based on a pre-set maximum price which the CPW will pay for goods and services.

### 2.6.1 **Competitive On-line Bidding**

When the Director of Operations Support determines that on-line bidding is more advantageous than other procurement methods provided by this manual, a contract may be entered into by competitive on-line bidding.

### 2.7.1 **Competitive Sealed Proposals**

Competitive Sealed Proposals shall be issued when the requisition for goods or services are anticipated to meet or exceed \$50,000.

- A. **Determination of Use.** When the Director of Operations Support determines that the use of competitive sealed bidding is either not practical or not advantageous to CPW due to existing market conditions or the type

Chapter 2  
Source, Selection  
and Contract Formation

of service/supply required, a contract may be entered into through receipt of competitive sealed proposals. Competitive sealed proposals may also be used for the procurement of professional services.

- B. Request for Proposals. Competitive sealed proposals shall be solicited through a request for proposals unless it is determined by the Director of Operations Support that direct solicitation would not be advantageous to the Commission.
- C. Public Notice. Public Notice of the request for proposals shall be given in the same manner as provided for competitive sealed bidding.
- D. Receipt of Proposals. Proposals shall be opened in the office of the Director of Operations Support. The proposal opening will not be in a public forum.
- E. Evaluation Factors. The request for proposals shall state relative importance of price and other evaluation factors.
- F. Discussion with Responsible Offers and Revisions to Proposals. As provided in the request for proposals, discussions may be conducted with responsible offers who submit proposals determined to be reasonably acceptable of being selected for award for the purpose of clarification and to assure full understanding of, and responsiveness to, the solicitation requirements. Offerers shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted after submission prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerers, except as may be required by the South Carolina law.

Award shall be made to the responsible offerer whose proposal is determined to be the most advantageous to CPW, taking into consideration the evaluation factors set forth in the request for proposals. No other factors or criteria shall be used in the evaluation. The contract file shall contain the basis on which the award was made.

### 2.8.1 Design-Build Construction Contracts

When the Director of Operations and the Director of Design and Construction determines that the use of design-build construction contracting is more

Chapter 2  
Source, Selection  
and Contract Formation

advantageous than other procurement methods provided by this manual, a contract may be entered using methods outlined in procedures established by the Commission for design-build construction contracts.

**2.9.1 Informal Bids**

Informal Bids will be issued when it is anticipated that the cost for the goods and/or Service is between \$2,500 and \$50,000.

Where it is determined, by policy promulgated by the Director of Operations Support, that it is either not practical or not advantageous to CPW to conduct competitive sealed bidding or competitive sealed proposal procedures, purchases may be made in the open market without newspaper advertisement.

- A. Minimum Number of Bids – All open market purchases shall, whenever feasible, be based on at least three (3) competitive bids, and shall be awarded to the lowest responsible and responsive bidder in accordance with standards established in this manual.
- B. Notice Inviting Bids – Bids shall be solicited by:
  - (1) Direct mail request to prospective vendors;
  - (2) Telephone; or
  - (3) Public notice,
  - (4) Listing on electronic media, or
  - (5) Facsimile
- C. Recording – The Director of Operations Support, or his designee shall keep a record of all open market orders and the bids submitted in competition thereon, and such records shall be available for public inspections after opening.
- D. Purchase from Federal, State, and County and City Contracts – The Director of Operations Support shall have authority to purchase directly from federal, state or county contracts or from city contracts for cooperative purchasing in accordance with procedures promulgated by the Director of Operations Support.

Chapter 2  
Source, Selection  
and Contract Formation

**2.10.1 Small Purchases**

Any procurement under the amount of \$2,500 may be made in accordance with small purchase procedures promulgated by the Director of Operations Support provided, however, procurement requirements shall not be artificially divided so as to constitute a small purchase order under this section.

**2.11.1 Sole Source or Negotiated Procurement**

A contract may be awarded for a supply, service or construction item without competition when the Director of Operations Support or his designee determines that there is only one source for the required service, supply or construction item or by negotiation where the procurement by competitive procedures is not feasible or practicable. Written documentation shall be forwarded to Purchasing to justify the sole source.

**2.12.1 Emergency Procurement**

Notwithstanding any other provision of this manual, the Director of Operations Support or his designee may make or authorize others to make emergency procurement when there exists a threat to public health, welfare, or safety as determined under Emergency Purchase Procedures promulgated by the Director of Operations Support, provided that such emergency procurements shall be made with such competition as is practicable under the circumstances. A full written determination of the basis of the emergency and for the selection of the particular contractor shall be included on the emergency purchase requisition and shall be filed as a permanent and public record of the purchase.

**2.13.1 Cancellation or Rejection of Invitation for Bids or Request for Proposals**

An invitation for bids, a request for proposal or other solicitation may be delayed or canceled or all bids or proposals may be rejected in whole or in part as may be specified in the solicitation if it is determined by the Director of Operations Support or his designee that such action is in the best interest of CPW.

**2.14.1 Pre-qualification of Suppliers**

- A. Prospective suppliers may be required to be pre-qualified for particular types of supplies or services.

