

Study on Local Government Procurement in Johnson County, Iowa
League of Women Voters of Johnson County, Iowa

Conducted by:

Barbara Beaumont, Carol Butler, Polly Horton, Kelcey Patrick-Ferree, Silvia Quezada,
and Miriam Timmer-Hackert

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Introduction

Recently government purchasing practices have been in the news because of disputes within Johnson County regarding whether Requests for Proposals ought to be issued for specific projects, and disputes at the state level about the emergency selection of vendors for COVID-19 testing and uses of federal funds. The League of Women Voters of Johnson County did not at that time have any position on local procurement and purchasing practices, so the League decided to conduct a study to help its members learn more about the policies, laws, and regulations in this area.

This study is the result: a study of government transparency and accountability focusing on local government purchasing practices. We have researched best practices and applicable Iowa laws; evaluated four Johnson County local governments' purchasing policies for compliance with best practices; and evaluated how well those local governments adhere to their policies and best practices. We chose to examine the Johnson County government as well as the city governments of North Liberty, Coralville, and Tiffin. The cities of North Liberty and Coralville are roughly equal in population, but Coralville has been about the same size for many years while North Liberty is one of the fastest-growing cities in the state. We hope that any differences between the two might be enlightening, whether potential areas of stagnation in long-established cities, potential problem areas in rapidly growing cities, or both. Tiffin was included because it is the fastest-growing city in the state, and we felt that a small and fast-growing city might reveal additional potential problem areas for rapidly growing cities.

The scope of our study is limited to local governments, because the Johnson County League will be the entity adopting positions based on this study. However, we have written **Appendix 1** which explains our methods in hopes that other county Leagues and the Iowa State League might find it helpful should they choose to conduct similar studies.

We have examined these local governments' procurement practices, including purchasing of goods, hiring of services, construction/infrastructure products including bridges and roads, and real estate purchases.

In order to determine best practices, we used two sources in addition to the League of Women Voters' publication *Impact on Issues* position on governmental outsourcing. We reviewed the American Bar Association's model code and regulations for procurement and materials provided by the National Institute of Governmental Purchasing, or NIGP. As part of our work, we created **Appendix 2**, a table that shows the main concepts contained in the ABA Model Code and maps our local governments' purchasing policies to those concepts.

The American Bar Association, founded in 1878, is the largest voluntary bar association in the United States. Its mission is “to serve equally our members, our profession and the public by defending liberty and delivering justice as the national representative of the legal profession.”¹ As part of that mission, ABA members create model laws on a variety of topics, many of which have been adopted in whole or in part by states.

The NIGP is an organization for procurement professionals that “has been developing, supporting, and promoting the public procurement profession through premier educational and research programs, professional support, technical services, and advocacy initiatives that benefit members and other important stakeholders since 1944.”² Its mission is “to develop, support and promote the public procurement profession.”³ The organization provides a number of brochures on its website that provide overviews of and advice regarding procurement best practices for governmental employees.⁴

Best Practices

The marketplace is different for various supplies, services, and construction; therefore we recommend that the League support comprehensive local government procurement processes. The process should start with the local government doing feasibility studies and identifying stakeholders to be consulted and informed. The procurement process should allow a variety of source selection techniques designed to provide the best competition for all types of procurements and broad-based participation from the supplier market.

We further recommend that the League support policies that encourage collaboration, transparency, and competition as basic tenets of public procurement. Collaboration between local governments can improve services for all citizens. A robust approach to procurement supports an accessible process based on clear criteria and a public selection process. Competition reduces the opportunity for favoritism and inspires public confidence that contracts are awarded equitably, economically, and in the public interest.

Feasibility Studies and Source Selection

¹ American Bar Association (ABA) “About” page, available at <https://www.americanbar.org/about_the_aba/>, retrieved March 7, 2021.

² NIGP “About” page, available at <<https://www.nigp.org/about-nigp/about-nigp>>, retrieved March 7, 2021.

³ NIGP “Mission and Vision” page, available at <<https://www.nigp.org/about-nigp/mission-and-vision>>, retrieved March 7, 2021.

⁴ NIGP “Global Best Practices” page, available at <<https://www.nigp.org/our-profession/global-best-practices>>, retrieved March 7, 2021.

Best practices for government regulation of county and city purchasing processes should include a reasonable feasibility study and project evaluation appropriate to the size and scope of the project. A comprehensive procurement process provides for competitive sealed bidding, competitive sealed proposals, and simplified small purchase procedures with less formal competitive procedures where the amount of the contract does not warrant the expense and time otherwise involved.

Large purchasing processes should start with written Mission, Vision, and Values statements.⁵ Procurement should understand its relationship to its constituency and develop and update a strategic plan. The plan should develop SMART objectives: Specific, Measurable, Attainable, Relevant, and Time-bound. The plan should describe who is responsible for performing any particular action, who is ultimately accountable, which stakeholders need to be consulted on specific matters, and which individuals or groups may only need to be informed.⁶ Procurement should also consider the timeline and schedule appropriate to the size of the project.

An **Invitation for Bids (IFB)** procurement method may be chosen when requirements are known and the award is made primarily on price.⁷

A **Request for Proposals (RFP)** is used when the requirements are not clearly known, are qualitative rather than quantitative, or when the entity is looking for a solution to a problem. An RFP tends to be used for technical and complex procurements as proposers are encouraged to offer creative and innovative solutions customized to the entity's needs. The evaluation of proposals requires pre-established criteria and processes, which are used to select a proposer(s) for contract award.⁸

For procurement professionals who are undertaking construction projects, choosing the right delivery method is crucial as some are limited by law. Procurement professionals should analyze the project including the complexity of scope, risk, and the contractor's qualifications and experience.⁹

A **specification** is a precise description of a commodity's physical characteristics, quality, or desired outcome. In government procurement, the buyer writes specifications in relevant language that is easily understood by potential suppliers. There are two types of specifications in procurement: design and performance. A design specification describes physical

⁵ Brochure, "Strategic Procurement Planning," © 2012 CIPS and NIGP, available at < <https://www.nigp.org/our-profession/global-best-practices#planning>>, retrieved March 20, 2022.

⁶ Brochure, "Stakeholder Relationships," © 2020 NIGP, available at <<https://www.nigp.org/our-profession/global-best-practices#leadership>>, retrieved January 30, 2022.

⁷ Brochure, "Invitation for Bids (IFB) AKA Invitation to Tender (ITT)," © 2018 NIGP, available at <<https://www.nigp.org/our-profession/global-best-practices#sourcing>>, retrieved July 12, 2020.

⁸ Brochure, "Request for Proposals (RFP)," © 2018 NIGP, available at <<https://www.nigp.org/our-profession/global-best-practices#sourcing>>, retrieved July 12, 2020.

⁹ Brochure, "Selecting the Appropriate Construction Project Delivery Method," © 2020 NIGP, available at < <https://www.nigp.org/our-profession/global-best-practices#sourcing> >, retrieved January 30, 2022.

characteristics, materials, and product features, and details about how the commodity is manufactured. The purpose of a design specification is to meet a custom requirement. A performance specification, on the other hand, describes the desired end result or outcome of the commodity.¹⁰

Promotion of Innovation and Collaboration

The League supports policies that encourage innovation and collaboration.¹¹ For procurement these policies include the use of new technologies, expanded source selection, multi-year contracts, regional projects, and expanded project delivery methods.

The ABA Model Procurement Code updated the dissemination of bid proposals to include new technologies in 2000.¹² Source selection should be broad enough to allow for more opportunities, participants, and structures in the procurement process. Expanded project delivery methods open up greater opportunities for multi-year contracts, multi-jurisdictional projects, and more sources.

Cooperative procurement combines requirements for two or more projects to get the benefits of volume purchasing, delivery and supply chain advantages, and to reduce administrative time and expenses. Contracts "piggyback" to gain economies of scale. Using cooperative contracts can lower prices and administrative costs, but might violate budget restrictions. Procurement professionals must ensure the contracts are legally compliant.¹³

Regional projects offer opportunities to address public transportation and other needs that cross public jurisdictions. The League supports allowing public procurement units to be defined broadly so as to increase available volume discounts, encourage regional cooperation, and lower transaction costs.

Open Processes

The League of Women Voters believes that democratic government "requires that governmental bodies protect the citizen's right to know by giving adequate notice of proposed actions, holding open meetings, and making public records accessible."¹⁴ A transparent process

¹⁰ Brochure, "Specifications," © 2020 NIGP, available at < <https://www.nigp.org/our-profession/global-best-practices#sourcing>>, retrieved January 30, 2022.

¹¹ League of Women Voters, *Impact on Issues 2018 – 2020*, p. 38, "Privatization."

¹² ABA "The 2000 Model Procurement Code for State and Local Governments," p. xiii "Introduction," available at <https://www.americanbar.org/groups/public_contract_law/committees/model/>, retrieved July 12, 2020.

¹³ Brochure, "Use of Cooperative Contracts for Public Procurement," © 2020 NIGP, available at <<https://www.nigp.org/our-profession/global-best-practices#sourcing>>, retrieved January 30, 2022.

¹⁴ LWV, *Impact on Issues 2020 – 2022*, p. 6, "Principles."

for procurement increases public confidence, ensures fair and equitable treatment of all persons, provides predictability, and promotes quality and integrity in the system.¹⁵

Key components of an open process include specific criteria for evaluating bids established before requests for bids or proposals are issued, protections against behind-the-scenes manipulation, reasonable public access, and timely oversight. Government procurement aims for transparency -- timely, accessible information to the public -- while also protecting confidential information.¹⁶ Transparency deters nepotism and ensures the visibility of any deviations from fair and equal treatment.

All invitations for bids on a project should include a public notice. All invitations should outline specific criteria to be used to evaluate proposals, along with their relative importance to the final decision. Any modifications to bids must also be public, including changes allowed when a bidder claims they made a mistake. There should be a public opening of the bids in the presence of witnesses at a pre-arranged time and location. Any exceptions to normal procedures must be explained in writing.¹⁷

Guidelines for public procurement originally had a strong preference for competitive sealed bids, with the goal of promoting equal treatment and preventing back room deals. Changes in society and technology led the ABA and the NIGP to significantly expand the types of bidding allowed in 2000. Definitions have been expanded to facilitate the use of electronic means of communication at all stages of the procurement process. Any new modifications should retain the basic open process and public record standards for public procurement projects.¹⁸

The League encourages the use of recommended suppliers and open bidding, but when there is only a single source or special requirements that limit the suppliers, written documentation of the reasons and the full selection process used should be maintained.¹⁹

The procurement process should include defined legal and contractual remedies, as should any individual procurement effort. Policies and procedures should enable bidders and the public to have confidence in the procedures for soliciting and awarding contracts and providers to have predictability. If the chief procurement officer requires a specific contract clause change, they should provide written details about the circumstances that justified the change.²⁰

¹⁵ ABA, "The 2000 Model Procurement Code for State and Local Governments," p.1, Article 1 – General Provisions, available at <https://www.americanbar.org/groups/public_contract_law/committees/model/>, retrieved July 12, 2020.

¹⁶ Brochure, "Transparency in Public Procurement," © 2012 CIPS and NIGP, available at <<https://www.nigp.org/our-profession/global-best-practices#policy>>, retrieved March 20, 2022.

¹⁷ ABA Model Code, sections on competitive sealed bidding p. 24 S.3-202(6), "Sole Source Procurement" p.29 S.3-205, "Special Procurements" p.30, S.3-207.

¹⁸ *Id.* at Introduction.

¹⁹ LWV, *Impact on Issues 2020 – 2022*, p. 64, "Privatization."

²⁰ ABA Model Code, Section 2-101.

Timely oversight of the procurement process is essential, and the ABA Model Code recommends a policy office or chief procurement officer who has the power to audit and monitor the implementation of regulations and requirements. The same person should not have the power to award contracts or address disputes.²¹ A copy of records containing (1) each contractor's name; (2) the amount and type of each contract; and (3) a listing of the supplies, services, or construction procured under each contract shall be submitted to the Legislature on an annual basis.²²

The government or agency should require reasonable inspections related to the performance of any contract. Independent peer reviews are suitable for projects involving operations and maintenance contracts covering between 15 and 25 years. Such reviews can provide the government with independent professional advice and assurance that work is consistent with the RFP and common professional standards.²³

Criteria for Selection

The League advocates for the establishment of carefully crafted criteria for selection of the private entity beyond just the lowest cost bid.²⁴ Best practices include listing appropriate criteria and using a clear rubric that is disclosed to bidders at the outset for grading submissions.²⁵ Some of the data needed to generate these criteria will come from the feasibility study and project evaluation process discussed above. Others will come from the experience of the government officials involved in the procurement process. Others may be standard questions asked by the governmental entity and reflect local priorities like supporting local businesses.

Evaluation criteria help determine responsibility and value. Responsibility is how well the bidder is capable of performing and delivering the contract being requested.²⁶ Value relates to

²¹ *Id.*

²² *Id.* Section 3-704.

²³ *Id.* Section 5-101 and commentary.

²⁴ LWV, *Impact on Issues 2020 – 2022*, p. 64-65, "Privatization."

²⁵ "Bids shall be evaluated based on the requirements set forth in the Invitation for Bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs, and total or life cycle costs. The Invitation for Bids shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluation that are not set forth in the Invitation for Bids." ABA Model Code Section 3-202(5).

²⁶ Brochure, "Developing Evaluation Criteria," © 2018 NIGP, available at <<https://www.nigp.org/our-profession/global-best-practices>>, retrieved July 12, 2020.

low cost and quality. The criteria should be appropriately weighed in each category to achieve the desired balance of experience, ability, and value for the governmental entity.²⁷

The NIGP recommends that the criteria for **evaluation of responsibility** include:

- financial condition of the bidder (bonding capacity and insurance)
- technical and professional capability of the bidder's staff
- reference checks and criminal background checks with a focus on determining whether the bidder has been convicted of bribery, corruption, fraud, etc.
- quality of the products or services
- reliability and ethics determined through company policies
- management practices and ability to perform
- adequacy of facilities and equipment
- experience via past performance evaluations or references.²⁸

This is intended as a non-exhaustive list.

The NIGP recommends that criteria for **evaluation of best value** include price, quality, aesthetics, functionality, environmental characteristics, operational costs, the bidder's technical approach, the proposed delivery date, the bidder's sustainability practices, and the bidder's record of innovation.²⁹ This, too, is intended as a non-exhaustive list.

The League advocates that in the purchasing process, additional consideration can be given to local bidders in order to support the local economy.³⁰ The Request for Proposals can give points for local bidders, or points based on the proximity of the main corporate office. These criteria and their relative weights, including the scoring rubric, should be disclosed to bidders as part of the Request for Proposal (RFP) process.³¹

Proposal Evaluation

After bids or proposals have been submitted by potential providers, the evaluation process begins. The group conducting the evaluation process should consist of a committee gathered for that purpose³² and should use the evaluation criteria developed prior to the beginning of the bidding process (see "Criteria for Selection" above).

²⁷ "Care must be taken when defining the evaluation criteria and associated weights, specifically when assigning a weight to price relative to non-price criteria. Assigning weights incorrectly may lead to an undesirable outcome." Brochure, "Request for Proposals (RFP)," © 2020 NIGP, available at <<https://www.nigp.org/our-profession/global-best-practices>>, retrieved January 24, 2021.

²⁸ Brochure, "Developing Evaluation Criteria."

²⁹ *Id.*

³⁰ *Impact on Issues 2020 – 2022*, p. 64-65, "Privatization."

³¹ *Id.*

³² Brochure, "Request for Proposals (RFP)," 2020 version.

The evaluation committee's composition will vary depending on the proposal being evaluated but should take into account the nature of the procurement, the engagement of potential members, the expertise of potential members, and the availability of resources.³³ It is important that members of the committee not use their positions to unduly influence other members of the committee, and that the chairperson of the committee ensures that all voices are heard and given due consideration during the evaluation process.³⁴

The government should train the committee members regarding their roles, responsibilities, and timelines. Training should include communication protocols and confidentiality of the bid process; a process to address actual or perceived conflicts of interest; and the evaluation criteria or scoring rubric; and how consensus will be reached.³⁵

Before proposals are sent to the evaluation committee, the person in charge of the procurement process should conduct a preliminary review to eliminate any proposals that are clearly not responsive, for example those that do not contain authorizing signatures or lack required insurance information.³⁶ However, minor issues such as failure to sign the proposal should be highlighted to the proposer, which should be given a short period of time to correct the issue.³⁷ At this point, the person in charge of the procurement process should also make any necessary requests for clarification; this is not meant to correct any defect in the proposal, but to clarify any information that was not clearly conveyed.³⁸

During the evaluation process, each committee member will score each proposal according to both technical criteria and pricing criteria. Some entities choose to provide this information to committee members separately to avoid bias; others prefer to provide all information to committee members at once.³⁹ The pricing evaluation should score the pricing, look for apparent errors or omissions, compare the pricing to prevailing rates for the same products or services, and confirm that any discounts have been properly applied.⁴⁰ Along with scores, committee members should provide comments that will become part of the selection process records.⁴¹

³³ *Id.*

³⁴ *Id.*

³⁵ *Id.*

³⁶ Brochure, "Public Procurement Practice: The Evaluation Process for a Request for Proposals [*sic*]," © 2018 NIGP, available at <<https://www.nigp.org/our-profession/global-best-practices>>, retrieved July 12, 2020.

³⁷ *Id.*

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ *Id.*

After each member has completed scoring, the committee will reach consensus.⁴² Options to reach consensus include averaging scores, or discussion and voting. The top choices may be invited in to give presentations regarding their proposals to the committee, and update their scores following such presentations.⁴³

Retention of Responsibility and Remedies

Best practices for city and county purchasing processes should include the retention of liability and responsibility with the government. The procurement plan should state who is responsible for performing any particular action, and who is ultimately accountable.⁴⁴

Conclusion of Best Practices

Ideally the local governments should supply:

- Training for parties responsible for any portion of the procurement process
- Solicitation/ tender opportunities
- Selection criteria
- The evaluation process
- The award decision and its justification
- The terms and conditions of the contract and any amendment
- Contract administration
- Protest and dispute-settlement mechanisms and procedures
- Transparency

Standardization of processes and access to simplified information makes doing business with the government much more appealing to the supplier community and strengthen the public's trust.

Local Policies and Procedures

Introduction: Johnson County

Johnson County has two different procurement policies for different situations. The Johnson County General Purchasing and Procurement Policy governs purchasing generally. The Johnson County, Iowa Procurement Policy for Federal Grant and Loan Award Funds is specific to situations where federal funds are used for the purchase. The two policies as they were in effect at the time of our interviews are appended to this report; see **Appendix 3**. The policies

⁴² Brochure, "Request for Proposals (RFP)" 2020 version.

⁴³ *Id.*

⁴⁴ Brochure, "Stakeholder Relationships."

related to federal funding were updated shortly after the interviews were completed to account for American Rescue Plan Act (ARPA) funding requirements. Current versions of the policies appear on the Johnson County website. This report does not reflect the updates.

The Johnson County Board of Supervisors makes major decisions about budgets, including when to make major expenditures such as new building construction. The Board also approves each department's budget. "The Board empowers Department Heads to make purchasing and procurement decisions within the budgeted line items of the applicable department. Elected Officials have purchasing authority within the capacity of their individual budgets and the scope of statutory duties of their offices."⁴⁵ Departments are generally responsible for handling matters relating to administering funds and agreements, such as source selection, disputes, and claims.

All departments follow the county's detailed guidelines regarding budgeting and documenting expenses found in the Johnson County Iowa Finance Policies. Clear documentation of all expenses is required.

We conducted interviews with members of the Finance department, Mental Health & Disability Services (MH/DS) department, Sheriff's Office, Capital Projects, and Secondary Roads departments, which had the largest budgets in the county government during fiscal year 2021 according to our research. See **Appendix 4** for the questions we asked during our interviews. Where possible, we interviewed the individual charged with stewardship of that department's budget.

During our interviews, it was very clear that our county employees and elected officials value transparency. Several interviewees mentioned the importance of acting as stewards for tax dollars and the importance of following best practices and good process. There were no complaints about the system, and at least one interviewee mentioned that the interviewee believed it would be very difficult for anyone to commit wrongdoing because of the strong system of checks and balances.

Although it is beyond the scope of this report, one thing that consistently came up as a problem was frustration that the state government has repeatedly balanced its budget by shifting costs (and therefore tax burdens) to the county level. This topic may be a good subject for a future study, possibly at the state level. Another thing that came up as a point of frustration is that the county does not receive much public attention or feedback, despite the numerous opportunities for public involvement.⁴⁶

⁴⁵ See Johnson County General Purchasing and Procurement Policy p. 2, "Authority."

⁴⁶ These interviews predated the intense public scrutiny and debate that attended both the disbursement of ARPA funds and the Johnson County Sheriff's inclusion of a Bearcat in the budget. Refer to local newspapers from early 2022 for details.

Best Practices: Johnson County

By examining a combination of the policies provided by the County and interviews conducted with the individuals who oversee the largest county budgets, we were able to explore Johnson County's adherence to the best practices we identified in the introduction.

Training for Parties Responsible for Any Portion of the Procurement Process

Training is not included in the County's policies, except that cash handling training is required for county employees "as needed."⁴⁷

During our interviews, we found that formal training programs are not in place in most departments. Some departments rely on their professionals' continuing education requirements. The Secondary Roads department, for example, specifically mentioned that engineers are required to take continuing education and that those courses would include procurement training. The Finance department described an annual training program that involves the Iowa branch of the American Institute of Certified Public Accountants (IA-AICPA), state auditor programs, and federal procurement classes. This, too, appears to be reliant on continuing education programs of its professionals. Capital Projects referred us to their employees' high levels of education and long experience. MH/DS likewise has a long-standing and well-educated group of professionals who are familiar with county procedures. The Sheriff's office also referred to long-standing employees who are familiar with county procedures.

Solicitation / Tender Opportunities

The County's General Purchasing and Procurement Policy provides that "Notice to public of Request for Proposal (RFP) shall follow the best communication and practice for good/service requested (e.g., web pages, mailings within certain range, industry or organization publications, etc.)."⁴⁸ The policy requires *either* the use of the RFP process *or* solicitation of a minimum of two (2) bids for purchases over \$25,000. The policy further requires that the County follow the terms of Iowa Code for purchases of personal or real property in excess of \$25,000. The purchase must be placed on the agenda of the Board of Supervisors as a public hearing, then follow the terms of the Iowa Code regarding the requirements for public notice.⁴⁹ In addition,

⁴⁷ See Johnson County Iowa Finance Policies, Johnson County Cash Handling Policy Section 2.

⁴⁸ See p. 1 – 2 at definition of "Proposal."

⁴⁹ The Policy refers to Code of Iowa §331.443 for purchases between \$25,000 and \$800,000 and to Code of Iowa §331.305 for purchases over \$800,000.

