



**Macon County**  
*North Carolina*



**REQUEST FOR BIDS AND PROPOSALS  
BID REQUEST NO. 4375-01**

**MOBILE GENERATOR LIGHT  
TOWERS FOR MACON COUNTY  
EMERGENCY MANAGEMENT**

**ISSUE DATE: APRIL 25, 2012**

**BID OPENING DATE:  
MAY 3, 2012  
3:00 PM LOCAL TIME**

**ISSUED BY: MACON COUNTY FINANCE DEPARTMENT  
5 WEST MAIN STREET  
FRANKLIN, NC 28734  
PHONE: (828) 524-1640  
LINDSAY MCCONNELL, PURCHASING AGENT**

**BIDS ARE TO BE SEALED AND MAILED VIA USPS TO THE ABOVE ADDRESS OR DELIVERED TO THE  
PURCHASING AGENT'S OFFICE LOCATED IN THE MACON COUNTY ANNEX BUILDING AT 5 WEST MAIN  
STREET, FRANKLIN, NC 28734**

**MACON COUNTY, NORTH CAROLINA**

**FINANCE DEPARTMENT**

Bid Request No. 4375-01

April 25, 2012

**REQUEST FOR FORMAL BIDS AND PROPOSALS FOR MOBILE GENERATOR LIGHT  
TOWERS FOR MACON COUNTY EMERGENCY MANAGEMENT**

Pursuant to General Statutes of North Carolina, Section 143-129, as amended, sealed bids and proposals, subject to the conditions and specifications herein, are invited for furnishing the following equipment, materials, services or repair work. **All bids will be received by the Macon County Finance Department until 3:00 p.m. local time on Thursday, the 3<sup>rd</sup> day of May, 2012, at which time they will be publicly opened and read.**

---

---

**MAILING INSTRUCTIONS**

1. Bidder submit a complete, fully executed bid document.
2. If mailed, bid should be forwarded by certified U.S. Postal Service. Please address and mark your bid as shown below.

MACON COUNTY FINANCE DEPARTMENT ATTN: LINDSAY MCCONNELL 5 WEST MAIN STREET FRANKLIN, NC 28734 BID REQUEST NO 4375-01
---

3. If forwarded other than by U.S. Postal Service, delivery must be made directly to Macon County Finance Department, 5 West Main Street, Franklin, NC 28734.

**NOTE: IF MAIL OR DELIVERY BY ANY OTHER MEANS IS DELAYED BEYOND THE DATE AND HOUR SET FOR BID OPENING, PROPOSAL THUS DELAYED WILL NOT BE CONSIDERED.**

## **GENERAL CONDITIONS**

1. All bids and proposals shall be for furnishing apparatus, supplies, materials, equipment and/or work and services in accordance with the applicable plans and specifications prescribed by Macon County. From the date shown until the date of opening the bids, the plans and specifications of proposed work and/or a complete description of the apparatus, supplies, materials, equipment, and/or work and services will continue to be on file in the Finance Department of Macon County, Franklin, NC., during usual office hours, and available to prospective bidders.
2. Time, in connection with discount offered, will be computed from the date of delivery of the supplies or materials on delivery at destination when final inspection and acceptance are at those points. Guaranteed maximum price must be shown in all bids.
3. In case of default of the contractor, the County may procure the articles or services from other sources and hold the contractor responsible for any excess cost occasioned thereby.
4. Payment by County due thirty days after delivery in Macon County and acceptance unless otherwise specifically provided, subject to any discounts allowed.
5. **Governing Law.** This Invitation for Bids and any resulting contract shall be governed by and in accordance with the laws of the State of North Carolina. All actions relating in any way to this bid or resulting contract shall be brought in the General Court of Justice in the County of Macon and the State of North Carolina.