Chapter 2  
Source, Selection  
and Contract Formation

- B. Solicitation mailing lists of potential contractors shall include, but not be limited to, such pre-qualified suppliers.

**2.15.1 Approval of Contracts, Bonds, and Certificates of Insurance**

All contracts under this manual shall be subject to approval as to form and legality by the Director of Operations Support, Chief Executive Officer, and Commission Attorney as appropriate. All bonds and certificates of insurance required by this Manual shall be subject to approval by the Director of Operations Support, Chief Executive Officer, and Commission as appropriate. The Director of Operations Support will determine the level of approval required on a case-by-case basis.

**2.16.1 Type of Contracts**

Firm fixed price contracting is the preferred method; however, any type of contract that will promote the best interests of CPW may be used. A cost reimbursement contract may be used only when a determination has been made that such contract is likely to be less costly to CPW than any other type or that it is impractical to obtain the supplies, services or construction required except under such a contract.

**2.17.1 Multi-term Contracts**

Specified Period. Unless otherwise provided, a contract for supplies or services may be entered into for any period of time deemed to be in the best interest of CPW, provided the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and funds are available for the first fiscal period at the time of contract.

- A. Payment and performance obligations for succeeding fiscal periods shall be subject to budget authority.
- B. Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract shall be canceled and the contractor shall be entitled to reimbursement for the reasonable value of any non-recurring cost incurred but not advertised in the price of the supplies or services delivered under the contract or otherwise recoverable.

Chapter 2  
Source, Selection  
and Contract Formation

**2.18.1 Right to Inspect Facilities**

The CPW may at reasonable times inspect the facility or place of business of a contractor or any sub-contractor that is related to the performance of any contract awarded or to be awarded by the CPW.

**2.19.1 The Right to Audit Records**

The CPW shall be entitled to audit the books and records of a contractor or any sub-contractor to the extent that such books and records relate to the performance of such contract or sub-contract. Such books and records shall be maintained by the contractor, for a period of three (3) years from the date of final payment under the price contract and by the sub-contractor for a period of three (3) years from the date of final payment under the sub-contract unless a shorter period is otherwise authorized in writing.

**2.20.1 Reporting of Anti-Competitive Practices**

When for any reason collusion or other anti-competitive practices are suspected among any bidders or offerers, a statement of the relevant facts shall be immediately transmitted to the Commission's Attorney and Chief Executive Officer for investigation and appropriate action.

## CHAPTER 3

### PROCUREMENT RULES AND REQUIREMENTS

#### DEFINITIONS, RULES OF CONSTRUCTION AND APPLICATION

##### 3.1.1 Definitions

As used throughout this Purchasing Manual, the words and terms defined in this section shall have the meanings set forth below unless:

- A. The context in which they are used clearly requires a different meaning; or
- B. A different definition is prescribed for a particular section or portion thereof.
  - (1) Bid Bond. “Bid bond” means a form of bid security executed by the bidder as principal and by a surety to guarantee that the bidder will enter into the contract within a specified time and furnish any required performance bond.
  - (2) Bid Deposit. “Bid deposit” means a sum of money or certified/cashier’s check deposited by a bidder to guarantee that the bidder will enter into the contract within a specified time and furnish any required performance bond.
  - (3) Business. “Business” means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture or any other legal entity through which business is conducted.
  - (4) CPW. “CPW” means the Commissioners of Public Works of the City of Charleston, S. C., also doing business as Charleston Water System, and shall include any department.
  - (5) Confidential Information. “Confidential information” means any information which is available to a person only because of said person’s status as an employee of CPW and which is not a matter of public knowledge or available to the public on request.
  - (6) Construction. “Construction” means the process of building, altering, repairing, improving, or demolishing any structure, building, roadway, or other improvements of any kind to any real property. It does not include the routing operation, routine, repair or routine maintenance of existing structures, buildings or real property.

Chapter 3  
Definitions, Rules of  
Construction and Application

- (7) Contract. “Contract” means all types of CPW agreements regardless of what they may be called, for the purchase or disposal of supplies or services. It includes contracts for a fixed price, cost, cost plus a fixed fee, or incentive contracts, contracts providing for the issuance of job or task orders, leases, letter contracts, and purchase orders. It also includes supplemental agreements with respect to any of the foregoing.
- (8) Contract Modification. “Contract modification” means any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract.
- (9) Contractor. “Contractor” means any person having a contract with CPW.
- (10) Cooperative Purchasing. “Cooperative Purchasing” means procurement conducted by or on behalf of more than one public procurement unit.
- (11) Data. “Data” means recorded information regardless of form or characteristic.
- (12) Debarment. “Debarment” means disqualifying one from receiving invitations for bids or requests for proposals or the award of contracts by CPW for a specified period of time commensurate with the gravity of the offense of the failure or the inadequacy of performance.
- (13) Designee. “Designee” means a duly authorized representative of a person holding a superior position.
- (14) Excess Supplies. “Excess supplies” means supplies having remaining useful life, but which are no longer required by the using agency in possession of said supplies.
- (15) Financial Interest. “Financial interest” means:
  - (a) Ownership of any interest or involvement in any relationship from which, or as a result of which, a person within the last year has received, is presently receiving, or in the future may receive any financial benefit.