“Bids submitted in compliance with Code of Iowa §331.301, §331.341 and §384.94 –384.103 shall be submitted to the County Auditor’s office for opening at a public Board meeting. ‘Notice to Bidders’ shall be pursuant to Code of Iowa §26.7.”⁵⁰

The Iowa Code sections cited (see **Appendix 5** for a complete list of Iowa Code and Iowa Administrative Code sections cited in the local government policies) deal with the spending level requirements addressed in the policy and discussed above; the public meeting requirements discussed above; how contracts may be awarded for various types of county services; issuance of bonds under city codes; and the requirements for contents of bid notices. Reviewing whether the Iowa Code complies with best practices is outside our scope. We hope that the State League will conduct such a study at a future date.

Our interviewees all expressed that they believed vendors are largely happy with Johnson County’s process, and that the County generally follows the requirements of state law well. The only negative feedback any interviewee had heard related to payment: one person mentioned that some vendors would like to be paid the same day that invoices are received, and another said that vendors would like the County to update to an electronic fund transfer payment method instead of payment by check.

Selection Criteria

The Johnson County, Iowa Procurement Policy for Federal Grant and Loan Award Funds that was in place at the time of our interviews required that as part of the procurement process, the group leading the effort must “Identify evaluation criteria and relative importance of each criteria (criteria weight) in the RFP.” This requirement applied to service contracts costing more than \$250,000⁵¹ and contracts for architectural and engineering services costing more than \$250,000.⁵² It applied where federal dollars were used as part of the funding for a project. The policy has been updated to reflect the requirements of ARPA, but we do not address these changes in our report.

Johnson County’s other policies do not reflect this requirement. Selection criteria are not among the items that the Iowa Code requires the public notice to bidders to contain.⁵³

Evaluation Process; Award Decision and Justification

The Johnson County General Purchasing and Procurement Policy provides that “Departments shall be responsible, in accordance with good administrative practice and sound business

⁵⁰ Johnson County General Purchasing and Procurement Policy p. 10.

⁵¹ Johnson County, Iowa Procurement Policy for Federal Grant and Loan Award Funds Section IV(D)(3).

⁵² *Id.* Section IV(J)(3).

⁵³ See Code of Iowa §26.7.

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.”⁵⁴

The Johnson County, Iowa Procurement Policy for Federal Grant and Loan Award Funds provided additional detailed requirements where federal dollars were used as part of the funding for a project. As noted previously, the policy has been updated to reflect the requirements of ARPA, but we do not address these changes in our report. With respect to all procurement of contracts, the policy required that “All solicitations must incorporate a clear and accurate description of the technical requirements for the materials, products, or services to be procured, and shall include all other requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals.”⁵⁵ In addition, the sealed bid public notice “Must have a written method for conducting technical evaluations of proposals and selecting the winning firm.” This requirement applied to service contracts costing more than \$250,000⁵⁶ and contracts for architectural and engineering services costing more than \$250,000.⁵⁷

When we conducted our interviews, one interviewee mentioned that departments may have their own policies so long as they meet the requirements of the county-wide policies. However, no interviewee mentioned any such department-level policy. One interviewee mentioned that as the department’s leader, that person would be in charge of making the final decision about whether to accept bids based on best fit or based on best price. Another mentioned that the person’s department was very clear, fair, and consistent, and had a good reputation among business bidders. The same interviewee also shared that Johnson County as a whole is very focused on transparency and avoiding even an appearance of impropriety in how tax dollars are spent.

Contract and Amendments; Contract Administration; Protest and Dispute Settlement Mechanisms

The Johnson County General Purchasing and Procurement Policy provides that “Departments shall 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.”⁵⁸ The policy does not specifically mention amendments to contracts or contract administration, but this would appear to be included in the “issues” that are

⁵⁴ Johnson County General Purchasing and Procurement Policy p. 2.

⁵⁵ Johnson County, Iowa Procurement Policy for Federal Grant and Loan Award Funds Section III(B).

⁵⁶ *Id.* Section IV(D)(5).

⁵⁷ *Id.* Section IV(J)(5).

⁵⁸ Johnson County General Purchasing and Procurement Policy p. 2.

“include[d], but are not limited to” the specifically mentioned issues. Likewise, protest and dispute settlement mechanisms appear to fall within such “issues.”

The Johnson County, Iowa Procurement Policy for Federal Grant and Loan Award Funds provided additional detailed requirements where federal dollars were used as part of the funding for a project. As noted previously, the policy has been updated to reflect the requirements of ARPA, but we do not address these changes in our report. With respect to all procurement of contracts, the policy required the procuring agency to maintain a detailed history of the procurement process, including amendments, and that the documentation be provided to the granting agency upon request.⁵⁹ However, it did not have any particular rules about how amendments would be carried out or contracts would be administered, or how protests and disputes would be addressed.

Our interview questions were not designed to elicit any discussion of contract amendment or contract administration. No interviewee mentioned any disputes of awards in response to questions about whether contractors had been unhappy with the procurement process used by the county.

Transparency

Neither of the policies uses the word “transparency.” However, transparency is assumed throughout the documents. The Johnson County General Purchasing and Procurement Policy provides at several points that various items (budgets, bidding opportunities, receipt of grants, purchases over \$5,000, etc.) must be brought before a public meeting of the Board.

In interviews, almost every interviewee mentioned taking pride in Johnson County’s practices of transparency and thorough processes for ensuring that every purchase is ethical and efficient for taxpayers.

Conclusion: Johnson County

Overall, we were pleased to find that Johnson County is represented by elected officials and served by county employees who are very conscientious about following best practices and stewardship of tax dollars. We found some areas of strength and some areas for improvement.

Area for improvement: Training. While each department we interviewed appeared to have some internal processes in place to ensure that employees were familiar with county processes and best practices, none mentioned any specific policies or programs on the subject. Conversely, several mentioned long-standing employees who were very familiar with their jobs

⁵⁹ Johnson County, Iowa Procurement Policy for Federal Grant and Loan Award Funds Section III(I).

and upheld high standards. Experienced and reliable county employees are a boon to the citizens of Johnson County, but a lack of written procedures and succession planning could put the county government at risk of disruption if an employee suddenly becomes unavailable to perform their duties. We also learned that there is little training that is specific to the procurement and RFP process for some elected officials. The county should consider formalizing training processes to ensure that county elected officials and employees are receiving regular training in procurement procedures that is offered by reliable resources, and that guidance about such training is available to future employees in case of unexpected absences by current employees.

Area of Ambiguity: Solicitation / Tender Opportunities. The County's policies follow state laws regarding solicitation and tender opportunities. No interviewees expressed concerns regarding the process. However, one of the events that precipitated this study was an alleged failure of the County to follow its own policies on initiating the RFP process and the attendant news articles. See **Appendix 6**. It is possible that we were not alerted to any further issues in part because the policies were updated to prevent further issues. It is also possible that this is an area that lacks transparency. It is not clear from the policies and interviews which is the case.

Area for Improvement: Selection Criteria. Having clear selection criteria, including those other than mere price, is a best practice. The County should consider adopting a local requirement to publish selection criteria, along with the items required by the Code of Iowa §26.7, when it is soliciting bids.

Area of Strength: Evaluation Process. Although the county's policy regarding the evaluation process is vague, it appears that county employees and elected officials take the requirement to have a fair and transparent evaluation process very seriously. Each department might consider making sure that its usual practices or policies are written down or formalized, for similar continuity concerns as were raised in the Training section.

Area of Ambiguity: Contracts, Amendments, and Maintenance. The county's local-level policies are not as strong as the federal policies in these areas. The county could consider adopting some of the federal policy wording at the local level, for example, wording that relates to the types of documentation to be maintained and the requirement to maintain oversight of its contractors.

Area for Improvement: Protest and Dispute Settlement Mechanisms. It is unclear how protests and disputes are handled from the policies and interviews. It appears that this issue has not arisen with any frequency, which is a very positive sign for the County as framed by the employees and elected officials with whom we spoke. However, it would be prudent to have a dispute settlement mechanism in place in case it is ever needed.

Area of Strength: Transparency. Every person whom we approached for an interview was very willing to speak with us or to help us find someone knowledgeable about our questions to speak with. Several volunteered a great deal of information beyond what we asked for. Almost every interviewee specifically took pride in the county's transparency and stewardship of citizens' tax funds. It spoke very well for our county government.

Introduction: Coralville

Coralville has a 40-page Accounting and Purchasing Policy that was first approved in 1988, and starting in 2000 has been regularly reviewed and reapproved. Coralville has a separate Procurement Policy and Procedure Manual for transit which receives federal funding for operations and thus has more regulations and more hurdles. (Federal funding is also sometimes received for specific projects.) Neither policy is easily findable on the Coralville website, but Coralville's Director of Finance Tony Roetlin provided us with both policies which are attached in **Appendix 3**. Two of the major differences between the two policies are the Disadvantaged Business Enterprise rules for federal funding and the Buy Local policy for local funding. The Iowa Code also must be followed as well for purchases over \$40,000.

Under the decentralized procurement model, Coralville department heads like the Police Chief and the Library Director all develop their own budget in advance to be approved by the finance department and city council.

We interviewed Coralville's Director of Finance, and the leaders of the three largest departments by budget in 2001: the Library Director, Police Chief, and Director of Parks and Recreation. Everyone interviewed in Coralville was largely in agreement on the policies and practices. They agree all expenses need to be documented for transparency, with increasing care given on more expensive projects.

Best Practices: Coralville

By examining the policies provided by Coralville and interviews conducted with the department heads who oversee the largest budgets, we were able to explore Coralville's adherence to the best practices we identified in the introduction.

Training for Parties Responsible for Any Portion of the Procurement Process

The Coralville Accounting and Purchasing Policy includes the statement that "Employees are expected to fully inform themselves as to the conditions, requirements, and specifications for proper expenditures of funds. Failure to do so will be at the employee's risk and will not bind

the Finance Department.”⁶⁰ Regarding travel expenses, Coralville warns that “the failure to fully and timely comply with this policy shall result in the forfeiture of the right to reimbursement... Incurred but non-approved expenses will be the responsibility of the City employee.... Violation of this policy may constitute a basis for employee discipline, including possible termination of employment.”⁶¹

Coralville does have a mandatory training before an employee is given access to Procurement (credit) cards where they are given a copy of the Procurement Card policies.⁶² Again it is made very clear that violations of procurement policies can result in “card revocation, payroll deduction for unallowable purchases and expenses that were not reconciled, and/or disciplinary action, up to and including termination.”⁶³

Coralville’s Director of Finance manages the city wide bids and is available to help department heads with budgeting and offers assistance for Requests for Proposals and grant-writing. The League of Cities offers resources for budgeting and purchasing, and institutions like the Iowa Library offer some guidance as well. Department heads work with other departments in Coralville, or with their counterparts in nearby towns, and rely on professional conferences and ongoing professional education training. In interviews the department heads emphasized learning from the outgoing department head and working with the Assistant City Administrator.

Solicitation / Tender Opportunities

Coralville’s policy introduction intends to encourage competition and “all qualified sellers or buyers have access to city business.”⁶⁴ Coralville has a website and listserve that include all bid opportunities. Coralville’s Procurement and Procedure for Transit includes the requirement to take affirmative steps to place Disadvantaged/Minority and Women Owned Businesses on solicitation lists to comply with Federal funding requirements.⁶⁵

Coralville purchases over \$1,001 require at least three written quotations.⁶⁶ Departments are required to maintain records of the list of vendors, specifications, tabulation of prices, copies of the three lowest bids, and other correspondence concerning the purchase including written record of any phone calls.⁶⁷ If the purchase is not given to the lowest bidder the department

⁶⁰ Coralville Accounting and Purchasing Section 4 page 5

⁶¹ *Id.* Section 6 page 14

⁶² *Id.* Section 7 page 17

⁶³ *Id.* Section 7 page 18

⁶⁴ *Id.* Section 1 page 1

⁶⁵ Procurement Policy and Procedure Manual Section 20, page 20

⁶⁶ Coralville Accounting and Purchasing Section 4 (2) page 5

⁶⁷ *Id.* Section 4 (2) page 5-6

head needs to write an explanation.⁶⁸ In interviews department heads mentioned keeping lists of businesses to solicit bids from, including from advertisements emailed to them or business cards given to them at conferences.

Selection Criteria

Coralville’s general selection criteria as discussed in city council meetings as the lowest, responsible, responsive bidder. Coralville’s policy introduction states the “high quality consistent with expected use at the most reasonable cost.”⁶⁹

Coralville does have a Buy Local Policy to support businesses that own or lease and use a building within city limits when the cost and other considerations are relatively equal, or within 10%.⁷⁰ The policy notes that local businesses pay taxes and provide local jobs and balance that with the extra cost to all taxpayers, and that this is consistent with the Iowa Code.

Evaluation Process; Award Decision and Justification

Coralville’s Quick Reference Guide to Purchasing in their Accounting and Purchasing Plan allows city employees to easily see whose approval is necessary for purchases ranging from Department Head authorized buyers to City Council votes.⁷¹ Section 4 lists which records need to be maintained about the decisions, such as written explanations if the bid is awarded to someone other than the low bidder.⁷²

Contract and Amendments; Contract Administration; Protest and Dispute Settlement Mechanisms

Coralville clarifies the roles of the City Council, City Administrator, Department Heads, and Finance Officer and Financial Department in the Introduction of the Accounting and Purchasing Policy as far as approving contracts, signing contracts, change orders, etcetera.⁷³ The approvals and signatures required are also on Coralville’s Quick Reference chart.⁷⁴

Transparency

⁶⁸ Coralville Accounting and Purchasing Section 4 (2)(l) page 6

⁶⁹ *Id.* Section 1 page 1

⁷⁰ *Id.* Section 5 page 8

⁷¹ *Id.* page 32

⁷² *Id.* Section 4 (2) page 5-7

⁷³ *Id.* Section 1 page 1-2

⁷⁴ *Id.* page 32

Coralville requires receipts, retention of bids, and even documentation of phone calls for transparency on how tax payer funds are spent. Section 4 of the Accounting and Purchasing Policy includes the Record Keeping Requirements. City Council agendas and votes to approve contracts and written budgets assure public notice and transparency on large purchases. With some specific limits for real estate sales or confidential personnel records, all the Department heads agreed that they documented spending and purchases so that the public has easy access. With large projects over \$40,001 extensive records are filed by the City Clerk and are available upon request covering everything from the council resolutions approving plans, schedules, cost estimates, lists of contractors receiving specifications, copies of letters notifying unsuccessful bidders, and “any other information required by City Council or the City Administrator or the State of Iowa.”⁷⁵ Several department heads mentioned that they try to notify unsuccessful bidders on smaller projects as well with the final decisions and prices. The counterweight to transparency is efficiency, and Coralville certainly does not want to go to extremes so that multiple staff are spending too much time figuring out how to document parking charges when no receipt is available. Coralville’s employees welcomed the League interviews and are open to public participation.

Conclusion: Coralville

Overall, Coralville diligently updates the Purchasing Policy and makes it very clear who is responsible for every aspect. Coralville balances efficiency and transparency by requiring more approvals and record-keeping for larger projects. The Director of Finance felt there was more overcompliance with policies than undercompliance, which is not too surprising given that the employee’s jobs are clearly at risk for undercompliance.

Area for improvement: Given that the primary training for Department Heads might be in policing or libraries, it is important for Coralville to make sure they have the training and support they need. Guidance about budgeting and purchasing should also be available in case of unexpected disability or absence of the current department heads.

Area for improvement: It is easy to find Bid Opportunities on the Coralville website, but neither the Procurement Policy and Procedure Manual (for Transit) nor the Accounting and Purchasing Policy are easily findable on Coralville’s website. These policies could be linked in Budgetary and Financial Documents with the annual audit reports in the Finance Section, or by Bid Opportunities.

Area of Ambiguity: In Coralville City Council meetings you often hear “lowest responsible responsive bidder” and that could be repeated and expanded upon in the written policy.

⁷⁵ Coralville Accounting and Purchasing Section 5 page 7

“Responsible” can include experienced, insured, and previously reliable; and “responsiveness” can include prompt production of invoices and receipts so that companies understand more fully what Department Heads are using for selection criteria beyond price. Coralville has a very clear Buy Local policy that is well defined, but outside of the federally funded policy does not indicate support for minority, veteran or women owned businesses. The Library Director thought recently Coralville had discussed policy about supporting women or minority owned businesses, which could have been a Library Board of Trustees decision or something not yet reflected in the written policies.

Area of Ambiguity: Coralville can use their purchasing software to double check for contracts. They recently realized that they should send out a new Request For Proposal for an independent auditor after using the same company for seventeen years.

Area of Strength: Coralville is the only entity whose purchasing policy includes a summary chart and we would encourage other governments to consider the simplicity and clarity charts can offer. In addition to the summary chart the policies are thorough and clear as to who exactly is responsible.

Introduction: North Liberty

North Liberty has a written document detailing its procurement policy. When there is federal money involved, the federal guidelines in Section V, “UNIFORM GRANT GUIDANCE POLICY REGARDING FEDERAL REVENUE SOURCES,” are followed. Otherwise, the other sections of the procurement policy apply. All city departments follow the rules. The policy in effect at the time of our interviews is appended to this report. See **Appendix 3**. The current version of the policy appears on the North Liberty city website. This report does not reflect any updates made after the date of the interviews.

We conducted interviews with members of the city clerk’s office, police department, city library, and streets maintenance department, which had the largest budgets in the county government during fiscal year 2021 according to our research. Where possible, we interviewed the individual charged with stewardship of that department’s budget.

All three department heads that were interviewed gave consistent answers to questions and all are very pleased with the system. They all also were committed to public service and transparency.

Best Practices: North Liberty

Training for Parties Responsible for Any Portion of the Procurement Process

City policy provides that “The City will provide training on the allowable use of federal funds to all staff involved in federal programs.”⁷⁶ The policy does not require training on procurement processes that do not involve federal funds.

We found in our interviews that all interviewed department heads were trained either by the former head of the department or by the assistant city administrator. When asked about training, one interviewee stated that the procurement policy is very clear and detailed. Another said that those involved in the procurement process receive training, including an eight-hour round of training when the city began using new software for purchasing.

Solicitation / Tender Opportunities

North Liberty’s written policy requires that opportunities be published only in the case of procurement by competitive proposal where federal funds are involved.⁷⁷ In other cases, the policy requires that multiple bids be obtained before city employees make purchases over \$1,000. Specifically, at least 2 quotations or bids are required for purchases between \$1,000 and \$10,000, and 3 quotations or bids are required for purchases over \$10,000.⁷⁸ There is also a specific process for emergencies that gives city employees the flexibility to address the emergency by quickly selecting an available vendor and receive approval after the fact.⁷⁹

Where to obtain these bids or quotations is left within the discretion of the city employee making the purchase. Our interviewees indicated that these vendors are normally picked based on reputation and prior experience with the vendors. Our interviewees all expressed that they believed vendors are largely happy with the process the City has in place, and that it is fair to both vendors and taxpayers. The only negative feedback we received was that the process involves a great deal of paperwork (though this individual did note that it makes tracking expenditures easier) and that some vendors do not like to have to wait 30 days for payment.

Our interviewees also indicated that bids may come from local companies or from companies on the State Bid List. The State Bid List is a list of approved vendors and/or contractors. For example: The roads department wants to buy a truck that costs about \$50,000. It is put in the budget for three fiscal years until enough funding has accumulated to make the purchase. If the truck is not on the State Bid list, the department has to find three vendors. If the cost is over

⁷⁶ North Liberty Purchasing Policy Section V, p.21.

⁷⁷ *Id.* Section V, p. 15.

⁷⁸ *Id.* Section II, p. 5.

⁷⁹ *Id.* Section II, p. 5.

\$10,000, the department must find three vendors and the expenditure has to be approved by the City Administrator.

Selection Criteria; Evaluation Process; Award Decision and Justification

When going through a requisition process with non-federal funds (as opposed to a competitive bidding process with federal funds), the City's policies require that the requisition form contain "[s]ufficient supporting documentation and [a] complete explanation."⁸⁰ There is a complete list of the information that must be included as follows:

A requisition shall include, but not be limited to, all of the following information and must be completed in its entirety prior to approval:

- Date the requisition is prepared.
- Requesting department.
- Shipment location.
- Quantity/measurable units. For example: pieces, sheets, pounds, etc. must be used.
- Description of the item as complete and accurate as possible.
- Any additional information or anticipated requirements, such as fees or deposits, which will assist in making the best possible purchase of the requested supplies and services.
- Estimated cost determined by quotes and surveys, including shipping, handling and freight fees.
- Suggested vendor or vendors and any additional vendor quotation if needed.
- Brief reason for/explanation of request.
- Indication of whether the request is budgeted.
- Line item account number.
- Availability of funds.
- Date that the requested item or service is needed.
- When quotes/bids are required by this policy, but not obtained, the reasons why quotes/bids could not be obtained.
- Signature (electronically) of Department Director or authorized individual.⁸¹

Where federal funds are involved, the city has options for choosing how to award a contract, as follows:

- "Procurement by micro-purchase" is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold

⁸⁰ North Liberty Purchasing Policy Section III, p. 9

⁸¹ *Id.* Section III, p. 9 – 10.

(generally \$10,000, except as otherwise discussed in 48 C.F.R. Subpart 2.1 or as periodically adjusted for inflation).

- “Procurement by small purchase procedures” are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$150,000 (periodically adjusted for inflation).
- “Procurement by sealed bids (formal advertising)” is a publicly solicited and a firm, fixed-price contract (lump sum or unit price) awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.
- “Procurement by 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. Competitive proposals are generally used when conditions are not appropriate for the use of sealed bids.
- “Procurement by noncompetitive proposals” is procurement through solicitation of a proposal from only one source.⁸²

When the City uses one of the methods above that requires competition between potential service providers, it is required to give clear and accurate descriptions of the technical requirements (but these requirements cannot unduly restrict competition); set forth any minimum essential characteristics and standards that must be met; and “[i]dentify all requirements which the offers must fulfill and all other factors to be used in evaluating bids or proposals.” When it is too cumbersome to set forth all of the characteristics, it is permissible to use a “brand name or equivalent” description as long as the essential characteristics of the brand name item are mentioned.⁸³ In addition, any invitation for bids is required to contain terms and conditions that can be used to select the lowest-price bidder who materially conforms to those criteria.⁸⁴

Our interviewees’ descriptions of the process were consistent with the procedures described in the policies. Specifically, all departments develop their yearly budgets starting 16 months in advance. The budgets are submitted to city administration for approval. These budgets might be approved, or they might be sent back to the department for changes. When all departmental budgets have been approved by the administration, they are submitted to the city council, which holds three public hearings before the budgets are approved (or amended).

Departments then are able to make purchases on items that are in their budgets, although if the items are over \$1000 they are still submitted to the administration for approval.⁸⁵ All

⁸² North Liberty Purchasing Policy Section V, p. 13.

⁸³ *Id.* Section V, p. 16.

⁸⁴ *Id.* Section V, p. 13.