**SPECIAL TERMS AND CONDITIONS FOR MOBILE GENERATOR LIGHT TOWERS FOR MACON  
COUNTY EMERGENCY MANAGEMENT**

1. **DETAILED SPECIFICATIONS:** Detailed specifications for this equipment are included as an attachment with the bid request.  
Bids to be submitted in accordance with the attached specifications and these Special Terms and Conditions, both of which require doing all that is necessary, proper, or incidental to the furnishing of the equipment identified herein. All things not expressly stated in the attached specifications or Special Terms and Conditions but involved in carrying them out must be included in the bidder's proposal as though they were specifically stated. It is the sole responsibility of the Bidder to insure that the Bidder's proposal reaches the Issuing Department by the designated time and date. No electronic or faxed bids will be accepted.
2. **NOTICE TO BIDDERS:** All bids are subject to the provisions of the instructions to Bidders, Special Terms and Conditions specific to this Request for Bids and Proposals, the Specifications, and General Contract Terms and Conditions. Macon County objects to and will not evaluate or consider any additional terms and conditions submitted with a bidder response. This applies to any response appearing in or attached to the document as part of the bidder's response. **DO NOT ATTACH ANY ADDITIONAL TERMS AND CONDITIONS.** By execution and delivery of a proposal, the bidder agrees that any additional terms and conditions, whether submitted purposely or inadvertently, shall have no force or effect. It shall be the bidder's responsibility to read this entire document, review all enclosures and attachments, and comply with all requirements specified herein.
3. **ISSUING DEPARTMENT:** This bid request is issued by Macon County Finance Department, 5 West Main Street, Franklin, North Carolina 28734. All correspondence and inquiry should be made to this address.
4. **CLARIFICATIONS/INTERPRETATIONS:** Any and all questions regarding this document must be addressed in writing to the Macon County Finance Department. Questions regarding specifications to be directed in writing to Lindsay McConnell, Purchasing Agent, Monday through Friday, 8:00 a.m. – 5:00 p.m. Fax (828) 349-2520 or email [lmcconnell@maconnc.org](mailto:lmcconnell@maconnc.org). Questions will not be accepted after 10:00 a.m. on May 3, 2012. Questions and responses will be provided to all bidders by issuance of an Addendum. Any Addenda will be made available on the County's website, [www.maconnc.org](http://www.maconnc.org).
5. **GENERAL REQUIREMENTS:** The equipment furnished shall be new and unused and the manufacturer's latest listed and published stock model, or models which meet all the applicable requirements of these specifications.
6. **MINOR DEVIATIONS/EXCEPTIONS TO SPECIFICATIONS:**
  - a. Minor deviations from the provisions of these specifications may be considered to permit manufacturers to follow their standard manufacturing

processes; however, all proposed minor deviations must be explained in writing and submitted with the bidder's proposal.

- b. **Addendum:** If it becomes necessary to revise any part of the bid, a written addendum will be provided to all bidders. Bidders shall acknowledge receipt of any amendment/addendum by returning a signed copy with their proposal. All addenda are to become a part of the bid documents and subsequent contract award(s).

Macon County reserves the right to postpone bid openings for its own convenience.

7. **NONCONFORMING TERMS AND CONDITIONS:** A bid response that includes terms and conditions that do not conform to the terms and conditions in this bid document is subject to rejection as nonresponsive.
8. **BIDDERS SUBMITTALS:** Bidder must furnish all information requested herein including descriptive literature and/or complete specifications covering the products offered. Reference to literature submitted with a previous bid will not satisfy this provision. Bids which do not comply with these requirements will be subject to rejection. All documents submitted should bear the name of the bidder and the Bid Number.
9. **EXPENSES INCURRED IN PREPARING BID:** Macon County accepts no responsibility for any expense incurred by the bidder in the preparation and presentation of a bid. Such expenses shall be borne exclusively by the bidder.
10. **CONTRACT/AWARD:** Pursuant to the laws governing public contracts in North Carolina, the County's RFB#4375-01, successful bidder's/vendor's response to this *Request for Bids and Proposals* and any addenda thereto, plus the County's issuance of a *Macon County Purchase Order* for the proposed goods and/or services shall constitute a binding contract.
11. **OPTION TO PURCHASE ADDITIONAL REQUIREMENTS:** Subject to the successful bidder's acceptance, the County reserves the option to purchase additional equipment as specified herein at the price bid and awarded in this *Request for Bids and Proposals*.
12. **INDEMNIFICATION:** To the fullest extent allowed by the applicable law, the bidder/vendor covenants to save, defend, keep harmless, and indemnify Macon County and all of its officers, departments, agencies, agents, and employees from and against all claims, loss, damage, injury, fines, penalties, and cost (including court costs and attorney's fees, charges, liability, and exposure, however, caused) resulting from, arising out of, or in any way connected with the bidder's/vendor's performance or nonperformance of the terms and contract. This Indemnification shall survive the termination of the contract.
13. **ASSIGNMENT:** During the performance of the contract, the bidder/vendor shall not assign, transfer, convey, sublet, or otherwise dispose of any award or any or all of its rights, title, or interest therein, without the prior written consent of Macon County.