Chapter 3  
Definitions, Rules of  
Construction and Application

- (b) Ownership of any interest in any business except publicly held stock.
  - (c) Holding a position in a business, such as an officer, director, trustee, partner, employee or similar position or holding any position of management.
- (16) Invitation for Bid. “Invitation for bid” means all documents including those attached or incorporated by reference utilized for soliciting bids.
- (17) Office Of. For the purpose of this manual, “Office of” shall be construed to include a department.
- (18) Performance Bond . “Performance bond” means a bond of a contractor/vendor in which a surety guarantees to CPW that the work/services will be performed in accordance with the contract documents and may, in the discretion of CPW, include a letter of credit issued by a financial institution.
- (19) Person. “Person” means any business, individual, union, committee, club or other organization or group of individuals.
- (20) Procurement. “Procurement” means the buying, purchasing, renting leasing or otherwise obtaining of any supplies, services, construction or any other item(s). It also includes all functions that pertain to the obtaining of any supplies, services, construction or any other item(s), including description of requirements, selection and solicitation of sources, preparation and award of contracts and all phases of contract administration.
- (21) Procurement Officer. “Procurement Officer” (generally restricted to Purchasing Agent) means any person duly authorized to enter into and administrate contracts and make written determinations with respect thereto. The term also includes an authorized representative acting within the limits of authority.
- (22) Request for Proposals. “Request for proposals” means all documents including those attached or incorporated by reference utilized for soliciting proposals.

Chapter 3  
Definitions, Rules of  
Construction and Application

- (23) Responsible Bidder. “Responsible bidder” means a person who has the capability in all respects to perform fully the contract requirements and the integrity and reliability, which will assure good faith performance.
- (24) Responsible Bidder. “Responsible bidder” means a person who has submitted a bid which conforms in all material respects to the invitation for bids or proposals.
- (25) Services. “Services” means the furnishings of labor, time or effort by a contractor, not involving the delivery of a specific end product other than reports, which are merely incidental to the required performance. This term includes “Professional Services”, except professional architectural, engineering, landscape architectural, land-surveying services, and audit services but does not include employment agreements or collective bargaining agreements.
- (26) Specifications. “Specifications” means any description of the physical or functional characteristics, or of the nature of a supply, or service item. It may include a description of any requirement for inspection, testing or preparing a supply or service item for delivery.
- (27) Supplies. “Supplies” means all property including, but not limited to equipment, furnishings, materials, printing, insurance, and leases, but excluding land or a permanent interest in land.
- (28) Surety. “Surety” means an organization which, for a consideration, promises in writing to make good the debt or default of another. The surety must hold a certificate of authority as an acceptable surety on federal bonds as published in the current Circular 570, U.S. Department of the Treasury, and the Federal Register effective July 1 annually, as amended.
- (29) Surplus Supplies. “Surplus supplies” means any supplies no longer having any use to CPW. This includes obsolete supplies, scrap materials, and non-expendable supplies that have completed their useful life cycle.
- (30) Suspension. “Suspension” means disqualifying one from receiving Invitations for Bids or Requests for Proposals or the award of a contract for a given period.

Chapter 3  
Definitions, Rules of  
Construction and Application

- (31) Using Department. “Using department” means any department of CPW which utilizes any supplies, services, or any other procured item under this manual.

**3.2.1 Definitions of Terms Commonly Used in Construction Specifications**

- (a) Wherever the words, forms of phrases defined or pronouns occur in any CPW Specifications, in the Contract or in the Advertisement or any document, or instrument herein contemplated or to which these specifications apply, the intent and meaning shall be construed and interpreted as follows:

“Addenda”. Any change in specifications after advertisements for bids will be made by addendum to specifications, with appropriate supplemental plans. After issuance, any Addenda shall become a part of the Specifications, as much as though fully contained therein.

“Bidder”. The Engineer selected by the Owner for the performance of all engineering services in connection with the design and construction of the work, and his duly authorized representatives.

“Owner”. The corporate or other legally constituted body designated in the Contract as the Owner of the completed work and as a party to the Contract, and its or his duly authorized representatives.

“Plans”. All plans, drawings and maps identified in the Special Conditions as Contract Plans, together with all approved revisions or additions thereto.

“Proposal”. The written and signed statement which includes the completed Proposal form duly filed with the Owner by the person or persons, partnership, company, firm, or corporation proposing to do the work contemplated.

“Proposal Form”. The form bound in the Construction Contract Documents on which the formal bids for the work are to be prepared and submitted.

“The Work” or “The Project”. The work or project, including the furnishing of all labor, materials, tools, equipment and incidentals, necessary or required to complete the improvement in conformity with the directions, provisions and requirements of the Specifications, limitations

Chapter 3  
Definitions, Rules of  
Construction and Application

and conditions of the Contract and in accordance with the intent of the Plans.

“AWWA”. American Water Works Association.

“ASTM”. American Society for Testing Materials

“ANSI”. American National Standards Institute

“NEMA”. National Electric Manufacturers Association

Where these standard specifications are referred to this shall mean the latest revisions of these specifications.