⁸⁵ *Id.* Section II, p. 5.

purchases are documented.⁸⁶ These purchases are handled as follows: the department head or individual responsible for inventories makes a request. The administrative assistant or city clerk approves the request. The item or project is described, goes out for bids, and the contract is awarded.

For larger contracts such as capital improvement projects, which are planned in five-year increments, City Council authorization comes first. Then, according to our interviewees, an architecture firm, usually Shive-Hattery, does the planning and design (architecture and engineering). In the design phase Shive-Hattery meets with the department heads.

Planning and design does not go out for bids: the planning group is chosen by reputation. After the design is complete, the project goes back to city council, which grants consent. Then the project goes out for bids. After the bids have been received, the council looks at the bids; if a bid is 5% over, it might accept it. If it is 25% or more over, city staff would likely go back to the drawing board. Recently the bids have been coming in under budget.

One interviewee mentioned that the procedures used by North Liberty are used throughout Johnson County, and that vendors appreciate the consistency of approach. We note, however, that each city has different written policies, so their processes may differ in some respects.

Contract and Amendments; Contract Administration; Protest and Dispute Settlement Mechanisms

The policy requires that where federal money is involved, “The City alone must 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.”⁸⁷ It further requires that for contracts for \$150,000 or more, the contract must “address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.”⁸⁸ The policy has no such requirements for situations where federal funds are not involved.

Our interview questions were not designed to elicit any discussion of contract amendment or contract administration. No interviewee mentioned any disputes of awards in response to questions about whether contractors had been unhappy with the procurement process used by the city.

⁸⁶ *Id.* Section III, p. 9, and Section V, pp. 14, 20.

⁸⁷ North Liberty Purchasing Policy Section V, p. 15.

⁸⁸ *Id.* Section V, p. 23.

Transparency

The word “transparency” does not occur in the North Liberty police. That said, as is described above, there are several opportunities for public input in the non-federal-money procedures as City Council weighs in on the procurement process at various points, especially for larger contracts. The federal-money process also involves publication of detailed information when soliciting bids or proposals.

In addition, our interviewees described simple and straightforward procedures for obtaining information from the city. Contract information is available from the City Clerk’s office. Electronic documents will be provided without charge, and paper copies would involve a charge for the cost of printing. One interviewee also mentioned that the results of any bidding process are sent to each entity that put in a bid. Another mentioned that City Council minutes would contain copies of contracts. Finally, we found all city employees whom we approached to interview cooperative and forthcoming. It appears that North Liberty’s city employees are generally able and willing to assist the public with finding information they may wish to have about the procurement process and city contracts.

Conclusion: North Liberty

Overall, it is clear that North Liberty’s staff believe that the procurement process is working well for the city, for taxpayers, and for vendors. All of our interviewees were very helpful and proud to be good stewards of tax dollars. We found some areas of strength and some areas for improvement.

Area of Strength: Training. Although the city’s policies for use of local funds do not require regular training, it is clear that regular training is being provided to and through the city’s staff, including in unusual situations such as changing budgeting software. The city might consider formalizing a regular training program to ensure that nothing slips through the cracks.

Area of Ambiguity: Solicitation / Tender Opportunities. The City’s policy for federal funds requires publication of opportunities and the City also has a process for using approved bidders. These are positives. However, it appears that for medium-sized procurements, there is a great deal of employee discretion and that this broad discretion has led to the city developing a very close working relationship with a single firm in at least one area. We emphasize that we have no reason to believe that anything untoward is occurring, but the City should consider periodically re-evaluating its longer-term relationships to ensure that it is receiving both high-quality and cost-effective services, and to avoid any appearance of impropriety.

Area of Strength: Selection Criteria; Evaluation Process; Award Decision and Justification. The policies are very thorough in this area, and our interviews indicate that it is working well for all involved.

Area for Improvement: Contracts, Amendments, and Maintenance (including disputes). The federal policy was very high-level on this point, and the local-fund policy was nearly silent. While it does not appear that this has been a problem area for the city based on the interviews, we believe the city should consider adopting policies to cover these circumstances before they arise.

Area of Strength: Transparency. Both the federal and non-federal spending policies included several points along the way where the public is able to be involved in the decision-making process and/or observe how tax dollars are spent. The interviews also made clear that the City is able and willing to be responsive to public requests for information.

Introduction: Tiffin

The City of Tiffin has two purchasing policies. Which policy applies is determined by whether Federal money or non-federal monies are involved. Tiffin's Procurement Policy was adopted in 2019 to qualify for Federal funding, which required participating communities to have policies in place. The scope of the Procurement Policy is limited to expenditures involving Federal funds. The policy is about four pages long and incorporates Iowa Code Chapter 26 and Section 331.341 by referencing it. The second purchasing policy is the Purchasing Policy, and its application is limited to product or material expenditures.

We interviewed Tiffin City Administrator (City Administrator) and Fire Department Chief (Fire Chief). The Fire Chief explained the City of Tiffin and the Tiffin Fire Association are in an Agreement for services until July 2022. At that time, the Tiffin Fire Association will become a city department reporting the Tiffin City Council. Under the current agreement, the Chief goes to the Association Board to approve budget and big purchases. All spending is documented.

The City Administrator explained the City purchasing policy is a department-level policy that has been in place for several years and is in guideline format. The City Administrator explained the city has been growing, and now has approximately 4,512 single family homes per the latest census. As the City continues to grow, the City Administrator acknowledged the need to put the more of the purchasing guidelines in writing. In the City Administrator role, he knows about purchases made by city departments.

The city purchasing process starts with the budgeted amounts approved in the city budget by the city council. The procurement process involves a series of guidelines that work along a

threshold scale. Purchases under \$1,000 are approved by department heads. Purchases between \$1,000-\$5,000 that are budgeted or for operations are approved by the City Administrator. Purchases for \$1,000 - \$5,000 that are not budgeted are approved by the Council. Any budgeted purchases over \$6,000 are approved by Council. The purchasing policy has emergency situations that permit a departure from the policy.

Best Practices: Tiffin

By examining the policies provided by Tiffin and interviews with City Administrator and Fire Chief, we were able to explore Tiffin's adherence to the best practices we identified in our introduction. However, due to the size of the city budget, the request for proposal process was not often used by the City. Our interviews focused more on general purchasing processes.

Training

The City has a small staff of 14 employees. Only a handful of these employees have purchasing authority. A majority of city staff have worked for the city for many years and are knowledgeable of purchasing policy practices. There is no annual training on the purchasing practices or dedicated dollars to training in this subject area. Procurement and purchasing resources used by the City Administrator to assist with purchasing issues as presented include the Iowa League of Cities, which provides Iowa city administrators and clerks with digital forums where Iowa municipal peers connect, discuss evolving issues, and share prevailing practices. Additionally, the League of Cities sends members updates or notices on new items impacting city administration.

Solicitation/ Tender Opportunities

The City Administrator explained vendors are accustomed to providing bids for City purchases. Vendors know the City obtains 2-3 bids for purchases. Most of these involve purchases within the \$5,000 - \$10,000 range.

Selection Criteria

About 75% of purchases are budgeted and small operational purchases (e.g., concrete, asphalt) under \$5,000 go through the procurement bidding process. The remaining 25% of purchases are above \$5,000 and require Council approval and follow thresholds for Iowa Section 140 projects. Selection criteria for RFPs do not often come up.

Evaluation Process

Again, because most City processes have not required RFPs, the evaluation process does not often come up.

Transparency

Department heads are responsible to ensure that policies are followed when authorizing purchases. All purchases are public records and found online. The formality of a public record's request drives whether fees are charged. For example, City residents inquiring are likely to receive it free of charge while vendors would be charged; fees are \$0.15 per copy. Within the last 6 years, the City Administrator was not sure if anyone that asked for a record had been charged for the records.

Process Concerns

Among the long list of items to-do, the City Administrator noted having a comprehensive documented policy is a chief priority. As the city continues to grow, a new employee packet with city policies is envisioned, and the scenario of incapacitation of the City Administrator or inability to reach the City Administrator during an emergency is rising to the forefront as the City continues to grow and purchases are made to support that community growth.

Conclusion: Tiffin

Overall, Tiffin's purchasing policy, a department level policy in guideline format has been effective. Its success appears to be largely dependent on long-tenured City employees. Delegation of responsibility also makes implementing the guideline a local-Department level responsibility with the City Administrator acting as a process monitor.

Areas of Ambiguity: A more defined Procurement and Purchasing policy beyond guidelines would be advisable. Under the current guidelines, purchasing activity may be encompassing a number of services while excluding others, but it is unclear. Citizens, city staff, and prospective businesses would be well served with publicly available and well-defined purchasing and procurement policies.

Areas of Strength: City staff are competent and knowledgeable about purchasing/procurement requirements.

Areas for Improvement:

As the City continues to grow, there is need to create a comprehensive written policy defining the purchasing process, such as a new employee packet that clarifies who is responsible for what actions and what dollar limits apply. Periodic training of the city department heads on

state and city rules regarding budgeting and purchasing should be implemented in case of unexpected disability or absence of the City Administrator. We would encourage Tiffin City Council to include a summary or chart of the purchasing policy to assist employees with understanding procedures, similar to that adopted by Coralville.

Because Tiffin is rapidly growing, we would encourage the City to continue to work with officials and employees of other local city governments while it develops new policies and procedures to accommodate larger purchases.

Conclusion: Findings

We found that Johnson County's local governments largely are already following these best practices. There are some areas in which they could improve, but we were generally very impressed by our local government officials' and employees' diligence, skill, and knowledge of best practices.

The best practices include:

1. Local governments should have clearly written policies to cover the following best practices and should follow these best practices:
 - a. Training for parties responsible for any portion of the procurement process
 - b. Solicitation / tender opportunities made widely available
 - c. Clearly enumerated selection criteria
 - d. Clearly defined evaluation process
 - e. The award decision and its justification shared with bidders
 - f. Determination of the terms and conditions of the contract and any amendment
 - g. Contract administration procedures
 - h. Protest and dispute-settlement mechanisms and procedures
 - i. Commitment to transparency throughout the process
2. Department heads should maintain procedures or resources lists for emergency situations, in order to ensure continuity.
3. Local governments should avoid the appearance of impropriety by re-evaluating long-term relationships periodically, even in small-dollar areas.
4. Local governments should avoid abusing the legally enumerated thresholds by either conglomerating large projects into a single project or breaking down projects into too-small pieces to avoid having to bid them out.
5. Local governments should make their policies and procurement information as broadly available as their communication tools allow.

Recommended League Position: Concurrence Statement

We recommend that the Johnson County League of Women Voters adopt the following policy positions:

1. Local governments should have clearly written policies to cover the following best practices and should follow these best practices: training for parties responsible for any portion of the procurement process; solicitation / tender opportunities made widely available; clearly enumerated selection criteria; clearly defined evaluation process; award decision and its justification shared with bidders; determination of terms and conditions of the contract and any amendment; contract administration procedures; protest and dispute-settlement mechanisms and procedures; commitment to transparency throughout the process.
2. Department heads should maintain procedures or resources lists for emergency situations, in order to ensure continuity.
3. Local governments should avoid the appearance of impropriety by re-evaluating long-term relationships periodically, even in small-dollar areas.
4. Local governments should avoid abusing the legally enumerated thresholds by either conglomerating large projects into a single project or breaking down projects into too-small pieces to avoid having to bid them out.
5. Local governments should make their policies and procurement information as broadly available as their communication tools allow.

Appendix 1: Process

We are including this appendix in hopes that it will allow other local Leagues and the state League to replicate this study in their own locales. We followed more or less the process we describe in this appendix, though we had some false starts. Our missteps gave us an idea of what might be a better, more methodical process for future studies, so we have laid out a recommended process in this Appendix to assist anyone who wishes to conduct a similar study in the future.

Our recommended process is as follows:

1. Raising the question. We decided to conduct this study after hearing about some high-profile local incidents where the proper procurement procedures were allegedly not followed. We initially planned to look into the practices of each city government in Johnson County as well as the Johnson County government, but this proved to be too large a project. We therefore narrowed our scope to Johnson County, and Coralville and North Liberty. We chose these two cities because they are about the same size, but Coralville has been roughly the same size for many years, while North Liberty has undergone dramatic recent growth. We thought that comparing the two might be instructive. After the 2020 census data revealed that Tiffin was the fastest-growing city in the state, we also added Tiffin to the study on the theory that information we had learned from the North Liberty-to-Coralville comparison might be useful to Tiffin.
Our recommendation is that future groups choose a **suitably narrow scope** at the outset. Our overly-broad initial scope delayed us quite a bit.
2. Research regarding best practices. We located national organizations with expertise in the area of procurement and requests for proposals. As is typical, these organizations had publicly available information about best practices in their industry. We selected The Institute for Public Procurement, which focuses on procurement by governments, and the American Bar Association, which provides model laws on various topics including procurement. These two organizations appeared to have the most thorough materials available.
Our recommendation is that future groups conduct research regarding best practices that is **relevant to the type of procurement** they are examining.
3. Write-up regarding best practices. After we had completed our research on best practices in public procurement, we wrote the introductory section of this report. This helped us to solidify our understanding of best practices in public procurement. We recommend this interim step to future groups.
4. Research regarding local government policies. We were able to obtain most of the policies from local government websites. When we tried to go to smaller governments, it was often necessary to go to the city clerk, and the city clerk was not always responsive to our emailed requests. We had better success with smaller local governments by getting someone on the phone or visiting in person.

Our recommendation to future groups is to obtain copies of policies that are easily available online where that is an option, and to call or visit in person where that is not an option.

5. Draft questions. The questions we used for our study appear at **Appendix 4**. We wrote these questions based on our knowledge of best practices combined with the policies we had read from our local governments. These may be a good starting point for future groups, but we do recommend that future groups consider how best to tailor them to the government(s) being studied.
6. Select government officials and employees. We chose to interview the individuals who were custodians of the largest budgets at each local government. We were able to determine this by a combination of reviewing the policies on who controlled the budget and looking at City Council and County Supervisor reports on local government budget. The budget information was available online for all local governments we studied.
7. Conduct interviews. We sent the main questions (but not the bullet points for details that we wanted to elicit) ahead of time so that no one felt on the spot when we conducted the interviews. Due to the pandemic, interviews were conducted partially by video chat and partially in person, depending on conditions at the time. In-person interviews are preferable when an option.
8. Write up results. We wrote this report summarizing the results of our study and will send copies to the local governments involved as well as other local Leagues.

Appendix 2: ABA Model Code Table

ABA MPC Section	Title / Subject	Johnson County	Coralville	North Liberty	Tiffin
		<p>* General Purchasing and Procurement Policy</p> <p>** Procurement Policy for Federal Grant and Loan Award Funds</p>			<p>*Purchasing Policy</p> <p>**Procurement Policy</p>
1-101(2)	Purpose	<p>* Section "General," p. 2: Maximize open and free competition, avoid unnecessary duplication.</p> <p>** Establish guidelines that meet or exceed requirements (p.1).</p>	<p>Section 1 Statement of Purpose, p.1: fair and impartial purchasing action, encourage competition, all qualified sellers have access to City business.</p>	<p>Section 1, General Policy p.3: Purpose is to promote fiscal responsibility.</p>	<p>*Scope limited to product or material expenditures.</p> <p>**Scope limited to expenditures involving Federal funds.</p>
1-103	Requirement of Good Faith	<p>* Not explicitly stated; does require clear and consistent procedures at "General," p. 2.</p> <p>** Requires compliance with all applicable laws, etc. (p.2).</p>	<p>Not explicitly stated; not anything about the bidders' good faith (?) "all purchasing actions are fair and impartial, competition is encouraged, and all qualified sellers or buyers have access to City business. (p.1)</p>	<p>S1 Purchasing Policy, General Policy p.3</p>	<p>*Not specified.</p> <p>**Not specified. However, "sound biz judgement" mentioned at <u>Purpose</u> section.</p>

ABA MPC Section	Title / Subject	Johnson County	Coralville	North Liberty	Tiffin
Definitions 1-301(3)	“Chief Procurement Officer”	* Not defined. Authority with DHEO (Dept Heads and Elected Officials) even spells out GAAP type “control system” to ensure safeguard to prevent loss, damage, or theft” for DHEO. P. 6. ** Not defined.	Decentralized; S1 Purchasing System p.1	Department Director and Authorized Individuals p.3-4	*Not specified. **Not specified
1-301(19)	“Purchasing Agency”	DHEO. JC p.2	Departments have authorized buyers; p.1	Dept. heads, p.1	*Not specified. ** Not specified
1-301(21)	“Services”	* Not defined. ** Defined at Section IV. P.4-5	Less requirements for services; hard to define	Definitions P. 12,13,14	*§2(A) identifies “Services” as NOT a “product or material.” **Not Specified.
1-401	Public Access to Procur. Info.	* Public comment and review available at public meetings at various stages. ** P. 3 “must be made available to the granting agency upon request”	Yes	Yes. City Clerk p. 4	*Not specified. ** <u>Procurement Records</u> section limits procurement records access to “awarding agency.” See Sections (a) – (c).

ABA MPC Section	Title / Subject	Johnson County	Coralville	North Liberty	Tiffin
2-101 (A)	Creation & Membership of Procurement Policy Office	<p>* DHEO. P. 2.</p> <p>** Section III (p.2) is department or office doing it</p>	Departments; PPO for Transit (used for other things?)	Department heads p.1	<p>*Not specified</p> <p>**Not specified.</p>
2-401 (D)	Procurement Regulations	<p>* General section p.2.</p> <p>** II B.</p>	<p>Transit doc references federal regulations and how they are to be included; e.g. Section 8: All procurement utilizing FTA funding shall include the City of Coralville General Conditions and Instructions to Bidders and Instructions, Conditions and Certificates. (FTA attachments) Protest procedures included; PPPM'14 "compliance with Federal requirements is a condition of receipt of Federal funds"(p.1)</p>	<p>Section III, p.10-12</p> <p>Section V UNIFORM GRANT GUIDANCE POLICY REGARDING FEDERAL REVENUE SOURCES p12-25</p>	<p>*Not specified</p> <p>**<u>Methods of Procurement</u> incorporates Federal procurement regs. at each class of procurement allowed per the policy.</p>

ABA MPC Section	Title / Subject	Johnson County	Coralville	North Liberty	Tiffin
2-501	Collection of Procurement Data	Not clear.	Pre-proposal conferences (PPPM'14 p.15)	P21 #9a,b	* Not specified ** Not specified.

ABA MPC Section	Title / Subject	Johnson County	Coralville	North Liberty	Tiffin
3-201	Types / Methods of Source Selection+ comments	<p>* Buy Local; exceptions not readily available, at a considerable cost savings over expected useful life. p.3; small, minority and women owned (p.4)</p> <p>** Check federally debarred bidders list. Section III L (p.4); Construction \$10-\$250k solicit quotes from M/WBE vendors (p.6 and 8) Fed funded include screen print of search for federally debarred bidders (p.3)</p>	<p>Written explanation if awarded to anyone other than the low bidder. (p.6); Employees encouraged to report new sources of supply, new products or services, instances of outstanding good works by suppliers, ideas for improving efficiency (p.26); <\$3k: not necessarily quotes, but fairness. Can use: history, catalog prices, phone quotes, annual listing of a survey of prices, GSA, state, or local schedules; Transit Director checks list for at least one DBE firm (PPPM'14 p.3)</p>	<p>North Liberty 2020-2023 Purchasing Policy</p> <p>General Practices, p.3 ...vendors who have businesses ... within NL</p> <p>Routine purchases, p.5 p.15,16</p>	<p>*Parts II. and III identifies types of purchase methods.</p> <p>**<u>Method of Procurement and Small & Minority Businesses</u> outline procurement classes and small bizes.</p>

ABA MPC Section	Title / Subject	Johnson County	Coralville	North Liberty	Tiffin
3-204	Small Purchases + Comments	\$5,000 first break (p.9) nothing special	Value under \$1000; whole sections. 6=Travel Policy; 7=Procurement Card policy;	Value under \$1,000 p.5	*Part II. A provides for small purchases. ** <u>Methods of Procurement</u> §(A) provides for “micro-purchases.”
3-205	Sole Source Procurement + Comment	* No sole-source (to maximum extent possible; written justification if used) (p.4); ** Service<\$10k distribute among qualified suppliers	>\$5k requires proof of competitive procurement or a written explanation of the reason; “Sole source procurement will be used only when: one source, emergency, FTA oks it, only one bidder, capital maintenance only from manufacturer but still must have a cost analysis to justify the price (PPPM’14 p.5) even more detail at p.18	Value above \$1,000 p.5 ...unless ____ In the event ____	*Part II. B. provides narrow exception process for \$1k-\$5K purchase. *Part III.B. broadly exempts several classes of purchases from policy ** <u>Methods of Procurement</u> at (E) defines this as “non-competitive proposals.”

ABA MPC Section	Title / Subject	Johnson County	Coralville	North Liberty	Tiffin
3-206	Emergency Procurement + comment	* P.7-8; convert contracts issued in emergency to standard procurement contract after emergency is over p.8	S.9 allowed when an event interrupts the normal administration of municipal services, to protect the health and welfare of the public	Emergency purchases p.5	*Part III. Provides ER procurement process. ** <u>Methods of Procurement</u> at (E) defines this as “non-competitive proposals.”
3-207	Special Procurement + comment	* Encouraged to use federal excess and surplus property in lieu of purchasing new where feasible (p.6); recycled content (p.7)	Written comments required for all exceptions; Special rules for Police Department uniforms (p.27-28); 2014 PPPM concentrates on Transit, does it apply more broadly?	p. 5,6 Purchases using the purchasing/procurement card may be made by telephone, fax, or secure internet site	[TBD]

ABA MPC Section	Title / Subject	Johnson County	Coralville	North Liberty	Tiffin
3-402	Prequalification of Suppliers	*Prohibited by Iowa Code Ch. 26 where competitive bids are required. See p. 6.	Some preferences to local business (p.8); Finance Officer establishes contracts for all departments for shared supplies. Usually bid by the Central Purchasing Dept. (p.24); Micro purchases ok (PPPM'14 p.3)	Survey of vendors p.9 <ul style="list-style-type: none"> ● Price ● Availability ● Delivery time 	*Not addressed. ** <u>Awarded Contracts</u> §(B) states awarded contracts shall have “applicable provisions.” NOTE - While these are not specified in this policy, but by incorporating Fed. Rules, those requirements are made applicable.
3-703	Retention of Records	** Requirements set out at p.3	Dept keeps records (P.5); Finance Officer keeps records and reports to State; detailed documentation requirements in Transit doc (PPPM'15 p.5-6)	City Clerk, p.4	*Not addressed. ** <u>Procurement Records</u> provides for retention and incorporates Fed. Rule.