14. **VENDOR APPLICATION AND PRIVILEGE LICENSE:** Bidders/vendors that have not previously submitted (within the last 12 months) a vendor's application and/or privilege license should download an application from the County website at [www.maconnc.org](http://www.maconnc.org) and submit with their bid.
15. Where reference is made to equipment to be "furnished" or "provided" by the bidder these words shall be read to mean suitably installed on each piece of equipment.
16. **TAX EXEMPTIONS:** Macon County is exempt from Federal Excise Tax but not State and Local Tax. Sales tax shall not be included in bid prices, but shall be shown as separate items.
17. **DELIVERY:** Delivery shall be made FOB: Macon County Garage, 42 Panel Lane, Franklin, North Carolina 28734. Bidder should give minimum seven (7) days notice of delivery of the mobile generator light towers to Larry Conley, Director of Fleet Management. Telephone number (828) 349-2292.
18. **EVALUATION AND SELECTION OF BIDS:** The evaluation of vendor bids shall center on the match between the stated specifications and other requirements included in the final bid request and the vendor's proposal including selection of the lowest responsible bidder, with the consideration of past performance, service record, and reliability. The statutory provisions controlling purchasing by local governments in North Carolina General Statutes 143 includes selection standards for use in making of awards. The provision reads, "All contracts shall be awarded to the lowest responsible, responsive bidder, taking into consideration quality, performance, and the time specified in the bids for the performance of the contract." Macon County reserves the right to accept or reject any or all bids and proposals and further specifically reserves the right to make the award or awards in the best interest of Macon County.
19. All bids shall be made firm for no less than sixty (60) days.
20. This Request for Bids and Proposals is subject to the availability of funds for this Project.
21. No contract will be awarded to a bidder who is debarred or suspended or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549.
22. Any contract awarded pursuant to this Request for bids shall include those provisions as required by the provisions of 44 CFR Chapter I, Subchapter A, Part 13, Subpart C, Section 13.36. Procurement, (i) (1) - (13), a copy of which is attached hereto.

## Macon County Emergency Management

### Specifications for Mobile Generator Light Towers

NOTE: All bidders shall respond to each category below. Any “NO” responses or deviations shall be explained in the space provided. If complies, put a check mark in the appropriate box.

		COMPLIES	IF NO: DEVIATES AS NOTED
	<b>Light Tower Specs:</b>		
1	Purchase of nine (9) units with the optional price to add one (1) to four (4) more additional units.		
	<b>Engine:</b>		
2	Diesel, water cooled		
3	DC System Voltage: 12 V 1000 CCA		
4	Minimum 25 gallon fuel tank		
5	Cold weather start kit		
6	Weather resistant controls		
7	Hour meter		
8	Two stage dry type air cleaner with replaceable element		
	<b>Generator:</b>		
9	60 hz, 20 kW, single phase, brushless, rated for continuous duty		
10	Available voltages: 120/40		
11	Receptacles; (2) GFCI duplex 20 amp/120 V, (3) Twistlock 30 amp 120/240 V, (1) Twistlock 50 amp 120/240 V		
	<b>Tower:</b>		
12	Tower, telescoping, 12 ft to 30 ft, 360 degree rotation		
13	Four (4) 1000W lamps with anodized aluminum reflectors		
14	Lights shall be equipped with support to prevent damage from vibration and shock.		
15	There shall be one ballast for each light, circuit breaker protected.		
16	Dual (2) electric tower winches to raise/lower tower.		
17	Locking pins to secure the tower in both extended and travel positions.		
18	Tower rated to withstand 65 mph winds with tower fully extended.		
	<b>Trailer:</b>		
19	Two-wheel design using heavy leaf spring running gear with 15” tires		
20	2 inch ball hitch		
21	Single pint, external lifting point and fork lift slots		