**3.3.1 Purposes, Rules of Construction**

- A. Objectives. The underlying purposes of the construction policies outlined here are:
- (1) To simplify and clarify the rules governing construction procurement by the CPW.
  - (2) To permit the continued development of procurement policies and practices.
  - (3) To make as consistent as possible the procurement rules among the various departments at CPW.
  - (4) To provide for increased public confidence in the procedures used in public procurement.
  - (5) To secure the advantages of a centralized procurement and materials management process.
  - (6) To insure fair and equitable treatment to all who deal with the procurement system of CPW.
  - (7) To provide increased economy and to maximize to the fullest extent practical, the purchasing value of CPW.

Chapter 3  
Definitions, Rules of  
Construction and Application

- (8) To promote effective broad based competition within the free enterprise system.
- (9) To provide adequate internal safeguards for the maintenance of a quality procurement system.

**3.4.1 Application**

- A. General Application. This manual applies only to contracts solicited or entered into after the effective date as established by the Commission.
- B. Application to CPW Procurement. This manual shall apply to every expenditure of funds by CPW unless exempted by specific action by the Chief Executive Officer.

**3.5.1 General**

The Director of Operations Support shall establish construction procedures and requirements that encourage competition for those companies seeking to perform construction work for the CPW to follow subject to the approval of the Chief Executive Officer. Periodic public notifications shall be published in appropriate industry periodicals and a newspaper having the largest general circulation in the Charleston vicinity.

- A. Preparation of Bids. Bids shall be submitted on a Bid Form, which shall be developed by the Engineer and provided, by the Purchasing Department or the consulting Engineer under CPW contract. The consulting Engineer, when used, shall be responsible for both the Bid Form for the base bid and various unit prices. The form shall be typewritten or completed in ink and signed by an authorized official of the potential contractor. Where both written words and numerical figures are given, the written words shall apply in the event of conflict.
- B. Submission of Bids. Bids shall be received at the time and place set forth in the Invitation to Bid letter issued by the Purchasing Department. Bids shall be submitted in opaque sealed envelopes. Bidders shall identify the envelope with (1) Solicitation Number, (2) Opening Date, (3) Name of Bidder, (4) Bidders Contractor License number, and expiration date and the words "Sealed Bid". Envelopes containing bids shall be submitted to

Chapter 3  
Definitions, Rules of  
Construction and Application

the Purchasing Manager, Charleston Commissioners of Public Works,  
103 St. Philip Street, Charleston, SC 29403.

- C. Examination of Site and Documents. Each bidder shall visit the site of the proposed work and fully acquaint himself with conditions as they exist so that he may fully understand the facilities, difficulties, and restrictions attending the execution of the work under the contract. Bidders shall also thoroughly examine and be familiar with the drawings and the project manual. The failure or omission of any bidder to receive or examine any form, instrument or document or to visit the site and acquaint himself with conditions there existing shall in no way relieve the bidder from any obligation with respect to his bid.
- D. Interpretation of Documents. No oral interpretations shall be made to any bidder as to the meaning of the drawings and project manual. Every request for such an interpretation shall be made in writing, addressed and forwarded to the Purchasing Department or Consultant Engineer. The Engineer shall prepare a written response for distribution by the Purchasing Department or Consultant Engineer. No inquiry received within (5) calendar days of the date fixed for opening of bids shall be given consideration. Every interpretation made to a bidder shall be in the form of an addendum to the contract documents, which, if issued, shall be sent as promptly as is practicable to all persons to whom the contract documents have been issued. All such addenda shall become part of the contract documents.
- E. Withdrawal and Modification of Bids. Bids may be withdrawn upon written or telegraphic request received from bidders prior to the time fixed for opening. Any bidder who withdraws a bid may not resubmit a bid for the project. Telegraphic Facsimile bids shall not be considered, but modifications by telegraph fax or in writing may be considered at CPW's discretion, if received prior to the time set for opening.
- F. No bid may be withdrawn or modified after bid opening except where the selection of the successful bidder has been delayed for more than 90 calendar days.

Chapter 3  
Definitions, Rules of  
Construction and Application

- G. Substitutions. To obtain approval to use unspecified products, when there is no “or equal” or substitution clause specified, bidders shall submit written requests at least ten (10) calendar days before the bid date and hour. Requests received after this time shall not be considered. Requests shall clearly describe the product for which approval is asked, including all data necessary to demonstrate acceptability. If the substitution is acceptable, the supplier requesting the substitution will be responsible to reimburse the CPW for all engineering costs associated with approval and rework of construction

The Engineer shall prepare a written response for distribution by the Purchasing Department or Consultant Engineer as an addendum.