ABA MPC Section	Title / Subject	Johnson County	Coralville	North Liberty	Tiffin
3-704	Record of Procurement Actions for sole, emergency, and special contracting	* Auditors office provides itemized lists to Board for approval and verifies validity of all payments; all expenses approved by Board; larger \$ projects approved in public meeting with advance public notice.	Finance Officer: facilitate city-wide bids; sets rules and procedures; provide guidance, maintain budget controls (p.2); dept heads: \$1k-\$5k written record of phone conversations, and if awarded to not the lowest (p.6); City Administrator: \$10k-\$25k same thing	Step #3 – Action by Administrative Asst. p.10	*Part II.C. and III.A. vague language as to whether written or verbal communication satisfies ER notification. ** <u>Procurement Records</u> provides for retention and incorporates Fed. Rule.

ABA MPC Section	Title / Subject	Johnson County	Coralville	North Liberty	Tiffin
5-101	Definitions Procurement of Infrastructure facilities and services + comments	<p>* <\$25k=Bd work session; \$25k-\$800k= Bd agenda public hearing with public notice; >\$800k=Bd agenda public hearing with notice includes statement of purpose, dates/times/ etc. (p.9)</p> <p>** Service (>\$10k; \$10k-90k; \$90k-\$250K; <\$250k) Construction/Repair (>\$10k; \$10k-\$250k; \$250k-\$500k; >\$500k) (p.4-8)</p>	Capital projects;	<p>List of On-going Purchases and Expenses p.6</p> <p>No references to procurement of infrastructure facilities except in FEDERAL GUIDELINES</p>	<p>*Not clearly addressed. Possibly Part III.B's broad exemption for types of purchases likely include infrastructure, facilities, and services expenditures.</p> <p>**<u>Purpose and Application</u> sections state policy applies to infrastructure and services procurement actions.</p> <p>Also <u>Methods of Procurement</u> §(C) sealed bidding addresses infrastructure instances.</p>

ABA MPC Section	Title / Subject	Johnson County	Coralville	North Liberty	Tiffin
5-201	Project Delivery Methods Authorized + comments	<p>* Standards such that performance can be measured (p.6)</p> <p>** No cost+materials; contracts fixed price; time+materials requires express written permission of fed or state agency awarding funds. (p.3);</p>		Section IV Receiving p.9, Methods of Procurement p. 15 #8p.	<p>*Not addressed.</p> <p>**<u>Contract Pricing</u> prohibits certain pricing formulas while others outlined.</p>
5-205	Architectural & Engineering Services	** p.7-8 "must have a written method for conducting technical evaluations of proposals"		No references	<p>*Not addressed.</p> <p>**<u>Methods of Procurement</u> may cover these purchasing types but not specifically addressed.</p>
Part C 5-301-305	Bonds, Insurance, Guarantees	* Bond (p.5 incorporate Iowa Section 331.441)	Proposal Guarantee of 5% may be required (PPPM'14 p.15)	p.5,6 Ongoing purchases p.22 #3, Insurance and Indemnification	<p>*Not addressed.</p> <p>**While not specified in policy by incorporating Fed. Rules, these requirements are made applicable, if they exist in federal regs.</p>

ABA MPC Section	Title / Subject	Johnson County	Coralville	North Liberty	Tiffin
9- Part A 101-103	Protested Solicitations & Awards + comments	* Not clear. However, "Departments shall be responsible for ... source evaluation, protests, disputes and claims" p.2.	Resolution processes spelled out in IFB or RFP (PPPM'14 p.7); rules to allow correction of mistakes (PPPM'14 p.12); resolution of protests and disputes (p.23) decision of Transit Director shall be final (p.25)	Partial Deliveries and Rejections p.11	*Not addressed. **While not specified in policy by incorporating Fed. Rules, these requirements are made applicable, if they exist in federal regs.
9-Part E 501-511	Procurement Appeals Board	* Not clear. However, "Departments shall be responsible for ... source evaluation, protests, disputes and claims" p.2.	But can appeal to FTA Regional Administrator (p.25)		*Not addressed. **While not specified in policy by incorporating Fed. Rules, these requirements are made applicable, if they exist in federal regs.

ABA MPC Section	Title / Subject	Johnson County	Coralville	North Liberty	Tiffin
10 Parts A, B, and C	Inter-governmental Relations				*Part I.D. provides for intra-department purchasing. Inter-department not specified. **Policy specifically contemplates working with Federal agencies.
11 Part A 201 - 204	Small & Disadvantaged Bizes	** Divide contract for M/WBE partipation (p.3)	DBE references throughout	FEDERAL GUIDELINES Contracting with small and minority businesses, women's business enterprises and labor surplus area firms p.25	* Not specified. **Policy provides for Small- and Women-Owned- Bizes.
12	Ethics in Public Contracting	* Fraud reporting (p.4); Code of Conduct (conflicts of interest; gifts, favors) p.5 ** Contractors conflicts of interest (p.2)	Code of Conduct (PPPM'14 p.19-20)	Purchasing Policy p.3	*Not addressed. ** <u>Awarded Contacts</u> §(C) has conflicts of interest requirement.

Appendix 3: Policies

Johnson County General Purchasing and Procurement Policy

Effective Date

This policy shall be effective upon adoption.

Definitions

“County” refers to Johnson County, including its offices, departments, boards, employees, and agents.

“Board” refers to Johnson County Board of Supervisors

“Department” refers to an office, department, board, commission or agency of the County.

“Department Head” refers to a department head of the County or designee assigned purchasing responsibilities. Designee names shall be communicated to the Board. The Board maintains authority over each Department Head.

“Elected Official” refers to an elected official of Johnson County.

“DHEO” refers to Department Heads and Elected Officials.

“Purchase” is defined as the transmission of public money from the County to another entity by an act or agreement founded upon valuable consideration resulting in the acquisition of any and all supplies, material, equipment, services, or real or personal property for the benefit of the County by any department, and includes any and all articles and supplies which shall be furnished to or used by any department, including any and all printing, periodicals, stationery and the rental, repair and maintenance of equipment and machinery, hardware, software, or intellectual property.

“Procurement” refers to a purchasing process that controls quantity, quality, sourcing, and timing to ensure the best possible total cost of ownership.

“Contract” refers to any written instrument or electronic document containing the elements of offer, acceptance, and consideration to which the County is a party.

“Lease” refers to a contract conveying from an entity to the County the use of real or personal property for a designated period of time in return for payment or other valuable consideration.

“Lease-Purchase” includes, but is not limited to, an arrangement in which title of ownership transfers at or shortly after the end of the lease term.

“Proposal” refers to a price given by a vendor for the supplies, material, equipment and/or services, as described to the vendor, but is not an authorization to ship, or of purchase. Notice to

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public of Request for Proposal (RFP) shall follow the best communication and practice for good/service requested.(e.g., web pages, mailings within certain range, industry or organization publications, etc.)

“Bid” refers to a complete proposal, submitted in competition, to execute specified job(s) within a prescribed time, and not exceeding a proposed amount that usually includes labor, equipment, and materials.

“Quotation” refers to an expected, stated price for goods or services given by a vendor, but is not an authorization to ship or of purchase.

General

Johnson County shall conduct all purchasing and procurement transactions in full compliance with Federal and State laws and any applicable Federal and State standards. All purchasing and procurement transactions, either negotiated or competitively bid, and without regard to dollar value, shall be conducted in a manner so as to provide maximum open and free competition and avoid acquisition of unnecessary or duplicative items. Procedures shall be clear and consistent, and maximize the efficiency of payment of purchases. Departments must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

Authority

The Board adopts an annual budget for the County and provides appropriations to the departments. The Board may also adopt budget amendments. The Board empowers Department Heads to make purchasing and procurement decisions within the budgeted line items of the applicable department. Elected Officials have purchasing authority within the capacity of their individual budgets and the scope of statutory duties of their offices. Every County purchase shall be documented on a claim form and presented to the Board prior to the payment. Presentation to the Board shall follow public agenda guidelines and deadlines established by the Clerk to the Board.

Departments shall 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.

Nothing in this policy shall be construed to limit statutory authority or duty of the Board of Supervisors or any Johnson County Elected Official, nor shall this policy be construed as limiting the discretion of the Board of Supervisors or Elected Officials in the performance of any act or deed deemed necessary and prudent in the best interest of the public.

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Local Purchases/Procurement

Pursuant to Code of Iowa §23A.3 and Johnson County's adopted Buy Local policy, Johnson County shall first consider using locally-owned businesses within the County if cost and other considerations are relatively equal. However, the County reserves the right to purchase items outside of Johnson County if products or services needed are not readily available in Johnson County, or if a product or service can be purchased outside Johnson County at a considerable cost savings. Cost savings may include calculating costs to the County of operating, maintaining or upgrading the purchase over its expected useful or contractual life. Such local preferences shall not apply if prohibited under applicable Federal or state contracting requirements, nor shall such preferences be construed to prevent or prohibit the giving of a preference to businesses owned or operated by minorities or females as may be provided in any other provision of law.

Sole-Source Purchasing/Procurement (Non-Competitive)

All purchasing and procurement transactions shall be conducted in a matter so as to provide, to the maximum extent practical, competition. However, if open and free competition is not used, sole-source justification shall be provided with the purchase. The justification shall include a description of why it was necessary to purchase non-competitively, such as lack of legitimate competitors, time constraints, or other pertinent information.

Competitive Bids

Public notice calling for the submission of bids shall follow the relevant provisions of the Code of Iowa and the Iowa Administrative Code. The County reserves the right to reject bids or make counter offers.

Federal Funds (see also Grant Guidance, below)

Title 2, Part 200 of the Code of Federal Regulations (CFR), effective December 26, 2014, shall be applicable when federal funds are used for purchases with exceptional consideration for the following:

- Title 2, Part 200.212: *Suspension and debarment*. Non-Federal entities and contractors are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities. In particular, Johnson County will check whether a supplier or contractor is suspended or debarred by the federal government before purchasing and/or awarding a contract or subaward. Departments must check the System for Award Management (SAM.gov – previously EPLS) website (<http://www.sam.gov/>) and ensure, where feasible, that contracts for both goods and services include a certification by the vendor that, to the best of its knowledge and belief that it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency in accordance with Executive Order 12549

(2/18/86). Departments should document the Suspension and Debarment verification by including a screen print of the Exclusions search in the file.

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- Title 2, Part 200.321 (by title): *Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms*. In particular, Johnson County shall take the six (6) affirmative steps provided in Title 2, Part 200.321(b), those being;
 1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
 4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
 5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
 6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.
- Title 2 CFR Part 200 Appendix II (by title)
- The Johnson County, Iowa Procurement Policy for Federal Grant and Loan Award Funds adopted June 27, 2019 ("Johnson County Federal Procurement Policy")

Fraud Reporting

Johnson County departments, offices, and/or employees are required to disclose, in writing and in a timely manner, all violations of federal criminal law involving fraud, bribery, or gratuity potentially affecting a federal award. This requirement applies to violations involving Johnson County, its employees, and any sub-recipients of a federal grant. If a Johnson County department, office, or employee learns of a violation of federal criminal law involving fraud, bribery, or gratuity potentially affecting a federal grant, the department or employee must report the violation to the Johnson County Grants Coordinator, (319) 356-6000. Reportable violations include not only those violations concerning Johnson County or its employees, but also include violations relating to sub-recipients of award monies. The Johnson County Grants Coordinator is responsible for reporting the violation to the relevant federal agency in writing and in a timely manner.

Johnson County shall disclose such reported violations to the Federal awarding agency or pass-through entity in writing, in compliance with Uniform Grant Guidance, in Title 2 Code of Federal Regulation (C.F.R.) Grants and Agreements, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and shall report certain civil, criminal, or administrative proceedings to SAM where the award includes the term and condition outlined in Appendix XII—Award Term and Condition for Recipient Integrity and Performance Matters. Failure to make required disclosures can result in any of the remedies described in §200.338 Remedies for noncompliance, including suspension or debarment. (See also 2 CFR part 180, 31 U.S.C. 3321, and 41 U.S.C. 2313.)

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Code of Conduct

No elected officer, employee, or agent of Johnson County shall participate in the selection, award, or administration of a contract supported by federal grant funds, if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- a. The employee, officer, or agent;
- b. Any member of his/her immediate family;
- c. Their partner; or
- d. 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.

Johnson County's officers, employees, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or subcontractors.

These standards shall supplement, and be implemented in harmony with, existing conflict of interest and gift policies applicable to County officers and employees under the Johnson County Employee Handbook (as amended), 2 CFR 200.318(c), Code of Iowa Chapter 68B, and Code of Iowa §331.342 and §314.2. The disclosure requirements and discipline provisions of the Johnson County Employee Handbook applicable to conflicts of interest shall apply to circumstances implicated by this Code of Conduct.

As permitted by 2 CFR 200.318(c)(1), those contracts and situations described in Code of Iowa § 331.342(2), shall not be deemed conflicts of interest requiring disclosure and/or discipline.

Loans

Should the County enter into a loan agreement to borrow money for a public purpose, the County shall follow Code of Iowa §331.402 and all other applicable Code sections.

Essential County Purpose Bond or General County Purchase Bond

The County shall follow Code of Iowa §331.441 and all other applicable Code sections, as well as the advice of bond counsel.

Horizontal and Vertical Construction, Reconstruction, or Improvement projects (

Code of Iowa §314.1B established horizontal and vertical bid thresholds for County public improvement projects, and shall be followed for each project. This applies to construction, reconstruction, and improvement projects. Repair or maintenance projects are not subject to the thresholds. Repair or maintenance projects are defined in Iowa Administrative Code 761—180.3(314), and shall be followed for each project. Current bid and quote thresholds available at iowadot.gov/local_systems/publications/bid_limits.htm.

If the estimated total cost of a public improvement project (excluding architectural, landscape architectural, or engineering design services and inspection as defined in Code of Iowa §26.2) is between \$103,000 - \$139,000, and not subject to the Johnson County Federal Procurement Policy, will follow a competitive quotation process. If the estimated total cost of a public

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improvement exceeds \$139,000 based on the licensed Engineer/Architectural report, the County shall follow the competitive bidding process as described in Code of Iowa Chapter 26, including the prohibition of local prequalification requirements contained in Code of Iowa § 26.16 for public improvements for which competitive bids are required by Chapter 26.

Contract Purchases

Contract purchases, including recurring contracts, shall be pre-approved by the Board. Each Department/Office is responsible for developing and managing its own contracts, and finalizing the specifications and standards expected from the vendor. These standards should be such that the contract performance can be measured. The Board and/or the applicable Department Head or Elected Official may request review by the County Attorney's Office of a new contract for a good or a service, and for recurring contracts if any changes occur. An officer or employee of the County shall not have an interest, direct or indirect, in a County contract as defined in Code of Iowa §331.342.

Grant Guidance

As a recipient and sub-recipient of State and Federal grant dollars, Johnson County shall follow all applicable State procurement requirements and the Johnson County Federal Procurement Policy. Johnson County shall also follow the appropriate federal guidelines issued by the United States Office of Management and Budget (OMB) and the Code of Federal Regulations (CFR), including but not limited to OMB Circular A-102, OMB Circular A-110, 44 CFR Part 13, and 28 CFR Part 66. Johnson County shall follow OMB Circular A-133 Subpart C.300 to comply with auditee responsibilities. If applicable, Johnson County shall follow OMB Circular A-87 (relocated to 2 CFR Part 225) for cost principle standards. Any contracts awarded shall comply with 2 CFR 200.326 and Appendix II of Part 200.

Notification of receipt of State or Federal grant for a Department/Office shall be acknowledged by the Board in a public meeting. State or Federal grant monies which flow through Johnson County accounts shall have unique, identifiable accounting codes established by the Auditor's office. Receipt of property purchased with grant monies shall be used for the purpose intended. Johnson

County or the applicable DHEO will be held accountable for the equipment. The DHEO shall have a control system in effect to ensure adequate safeguards to prevent loss, damage, or theft of the property. Departments 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.

The recipient shall be responsible for proper maintenance and maintain appropriate inventory tracking to assist with financial reporting, and records sufficient to detail the significant history of procurement, including the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. Property purchased with State or Federal grant dollars will be subject to physical inventory verification conducted annually by the Auditor's office and/or the Finance department.

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For programs and projects supported by State CDBG funding, Departments will procure items with recycled content following the requirements of Code of Iowa chapter 8A.315-317 and Iowa Administrative Code chapter 11-117.6(5) — Recycled Product and Content. If bids or proposals are solicited, Departments shall include all request for proposals and bid documents the following language:

“The contractor agrees to comply with all the requirements of Code of Iowa chapter 8A.315-317 and Iowa Administrative Code chapter 11-117.6(5) — Recycled Product and Content.”

Emergency Purchases

Emergency purchases may be made by a DHEO following verbal approval of a Board member, if said purchase falls within the limits of this Policy. What constitutes an emergency is at the discretion of the Board, in consultation with the applicable DHEO. When a purchase is to be paid for or reimbursed, directly or indirectly, from Federal funds, noncompetitive procurements may be allowed when it is determined that immediate actions required to address the public exigency or emergency cannot be delayed by a competitive solicitation. However, DHEOs must document their justification for using noncompetitive procurements, must still comply with other procurement requirements, and shall ensure that costs are reasonable. In the case of an exigency, there is a need to avoid, prevent, or alleviate serious harm or injury, financial or otherwise, to the County, and use of competitive procurement proposals would prevent the urgent action required to address the situation. In the case of an emergency, a threat to life, public health or safety, or improved property requires immediate action to alleviate the threat.

In the event the Board of Supervisors has declared a disaster or public health emergency disaster, the implementation of the County's debarment policy may be expressly suspended during this emergency period but for no longer than sixty (60) days. If at all possible, Departments should consult with any applicable Federal agencies prior to the effective date of such planned suspension as not all Federal agencies may honor a suspension of the County's Debarment Policy.

Emergency purchases paid for or reimbursed, directly or indirectly, from Federal funds, shall still (all of which are applicable to County procurements under non-exigent circumstances when the County is making a procurement as a recipient and sub-recipient of Federal grant dollars):

- Include the required contract clauses (2 C.F.R. § 200.326 & Appendix II);
- Include the Federal bonding requirements if the contract is for construction or facility improvement and the contract exceeds the Federal simplified acquisition threshold (2 C.F.R. § 200.325) or else receive a determination that the federal interest is adequately protected;
- Be awarded to a responsible contractor (2 C.F.R. § 200.318(h));
- Be predicated on a cost or price analysis to determine that the cost or price of the contract is fair and reasonable if the contract exceeds or is expected to exceed the Federal simplified acquisition threshold (2 C.F.R. § 200.323(a) and (b));
- Not use the cost-plus-percentage-of-cost contracting (2 C.F.R. § 200.323(c));
- Comply with 2 C.F.R. § 200.318(j) if time and materials basis is used;

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- Follow documentation, oversight, and conflict of interest requirements among other general procurement requirements in 2 C.F.R. § 200.318. If a conflict of interest is unavoidable due to the exigent/emergency circumstances, the County must explain that in the procurement documentation.

Use of the public exigency or emergency exception is only permissible during the actual exigent or emergency circumstances. Work performed under noncompetitively procured contracts shall specifically related to the exigent or emergency circumstance in effect at the time of procurement. DHEOs should, upon the County's award of a noncompetitive contract, immediately begin the process of competitively procuring similar goods and services, if warranted, in order to transition to the competitively procured contracts as soon as the exigent or emergency circumstances cease to exist.

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Procedure by Price Threshold (unless otherwise established by the Code of Iowa)

Thresholds for Purchase

Less than \$5,000 principal amount: Regular claim process

Between \$5,000 - \$25,000 principal amount that was anticipated/acknowledged during the budget process: Regular claim process

Between \$5,000 - \$25,000 principal amount that was not anticipated/acknowledged during the budget process: (i) Elected Officials should seek acknowledgement prior to purchase by the Board at a public meeting; (ii) Department Heads must obtain approval prior to purchase by the Board at a public meeting

Greater than \$25,000 principal amount: use Request for Proposal or minimum of two (2) written/email quotations

Thresholds for Lease or Lease-Purchase Contract Requirements

Principal amount less than \$25,000 for real or personal property:

- (i) if New – place on Board work session agenda;
- (ii) if Recurring – place on Board informal meeting agenda

Principal amount between \$25,000 -\$800,000 for real or personal property

- (i) Place on Board agenda as a public hearing
- (ii) Follow provisions of Code of Iowa §331.443: (a) publish Public Notice of proposed action including statement of purpose and amount, (b) Follow Public Notice publication deadlines as defined by Code of Iowa §331.305 (published no less than 4 days, no more than 20 days prior to public hearing); (c) ensure the Public Notice meets the requirements of Code of Iowa §618.14

Principal amount over \$800,000 for real or personal property

- (i) Place on Board agenda as a public hearing
- (ii) Follow the provisions Code of Iowa §331.305: (a) follow Public Notice publication deadlines as defined by Code of Iowa §331.305 (published no less than 10 days prior to discussion meeting, notice of public meeting), (b) ensure the Public Notice meets the requirements of Code of Iowa §618.14, (c) include in the published Public Notice the statement of purpose, proposed action, amount, time and place of the meeting, and the right of citizens to petition for an election, (d) after 30 days, the Board shall hold a public meeting to enter into the lease or lease-purchase contract if no petition for election is received

The preparation and timely legal publication of public notices are the responsibility of the department requesting the purchase/contract. It is the responsibility of the department to place items on an agenda of the Board of Supervisors.

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Process

For purchases made on a Johnson County account, upon receipt of shipment the DHEO shall examine the shipping document/invoice and ensure that all items have been received and are not damaged. Correction of discrepancies or replacement of damaged items is the responsibility of the Department or Office. If the invoice amount is different than the quotation/bid received, it is up to the department to investigate and determine if the billed price is correct and appropriate. The department or office shall segregate duties so that the person procuring the item/asset is not the same person who records the transaction in the accounting and physical inventory records. Once shipment has been verified, the invoice and accompanying documentation shall be attached to a

claim form, signed by the applicable DHEO or designee, and submitted to the County Auditor for payment.

Bids submitted in compliance with Code of Iowa §331.301, §331.341 and §384.94 –384.103 shall be submitted to the County Auditor’s office for opening at a public Board meeting. “Notice to Bidders” shall be pursuant to Code of Iowa §26.7.

Exemptions

The following items shall be exempted from the Purchasing and Procurement Policy. This list is not necessarily all inclusive and shall be amended as necessary.