22	Trailer jack		
23	Two outriggers/leveling jacks with leveling bubble (minimum)		
24	3/8 inch highway safety chains with snap hook		
25	US DOT approved stop, tail, and turn lights with 4-pole connector plug		
	<b>Safety Features</b>		
26	Fan Guards shall meet OSHA recommendations		
27	Reflectors shall be installed on all sides for nighttime visibility		
28	Ground Fault Circuit Interrupt (GFCI) protection on duplex outlets		
29	Operation and safety decals		
30	Automatic safety shutdown devices in case of low engine oil pressure, high engine coolant temperature or low fuel.		
	<b>Warranty:</b>		
31	Equipment shall be free of defects in material and workmanship for a period of the earlier twelve (12) months from shipment to or the accumulation of 2,000 hours of service by the user.		
	<b>General:</b>		
32	Grant funding provided by North Carolina Emergency Management as part of the FY2010 State Homeland Security Grant Program throughout the DPR region to various host counties.		

**\*\*\*\*NO PARTIAL BIDS OR SUBSTITUTIONS WILL BE ACCEPTED\*\*\*\***

**Delivery shall be made FOB: Macon County Garage, 42 Panel Lane, Franklin, North Carolina 28734. Firm should give minimum seven (7) days notice of delivery of equipment to Larry Conley, Director of Fleet Management. Telephone number (828) 349-2292.**



# NON-COLLUSION AFFIDAVIT

MACON COUNTY  
BID REQUEST NO. 4375-01

MOBILE GENERATOR LIGHT TOWERS FOR MACON COUNTY EMERGENCY MANAGEMENT

The undersigned affirms that the proposal made here-in is made without any connections with any other person, or persons, making any other proposal for the above item(s): that it is in all respects fair and without collusion or fraud:

That \_\_\_\_\_ (Firm Name) is not connected in any official capacity with Macon County, and that no person, or persons, acting in such a capacity are directly, or indirectly, interested herein or in any of the profit arising or anticipated from this transaction.

In making this proposal, it is understood and agreed, that the conditions set forth in the advertisement for bids, instructions to bidders, terms and conditions and specifications together with the proposal shall form a part of and be construed with the contract under the same.

The acceptance of this proposal by Macon County, as evidenced by the issuance of a Macon County Purchase Order, will be held to be a mutual agreement as to each and every clause of this proposal and to constitute a contract between the parties hereto.

FIRM NAME: \_\_\_\_\_

ADDRESS:  
\_\_\_\_\_

BY:  
\_\_\_\_\_

TITLE: \_\_\_\_\_

State of North Carolina  
County of: \_\_\_\_\_

Sworn to and subscribed  
before me, this  
\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

# OFFICIAL BID QUOTE AND ACKNOWLEDGMENT

For: Mobile Generator Light Towers for Macon County Emergency Management (Bid Request No. 4375-01).

Bid Furnished by: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Cell Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

We who furnish this bid have carefully examined the Bid General Conditions, the Special Terms and Conditions, completed the Non-Collusion Affidavit, reviewed the Bid Specifications, **and all Addenda which we list below**, and therefore furnish the bid proposal as shown below.

Addenda (if none, state "N/A"): #1 \_\_\_\_\_, #2 \_\_\_\_\_, #3 \_\_\_\_\_.