- H. Award of Contracts. CPW reserves the right to award contracts on any basis it deems to be in its best interest.
- I. Disqualification. CPW reserves the right to disqualify proposals, before or after opening, upon evidence of collusion with intent to defraud or other illegal practices on the part of the bidder.
- J. Rejection. CPW reserves the right to reject any or all bids, when such rejection is in the interest of CPW and to waive informalities in the bidding.
- K. License Requirement. Contractors shall meet all licensing requirements of the State in which the construction is located.
- L. Bid Security. Bids in excess of \$50,000 must be accompanied by a bid bond or certified check in an amount not less than five percent (5%) of the base bid. The bid security shall be retained by CPW if the selected Bidder fails to execute the contract or withdraws his bid. Failure to provide satisfactory performance and payment bonds as required within ten (10) days of the execution of a contract shall be considered as means of forfeiture of the contractor’s bid and will allow the CPW to retain the bid bond.
- M. Performance and Payment Bonds. Both a performance and a payment bond shall be required in an amount equal to one hundred percent (100%) of the contract price.

Chapter 3  
Definitions, Rules of  
Construction and Application

- N. Liquidated Damages. If the project is not completed within the stated time, the Contractor shall be liable to CPW for liquidated damages in an amount to be determined by the Engineering Department and pre-stated in the contract documents.
- O. The bidder shall declare that he has examined the project and informed himself fully in regard to all conditions pertaining to this project; that he has examined the drawings and project manual for the work and contract documents relative thereto and that he has satisfied himself relative to the work to be performed.
- P. The successful bidder shall agree to commence work on or before a date to be specified in a written Notice to proceed and complete all work within a time frame agreed upon by CPW and contractor. The bidder shall also agree to perform all work described in any specifications and drawings, for a defined unit price or lump sum price.
- Q. The bidder shall agree that his proposal will not be withdrawn for a period as set by the Commission after the scheduled closing time for receiving bids.
- R. In case of errors in computation, the unit price amount will prevail.
- S. Negotiations after unsuccessful competitive sealed bidding shall comply with the following provisions.

When bids received pursuant to an invitation for sealed bids are considered unreasonable by the Director of Operations Support, or are not independently reached in open competition, or the low bid exceeds available funds as certified by the appropriate officer, and it is determined in writing by the Director of Operations Support, that time or other circumstances will not permit the delay required to re-solicit competitive sealed bids, a contract may be negotiated pursuant to this section, provided that:

1. each responsible bidder who submitted a bid under the original solicitation is notified of the determination and is given reasonable opportunity to negotiate;
2. the negotiated prices is lower than the lowest rejected bid by any responsible and responsive bidder under the original solicitation;

Chapter 3  
Definitions, Rules of  
Construction and Application

3. the negotiated price is the lowest negotiated price offered by any responsible and responsive offer.

**CHAPTER 4**  
**PROCUREMENT RULES AND REQUIREMENTS**  
**MODIFICATION AND TERMINATION OF CONTRACTS**  
**FOR SUPPLIES AND SERVICES**

**4.1.1 Modification of Contracts**

- A. Contract Clauses. The Chief Executive Officer is authorized to promulgate and adopt regulations permitting or requiring the inclusion of clauses providing for or relating to change orders, modifications or adjustments in prices, time of performance or other contract provisions.
  
- B. Additional Contract Clauses. The Chief Executive Officer is authorized to adopt and promulgate regulations including, but not limited to, regulations permitting or requiring the inclusion in CPW contracts of clauses providing appropriate remedies covering the following subjects:
  - (1) Liquidated damages as appropriate.
  - (2) Specified excuses for delay or nonperformance.
  - (3) Termination of the contract for default.
  - (4) Termination in whole or in part for the convenience of CPW.
  - (5) Insurance requirements and/or “hold harmless” provisions.

**4.2.1 Authority to Debar or Suspend**

- A. Authority
  - (1) The Chief Executive Officer shall have authority to suspend a person from consideration for award of bids/contracts if there is sufficient cause. The suspension shall not exceed a maximum period of twelve (12) months.
  
  - (2) The Commissioners shall have authority to debar a person from consideration for award of bids/contracts. The debarment shall not exceed a maximum period of three (3) years.

Chapter 4  
Modification and Termination of  
Contracts for Supplies and Services

- B. Causes for debarment or suspension – The causes for debarment or suspension include, but are not limited to the following:
- (1) Conviction or commission of a criminal offense incident to obtaining or attempting to obtain a public or private contract or subcontract or incident to performance of such contract or subcontract.
  - (2) Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving of stolen property or any other offense indicating a lack of business integrity or business honesty which currently, seriously and directly affects responsibility as a contractor.
  - (3) Conviction under state or federal and anti-trust statutes arising out of the submission of bids or proposals.
  - (4) Violation of material bid/contract provision.
    - (i) Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the bid/contract or,
    - (ii) A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more bids/contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment.
    - (iii) Failure of bidders to respond to bid invitation three (3) consecutive times.
- C. Decision – A decision to suspend or debar shall be in writing and shall:
- (1) State the reason for the action taken.
  - (2) Inform the suspended or debarred person involved of his right to administrative or judicial review as provided in policy and procedures.

Chapter 4  
Modification and Termination of  
Contracts for Supplies and Services

- D. Notice of Decision – A copy of the decision under this section shall be mailed or otherwise furnished immediately to the suspended or debarred person and any other affected party.