- Wages
- Employee Benefits
- Utility Payments for the County
- County Boards' Compensation
- Payments made on behalf of General Assistance recipients
- Rent –Buildings and Land
- Judgments, Damages and Settlements
- Fuel –Secondary Roads
- Annual Publication of Delinquent Tax List –Treasurer
- Debt/Lease payments

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Claims Processing Procedures

All claims must be for reasonable and necessary items which meet the requirements of public purpose. The public purpose shall be documented on the claim if not readily apparent. The responsibilities of the Board of Supervisors and the Auditor regarding claims are provided and described in the Code of Iowa §331.401 and §331.504, respectively. The Auditor’s office has the statutory responsibility of processing claims submitted for payment and presenting an itemized list to the Board for approval; procedures are as follows:

Timetable

- For each fiscal year, the Auditor’s office shall define a bi-weekly payment schedule
- Claims shall be submitted by the deadlines defined in the bi-weekly payment schedule
- Claims are due by 3:00 pm on the due date
- Any late fees incurred for tardy submissions are the responsibility of the submitting department
- Every claim will be file-stamped as received

Process

- Every claim shall be signed by the responsible DHEO or designee
- Employee claims for reimbursement must be signed by the employee and the responsible DHEO

- Detailed invoices shall be attached to each claim
- The code/line item shall be verified for correctness by the Auditor's office using the Uniform Chart of Accounts for Iowa County Governments
- All purchases will be compared and verified against the approved budget
- The Auditor's office will remove taxes, check for duplication, verify remit-to address, verify compliance with policies, and discuss any necessary changes with the submitting department
- Claims/payments that contain confidential HIPPA information shall be returned to the appropriate department once entered for payment
- Purchases and/or agreements that extend beyond one fiscal year require Board approval
- If there is a disputed charge, prior to submission of the claim, the submitting department is responsible for contacting the vendor to verify the situation. This includes credit card purchases. If the dispute results in late fees or other collection situations, the submitting department shall be responsible for resolution and payments (if any)

Non-conforming submissions

- Claims not conforming to this Purchasing Policy shall be questioned and discussed with the submitting department, including, but not limited to, claims which require Board approval prior to payment and claims lacking sufficient documentation
- Any non-conforming claim may be highlighted on the claims list presented to the Board for approval along with documentation detailing its non-conformance
- Any non-conforming claim may be selected for further inquiry as part of the County's annual audit Thresholds for Physical Inventory and Capital Assets

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- If an item exceeds \$500.00, an inventory card shall be created for addition to the inventory list
- If an item exceeds \$5,000.00, it shall be added to the capital asset list and depreciated, and an inventory card shall be created for addition to the inventory list

Date approved: 05-14-2020

Date(s) amended:

Johnson County, Iowa Procurement Policy for Federal Grant and Loan Award Funds

Preliminary Note: When spending federal grant and loan award funds, local governments such as Johnson County are required to adopt written procurement policies that conform to applicable federal law and the Uniform Guidance. (2 C.F.R. § 200.318(a)) For individual contracts, Johnson County personnel should also consult their grant award documents and with their federal grantor agency to determine whether additional procurement requirements apply.

I. Purpose

The purpose of this policy is to establish guidelines that meet or exceed the procurement requirements for purchases of goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects when federal funds are being used in whole or in part to pay for the cost of the contract. To the extent that other sections of procurement policies and procedures adopted by Johnson County, Iowa are more restrictive than those contained in this policy, local policies and procedures shall be followed.

II. Policy

- A. **Application of Policy.** This policy applies to contracts for purchases, services, and construction or repair work funded with federal financial assistance (direct or reimbursed). The requirements of this Policy also apply to any subrecipient of the funds.

All federally funded projects, loans, grants, and sub-grants, whether funded in part or wholly, are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards (Uniform Guidance) codified at 2 C.F.R. Part 200 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds.

- B. **Compliance with Federal Law.** All procurement activities involving the expenditure of federal funds must be conducted in compliance with the Procurement Standards codified in 2 C.F.R. § 200.317 through § 200-326 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds. Johnson County will follow all applicable local, state, and federal procurement requirements when expending federal funds. Should Johnson County have more stringent requirements, the most restrictive requirement shall apply so long as it is consistent with state and federal law.
- C. **Contract Award.** All contracts shall be awarded only to the lowest responsive responsible bidder possessing the ability to perform successfully under the terms and conditions of the contract.

- D. **No Evasion.** No contract may be divided to bring the cost under bid thresholds or to evade any requirements under this Policy or state and federal law.

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- E. **Contract Requirements.** All contracts paid for in whole or in part with federal funds shall be in writing. The written contract must include or incorporate by reference the provisions required under 2 C.F.R § 200.326 and as provided for under 2 C.F.R. Part 200, Appendix II.
- F. **Contractors' Conflict of Interest.** Designers, suppliers, and contractors that assist in the development or drafting of specifications, requirements, statements of work, invitation for bids or requests for proposals shall be excluded from competing for such requirements.
- G. **Approval and Modification.** The administrative procedures contained in this Policy are administrative and may be changed as necessary at the staff level to comply with state and federal law.

III. General Procurement Standards and Procedures:

The Johnson County department or office conducting the procurement (the "Procuring Agency") shall procure all contracts in accordance with the requirements of this Section of the Policy.

- A. **Necessity.** Purchases must be necessary to perform the scope of work and must avoid acquisition of unnecessary or duplicative items. The Procuring Agency should check with the federal surplus property agency prior to buying new items when feasible and less expensive. Strategic sourcing should be considered with other departments, agencies and/or offices who have similar needs to consolidate procurements and services to obtain better pricing.
- B. **Clear Specifications.** All solicitations must incorporate a clear and accurate description of the technical requirements for the materials, products, or services to be procured, and shall include all other requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals. Technical requirements must not contain features that restrict competition.
- C. **Notice of Federal Funding.** All bid solicitations must acknowledge the use of federal funding for the contract. In addition, all prospective bidders or offerors must acknowledge that funding is contingent upon compliance with all terms and conditions of the funding award.

D. Compliance by Contractors. All solicitations shall inform prospective contractors that they must comply with all applicable federal laws, regulations, executive orders, and terms and conditions of the funding award.

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E. Fixed Price. Solicitations must state that bidders shall submit bids on a fixed price basis and that the contract shall be awarded on this basis unless otherwise provided for in this Policy. Cost plus percentage of cost contracts are prohibited. Time and materials contracts are prohibited in most circumstances. Time and materials contracts will not be used unless no other form of contract is suitable and the contract includes a “Not to Exceed” amount. A time and materials contract shall not be awarded without express written permission of the federal agency or state pass-through agency that awarded the funds.

F. Use of Brand Names. When possible, performance or functional specifications are preferred to allow for more competition leaving the determination of how to reach the required result to the contractor. Brand names may be used only when it is impractical or uneconomical to write a clear and accurate description of the requirement(s). When a brand name is listed, it is used as reference only and “or equal” must be included in the description.

G. Lease versus Purchase. Under certain circumstances, it may be necessary to perform an analysis of lease versus purchase alternatives to determine the most economical approach.

H. Dividing Contract for M/WBE Participation. If economically feasible, procurements may be divided into smaller components to allow maximum participation of small and minority businesses and women business enterprises. The procurement cannot be divided to bring the cost under bid thresholds or to evade any requirements under this Policy.

I. Documentation. Documentation must be maintained by the Procuring Agency detailing the history of all procurements under this Policy. The documentation should include the procurement method used, contract type, basis for contractor selection, price, sources solicited, public notices, cost analysis, bid documents, addenda, amendments, contractor’s responsiveness, notice of award, copies of notices to unsuccessful bidders or offerors, record of protests or disputes, bond documents, notice to proceed, purchase order, and contract. All documentation relating to the award of any contract must be made available to the granting agency upon request.

J. Cost Estimate. For all procurements costing \$250,000 or more, the Procuring Agency shall develop an estimate of the cost of the procurement prior to soliciting bids. Cost estimates may be developed by reviewing prior contract costs, online review of similar products or

services, or other means by which a good faith cost estimate may be obtained. Cost estimates for construction and repair contracts may be developed by the project designer.

- K. Contract Requirements.** The Procuring Agency must prepare or ensure any resulting written contract incorporates the provisions referenced in Section II.C of this Policy.

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- L. Debarment.** No contract shall be awarded to a contractor included on the federally debarred bidder's list.
- M. Contractor Oversight.** The Procuring Agency receiving the federal funding must maintain oversight of the contract to ensure that contractor is performing in accordance with the contract terms, conditions, and specifications.
- N. Open Competition.** Solicitations shall be prepared in a way to be fair and provide open competition. The procurement process shall not restrict competition by imposing unreasonable requirements on bidders, including but not limited to unnecessary supplier experience, excessive or unnecessary bonding, specifying a brand name without allowing for "or equal" products, or other unnecessary requirements that have the effect of restricting competition.
- O. Geographic Preference.** No contract shall be awarded on the basis of a geographic preference.

IV. Specific Procurement Procedures

Procuring Agency shall solicit bids in accordance with the requirements under this Section of the Policy based on the type and cost of the contract.

- A. Service Contracts** (except for A/E professional services) and **Purchase Contracts costing less than \$10,000** shall be procured using the Uniform Guidance "micro-purchase" procedure (2 C.F.R. § 200.320(a)) as follows:
 1. The contract may be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable.
 2. To the extent practicable, purchases must be distributed among qualified suppliers.
- B. Service Contracts** (except for A/E professional services) and **Purchase Contracts costing \$10,000 up to \$90,000** shall be procured using the Uniform Guidance "small purchase" procedure (2 C.F.R. § 200.320(b)) as follows:
 1. Obtain price or rate quotes from an "adequate number" of qualified sources (a federal grantor agency might issue guidance interpreting "adequate number," so the

Requesting Department should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued).

2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
3. Cost or price analysis is not required prior to soliciting bids.
4. Award the contract on a fixed-price basis (a not-to-exceed basis is permissible for service contracts where obtaining a fixed price is not feasible).
5. Award the contract to the lowest responsive, responsible bidder.

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C. Service Contracts (except for A/E professional services) and **Purchase Contracts costing \$90,000 and above** shall be procured using the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) as follows:

1. Cost or price analysis is required prior to soliciting bids.
2. Complete specifications or purchase description must be made available to all bidders.
3. The bid must be formally advertised in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertising must be authorized by the governing board. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the governing board the right to reject any or all bids only for “sound documented reasons.”
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
5. Open bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed. A minimum of 2 bids must be received in order to open all bids.
6. Award the contract to the lowest responsive, responsible bidder on a fixed-price basis. Governing board approval is required for purchase contracts unless the governing board has delegated award authority to an individual official or employee. Any and all bids may be rejected only for “sound documented reasons.”

D. Service Contracts (except for A/E professional services) **costing \$250,000 and above** may be procured using the Uniform Guidance “competitive proposal” procedure (2 C.F.R. § 200.320(d)) when the “sealed bid” procedure is not appropriate for the particular type of service being sought. The procedures are as follows:

1. A Request for Proposals (RFP) must be publicly advertised. Formal advertisement in a newspaper is not required so long as the method of advertisement will solicit proposals from an “adequate number” of qualified firms.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.

3. Identify evaluation criteria and relative importance of each criteria (criteria weight) in the RFP.
4. Consider all responses to the publicized RFP to the maximum extent practical.
5. Must have a written method for conducting technical evaluations of proposals and selecting the winning firm.
6. Award the contract to the responsible firm with most advantageous proposal taking into account price and other factors identified in the RFP. Governing board approval is not required.
7. Award the contract on a fixed-price or cost-reimbursement basis.

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- E. Construction and repair contracts costing less than \$10,000** shall be procured using the Uniform Guidance “micro-purchase” procedure (2 C.F.R. § 200.320(a)) as follows:
1. The contract may be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable.
 2. To the extent practicable, contracts must be distributed among qualified suppliers.

- F. Construction and repair contracts costing \$10,000 up to \$250,000** shall be procured using the Uniform Guidance “small purchase” procedure (2 C.F.R. § 200.320(b)) as follows:
1. Obtain price or rate quotes from an “adequate number” of qualified sources (a federal grantor agency might issue guidance interpreting “adequate number,” so the requesting department should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued).
 2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
 3. Cost or price analysis is not required prior to soliciting bids, although price estimates may be provided by the project designer.
 4. Award the contract on a fixed-price or not-to-exceed basis.
 5. Award the contract to the lowest responsive, responsible bidder. Governing board approval is not required.

Caution: building or construction work, excluding road construction, must also comply with Iowa’s public bidding laws. Please ensure that all public improvement projects are executed in accordance with Iowa Code Chapter 26 and any Johnson County capital projects guide or equivalent policy document, if adopted, subject to Section II.B above.

- G. Construction and repair contracts costing \$250,000 up to \$500,000** shall be procured using the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) as follows:
1. Cost or price analysis is required prior to soliciting bids (this cost estimate may be provided by the project designer).
 2. Complete specifications must be made available to all bidders.

3. Publically advertise the bid solicitation for a period of time sufficient to give bidders notice of opportunity to submit bids (formal advertisement in a newspaper is not required so long as other means of advertising will provide sufficient notice of the opportunity to bid). The advertisement must state the date, time, and location of the public bid opening, and indicate where specifications may be obtained.
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
5. Open the bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed. A minimum of 2 bids must be received in order to open all bids.
6. A 5% bid bond is required of all bidders. Performance and payment bonds of 100% of the contract price is required of the winning bidder.

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7. Award the contract on a firm fixed-price basis.
8. Award the contract to the lowest responsive, responsible bidder. Governing board approval is not required. Any and all bids may be rejected only for “sound documented reasons.”

Caution: building or construction work, excluding road construction, must also comply with Iowa’s public bidding laws. Please ensure that all public improvement projects are executed in accordance with Iowa Code Chapter 26 and any Johnson County capital projects guide or equivalent policy document, if adopted, subject to Section II.B above.

H. Construction and repair contracts costing \$500,000 and above shall be procured using a combination of the most restrictive requirements of the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) as follows:

1. Cost or price analysis is required prior to soliciting bids (this cost estimate should be provided by the project designer).
2. Complete specifications must be made available to all bidders.
3. Formally advertise the bid in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertising must be authorized by the governing board. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the governing board the right to reject any or all bids only for “sound documented reasons.”
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
5. Open the bids at the public bid opening on the date, time, and at the location noticed in the public advertisement. All bids must be submitted sealed and in paper form. A minimum of 3 bids must be received in order to open all bids.

6. A 5% bid bond is required of all bidders (a bid that does not include a bid bond cannot be counted toward the 3-bid minimum requirement). Performance and payment bonds of 100% of the contract price is required of the winning bidder.
7. Award the contract on a firm fixed-price basis.
8. Award the contract to the lowest responsive, responsible bidder. Governing board approval is required and cannot be delegated. The governing board may reject and all bids only for “sound documented reasons.”

Caution: building or construction work, excluding road construction, must also comply with Iowa’s public bidding laws. Please ensure that all public improvement projects are executed in accordance with Iowa Code Chapter 26 and any Johnson County capital projects guide or equivalent policy document, if adopted, subject to Section II.B above.

- I. **Contracts for Architectural and Engineering Services costing under \$250,000** shall be procured in accordance with any Johnson County capital projects guide or equivalent policy document, if adopted, subject to Section II.B above.

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- J. **Contracts for Architectural and Engineering Services costing \$250,000 or more** shall be procured using the Uniform Guidance “competitive proposal” procedure (2 C.F.R. § 200.320(d)(5)) as follows:
 1. Publically advertise a Request for Qualifications (RFQ) to solicit qualifications from qualified firms (formal advertisement in a newspaper is not required). Price (other than unit cost) shall not be solicited in the RFQ.
 2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
 3. Identify the evaluation criteria and relative importance of each criteria (the criteria weight) in the RFQ.
 4. Proposals must be solicited from an “adequate number of qualified sources” (an individual federal grantor agency may issue guidance interpreting “adequate number”).
 5. Must have a written method for conducting technical evaluations of proposals and selecting the best qualified firm.
 6. Consider all responses to the publicized RFQ to the maximum extent practical.
 7. Evaluate qualifications of respondents to rank respondents and select the most qualified firm. Preference may be given to in-state (but not local) firms provided that granting the preference leaves an appropriate number of qualified firms to compete for the contract given the nature and size of the project.
 8. Price cannot be a factor in the initial selection of the most qualified firm.
 9. Once the most qualified firm is selected, negotiate fair and reasonable compensation. If negotiations are not successfully, repeat negotiations with the second-best qualified firm.

10. Award the contract to best qualified firm with whom fair and reasonable compensation has been successfully negotiated. Governing board approval is not required.

Caution: Procurements for Architectural and Engineering Services costing \$250,000 or more shall also follow any Johnson County capital projects guide or equivalent policy document, if adopted, subject to Section II.B above.

V. Exceptions

Non-competitive contracts are allowed **only** under the following conditions and with the written approval of the federal agency or state pass-through agency that awarded the federal funds:

- A. Sole Source.** A contract may be awarded without competitive bidding when the item is available from only one source. The Procuring Agency shall document the justification for and lack of available competition for the item. A sole source contract must be approved by the governing board.

- B. Public Exigency.** A contract may be awarded without competitive bidding when there is a public exigency. A public exigency exists when there is an imminent or actual threat to

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public health, safety, and welfare, and the need for the item will not permit the delay resulting from a competitive bidding.

- C. Inadequate Competition.** A contract may be awarded without competitive bidding when competition is determined to be inadequate after attempts to solicit bids from a number of sources as required under this Policy does not result in a qualified winning bidder.

- D. Federal Contract.** A contract may be awarded without competitive bidding when the purchase is made from a federal contract available on the U.S. General Services Administration schedules of contracts.

- E. Awarding Agency Approval.** A contract may be awarded without competitive bidding with the express written authorization of the federal agency or state pass-through agency that awarded the federal funds so long as awarding the contract without competition is consistent with state law.

City of Coralville Accounting & Purchasing Policy

CITY OF CORALVILLE

ACCOUNTING & PURCHASING POLICY

Final Draft 6/8/88
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Revised 6/23/09
Revised 12/4/14

City of Coralville Purchasing Policy

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Section 1 Introduction

Statement of Purpose

The City of Coralville intends to purchase goods and services of high quality consistent with the expected use at the most reasonable cost. The City also intends that all purchasing actions are fair and impartial, competition is encouraged, and all qualified sellers or buyers have access to City business.

Purchasing System

The City operates what is considered a decentralized purchasing system rather than a centralized purchasing system. City departments have authorized buyers who provide purchasing services distinctive to their department needs.

Roles and Responsibilities

1. City Council

The City Council determines expenditure levels through the formulation and approval of an Annual Operating Budget. In performing this policy-making function, the City Council establishes a set of goals, priorities and performance standards. The City Staff must direct its collective efforts towards accomplishing the Council's policy.

The adoption of the Annual Operating Budget is the approval of a level of expenditures necessary to accomplish the goals and objectives that have been established by each City program. It is intended that the City Council will approve final disbursement of all public funds as well as specific changes in program funding levels upon the recommendation of the City Administrator and Finance Officer. **As a general rule, the Council must approve all contracts.** The Council shall consider transactions with other public entities. This can be subject to the exception that the Council can designate some other person to sign the contract. It should be noted that there may be other specific requirements for certain transactions that would dictate deviation from these rules.

Approves purchases as defined in Section 4.

2. City Administrator

The City Administrator is delegated the responsibility by the City Council to carry out a program of service to the community. It is his/her responsibility to manage the Annual Operating Budget in such a way that the goals and priorities of the City Council are accomplished. All changes in purchasing regulations, as well as recommendations for changes in the general purchasing policy, may only be made with the prior approval of the Finance Officer. Expenditures in many categories require authorization and concurrence by the City Administrator. (This is in addition to the initial budget approval.) The City Administrator will be the signor, for contracts, for services, or purchases. It should be noted that there might be other specific requirements for certain transactions that would dictate deviation from these rules.

Approves purchases as defined in Section 4.

3. Department Heads

Department Heads may initiate internal reallocation of their budget funds as needed within the guidelines established by the Finance Officer. Although the City Council has established levels of expenditures for each program, appropriation is not a permit nor a directive to expend funds, unless the need for the item continues to exist at the time for purchase and the price of the item is within the parameters of the budget. In addition, these criteria must be weighed ultimately against the availability of funds and the relationship of the department goals to the overall City priorities. For proper management control it is necessary that expenditures be authorized prior to purchase. In some instances additional justification will be required as determined by the City Administrator.

Approves purchases as defined in Section 4.

4. Finance Officer & Finance Department

The Finance Officer and Finance Department shall be responsible for facilitating city wide bids. This includes setting and following rules and procedures set out in this policy and ensuring that City staff does the same. In addition, the Finance Officer and Finance Department shall provide guidance to city departments in all areas of purchasing.

The Finance Officer and Finance Department shall also be responsible for maintaining the City budget controls. This includes working with the Department Managers on each department budget and ensuring that all departments comply with the adopted budget.

Approves purchases as defined in Section 4.

Section 2

Acquisition Methods of Items and Services

Petty Cash

1. Dollar Amount

The petty cash fund is to be used only for cash payment or reimbursement of expenditures amounting to no more than \$25.

2. Receipt from Vendor

A receipt verifying the expenditure amount will be attached to each petty cash request. Exceptions will be made upon Special Approval by the Finance Officer and will be permitted only in a situation where it is impossible to get a receipt.

3. Advances

Advances will be allowed only for planned and approved purchases and for freight costs, which must be prepaid. No other advances will be made from the petty cash fund.

4. Authorization

Each petty cash transaction must be signed by department heads or their designee authorizing the expenditure.

5. Special Circumstance Approval

If the dollar amount exceeds \$25, the Finance Officer must approve payment.

Check Requests

A check request is used for payments initiated by an invoice, statement, or reimbursement request. The request must include bids and quotes as required in Section 3.

Check requests should be in the form of an invoice or written request authorized by the department head. Checks are issued and approved at the council meeting on the second and fourth Tuesday of the month.

Procurement Card

Procurement card may be used for purchases as authorized and described in Section 7.

Section 3 Approval of Purchase

The **Department Head** or an approved designee's signature is required before processing requests. A department heads signature is required when ordering any item or service greater than \$5,000, and for **ALL** capital outlay expenditures. The attached listing will be used by Accounts Payable Department to verify authorized individuals and payment may not be made without an authorized signature. Initials or signature stamps are not to be used. The limits of authorization are to be considered the overall maximum City standards and the individual department heads may wish to establish their own internal authorization limits as long as they are within the City's standards. Any request for an exception to the above should be presented to the Finance Officer in memo form.

1. Summary of Required Approvals:

A. City Council

- 1) All agreements & contracts
- 2) All agreements with public bodies. (28 E)
- 3) Public improvements in excess of \$40,000.
- 4) All Expenditures over \$10,000 per transaction.
- 5) All travel and associated expenses over \$1,000.

B. City Administrator

- 1) Approval for purchase in excess of \$10,000, following bid/quote process by the Department Head.
- 2) Affirmative recommendation for all purchases requiring Council approval.
- 3) May develop additional requirements.
- 4) All travel and associated expenses over \$500.

C. Finance Officer

- 1) Approval for purchase in excess of \$5,000, following bid/quote process by the Department Head.
- 2) Affirmative recommendation for all purchases requiring City Administrator and Council approval.

D. Department Head

- 1) Signature for all purchases.
- 2) May authorize designated employee to sign for purchases under \$5,000 (excluding Capital Outlay items).