**BID:**  
**Mobile Generator Light Towers for Macon County Emergency Management**

Total Bid (Unit Price) for 9 Units \$ \_\_\_\_\_

Total Optional Price (Unit Price) for Additional 1-4 Units \$ \_\_\_\_\_

Total Tax \$ \_\_\_\_\_

Date of the Bid: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Signature

## Code Of Federal Regulations

### Title 44. Emergency Management and Assistance

#### Chapter I. FEDERAL EMERGENCY MANAGEMENT AGENCY, DEPARTMENT OF HOMELAND SECURITY

##### Subchapter A. GENERAL

#### Part 13. UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

##### Subpart C. POST-AWARD REQUIREMENTS

*Current through October 1, 2010*

#### § 13.36. Procurement

(a) *States.* When procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. Other grantees and subgrantees will follow paragraphs (b) through (i) in this section.

(b) *Procurement standards.* (1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.

(2) Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(3) Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

(i) The employee, officer or agent,

(ii) Any member of his immediate family,

(iii) His or her partner, or

(iv) An organization which employs, or is about to employ, any of the above, has a financial or other interest

in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

(4) Grantee and subgrantee procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(5) To foster greater economy and efficiency, grantees and subgrantees are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services.

(6) Grantees and subgrantees are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

(7) Grantees and subgrantees are encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

(8) Grantees and subgrantees will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

(9) Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(10) Grantees and subgrantees will use time and material type contracts only-

(i) After a determination that no other contract is suitable, and

(ii) If the contract includes a ceiling price that the contractor exceeds at its own risk.

(11) Grantees and subgrantees alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to source evaluation, protests, disputes, and claims. These standards do not relieve the grantee or subgrantee of any contractual responsibilities under its contracts. Federal agencies will not substitute their judgment for that of the grantee or subgrantee unless the matter is primarily a Federal concern. Violations of law will be referred to the local, State, or Federal authority having proper jurisdiction.

(12) Grantees and subgrantees will have protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency. A protestor must exhaust all administrative remedies with the grantee and subgrantee before pursuing a protest with the Federal agency. Reviews of protests by the Federal agency will be limited to:

(i) Violations of Federal law or regulations and the standards of this section (violations of State or local law will be under the jurisdiction of State or local authorities) and

(ii) Violations of the grantee's or subgrantee's protest procedures for failure to review a complaint or protest. Protests received by the Federal agency other than those specified above will be referred to the grantee or subgrantee.

(c) *Competition.* (1) All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of section 13.36. Some of the situations considered to be restrictive of competition include but are not limited to:

(i) Placing unreasonable requirements on firms in order for them to qualify to do business,

(ii) Requiring unnecessary experience and excessive bonding,

(iii) Noncompetitive pricing practices between firms or between affiliated companies,

(iv) Noncompetitive awards to consultants that are on retainer contracts,

(v) Organizational conflicts of interest,

(vi) Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance of other relevant requirements of the procurement, and

(vii) Any arbitrary action in the procurement process.

(2) Grantees and subgrantees will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts State licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(3) Grantees will have written selection procedures for procurement transactions. These procedures will ensure that all solicitations:

(i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and

(ii) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(4) Grantees and subgrantees will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, grantees and subgrantees will not preclude potential bidders from qualifying during the solicitation period.

(d) *Methods of procurement to be followed* -(1) *Procurement by small purchase procedures.* Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the

simplified acquisition threshold fixed at 41 U.S.C. 403(11) (currently set at \$100,000). If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.

(2) Procurement by *sealed bids* (formal advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in §13.36(d)(2)(i) apply.

(i) In order for sealed bidding to be feasible, the following conditions should be present:

(A) A complete, adequate, and realistic specification or purchase description is available;

(B) Two or more responsible bidders are willing and able to compete effectively and for the business; and

(C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(ii) If sealed bids are used, the following requirements apply:

(A) The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;

(B) The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;

(C) All bids will be publicly opened at the time and place prescribed in the invitation for bids;

(D) A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(E) Any or all bids may be rejected if there is a sound documented reason.