**4.3.1 Authority to Resolve Contract and Breach of Contract Controversies**

- A. Applicability – This section applies to controversies between CPW and a contractor, which arise under or by virtue of a contract between them. This includes, without limitation, controversy based upon breach of contract, mistake, misrepresentation or other cause for contract modification or recession.
- B. Authority -
  - (1) The Director of Operations Support shall settle or resolve controversies arising under this section.
  - (2) All controversies not settled or resolved by the Director of Operations Support shall be submitted to the Chief Executive Officer for settlement or resolution.
- C. Right to Appeal – A written request shall be submitted to the Director of Operations Support requesting a hearing before the Chief Executive Officer within seven (7) calendar days from decision. Decisions of the Chief Executive Officer may be appealed to the Commissioner’s Public Contract and Finance Committee.
- D. Notice of Decision – A copy of the decision, under this section shall be mailed or otherwise furnished immediately to the contractor.
- E. Finality of Decision – Any decision under this section shall be final and conclusive upon the contractor.

**CHAPTER 5**  
**PROCUREMENT RULES AND REQUIREMENTS**  
**BIDDING GUIDELINES FOR VENDORS**

**Bidding Guidelines**

**5.1.1 Invitation to Bid**

Invitations to Bid are listed on electronic media and advertised in the written media. Prospective vendors may obtain bids at the Purchasing Department's Office. Only one (1) copy of a bid is required to be returned; unless otherwise specified, a copy of the submitted bid should be retained by the vendor. When a sealed bid is opened, examined and recorded, the original copy is placed in a working file for evaluation by the buyer.

**5.2.1 Vendor Address**

Any Purchase order issued as a result of a vendor bid will be sent to the firm's name appearing on the bid form. If order or payments are to be mailed to an address other than that shown on the face of the bid form, the vendor must so indicate and list the post office box or street number, city, state, and zip code for the addresses(es) in writing.

**5.3.1 Signature on Bid**

The person signing the bid must be a person authorized to bind the vendor to contract. A bid not signed by such a person may be considered non-responsive and may be rejected. Unsigned bids cannot be signed after the bid has been opened, even if the vendor or his representative is present at the bid opening.

**5.4.1 Terms and Conditions**

- A. The terms and conditions for all Invitations to Bid shall include these rules by reference unless otherwise specified. Vendor is charged with notice of these rules and understanding of the terms and conditions for the Invitation of Bids, and by submitting a bid, he agrees to abide and he is bound by the policies and procedures of the Commission.
- B. Any special terms and conditions proposed by the bidder that vary from the terms and conditions of the Invitation to Bid must be noted conspicuously on the face of the Invitation to Bid and must receive an affirmation and explicit indication of acceptance from the Director of Operations Support or his agent.

## Chapter 5 Bidding Guidelines for Vendors

- C. Any special terms and conditions, which vary from the terms and conditions of the Invitation to Bid, may render the bid unresponsive and subject the bid to rejection.

### 5.5.1. Pricing

Invitations to Bid shall request a net price for the unit specified for each item FOB destination freight prepaid. The net price is list price less all trade or other discounts offered, not including cash discount for prompt payment. Unit price, extensions and gross total must be shown on the bid or quotation forms. Cost-plus or discount from list quotations may be requested for the supply of certain types of commodities. Instructions concerning this method of pricing will be included in the Invitation to Bid.

### 5.6.1 Errors

Erasures or use of correction fluid on bid forms are not acceptable. Prior to submission, errors may be corrected by lining out and entering the substituted words or figures with the change initialed by the person signing the bid. No bid shall be altered or amended after the bid opening. In the case of errors in the extension prices, the unit price will govern.

### 5.7.1 Discount

Invitations to Bid shall request net prices. If cash discount is offered, it must be shown in the space provided. Discount for prompt payment periods of less than thirty (30) days will not be considered in the award process. All discounts offered for prompt payment will be taken if earned. Time will be computed either from the date of delivery at destination or from the date a correct invoice is received, whichever is later.

### 5.8.1 Taxes

Prices quoted shall contain provisions for Federal Excise Taxes or State Sales Tax. CPW is not exempt from such taxes except certain material used in production of raw water. Contractors are not exempt from sales tax on materials and supplies in the production of an item or used in the performance of a repair or construction contract.

Chapter 5  
Bidding Guidelines for Vendors

**5.9.1 Time Performance**

The number of calendar days required for delivery after receipt of order must be shown by the vendor unless already specified by CPW in the space provided on the Invitation to Bid.

**5.10.1 Specifications**

Reference, in the Invitation to Bid, to available specifications shall be sufficient to make the specifications binding on the contractor. Unless a vendor specifies otherwise in his bid, it is assumed that the vendor is bidding in accordance with the specifications in the Invitation to Bid. When merchandise is received that does not meet specifications, it will be returned to the vendor, shipping charges collect.

**5.11.1 Alternate Bids and Specifications**

Alternate bids are encouraged. When alternate bids reveal more economical services, supplies, or materials than those specified, the Purchasing Department reserves the right to award to the “alternate” or re-advertise” with modified specifications. Alternate bids cannot be considered, however, unless detailed specifications accompany the bid. If vendor cannot include alternate or supplemental bids in the bid package supplied with the Invitation to Bid, vendor may submit them on a separate page, using the same format as the original. Also, each separate page must be cross referenced to the Invitation number and applicable item, and must be identified by vendor’s signature.