Section 4

Purchasing Process and Record Keeping Requirements

The general rules and conditions that follow apply to all purchases. Employees are expected to fully inform themselves as to the conditions, requirements and specifications for proper expenditure of funds. Failure to do so will be at the employee's risk and will not bind the Finance Department. **All requests for payment must show the Account Numbers to be charged and may not exceed budgeted limits unless prior approval via budget amendment.**

1. The small purchase (Under \$1,000)

Petty Cash (Under \$25)
Procurement Card
Check request
Invoice

2. Purchases from \$1,001 to \$5000

Procurement Card
Check request
Invoice

- Purchases in this range require a minimum of three quotation requests.
- Preference is for the written quotation, but properly obtained telephone or electronic mail quotations are acceptable. The summary of the results must be attached to the invoice or request for payment.
- In case of purchases such as chemicals and operating supplies, the City Administrator may pre-approve for periods not to exceed one year using a contract approved by the city council.

Departments are required to solicit quotations/bids from suppliers by making available the specifications and conditions of quoting or bidding. A minimum of three written quotations/bids must be received; if this is not possible only the Finance Officer may waive this requirement. Departments must maintain the following information as documentation:

- A. List of vendors receiving specifications.
- B. Specifications, conditions of quoting or bidding, including any addenda.
- C. Tabulation of the prices.
- D. Copies of three lowest quotes/bids.
- E. When required, bond and/or certificates of insurance.
- F. If deemed necessary, a signed document accepting the purchase orders or contracts.
- G. Correspondence concerning the purchase.

- H. A written record of any phone conversations concerning the purchase.
- I. A written explanation by the department head if the purchase is awarded to anyone other than the low bidder.

3. Purchases from \$5,001 to \$10,000

Check request

Invoice

Must be written bids or proposals

- a) List of bidders receiving specification
- b) Specifications, conditions or bidding, including any addenda
- c) Tabulation of bids
- d) Copies of three lowest bids
- e) When required, bond and/or certificates of insurance
- f) If deemed necessary, signed acceptance of purchase order of contract
- g) Correspondence concerning the purchase
- h) A written record of any phone conversations concerning the purchase
- i) When appropriate, copy of a letter notifying unsuccessful bidders
- j) A written explanation by the City Administrator if the contract is to be awarded to anyone other than low bidder

4. Purchases \$10,001 - \$25,000

Check request

Invoice

Must be written bids or proposals

- a) List of bidders receiving specification
- b) Specifications, conditions or bidding, including any addenda
- c) Tabulation of bids
- d) Copies of three lowest bids
- e) When required, bond and/or certificates of insurance
- f) If deemed necessary, signed acceptance of purchase order of contract
- g) Correspondence concerning the purchase
- h) A written record of any phone conversations concerning the purchase
- i) When appropriate, copy of a letter notifying unsuccessful bidders
- j) A written explanation by the City Administrator if the contract is to be awarded to anyone other than low bidder
- k) Record of City Administrator recommendation and City Council approval

5. Public Improvement of over \$40,000

Check request

Contract

Invoice

\$10,000 to \$40,000: City Administrator recommendation and City Council approval required to start the purchasing process and to affect the purchase or contract.

\$40,001 and above: City Council approval and compliance with State requirements.

Departments are required to obtain City Council approval before the purchasing process is started. This may be through the CIP and budgeting process or item approval. The following documentation is required and must be submitted for filing by the City Clerk:

- a) Copies of the approved plan, specifications, schedules and cost estimates
- b) Copy of notice to hold public hearing (if required)
- c) Copy of resolution approving plans and schedules and cost estimates, specifications authorizing City Clerk to advertise for bids (if required)
- d) Copy of notice to advertise for bids
- e) Copy of bidding specifications and addenda
- f) List of contractors receiving specifications
- g) Proposals from all bidders
- h) Tabulation of bids
- i) If desirable, attendance list at bid opening
- j) Internal and outside correspondence concerning the contract
- k) Signed tabulation sheet, account numbers to be charges if applicable
- l) Copy of purchase order or executed contact including performance bond, insurance, etc.
- m) Copies of letters notifying unsuccessful bidders and returning bid security
- n) A written explanation by the City Administrator, if the contract is to be awarded to anyone other than the low bid
- o) Any other information required by the City Council or the City Administrator or the State of Iowa

Section 5 Buy Local Policy

Statement of Purpose

This policy is adopted to give some preference to businesses that pay taxes and participate in our community. Their contributions should be rewarded by some recognition that they are sharing their revenues with the community in a variety of ways- taxes, jobs, donations to community organizations, etc. Preference should not be so great that it imposes unacceptable costs on the general taxpayer. The costs must be carefully weighed in relation to the benefits received.

In awarding bids, the City of Coralville encourages preference being given to local or Iowa based vendors/contractors. However, other factors may be considered in the award with relation to the quality, availability, specialty services, etc. and these may be taken into consideration when awarding bids. The final decision shall be made at the discretion of the Department Head, Finance Officer, City Administrator or the City Council.

Scope

The City of Coralville shall purchase goods and services from the lowest competent bidder. However, pursuant to the Code of Iowa, the City may consider waiving this requirement and purchasing goods or services from locally owned business located within the city if the cost and other considerations are relatively equal but not lowest.

Local business is defined as any business that owns or leases a building within the city limits of Coralville and uses the building for the conduct of actual business operations within the city.

Procedure

It is the policy of the City of Coralville to consider purchasing goods or services from locally owned businesses (as described above) when the cost and other considerations are relatively equal. The following scale shall be used in the clarification as to when the costs of goods and services are considered relatively equal:

1. 10% difference on purchases up to \$5,000 (maximum difference \$500)
2. Any item over \$5,000 (\$500 difference) **may** be purchased locally with the City Administrator approval using the 10% guideline

Section 6 Travel Policy

Statement of Purpose

When any employee travels on behalf of the City, whether it is for a conference, meeting, or seminar, the employee must seek approval prior to the event through the submission of a Business Travel Report. It is the expressed purpose of these policies and procedures to provide the employee with reasonable travel accommodations and related expenses, while maintaining a prudent spending policy. Such attendance and reimbursements of expenses are authorized in accordance with the guidelines and procedures outlined herein. It is each employee's responsibility to learn and abide by these rules.

Procedure

1. Approval of Business Travel Report

- A. Total dollar amounts indicated on the Business Travel Report determine the individuals authorized to approve the request.
 - \$499.99 or less must be approved by the Department Head/Supervisor and Human Resource/Risk Manager;
 - \$500 - \$999.99 must receive approval from the Department Head/Supervisor and the City Administrator;
 - \$1,000 or higher must receive approval from the Department Head/Supervisor, City Administrator, and the City Council.
- B. Requests requiring Council approval must be submitted early enough to:
 - Gain City Administrator's signature
 - Make it on the City Council Meeting Agenda
 - Receive Council approval prior to the actual meeting date.

2. Registration

- A. Registration is always the employee's responsibility. The employee shall fill out the form for the conference, seminar, meeting, etc.
- B. If a check is required with registration, the employee must notify Accounts Payable of this requirement.

3. Reimbursements

An employee will be reimbursed for travel and sustenance incurred when on authorized business for the City. All eligible expenses (mileage, transportation, food, lodging etc.) shall be paid according to the procedures set forth in the travel procedures in Appendix F.

4. Meal and Incidental Expenses (M&IE) Guidelines

Meals and Incidental Expenses (M&IE) will be set at a standard rate of \$30/day for in-state travel and \$40/day for out of state. M&IE rates include fees and tips to wait staff, porters, baggage carriers, bellhops, hotel maids, stewards and stewardesses, etc. The cost may be distributed among the meals in any manner as long as the daily total does not exceed the maximum. Receipts are not required for meals when travel involves an overnight stay.

On days of departure/return, the allowance is prorated according to the time and meal charts below:

On date of departure traveler must leave prior to:		In State	Out of State
6:00 AM	To claim breakfast	\$5.00	\$8.00
11:00 AM	To claim lunch	\$10.00	\$12.00
5:30 PM	To claim dinner	\$15.00	\$20.00
On date of return traveler must return after:		In State	Out of State
8:00 AM	To claim breakfast	\$5.00	\$8.00
1:00 PM	To claim lunch	\$10.00	\$12.00
7:30 PM	To claim dinner	\$15.00	\$20.00

Allowances for meals for non-overnight trips are limited to actual expenses not to exceed the specified amounts in the chart above. Detailed receipts must be submitted. Meal cost reimbursed to City employees for non-overnight trips will be subject to withholding and reported as taxable income in accordance with Internal Revenue Service regulations.

Alcoholic beverages and tobacco products are not reimbursable by the City and it is recommended that those items do not appear on receipt listings.

If meal expenses are for more than one person (i.e. hosting a business meeting) the employee shall include with the detailed receipt, a list of those in attendance and their connection to City related business.

Avoid Non-City related meal expenses on the City credit card (i.e. spouse meals.) The employee shall ask for separate checks whenever possible.

Employees receiving an M&IE allowance shall not use the City Credit Card for meal expenses.

5. Lodging

City of Coralville employees are expected to seek standard lodging accommodations that are comfortable, convenient, meet the City business need, and offer good value. Employees are encouraged to ask for the discounted rate when making reservations (i.e. the government or educational or corporate rate.) Employees are also to take advantage of reduced rates they may receive as attendees of a given conference or seminar including any free lodging.

If multiple hotels are available within the conference brochure and the employee does not choose the least expensive one, the employee shall provide justification for his/her decision. (i.e. if most expensive hotel is the conference site or the nearest available to the conference site.)

The City of Coralville will only pay for a single room charge for one City employee. If a double room is reserved, request a charge slip showing single room charges.

When completing an Business Travel Report the employee should be sure to include an accurate estimate of expenses for the room by including applicable local tax charges. The City does not have to pay state tax; however, most likely the employee will need to provide the hotel with a copy of the City's State tax exemption certificate which can be received from Accounts Payable.

If the hotel/motel charges one nights lodging prior to stay (i.e. preauthorization charge) let Accounts Payable know. This charge will appear on the next credit card statement which may precede the actual meeting date, therefore causing confusion as to what account should be charged.

Lodging for one night prior and/or after the authorized meeting shall be allowed if the schedule or location is such that it is inconvenient for the

employee to arrive or depart the same day the conference begins or terminates. This statement also applies if an earlier arrival or later departure date proves to be more cost effective. In such cases supportive documentation will be required.

When claiming hotel expense only the room charge and any city, state, or occupancy taxes are to be included. Room service, movie charges, spa/health club fees and personal phone calls are not reimbursable. An itemized checkout folio must be provided in order for hotel expenses to be reimbursed/paid. A credit card or hotel receipt showing only the total charge is not acceptable.

A. Sharing Rooms:

If employees of the same sex are traveling together, it is encouraged that they share a room.

If the employee is sharing a room with another person (or persons), he/she will attach any documentation and turn it into Accounts Payable that claims whether the person(s) traveled on City business or not.

Other attachments shall include:

- If sharing with City employee(s) on City related business, the employee shall provide an attachment that lists the name(s) of the employee(s.)
- If sharing with person(s) from another institution, only the portion for the City employee should be claimed.
- If sharing with person(s) who are not on City related business, reimbursement will be limited to the single room rate. If claiming the single room rate, clear documentation of the single room rate must be provided. Acceptable materials include official housing information from conference materials or official verification of the single room rate provided by the hotel on hotel letterhead.

6. Transportation

Whenever possible the employee should use a City vehicle. Traveling employees using a City-Owned vehicle are expected to return the vehicle to the City with a full-tank of gasoline.

A. Mileage Reimbursement

Any employee traveling on City business and using his/her own personal vehicle may request reimbursement of actual gasoline expenses (receipts required) or a flat mileage reimbursement. If mileage is claimed, gasoline charges may not be claimed separately as they are factored into the mileage allowance.

An employee should be aware that the City's insurance policy WILL NOT provide coverage for travel in his/her personal automobile.

Mileage reimbursement at the rate equal to that rate set forth by the State of Iowa for government employees allowed in the following circumstances only:

- If a City vehicle is not available; or
- The roundtrip distance traveled is less than 100 miles or total trip time (travel and business included) is four hours or less.

Anytime the mileage claim exceeds \$300 or the travel time exceeds 8 hours, an airfare quote must be attached to the request. The mileage claim may not exceed round trip coach class fare for business days of travel plus ground transportation to and from airports.

Only authorized persons are to be drivers and passengers in vehicles operated for City business. Authorized persons include, customers, vendors, and fellow employees. Immediate family members should only be included as passengers upon prior approval of management.

B. Rental Vehicles

Renting vehicles is not commonly approved nor should be requested to be used. If requested, documentation of business necessity or proof that it is cheaper than taking taxi cabs, public transport, etc.

7. Incidental Expenses Incurred

When filling out the Business Travel Report, the employee should be sure to include accurate estimates of expenses. Incidental expenses incurred while at the destination city shall be reimbursed on an actual basis. This includes taxi cabs, bus fares, parking fees, bridge and toll fees, and transportation to and from the airport, train station, and bus terminals. Detailed receipts are to be provided wherever possible. No personal expenses are to be submitted for reimbursement

8. Cost Overruns

It is inevitable that there will be times expenses exceed the employee's estimates. When incurring a cost overrun, the employee shall submit the extra expenses with an explanation as to why they occurred.

9. Extra Days Stay

If the employee can show that by staying an extra day(s)/night(s) is cheaper due to flight costs with meals, lodging, etc. figured in, it is possible to be approved to stay the extra days. Make sure this request is already noted.

10. Cancellation

If the employee decides not to attend an approved conference, he/she shall contact the Human Resource/Risk Manager so that the file may be updated. The employee shall include in the notification exactly how the City is going to be reimbursed for any registration fees (i.e. credit, 10% refund fee, etc.). If 100% refund is not possible, the employee must submit a memo to the City Administrator explaining his/her reasoning for not attending. If the employee does not show proper justification, he/she may be held responsible for expenses the City is unable to be reimbursed.

11. Mandatory Compliance

A. Forfeiture of Claim

The failure to fully and timely comply with this policy shall result in the forfeiture of the right to reimbursement for any expenses claimed. It is expected that prudent judgment be used in approved anticipated or incurred expenses. Incurred but non-approved expenses will be the responsibility of the City employee.

B. Rejection of Claim

In the even that a claim for reimbursement is rejected for failure to comply with the requirements of this policy, the decision may be appealed by providing a request for review stating why reimbursement is appropriate under the provisions of this policy.

C. Violation

Violation of this policy may constitute a basis for employee discipline, including possible termination of employment.

12. Credit Cards

The City of Coralville has credit cards available for use by City employees for travel with advance approval as per this policy and procedures set forth in Appendix F. The employee may check out the MasterCard or Visa Card after signing a form with a Finance Department Representative or the Human Resource/Risk Manager. The credit card is to be returned to City Hall on their return from travel and signed back in. The employee will report immediately if a card is lost or stolen. Credit cards should be used for gas, airline tickets, food, and hotel accommodations. Registration fees should be charged to the credit card only as a last resort.

Attach all credit card receipts to the expense sheet for travel and document the date, location, and purpose of the trip. These must be turned over to Accounts Payable for processing. No personal expenses are to be charged to the City account.

Please Note: See Appendix F (in Employee Personnel Handbook) for more information.

Section 7 Procurement Card Policy

Statement of Purpose

The purpose of this policy is to provide a procedure in the purchasing process for the use of procurement cards for low-dollar routine purchases and to simplify and expedite the process of paying numerous vendors for these purchases. The procurement card program will provide users an effective and efficient way to purchase small-value items while insuring compliance with the purchasing policies of the City of Coralville.

The program is intended to provide documentation of small purchases at the department level and expedite payment to vendors.

The program is intended to eliminate numerous credit application forms and related records required to set up and maintain charge accounts with vendors.

The use of the procurement cards shall be in compliance with other Purchasing policies and procedures of the city. It is the responsibility of each cardholder to comply with these policies.

Scope

1. The procurement card shall be used when:
 - A. The items and/or services to be purchased are for the official use of the City of Coralville.
 - B. The types of items and/or services to be purchased are those established by the department manager and approved by the Finance Officer.
 - C. The cost of the proposed purchase does not exceed the small-value purchase transaction limit established by the Finance Officer.

Procedure

1. Application and Card Issuance
 - A. Employees and City Officials, upon approval from their Department Head, may apply for a procurement card by submitting a completed application. The Finance Officer shall review the application and approve/deny the request based upon employee status, frequency of purchases, overall business necessity, and other related factors.
 - B. The applicant must read, understand and sign the Procurement Cardholder Agreement.

- C. If the applicant is an employee, the applicant's department manager must approve the application. If the applicant is a City official, the application must be approved by the City Council.
- D. The application will include the proposed limits for the card.
- E. The application will indicate whether the proposed card can be used for travel expenses.
- F. Applicants shall attend a training session prior to issuance of a card. Each card applicant will be provided a copy of the Procurement Card policies at the mandatory training session.
- G. New procurement cards are ordered as needed.

2. Use of Procurement Card & Transaction Records

- A. The cardholder will retain vendor's receipts, records of telephone and Internet orders and/or copies of mail orders and file for future reconciliation of the procurement card statement.
 - An original receipt or invoice from the vendor, or other verifying document must support each purchase transaction.
 - Cardholder shall confirm the security of proposed Internet order sites prior to placement of orders.
- B. The cardholder will receive a statement on a monthly basis. It is the cardholder's responsibility to attach the corresponding receipts and return the signed statement to the Finance Department in a timely manner which corresponds with the regular bill paying cycle.

3. Payment

A. Signature Authority

The signature of a person with the appropriate level of purchasing authority as designated by the department head must be included on the request for payment.

B. Accounts Payable Department

The Accounts Payable Department will process payments in accordance with the program policies and procedures, and the contract between the City and the card provider.

4. Disputed Charges

- A. It is the responsibility of each cardholder to resolve any discrepancies between the transaction receipts.
- B. All department managers shall have the authority to resolve disputes on behalf of cardholders in their respective work areas. This is intended to ensure timely resolution of disputes in work areas where cardholders' work schedules do not permit them to directly contact the card provider and/or vendors.

5. Program Violations

- A. **Unallowable purchases:** The cardholder will provide a written statement of explanation if an unallowable purchase appears on his or her statement.
- B. **Unacceptable Documentation:** The cardholder will provide required documentation upon notification to do so by the Finance Officer.
- C. **Late Submission of Procurement Card Reconciliation Documents and/or Failure to Resolve Disputes:** Late submissions and/or failure to resolve disputes may result in de-activation of the card.
- D. **Standards of Conduct Violations:** Conduct not complying with City standards will be reported to the City Administrator. In addition to card de-activation, violations may result in disciplinary action up to and including termination.
- E. **Repeated program violations will be reported to the Finance Officer, City Administrator and City Council.** In addition to temporary de-activation of the card, consequences of violations may include card revocation, payroll deduction for unallowable purchases and expenses that were not reconciled, and/or disciplinary action, up to and including employment termination.
- F. **The City procurement card shall not be used for personal identification or as a personal credit reference.**

6. Security

- A. Procurement cards are the property of the City Coralville.
- B. It is the responsibility of the cardholder to keep the procurement card in a safe location.
- C. Lost or stolen cards shall be immediately reported to the Finance Officer.
- D. Cardholder shall return cards to the Finance Officer when employment with the City is terminated.

7. Transaction Dollar Limits and Excluded Items

- A. Department managers will establish card limits for cardholders in their respective departments.
- B. Purchases are limited to a single transaction limit as determined in each employee's Cardholder Agreement.
- C. The procurement card shall not be used for the following types of transactions:
 - 1) Cash advance.
 - 2) Travel expenses related to spouses or other non-covered persons.
 - 3) Items for personal use that would not be reimbursable to the City.
 - 4) Rental or lease of land or buildings.
 - 5) Rental or lease of motor vehicles unless pre-approved in conjunction with travel expenses.
- D. The City procurement card shall not be used for personal identification or as a personal credit reference.
- E. Personal expenses processed on a City procurement card are considered to be in violation of the program policies and are subject to disciplinary action up to cardholder termination.

Roles and Responsibilities

It is the responsibility of all City employees to meet the highest ethical standards, and that standard is a part of the City's procurement card program. All participants in the program are responsible for conducting themselves in such a way as to exemplify the public trust that they hold.

- 1. Finance Officer (or Finance Dept. employee as designated by the Finance Officer)
 - a) It is the responsibility of the Finance Officer to coordinate the card application process and to keep a record of all cardholders.
 - b) It is the responsibility of the Finance Officer to coordinate training sessions and keep a record of those who have completed training.
 - c) It is the responsibility of the Finance Officer to handle issues with the card provider and cardholders regarding changes in cardholder status.
 - d) It is the responsibility of the Finance Officer to provide policy and procedure revisions to each department manager.
 - e) It is the responsibility of the Finance Officer to recommend appropriate action in the event of unauthorized use of a card.

2. Finance Department

- a) It is the responsibility of the Finance Department to provide transaction reports to department managers in accordance with the procedures established to comply with the contract between the City and card provider.
- b) It is the responsibility of the Finance Department to process payment in accordance with the program policies and the contract between the City and the card provider.
- c) It is the responsibility of the Finance Department to handle questions concerning payment procedures and transaction reports.
- d) It is the responsibility of the Finance Department to report all variances from policies and procedures to the Finance Officer.

3. Department Manager

- a) The department manager is the primary contact person for the Finance Officer, the Finance Department, and the card provider for all accounts in his or her department.
- b) It is the responsibility of the department manager to promptly distribute transaction reports to the cardholders in his or her department.
- c) It is the responsibility of the department manager to reconcile, sign, and approve the summary transaction report for his or her department and to return it to the Finance Officer in accordance with the procedures established to comply with the contract between the City and the card provider.
- d) The department managers shall have the authority to resolve disputes in accounts within their department.
- e) It is the responsibility of the department manager to ensure that all disputes are resolved in accordance with the program guidelines.
- f) It is the responsibility of the department manager to report any discrepancies between the transaction report and transaction receipts to the Finance Officer in accordance with the procedures established to comply with the contract between the City and the card provider.
- g) It is the responsibility of the department manager to notify the Finance Officer when a cardholder in his or her department is no longer eligible for the program or will no longer be participating in the program.
- h) It is the responsibility of the department manager to report any variances from program policies to the Finance Officer.

4. Cardholder

- a) It is the responsibility of the cardholder to know and to comply with program policies and procedures as well as those of his or her department.

- b) It is the responsibility of the cardholder to ensure that funds have been properly budgeted and are available to pay for the items and/or services being purchased.
- c) It is the responsibility of the cardholder to keep informed about policy and procedure revision information.
- d) It is the responsibility of the cardholder to verify that the quantity and quality of the items and/or services purchased are in compliance with the agreement, whether verbal or written, with the vendor.
- e) It is the responsibility of the cardholder to notify the vendor, when applicable, that the purchase is tax exempt and to ensure that such taxes are not added to the prices of items and/or services purchased. Tax exempt cards and forms will be issued to all cardholders to present to vendors.**
- f) It is the responsibility of the cardholder to instruct the vendor to include the required information on the shipping document.
- g) It is the responsibility of the cardholder to report any discrepancies between the transaction report and transaction receipts to his or her department manager in accordance with the procedures established to comply with the contract between the City and the card provider.
- h) It is the responsibility of the cardholder to report any variances from program policies to the Finance Officer.