(3) Procurement by *competitive proposals*. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is

used, the following requirements apply:

(i) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;

(ii) Proposals will be solicited from an adequate number of qualified sources;

(iii) Grantees and subgrantees will have a method for conducting technical evaluations of the proposals received and for selecting awardees;

(iv) Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

(v) Grantees and subgrantees may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(4) Procurement by *noncompetitive proposals* is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate.

(i) Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

(A) The item is available only from a single source;

(B) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(C) The awarding agency authorizes noncompetitive proposals; or

(D) After solicitation of a number of sources, competition is determined inadequate.

(ii) Cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required.

(iii) Grantees and subgrantees may be required to submit the proposed procurement to the awarding agency for pre-award review in accordance with paragraph (g) of this section.

(e) *Contracting with small and minority firms, women's business enterprise and labor surplus area firms.* (1) The grantee and subgrantee will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

(2) Affirmative steps shall include:

(i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;

(iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;

(v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and

(vi) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (e)(2) (i) through (v) of this section.

(f) *Contract cost and price.* (1) Grantees and subgrantees must perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.

(2) Grantees and subgrantees will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of

the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(3) Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles (see §13.22). Grantees may reference their own cost principles that comply with the applicable Federal cost principles.

(4) The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

(g) *Awarding agency review.* (1) Grantees and subgrantees must make available, upon request of the awarding agency, technical specifications on proposed procurements where the awarding agency believes such review is needed to ensure that the item and/or service specified is the one being proposed for purchase. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the grantee or subgrantee desires to have the review accomplished after a solicitation has been developed, the awarding agency may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(2) Grantees and subgrantees must on request make available for awarding agency pre-award review procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc. when:

(i) A grantee's or subgrantee's procurement procedures or operation fails to comply with the procurement standards in this section; or

(ii) The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation; or

(iii) The procurement, which is expected to exceed the simplified acquisition threshold, specifies a "brand name" product; or

(iv) The proposed award is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

(v) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold.

(3) A grantee or subgrantee will be exempt from the pre-award review in paragraph (g)(2) of this section if the

awarding agency determines that its procurement systems comply with the standards of this section.

(i) A grantee or subgrantee may request that its procurement system be reviewed by the awarding agency to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews shall occur where there is a continuous high-dollar funding, and third-party contracts are awarded on a regular basis.

(ii) A grantee or subgrantee may self-certify its procurement system. Such self-certification shall not limit the awarding agency's right to survey the system. Under a self-certification procedure, awarding agencies may wish to rely on written assurances from the grantee or subgrantee that it is complying with these standards. A grantee or subgrantee will cite specific procedures, regulations, standards, etc., as being in compliance with these requirements and have its system available for review.

(h) *Bonding requirements.* For construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold, the awarding agency may accept the bonding policy and requirements of the grantee or subgrantee provided the awarding agency has made a determination that the awarding agency's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

(1) *A bid guarantee from each bidder equivalent to five percent of the bid price.* The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

(2) *A performance bond on the part of the contractor for 100 percent of the contract price.* A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(3) *A payment bond on the part of the contractor for 100 percent of the contract price.* A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

(i) *Contract provisions.* A grantee's and subgrantee's contracts must contain provisions in paragraph (i) of this section. Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy.

(1) Administrative, contractual, or legal remedies in

instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold)

(2) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)

(3) Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by grantees and their contractors or subgrantees)

(4) Compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3). (All contracts and subgrants for construction or repair)

(5) Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts in excess of \$2000 awarded by grantees and subgrantees when required by Federal grant program legislation)

(6) Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR Part 5). (Construction contracts awarded by grantees and subgrantees in excess of \$2000, and in excess of \$2500 for other contracts which involve the employment of mechanics or laborers)

(7) Notice of awarding agency requirements and regulations pertaining to reporting.

(8) Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.

(9) Awarding agency requirements and regulations pertaining to copyrights and rights in data.

(10) Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

(11) Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.

(12) Compliance with all applicable standards, orders, or

requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of \$100,000)

(13) Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

**History.** 53 FR 8078, 8087, Mar. 11, 1988, as amended at 60 FR 19639, 19645, Apr. 19, 1995