**5.12.1 Amendment or Withdrawal of Bids**

- A. Prior to bid opening, vendors not able to appear in person who wish to withdraw or amend a bid may do so by submitting either a letter or telegram containing such request to the Purchasing Department. Should a request for withdrawal occur, the Director of Operations Support or designated representative will attach the dated and time stamped request to the bid, which will remain unopened as a part of the permanent file.
  
- B. After a bid opening, a vendor will be permitted to withdraw his bid if there is an obvious error in the bid supported by cost data, or where enforcement of the bid would impose an unconscionable hardship due to an error in the

## Chapter 5 Bidding Guidelines for Vendors

Bid resulting in a quotation substantially below the other bids received. The request for withdrawal shall be made in writing to the Director of Operations Support. No change in bid prices or other provision of bids shall be made.

### 5.13.1 Correspondence Concerning Bid Invitations

Any question concerning the Invitation of Bid should be directed to the Director of Operations Support. The person corresponding should specify, in the heading of the letter, the bid number, requisition number and the bid opening date that appear in the bid invitation. For example:

Bid No. – 180  
Requisition No. – 12345  
Opening Date - 2:00 p.m., July 5, 2007

Note: Reference the bid# in the letter only. Do not put the bid # on the outside of the envelope.

After award, bid files may be examined during normal working hours.

### 5.14.1 Samples

Sample of items, when called for in the Invitation to Bid, must be furnished free of expense, and if not destroyed or used in testing will, upon request, be returned at the vendor's expense. Requests for the return of samples must be made, in writing, within ten (10) days following opening of bids. After ten (10) days, CPW assumes no liability for samples and will dispose of or utilize said samples at the discretion of the CPW. Each individual sample must be labeled with vendor's name, manufacturer's brand name and number, requisition number and item reference. Samples submitted by the successful vendor will be held for comparison with merchandise furnished, and will be returned.

### 5.15.1 Product Testing and Demonstration

Manufacturers often offer use demonstrations of their products at department level. CPW recognizes the value of such tests; however, in order to insure proper testing and valid evaluation of test results, vendors are required to obtain prior approval for such tests/demonstrations from the Purchasing Department.

Chapter 5  
Bidding Guidelines for Vendors

**5.16.1 Trade-Ins**

The Commission may request bids for new equipment employing Trade-In of used equipment. In such cases a trade-in price quotation will be requested for trade-in purchases and a separate price quotation without trade-in for the requested equipment. The Commission reserves the right to purchase equipment either with or without the trade-in.

**CHAPTER 6**  
**PROCUREMENT RULES AND REGULATIONS**  
**PROTESTS**

**6.1.1 Administrative Review**

The Commission has established a review process for protests in connection with solicitations or contract awards that begin with receipt of a written protest as outlined in this procedure.

**6.2.1 Right to Protest**

Any actual or prospective bidder, offerer, contractor, or subcontractor who is aggrieved in connection with the solicitation or award of a contract may protest to the Director of Operations Support. The protest, setting forth the grievance, shall be submitted in writing within ten (10) days after such aggrieved persons know or should have known the facts giving rise thereto, but in no circumstance after thirty (30) calendar days of notification of award of contract.

**6.3.1 Authority to Resolve Protests**

The Director of Operations Support shall have authority, prior to the commencement of an administrative review, as provided in this procedure, to settle and resolve a protest of an aggrieved bidder, offerer, contractor or subcontractor, actual or prospective, concerning the solicitation award of a contract. This authority shall be utilized in a manner consistent with CPW Purchasing Policy.

**6.4.1 Decision**

If the protest is not resolved by mutual agreement, the Director of Operations Support shall promptly issue a decision within writing ten (10) days of receipt of said protest. The decision shall state the reasons for the action taken.

**6.5.1 Notice of Decision**

A copy of the decision under Section 2 of this procedure shall be mailed or otherwise furnished immediately to the protestor, Chief Executive Officer, and any other party intervening.

Chapter 6  
Protests

**6.6.1 Appeals**

Any person adversely affected by the decision may appeal the decision of the Director of Operations Support, in writing, setting forth the grievance, to the Commission's Public Contract and Finance Committee within ten (10) days of receipt of the decision by the Director of Operations Support. The Public Finance and Contract Committee shall review the protest within twenty-five (25) working days. The decision of the Commission's Public Contract and Finance Committee is the final administration review. The Public Contract and Finance Committee shall render a decision that is final and conclusive. The CEO shall promptly issue the Committee's findings in writing to the protester within three (3) working days of the decision.

## CHAPTER 7

### PROCUREMENT RULES AND REQUIREMENTS

#### PREFERENCE TO THE U.S. MADE OR MANUFACTURED END-PRODUCTS

##### 7.1.1 General Policy

It is the policy of the Commissioners of Public Works of the City of Charleston (hereinafter referred to as the Commission) as a market participant and not a regulator to procure necessary end-products which are made or manufactured in the United States, if available, before the same or substantially similar foreign-made or manufactured end products may be procured. This policy serves the public interest by promoting American Goods.