Section 8

Federal Transit Administration Policy

Statement of Purpose

All procurement utilizing Federal Transit Administration funding shall include the City of Coralville General Conditions and Instructions to Bidders and Instructions, Conditions and Certifications (See Federal Transit Administration attachments A & B).

Protest procedures for bidders are included with the instructions, conditions and certificates.

Section 9 Emergency Purchase Policy

Statement of Purpose

Emergency purchases are allowed when an event interrupts the normal administration of municipal services. The purchase of supplies, materials, equipment or services may be done so without regard to normal purchasing policies to protect the health and welfare of the public. The City Administrator shall report to the City Council at the earliest possible time of the details of any emergency purchases.

Scope

In the event that emergency purchases are deemed necessary, the City Administrator shall have the authority to make any necessary purchase as well as grant purchasing requests by employees and City officials.



THE CENTRAL PURCHASING POLICY

Under the control and direction of the Finance Officer there shall be established a centralized purchasing system for City of Coralville departments. The goal of this centralized function is to provide quality service and responsible spending, while consolidating the purchases of similar items for City departments combining volume, producing lower costs, improved quality, and better service. This policy recognizes the lowest reasonable purchase price, quality, product/service reliability, timeliness, reliability of delivery, customer service, reliable after sales service and environmental considerations are equally important, and in compliance with our approved Purchasing Policy.

Items, may include, but are not limited to, office supplies, printing, paper supplies, etc. that are used by numerous departments. A contract is awarded to one vendor and all departments purchasing that type of item must use that vendor. These city-wide contracts are usually bid by The Central Purchasing Department.

All purchases shall be made in accordance with the City of Coralville's Accounting & Purchasing Policy. Purchasing policy and practice is under review of the Finance Officer.



The Centralized Purchasing Department is responsible for the following:

- Coordinate centralized purchasing system.
- Consolidate a list of similar items and services for all City of Coralville departments. Assist departments in determining needs.
- Write proposals. Determine contract period.
- Maintain list of Vendors desiring to transact business with the City. Invite businesses to submit bids.
- Schedule bid openings.
- Obtain quotations.
- All eligible purchases, from all departments, shall be purchased from contracted vendors.
- Award contract. Determine best company for the City. Review price, customer service, quality, product availability, delivery time, online ordering, and procurement card purchasing availability. Provide advice and guidance on purchasing matters, and act as a source of reference for purchasing practice.



The Department Head is responsible for the following:

- Department heads, or one representative from each department, are responsible for the purchasing arrangements of goods and services charged to budgets and accounts under their control, and for ensuring they comply appropriately with their legal obligations.
- All purchases eligible under the contract shall be purchased from the approved vendor.
- Invoices or procurement card purchases are paid as per the City of Coralville Accounting and Purchasing Policy.

Employees, authorized by the Department Head to make purchases, are encouraged to report the following:

- New sources of supply, new products or services that may meet our needs
- Instances of outstanding good works by suppliers
- Ideas for further streamlining and improving our efficiency.

The City reserves the right to make awards based on the entire bid or on an individual basis. The City of Coralville may also utilize state and national government contracts. All purchases shall be made in accordance with the City of Coralville Accounting and Purchasing Policy.

Decentralized Purchasing is allowed by Department heads or a representative from each department while adhering to the City of Coralville Accounting and Purchasing Policy. Decentralized buyers are allowed to make decentralized requisitions for purchases of restricted items.



CITY OF CORALVILLE
ACCOUNTABLE PLAN

Part I: Accountable Plan

The City of Coralville desires to establish an expense reimbursement policy to allow for the purchase and cleaning of clothing intended for the express purpose of duty related activity for the Police Department. This policy is pursuant to IRS Reg. 1.62-2 and shall be implemented with the following terms and conditions:

1. Advances will be made per the Police Officers Union Contract. Annual amounts per employee classification shall be set by the City Administrator and will remain status quo until action is taken otherwise. In cases where the Coralville Police Officers Association Contract is in conflict with set amounts, the contract shall take precedence.
2. Except as otherwise noted in Part II below, all sworn police officers within the Coralville Police Department shall be reimbursed for expenses incurred on behalf of the City of Coralville for the following duty related items:

Officers predominantly assigned to the Patrol Division

Professional Cleaning Service of city issued uniform

Professional tailoring/repair/mending services

Pre-authorized duty related wear

Officers predominantly assigned to plain clothes positions

Suit / Sport Coat

Dress Slacks or Business Casual – No denim (Drug Task Force seek pre-authorization)

Dress Shirts & ties

Dress shoes & belts

Dress Overcoats

Professional Cleaning Service

Professional tailoring/repair/mending services

Pre-authorized duty related wear

3. Reimbursements must be adequately substantiated with original receipt that includes:

Date of Purchase

Description of Item

Amount of Purchase

4. Under no circumstances will the City of Coralville reimburse employees for expenses incurred on behalf of the City that are not properly substantiated.

5. **DEADLINE:** All expenses for the current year must be substantiated prior to the time sheet due date of the last pay period of the calendar year.

Part II: Exceptions to Accountable Plan

Notwithstanding any term or condition in Part I of this document, the following expenses are **not** considered to be covered under this accountable plan:

1. socks
2. training gear/athletic wear
3. non-issued special assignment clothing (***unless pre-authorized***)
4. outerwear accessories (gloves; hats; scarves; etc.)
5. winter/inclement weather footwear (snow boots)
6. coats/jackets other than dress overcoats cited in Part I
7. jewelry including but not limited to cuff links; lapel pins; and tie tacks
8. under garments
9. any clothing purchased that is not intended nor worn for the express purpose of duty related activity

Part III: Non-Accountable Plan

1. Employees understand that this requirement is necessary to prevent our expense reimbursement plan from being classified as a “non-accountable” plan.
2. Advances that are not substantiated by the deadline stated above will be classified as “non-accountable”.
3. If, in a calendar year, the amount advanced to the employee exceeds the substantiated expenses, the excess paid will be included in the employee’s taxable gross income for such calendar year.

Section 10
Forms

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Procurement Card Cardholder Agreement.....32
Accountable Plan-Clothing Allowance..... 33
Business Travel Report..... 34

Quick Reference Guide to Purchasing
City of Coralville Reference Guide to Purchasing

Dollar Value	Description	Approval Necessary	Purchasing Process / Payment Method	Council	Exceptions
Under \$25	Commodities Gen. Services	Department Head or employee designated by Dept. Head	Petty Cash, check, or purchasing card	None	
\$26 - \$500	Commodities Gen. Services Professional Services	Department Head or employee designated by Dept. Head	Check or purchasing card	None	
\$501-\$5,000	Budgeted Commodities General Services Professional Services	Department Head or employee designated by Dept. Head	Minimum three price quotes. Telephone quotes accepted. Check or purchasing card if limit allows	None	* Legal services * Marketing & Consulting
\$5,001-\$10,000	Budgeted Commodities General Services Professional Services	Department Head Finance Officer	Minimum three written bids/ proposals. Invoice & check. Bids or proposals are encouraged but not required.	None	* Legal services * Marketing & Consulting
\$10,001-\$25,000	Budgeted Commodities General Services Professional Services	Department Head, Finance Officer City Administrator, City Council	Minimum three written quotes / proposals. Purchase & payment approved on same consent. Invoice & check Does not require bids or proposals.	Consent	* Legal services * Marketing & Consulting
Over \$25,000 Non-CIP	Commodities	Department Head, Finance Officer City Administrator, City Council	Minimum three written price bids / proposals. Model specs from Attorney Purchase & payment approved on same consent. Invoice & check	Consent	
Public Improvements \$10,000 - \$40,000	Public Improvements	City Administrator, City Council	Contract approved by Attorney prior to council.	Consent	
\$40,000 - \$100,000	Public Improvements	City Council, State requirements	Competive Quotes / Construction Agreement	Consent	
Over \$100,000 CIP		City Council, State requirements	Public Bid Process	Agenda	
Any amount	Payments on contract	City Council	Invoice & check	Consent	

Dollar Value refers to individual item cost not total cost. Excludes shipping and handling costs

Commodities: Equipment, materials, supplies, and other tangible goods

General Services: All contractual services not included in professional services Ex: Aaramark, Quality Care

Professional Services: Architectural, engineering and related design services. Legal services, medical services & other consulting services
All services should have a written agreement. Sometimes is an annual agreement.

Does not require bids or proposals.

* Legal Services should have an agreement but does not go on consent.

* Services such as marketing & consulting with monthly payments agreed to in the agreement do not go on agenda since council approved the monthly payments via the agreement.

Payment made on contract & agreements for Professional Services must be approved on consent.

Agreement says no payment until work is complete and approved by council.

Agreements under \$10,000 may be executed by the City Administrator. Over \$10,000 require council approval.

All non-budgeted purchases must have prior budget amendment approval.

Procurement Cardholder Agreement

The use of the City of Coralville procurement card for small-value purchases is a standard procedure of the city.

I have read and understand the City of Coralville Procurement Card Policy.

I will be expected to use the City of Coralville procurement card issued to me as directed by my supervisor under the provisions of the standard purchasing policy of the city.

I will be responsible for reconciliation and the submittal of all receipts from use of my procurement card.

I will not permit another person to use the City of Coralville procurement card issued to me. Any such purchases made with my card will be considered to have been made by me and will be my responsibility.

I will be responsible for the safekeeping of the City of Coralville procurement card issued to me and, if lost, will report its loss immediately to my supervisor.

I understand that my personal credit will not be affected by any use of the City of Coralville procurement card.

I understand that in the event of termination of my employment with the City of Coralville, my final payroll check will be retained subject to the return of the City of Coralville procurement card to my supervisor.

The use of the City of Coralville procurement card to purchase goods and services for other than the official use of the City of Coralville is fraudulent use and is subject to disciplinary action and/or termination of employment as may be determined by the City Administrator, as well as to legal action to recover losses incurred by such use.

I have read, understand, and agree to the conditions above:

Cardholder Name (Please print)

Card Account Number

Date Issued to Cardholder

Cardholder's Signature

Department Head Authorization

Finance Officer's Signature

Date Card Returned

ACCOUNTABLE PLAN – CLOTHING ALLOWANCE

I _____ certify that I received a payment of
\$_____ on _____ for 2009 Clothing Allowance. I confirm
that I spent said monies in compliance with the Accountable Plan adopted by the City
Council on June 23, 2009.

NAME _____	CONFERENCE TITLE _____	TRAVEL DAYS _____
DEPARTMENT _____	DESTINATION _____	DEPART DATE/TIME _____
ACCOUNT # _____	A.P. _____ D.H. _____ C.C. _____ P.F. _____	RETURN DATE/TIME _____

EXPENSES	ESTIMATED TRIP COST			ACTUAL TRIP COST			PAID BY			
	Qty	Rate	Cost	Qty	Rate	Cost	Credit Card	Account Payable	Advance	Employee
*REGISTRATION										
*MILEAGE										
Flight			\$0.00			\$0.00				
City Auto			\$0.00			\$0.00				
Personal Vehicle			\$0.00			\$0.00				
Taxi; Bus; Shuttle			\$0.00			\$0.00				
MEALS & IE										
Meals on Depart Day			\$0.00			\$0.00				
Full Per Diem Days			\$0.00			\$0.00				
Meals on Return Day			\$0.00			\$0.00				
*Meals for non-overnight travel			\$0.00			\$0.00				
*LODGING			\$0.00			\$0.00				
*MISCELLANEOUS (enter detail below)			\$0.00			\$0.00				
			\$0.00			\$0.00				
			\$0.00			\$0.00				
			\$0.00			\$0.00				
			\$0.00			\$0.00				

BUSINESS TRAVEL REPORT

*Receipts and/or documentation must be attached.

TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
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Council Approval Required?

Yes

No

Comments:

Requesting an Advance?

Yes

No

(Enter the advance amounts under the advance column above prior to submitting for approval)

EMPLOYEE TRAVEL ACKNOWLEDGEMENT

I agree to verify the accuracy of all travel expenses and to forward this statement along with supporting receipts (the receipts are to be descriptive documents from the vendors) to the appropriate authority within 5 business days of my return. I understand that failure to comply with travel policy may result in either non-reimbursable expenses or a taxable reimbursement. I also authorize deduction from my paycheck for any unused travel advance or non-reimbursable expenses.

TRAVEL AUTHORIZATION

Department Head/Supervisor
Human Resource/Risk Manager
City Administrator

Date
Date
Date

EXPENSE AUTHORIZATION (Signatures required when final expenses submitted)

Employee
Department Head/Supervisor

Date _____
Date _____

Procurement Policy and Procedure Manual (Coralville Transit)

January 2018

PROCUREMENT

Purpose and Scope

The City of Coralville Public Transit Enterprise (“Transit”) is responsible for ensuring full and open competition and equitable treatment of all potential sources in the procurement process which includes procurement planning, solicitation, award, administration, and documentation and reporting. Transit is also responsible for procuring goods and services by various methods that combine quality, quantity, and cost so that the best interests of transit riders and tax payers in the area are served. This principle embodies the over-all Procurement Policy of Transit. The procedure to carry out this policy is embodied in this Manual.

Federal Requirements:

Transit receives funds under a variety of Federal assistance programs. One of the principles of contracting with Federal funds received directly or indirectly from the Federal Transit Administration (“FTA”) is a recognition that, as a condition of receiving the funds, certain specific Federal requirements must be met not only by the recipient of the funds but also by sub-recipients and contractors.

The specific requirements for a particular grant of funds will be found in the Master Agreement, entered into each year with the signing of the first grant to be received in that year. The Master Agreement then becomes a part of each grant received in that year. (“Year” here meaning the Federal Fiscal Year, October 1 through September 30.)

A “procurement” means a purchase of any goods or services for use by Transit. Different rules may apply depending upon the nature of the project, funding source, and/or the value and type of goods or services being procured. Compliance with Federal requirements is a condition of receipt of Federal funds.

Flow Down - Federally required clauses and requirements are required to be included in each third party contract at every tier, where the contract is federally funded. The clauses and requirements flow down to all levels of the Federal funding chain beginning with the grantee.

The following Policies and Procedures seek to achieve the financial goals of Transit and provide assurance that all Federal requirements are met, when applicable. It is expressly understood that in the event that these policies and procedures do not comply with Federal requirements, either through omission or violation of the requirements, the Federal requirements shall prevail in policy.

1.0 Management/Administrative Responsibilities

Policy:

To achieve the greatest practical level of segregation and autonomy between procurement activities, there shall be two divisions of activities, each the responsibility of one management position:

1. Transit Director – Procurement and Planning Activity
2. Director of Finance - Administrative / Payment Activity

Procedure:

- 1.1 The planning activity is the responsibility of the Transit Director, who is responsible for:
 - determining the requirement
 - preparing specifications
 - acting as the technical representative or advisor to the contracting officer during contract performance

1.1.1 The Transit Director is assisted in this task by the Mechanic in the case of rolling stock purchases and maintenance items and services in the case of equipment of services

1.1.2 Purchases of budgeted goods or services below \$3,500 may be produced by any management employee or the Mechanic.

1.1.3 It is also the Transit Director's responsibility to recommend Transit's portion of the metropolitan area's annual Transportation Improvement Plan (TIP). Each procurement activity identified in the TIP will include a project description, an estimated cost, and description of the source of funding.

1.2 The procurement activity is the responsibility of the Transit Director, who is responsible for the following activities for either budgeted purchases between \$3,500 and \$100,000 (when applicable):

- ensuring that specifications are not restrictive
- preparing the solicitation documentation and procedure in accordance with these Policies and Procedures, the rules and regulations of the FTA, and the law
- issuing and administering the solicitation
- administering the resulting contract
- approving payment
- accepting the goods or services purchased
- closing out the contract
- *in addition, procurements and contracts exceeding \$10,000 will be subject to City Council approval or that of its designee*

1.3 The administration/payment activity is the responsibility of the Director of Finance, who:

- Ensures that all approvals are obtained
- Ensures that the payment is within the dollar amount of the contract
- Matches the purchase order, receiving documentation, and the approved invoice before preparing payment for the signature of the Transit Director
- Monitors and reports project expenses and budget comparisons including milestone achievement
- Forwards information for completion of Federal Financial Status Reports (FSR's) by the MPO and narrative progress reports including

explanations for budget over-runs, inactivity, or changes in milestones

- Maintains procurement files and documentation after contract award

2.0 Methods of Competitive Procurement

Policy:

Transit may use any of several methods of procurement for goods and services, funding source, and depending on the anticipated value of the resulting contract (FTA Circular 4220.1D) and the nature of the goods or services to be purchased.

Procedure:

2.0 Micro-Purchases (\$3,500 or less):

- Applies to any purchases under \$3,500
- May be made without obtaining competitive quotations, but there must be a determination that the price is fair and reasonable. This may be based on history, catalog prices or price lists, quotations secured by phone, or other techniques that assure that the purchase price is fair. An annual listing of a survey of prices of commonly used items may be used. GSA, state, or local schedules may also be used if the process of securing a schedule price was competitive within FTA's regulations.
- Micro-purchases are exempt from Buy America requirements
- Micro-purchases must be equitably distributed among qualified area suppliers.
- The Transit Director maintains a list of vendors and the goods and services they offer. The person procuring the good or service should refer to that list to assure that at least one DBE firm supplying the needed good or service is contacted with each procurement.
- Requirements of the Davis-Bacon Act apply above \$2,000.
- Purchase orders for micro-purchases may be signed by management employees or the Mechanic.

2.1 Small purchases from \$3,501 to \$5,000:

- Require proof of competitive procurement. This may be in the form of quotes received by phone or from price lists, as long as comparable items or services meeting the same specification are secured.
- Three quotes will be secured for each purchase. If only two quotes can be secured, an explanation of the reason will be filed with the procurement documentation.
- Oral descriptions may be used as long as the person securing the quotes describes exactly the same specifications to each bidder.
- An equitable distribution of quotes among qualified bidders will be maintained.
- The Transit Director maintains a list of vendors and the goods and services they offer. The person procuring the good or service should

refer to that list to assure that at least one DBE firm supplying the needed good or service is contacted with each procurement.

- Splitting bids so that each part falls below the micro-purchase threshold is not allowed.
- State, local or GSA schedules may be used for small purchases if the process of securing schedule prices meets FTA regulations

2.2 Small Purchases from \$5,001 to \$150,000:

- Require written bids or proposals as listed below
- State, local or GSA schedules may be used for small purchases if the process of securing schedule prices meets FTA regulations.
- Require some contract clauses and certifications as listed in Appendix A to this section, when applicable.

2.3 Sealed Bids:

- Used when a complete, adequate, and realistic specification or purchase description is available; when two or more responsive bidders are willing and able to compete effectively on a firm fixed price basis and the selection of the successful bidder can be made principally on the basis of price; and when no discussion with bidders is needed.
- The objective is to promote full and open competition
- See separate policy below on sealed bids

2.4 Competitive Proposals

- May be used when complete, adequate and realistic specification or purchase description that allows for competition primarily on the basis of price may not be available; when the contract award amount, whether a firm-fixed price or some type of cost reimbursement contract, can only be determined on the basis of costs the contractor derived from a negotiation process; when discussions or negotiations may be needed to address technical requirements as well as proposed cost or price aspects of the offeror's proposal.
- Discussions may be conducted with one or more offerors who have submitted proposals.
- An opportunity may be given to revise proposals and to submit a final proposal at the completion of the discussion phase of the process.
- The objective is to promote full and open competition.
- See separate policy below on competitive proposals.

2.5 Non-Competitive Proposals (Sole Source)

- Sole source procurements result from there being only one supplier of the good or service to be purchased or when competitive competition is deemed inadequate (only one responsive and responsible bid or offer is received, or only one offer deemed to be in the competitive range).

- A change order that is not within the scope of the original contract is considered to be a sole-source procurement.
- Sole source procurement will be used only when the procurement is infeasible under small or micro- purchase procedures, and when one of the following circumstances applies:
 - There is only one source of the good or service
 - Emergency circumstances will not permit the necessary delay to enable competitive procurement
 - FTA authorizes the sole source procurement
 - After competitive solicitation, only one responsive and responsible bid or offer is received, or there is only one offer in the competitive range.
 - The item is an associated capital maintenance item and is only available from the manufacturer and there is documentation that the price is no higher than the price charged to other customers for the same item.
 - Each sole-source procurement must have a cost analysis to justify the price.
 - See the separate policy below on the Sole Source Procurement

3.0 Procurement Documentation

Policy:

Adequate documentation shall be maintained on each procurement above \$3,500 to record the rationale for the method of procurement chosen, the type of contract, the reasons for contractor selection, and the basis for the contract price. For purchases below \$3,500, documentation shall be maintained to show that the price is fair and reasonable and how that determination was made.

Procedure:

3.0 Each procurement will have at least four items associated with it:

- Invoice(s)
- Purchase order(s), when utilized
- Proof of payment(s)
- Check-off sheet that includes the following at each purchase level:

2.1.1 Micro Purchases

For purchases below \$3,500, a standard record shall be attached to each purchase order that states that the price is fair and reasonable and that the determination was made (indicated by checking off the list) by past history and other factors.

3.1.2 Small Purchases from \$3,501 to \$100,000

When applicable, for purchases between \$3,501 and \$100,000 a standard record shall be attached to each purchase order that includes:

- the rationale for the method of procurement chosen
- the type of contract
- the reasons for contractor selection

- the basis for the contract price

3.1.3 Large purchases

For all purchases above \$150,000, a separate procurement file will be maintained with a cover “check-off” sheet that includes the above four items plus the following, if applicable:

- Statement of need
- TIP documentation, when applicable
- Source of funds
- Federal and/or state contract or grant number, when applicable
- Sources solicited
- Independent cost estimate and its source
- Copy of solicitation
- Comparison quotes or offers
- All certifications
- Procurement Officer’s determination of responsiveness and responsibility
- Determination that the price is fair and reasonable, including any cost and/or price analysis performed
- Record of Council action
- Notice of award
- Notice to unsuccessful quoters/offers
- Record of protests
- Actions taken regarding protests
- Bond documentation
- Notice to proceed
- Documentation of any liquidated damages applied
- Requests for payments
- Records of payments
- Change orders
- Independent cost analysis of change orders
- Close-out documentation

4.0 Procurement Cycle

Policy:

To assure that procurement is carried out as a response to identified and prioritized needs, there shall be a cycle of procurement activities that shall apply to all purchases except those micro- or other purchases authorized through the adoption of the Transit Department’s Annual Operating Budget.