##### 7.2.1 Definitions

The following words, unless the context clearly indicates otherwise, shall mean:

- A. Made: To assemble, fabricate or process component parts into a finished end-product.
- B. Manufacture: To make or process raw materials into a finished end-product.
- C. End-Product: The term sought by the Commission described in the solicitation including all component parts and in the final form and ready for the use intended by the Commission.
- D. Unreasonable Cost: The cost of an end-product made or manufactured in the United States is unreasonable if the bid or offer exceeds by more than five percent (5%) the lowest qualified bid or proposal on the same end-product, which is made or manufactured in a foreign country or territory.

##### 7.3.1 Application

Competitive procurements shall be of end-products made or manufactured in the United States, if available, before the same or substantially similar foreign-made or manufactured products are procured provided that: (1) bidder or offerer has certified in writing the bid or offer that the end-product was made or manufactured in the United States, and (2) the end-product is available, and (3) the cost of the end-product is not unreasonable, and (4) the vendor is a responsible and responsive bidder or offerer and, (5) the bid or offer otherwise complies with

Chapter 7  
Preference to the U.S. Made  
or Manufactured End-Products

procurement policies of the Commission

When a solicitation is being conducted in accordance with the request for proposal procedures contained in the Commission procurement manual, preference provided in this policy applies only to the price element of the evaluation criteria. This policy shall not apply to each line item in a solicitation to which a separate, responsive bid may be made.

**7.4.1 Exceptions**

Price preference shall not apply to any solicitation, bid, offer or procurement where the cost is less than \$10,000.

**7.5.1 Enforcement**

The vendor, by submitting a bid agrees to abide by and be bound by the terms and conditions of the Commission's policies and procedures. The CEO shall have the authority to enforce the following:

1. If the bidder or offerer with an invalid certification of origin was awarded the contract, he shall pay the Commission the amount by which the bid based on the invalid certification exceeded the eventual bid award.
2. A bidder or offerer may be suspended or debarred from doing business for twelve (12) months in accordance with established procurement policies if the Director of Operations Support determines that the certification made by the bidder or offerer as to the origin of the end-product is not valid.

**7.6.1 Implementation**

The assigned buyer shall include an affidavit provided by the CPW in all solicitations for products with an estimated value of \$10,000 or more.

**CHAPTER 8**  
**PROCUREMENT RULES AND REQUIREMENTS**  
**STANDARDIZATION**

**8.1.1 Purpose**

To provide guidance for the standardization of purchased materials.

**8.2.1 Scope**

This policy applies to all purchases.

**8.3.1 General**

Standardization of all supplies, materials and equipment is to be achieved whenever possible. A CPW-wide effort and support to fill consolidated requirements in standard commodities, i.e.: chemicals, lubricants, office supplies, printing, packaging materials, vehicles, etc., allows the purchase of useful materials and supplies on a CPW-wide basis and thereby optimizes cost reductions.

Purchasing will be responsible for the establishment and maintenance of a Standards Manual. The Standards Manual will contain copies of all approved equipment, materials and supply standards.

It is basic policy and intent to achieve standardization through attrition. Consideration must be given to cost of installation and operating commitments when replacing nonstandard items.

## CHAPTER 9

### SMALL AND DISADVANTAGED BUSINESSES UTILIZATION

#### 9.1.1 General Policy

It is the policy of the Commissioners of Public Works of the City of Charleston (hereinafter referred to as the Commission) to seek opportunities to utilize qualified small and disadvantaged businesses where practical.

Consistent with the Commission's long-standing commitment to equal opportunity in contracting, the Director of Operations Support is charged with developing and maintaining procurement programs that meet the standard set out by the Supreme Court in its 1995 decision in Adarand Constructors, Inc., V. Pena, 115 S. Ct. 2097 (1995). All procedures and initiatives adopted shall conform with the U.S. Supreme Court's 1995 Adarand court decision including the adoption of annual Small and Disadvantaged Businesses (hereinafter referred to as SDB's) goals. This policy serves the public interest by expanding the pool of qualified vendors.

#### 9.2.1 Definition – Small and Disadvantaged Business

A small business that is not less than 51% unconditionally owned by one or more individuals who are both socially and economically disadvantaged, or a publicly owned business that has not less than 51% of its stock unconditionally owned by one or more socially and economically disadvantaged individuals, and that has its management and daily business controlled by one or more such individuals as defined by the Small Business Administration (hereinafter referred to as SBA).

#### 9.3.1 Eligibility Certification

The SBA certifies SDB's to make them eligible for special bidding benefits. The Commission shall accept a current SBA certification when extending special bidding contracts.

#### 9.4.1 Price Evaluation

The Director of Operations Support shall track SDB's procurement and recommend to the CEO on an annual basis the Standard Industrial Classifications (SIC) where a price evaluation of up to 10% could apply when SDB/s goals are not met.

Chapter 9  
Small and Disadvantaged  
Business Utilization

**9.5.1 Small Disadvantaged Businesses Subcontracts**

The Director of Operations Support is authorized to recommend a price evaluation for the value of up to 3% of all Small and Disadvantaged Businesses subcontracts when SDB goals are not met.