Procedure:

4.0 The following steps shall be followed in all procurements over \$100,000:

4.0.1 Procurement Planning

4.0.1.1 Transportation Improvement Plan

The TIP contains the identification of the items/services to be purchased or provided (including each year’s operating program), and lists each as a project. Unless specifically set

forth otherwise, each project is considered to be one year in length, or to occur within a plan year. The Annual Element is the first year of the Plan, and is followed by four other Plan years. The estimated cost of each project is reflected in the year(s) that the cost will be incurred. The source of the funds to be used is also shown. The part of the TIP that uses any state or federal funds is submitted to the Metropolitan Planning Organization, or “MPO”, for inclusion in the state TIP.

4.1.1.3 Preparation of Specifications:

All specifications are either prepared by or reviewed by staff. Use of brand names in specifications is discouraged. If a brand name must be used, the term “brand name” or “equal” must be used, and the salient characteristics of the product listed.

4.1.1.4 Solicitation of Offers:

Solicitations, whether Invitations for Bids (IFB’s), Requests for Proposals (RFP’s) or other methods, shall contain specifications, required clauses and certifications, Disadvantaged Business Enterprise notification, dispute resolution, evaluation criteria, and due date and time. This should be distributed and advertised in such a way as to assure the broadest practical notification to possible vendors.

4.1.1.5 Communications:

The Procurement Officer is responsible for all communications with vendors during the preparation of bids or proposals. Any advisory comments, approved equals, or other information shared with one offeror shall be made available to all other offerors before bids or proposals are due.

4.1.1.6 Evaluation and Award of Bids and Proposals:

The Procurement Officer shall determine responsiveness and prepare the bids or proposals for evaluation. Bids or proposals shall be evaluated based on the published criteria and award made by the Council or the Council’s designee.

4.1.1.7 Dispute Resolution:

Resolution processes for disputes or grievances are set forth in the IFB or RFP.

4.1.1.8 Close-Out:

Following the award, delivery of goods or services, payment, and a reasonable period for filing of disputes, projects will be closed out by the Director of Finance and close-out documents filed with Iowa DOT or FTA as necessary.

5.0 Independent Cost Estimate/Cost Analysis

Policy:

An Independent cost estimate must be made before receiving bids or proposals for large purchases of \$150,000 or more. Additionally, a cost or price analysis must be made in connection with every procurement action, including contract modifications or change orders.

Procedure:

5.0 For projects itemized in the TIP, cost estimates are the basis of the projected project cost. Costs and prices are based on historic data and staff projections. To the extent that specifications change, updated cost estimates based on final specifications will be used in each procurement over \$150,000. Where a contract exceeds \$10,000 the change order, along with all salient supporting documentation will be approved by the City Council or its designee.

6.0 Specifications

Policy:

All specification for procurements over \$10,000 per item shall be approved by the Council or its designee. Specifications shall be as general as possible to encourage competition and use of commonly available materials and supplies.

Procedure:

6.0 Management shall develop and approve specifications for goods and services up to \$35,000 per item or annual service contract. Above this threshold, specifications shall be approved by the Council or its designee.

6.1 Brand names shall only be used in specifications when it is otherwise impractical or uneconomical to make a clear and accurate description of the technical requirements. A “brand name or equal” description must carefully identify its minimum needs and clearly set forth those salient physical and functional characteristics of the brand name product in the solicitation.

6.2 Approved equal determinations shall be made by the Procurement Officer and shall be communicated to all potential offerors or bidders.

6.3 Responsiveness-bids or proposals must meet the specifications, or approved equals, in the solicitation. Bids or proposals that do not meet the specifications shall be determined unresponsive and eliminated from further consideration.

7.0 Sealed Bids

Policy:

A sealed bid procedure must be used for all procurements over \$150,000 when a complete, adequate, and realistic specification or purchase description is available; when two or more responsible bidders are willing and able to compete effectively on a firm fixed price basis and the selection of the successful bidder can be made principally on the basis of price; and when no discussion with bidders is needed.

Bids must be publicly solicited, and a firm fixed price contract is awarded to the responsive bidder whose bid conforms in all material aspects to the bid conditions which has the lowest price.

Bids will be compared on the basis of life-cycle cost whenever possible.

Procedure:

7.0 Notification of the availability of an IFB along with a brief description of the project will be issued to all prospective bidders on the department's bid list. Appropriate measures will be taken to ensure broad public notification of the IFB.

7.1 Each Bid Package (IFB) will contain:

7.1.1 A form that acts as the solicitation document and contains:

- A solicitation number for reference
- Name and title of the Procurement Officer
- Time and place of pre-bid conference, if necessary
- Date, time and place that bids are due – an adequate amount of time must be allowed for the presentation of bids
- Space for the base bid to be entered
- Space for the price of any alternatives to be entered
- Space where receipt of amendments or approved equals to the solicitation can be acknowledged
- Space where the bidding firm can be identified
- Space for the firm official to sign and date

7.1.2 A document that describes the various representations and certifications that are required to be made by the bidder in conjunction with the procurement at the time of bid submission, when applicable. Requirements, including specifications and contract clauses and certifications must be presented as completely, accurately, and clearly as possible. These may include:

- A representation as to the type of business the offeror is (individual, partnership, sole proprietorship, etc.)
- A representation as to the DBE status
- A representation that no gratuities have been offered or given with a view toward securing the contract
- A certification of independent price determination (prices in bid have been arrived at independently without any communications for the purposes of restriction competition)
- A certification regarding compliance with the DBE provisions of the contract
- A certification of restrictions on lobbying (required in contracts over \$100,000)
- A certification regarding debarment, suspension, ineligibility and voluntary exclusion (required in contracts over \$100,000)
- A certification regarding compliance or non-compliance with the Buy America provisions of the Federal Transit Act and 49 CFR Part 661 and (required in construction contracts and acquisition of goods or rolling stock in excess of \$100,000)

- 7.1.3 A document that includes solicitation and instructions and conditions. For instance: bid preparation; instructions relating to acknowledging amendments to the solicitation; rules relating to late submissions, modifications and withdrawals of offers; instructions relating to DBE participation goals and program; instructions as to how the contract will be awarded; advice as to the ability of agency to cancel the solicitation; or establishment of an order of precedence covering how inconsistencies between provisions of the solicitation are to be resolved.
- 7.1.4 A document that includes special contract requirements or provisions (as opposed to general provisions) relating to this particular solicitation and contract that are not addressed elsewhere in the solicitation. For instance: bonding requirements; insurance requirements; any special permits or licenses required; what property the department will furnish the contractor and rules relating to that property; liquidated damages; warranties; indemnity provisions; option; contract administration; or special provisions that would apply to a cost-type contract.
- 7.1.5 Any applicable special provisions (model clauses) required by the FTA through FTA Circular 4220.1D or the Master Agreement which must be included in the solicitation and the contract. For instance: EEO clauses; requirements of our DBE program; affirmative action clauses; DBE program clauses; Contract Work Hours and Safety Standards Act provisions; Davis-Bacon Act provisions; Title VI of the Civil Rights Act of 1964 compliance provisions; Clean Air and Water Acts provisions; Energy Policy and Conservation provisions; Cargo Preference Act clause; or Officials Not to Benefit clause.
- 7.1.6 Any applicable general provisions may include: changes clause; termination for default and convenience; inspection; assignment; excusable delay; variation in quantity; disputes; governing law; indemnification; order of precedence; pricing of adjustments; examination of records; and payment terms.
- 7.1.7 Specification or statement of work or scope of work describing the product or service to be purchased.
- 7.1.8 A provision that explains the calculation of life-cycle cost, transportation costs, options, escalators, currency issues, unit prices, and other factors that affect contract cost.

7.2 Pre-Bid Conferences may be held in cases where the specifications are complicated or unusual. The purpose of the meeting will be to explain the specifications, special provisions, bidding conditions, and the DBE program and the goals set for the procurement. Questions may be taken in advance and publicly stated and answered. Questions raised and answered, and any resulting amendment to the specifications or provisions or conditions will be formally recorded and provided to all potential bidders, regardless of their presence or absence at the conference.

7.3 Notice of Amendment of the bid conditions, specifications, or special provisions must be provided to all potential bidders and should include:

- The solicitation number of the original solicitation
- The amendment number
- The contact person and phone number for further information
- A confirmation or change of the original time and due date
- A clear statement of the changed or reference to an attachment that states the changes
- Signature of the Procurement Officer

7.4 Bid Receipt – Bids will be publicly opened and each bidder and the amount of each bid and alternatives are read into the record. All bids will be retained for analysis.

- Timeliness – bids received after the time set forth in the bid document will be considered “unresponsive” and returned unopened to the bidder. The only exception will be if the bidder can demonstrate an intent to deliver in a timely fashion, and that delivery was inhibited by the unintentional actions of the department.
- Completeness – all requirements of the bid document must be met at the time of submission, including prices, certifications, and all other information. Incomplete bids will be considered “unresponsive.”

7.5 A Bid Guarantee of 5% of the bid may be required for construction or facility improvement contracts. If a bid guarantee is required, there will be a clause in the solicitation that sets forth:

- The requirement
- The amount of the guaranty (typically 5% of the bid) and how it should be calculated
- Acceptable forms of guaranty (usually cashier’s check, letter of credit, or bond from a licensed agency)
- That the guaranty must be submitted with the offer

If the guaranty is not furnished, the bid will be determined “unresponsive.” Guarantees from unsuccessful bidders will be returned to them upon award.

7.6 Mistakes – Actions taken regarding mistakes in bids depend on the nature of the mistake and when it is discovered.

7.6.1 A minor informality or irregularity prior to award – the bidder shall have an opportunity to cure the deficiency, or it may be waved.

7.6.2 Obvious or apparent clerical mistakes prior to award:

- Upon advice of counsel, the Procurement Officer may write to obtain a formal verification of the bid. If the bidder alleges a mistake was made, the Procurement Officer will request a modification or withdrawal of the bid.
- After verification, the Procurement Officer may correct an apparent or obvious clerical error in the bid or declare it “nonresponsive.”
- Errors will not be corrected that make a nonresponsive bid a responsive one, or if the correction would displace a lower bid and

evidence of the mistake and the intended bid were ascertainable substantially from the solicitation and bid itself.

7.6.3 Mistakes other than minor informalities or irregularities, or obvious or apparent clerical mistakes that are discovered prior to award – the same procedure as #2 above should be followed.

- The bid should be allowed to be withdrawn if the mistake is clearly evident but the intended correct bid is not, or the bidder can show clearly and convincingly that a mistake was made.
- The bid would be corrected and not withdrawn if the bidder requests permission to withdraw rather correct it, and the evidence is clear and convincing as to the mistake and to the actual intended bid, and the bid, both as originally submitted and corrected, is the lowest bid received.

7.6.4 Mistakes discovered after the award-resolution could be by contract amendment or deleting the portion of the contract affected, by rescinding the contract, or by allowing no change to be made. The decision should be made in light of legal counsel.

7.7 Withdrawals will be allowed upon written request of the bidder received up to the time of bid opening. Withdrawals after bid opening will be allowed only under the mistake circumstances outlined in #4 above.

7.8 Single Bid – If only one responsive and responsible bid or proposal is received, a technical analysis is performed first to determine if any elements of the solicitation is withdrawn and appropriately awarded before re-issue.

7.9 If it is determined that no unreasonable limit to competition was required by the contract, or if any of the other listed circumstances exist, a price analysis will be performed using whatever techniques are deemed necessary. If the price is determined to be fair and reasonable, the IFB will be converted to a Request for Proposals and negotiations will commence with only the vendor who bid. Each vendor that was sent the IFB will be informed.

7.10 Award – Only a firm-fixed price or contract will be awarded. All price-related factors, including discounts and transportation will be considered. Life-cycle will be the basis of comparison in most procurements.

8.0 Competitive Proposals

Policy:

A competitive proposal procedure will be used for all purchases over \$50,000 when a complete, adequate and realistic specification or purchase description that allows for competition primarily on the basis of price may not be available; when the contract award amount, whether a firm-fixed price or some type of cost reimbursement contract, can only be determined on the basis of costs of the contractor derived from a negotiation process; when discussions or negotiations may be needed to address technical requirements as well as proposed cost or price aspects of the offeror's proposal.

Proposals must be publicly solicited, and award made to only responsible contractors possessing the ability to perform successfully under the terms of a proposed agreement. Consideration shall be given to such factors as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

Award will be made to the responsive and responsible firm whose proposal is most advantageous to the Transit Department's program with price and other factors considered.

Architectural and engineering services procurements shall use competitive proposals procedures, excluding price as an evaluation factor, providing that the proposed price is fair and reasonable.

Procedure:

8.0 Notification of the availability of an RFP along with a brief description of the project will be issued to all prospective proposers on the department's vendor list. Appropriate measures will be taken to ensure broad public notification of the RFP.

8.1 Each RFP will contain, when applicable:

8.1.1 A form that acts as the solicitation document and contains:

- A solicitation number for reference
- Name and title of the Procurement Officer
- Time and place of pre-proposal conference, if necessary
- Date, time, and place that proposals are due – an adequate amount of time must be allowed for the preparation of proposals
- A statement that both a cost and a technical proposal are provided
- Space where the proposing firm can be identified
- Space for the firm official to sign and date the bid

8.1.2 A document that describes the various representations and certifications that are required to be made by the proposer in conjunctions with the procurement at the time of proposal submission. Requirements, including specifications and contract clauses and certifications must be presented as completely, accurately, clearly, as possible. These may include:

- A representation as to the type of business the offeror is (individual, partnership, sole proprietorship, etc.)
- A representation as to DBE status
- A representation that no gratuities have been offered or given with a view toward securing the contract
- A certification of independent price determination (prices in bid have been arrived at independently without communications for the purposes of restricting competition)
- A certification regarding debarment, suspension, ineligibility and voluntary exclusion (required in contracts over \$100,00)
- A certification regarding compliance or non-compliance with the Buy America provisions of the Federal Transit Act and 49 CFR Part 661(required in construction contracts and acquisition of goods or rolling stock in excess of \$100,00)

- 8.1.3 A document that includes solicitation instructions and conditions. For instance: proposal preparation; instructions relating to acknowledging amendments to the solicitation; rules relating to late submissions, modifications and withdrawals of offers; instructions relating to the DBE participation goals and program; advice as to agency and FTA bid/proposal protest procedures; advice as to ability of agency to cancel the solicitation; or establishment of an order of precedence covering how inconsistencies between provisions of the solicitation are to be resolved.
- 8.1.4 A document that includes special contract requirements or provisions (as opposed to general provisions) relating to this particular solicitation and contract that are not addressed elsewhere in the solicitation. For instance: bonding requirements; insurance requirements; any special permits or licenses required; what property the department will furnish the contractor and rules relating to that property; liquidated damages; warranties; indemnity provisions; options; contract administrations; or special provisions that would apply to a cost-type contract.
- 8.1.5 Special provisions (model clauses) required by the FTA through FTA Circular 4220.1D or the Master Agreement which must be included in the solicitation and the contract. For instance: EEO clauses; requirements of our DBE program; affirmative action clauses; DBE program clauses; Contract Work Hours and Safety Standards Act provisions; Davis-Bacon Act provisions; Title VI of the Civil Rights Act of 1964 compliance provisions; Clear Air and Water Act provisions; Energy Policy and Conservation Act provisions; Caro Preference Act clause; and Officials Not to Benefit clause.
- 8.1.6 General provisions may include: changes clause; termination for default and convenience; inspections; assignment; excusable delay; variation in quantity; disputes' governing law; indemnification; order of preference; pricing of adjustments; examination of records; and payment terms.
- 8.1.7 Specification or statement of work or scope of work describing the product or service to be purchased.
- 8.1.8 Evaluation criteria that will be considered may include responsibility (such as financial, human, and physical capabilities to perform), technical ability (such as methods proposed, or as technical experience of the offeror, suitability of products or performance criteria), price, compliance (such as responsiveness), and management (such as qualifications of project managers, and effectiveness of a proposed management plan). Evaluation criteria that will be listed order of their relative importance.
- 8.1.9 A clear statement that award may be made on the basis of initial proposals without any discussions or negotiation.

8.2 Pre-proposal Conferences may be held in cases where the specifications are complicated or unusual. The purpose of the meeting is to explain the specification, special provisions, bidding conditions, and the DBE program and goals set for the procurement. Questions may be taken in advance and publicly stated and answered. Questions raised and answered, any resulting amendment to the specifications or provisions or conditions will be formally recorded and provided to all potential bidders, regardless of their presence or absence at the conference.

8.3 Notice of Amendment of RFP conditions, specifications, or special provisions must be provided to all potential offerors and should include:

- The solicitation number of the original solicitation
- The amendment number
- The contact person and phone number for further information
- A confirmation or change of the original time and due date
- A clear statement of the changes or reference to an attachment that clearly states the changes
- Signature of the Procurement Officer

8.4 Receipt of Proposals – proposals will be publicly received and read into the record and retained for evaluation.

- Timeliness – Initial proposals received after the time set forth in the RFP will be considered “unresponsive” and returned unopened to the offeror. The only exception will be if the offeror can demonstrate an intent to deliver in a timely fashion, and that the delivery was inhibited by the unintentional actions of the department.
- Completeness – All requirements of the RFP must be met at the time of the submission, including separate price and technical proposals, certifications, and all other information. Incomplete bids will be considered “unresponsive.”

8.5 A Proposal Guarantee of 5% of the proposal may be required for contracts if it is particularly important that initial offers be firm commitments. If a proposal guarantee is required, there will be a clause in the solicitation that sets forth:

- The requirement
- The amount of the guaranty (typically 5% of the proposal) and how it should be calculated
- Acceptable forms of guaranty (usually cashier’s check, letter of credit, or bond from a licensed agency)
- The guaranty must be submitted with the offer

8.6 Evaluation

8.6.1 Process elements to be described before evaluation:

8.7.1.1 Evaluator(s) – and evaluation panel may be made up of management employees or Trustees or both and may include outside professionals. The panel will make all decisions regarding the evaluations,

determinations or responsible offerors, competitive range, negotiations, final selection, and award.

8.7.1.2 Other specialists in an advisory capacity including those who review and advise on the technical proposal.

8.7.1.3 Absolutely prerequisite criteria to be considered before other criteria on a “pass/fail” basis.

8.7.1.4 Weights assigned to each criteria.

8.6.2 Proposals evaluated and scored by each evaluator, then weighted and resulting scores added to reach a composite score.

8.6.3 Technical and price proposals to be considered separately, technical proposal first.

8.7 Competitive Range

- Evaluators determine the competitive range based on the separate technical and price composite scores.
- All proposals that have a reasonable chance of being selected for award following evaluation will be included in the competitive range. “Borderline” proposals may be excluded if there is adequate competition otherwise.

8.8 Discussions

8.8.1 Clarifications – Communications with an offeror for the sole purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in a proposal. Clarifications do not require communications with each proposer and are normally done prior to determination of the competitive range, but may be done at any time.

8.8.2 Discussions – Any oral or written communications between a procurement officer and an offeror (other than communication conducted for the purpose of minor clarification), whether initiated by the procurement official that (1) involves information essential for determining the acceptability of a proposal, or (2) provides the offeror an opportunity to revise or modify its proposal. In order to preserve fairness in consideration of proposals, when discussions are held with any proposer, discussions will be held with all proposers in the competitive range. Presentations of goods and/or services are considered discussions.

8.9 Negotiations – A procedure that includes the receipt of proposals from offerors, permits bargaining and usually affords offerors an opportunity to revise their offers based on discussions before award of contract.

8.10 Request for Revised Proposals – Based on information received by both Transit and the offerors and a better understanding of Transit’s needs and the goods and/or services being

offered, Transit may request revised proposals. Unless specifically state to the contrary, revised proposals completely take the place of any previous proposals. If Requests for Revised Proposals are made to any offerors in the competitive range, they must be made to all offerors in the competitive range. However, evaluation of the Revised Proposals may be used to reduce the number of proposals in the competitive range.

8.11 Request for Best and Final Offer – When all outstanding issues have been resolved through discussions and negotiation and revised proposals, a request for a “Best and Final Offer” is made. If a proposer in the competitive range fails to respond to this request, the proposer’s most recent proposal is considered to be the best and final. A Request for Best and Final Offer should include:

- Specific notice that discussions are concluded
- Notice that this will be considered the offeror’s best and final offer
- A specific date, place, and time for submission that allows reasonable preparation time
- Notice that the best and final offer is subject to any provisions dealing with late submissions modifications, withdrawals, etc. as set forth in the Request for Best and Final Offers of the original solicitation
-

8.12 Award Based on Initial Proposals – an award may be made on the basis of initial proposals to a responsible and responsive contractor without discussions provided:

- The solicitation did not commit in advance to discussions and specifically stated that the award could be made on the basis of initial proposals.
- No discussions may be held with any proposer.
- Award may only be made to a responsible contractor with the ability to perform under the terms of the proposed agreement.

8.13 Withdrawal of Proposal – The RFP will state a due date for the proposal, Revised Proposal, or Best and Final Offer. Proposals may be withdrawn and revised at any time up to that date, but not after.

8.14 Debriefing Unsuccessful Offerors – Unsuccessful offerors may be notified as soon as contract award has been made. Composite total scores may be shared, but not individual factor scores for any offeror. Strengths and weaknesses of the individual proposal may be discussed with that offeror only.

9.0 Sole-Source Procurement

Policy:

Solicitation and acceptance of a proposal from a single source is allowed if:

Award of a contract is infeasible under any other procurement technique, and one of the following circumstances applies:

- The item of service is available from only one source.
- An emergency situation exists that will not permit the delay that may arise from pursuing a competitive solicitation. An emergency situation may include a service provision emergency.

- FTA authorizes noncompetitive negotiations.
- The item is an Associated Capital Maintenance item that is procured directly from the manufacturer or supplier is the only source for the item and that the price is no higher than the price paid for the item by similar customers.

A cost analysis of the proposal should be performed.

Procedure, when applicable:

9.0 In any circumstances listed above, complete documentation must accompany the procurement file, including a determination that the item or service being procured could not be changed or amended to achieve competition without substantially changing the intended use of the item or scope of the service.

9.1 Procurement Packet:

- 9.1.1 Since there is a sole source, there is no need to advertise.
- 9.1.2 Prepare the packet as if it were an RFP, including federal representation, certifications, special and general provisions, DBE goals, etc.
- 9.1.3 Include specifications or statement of work.
- 9.1.4 Require cost of pricing data.

9.2 Price Analysis – A price analysis will be performed using whatever techniques are deemed necessary. (See Policy of Cost and Price Analysis) If the price is determined to be fair and reasonable, negotiations with the single vendor will commence.

9.3 Negotiations – Negotiate the final terms and conditions of the contract using the procedures you would use in competitive proposals, but they can be more pointed and open because there is not a competitive environment.

9.4 Associated Capital Maintenance (ACM)

- 9.4.1 Original Equipment Manufacturer (OEM) components may be procured through negotiations if the item is an ACM item (defined below), and is determined and certified to FTA that the OEM is the only source of the item and that the price is no greater than the price paid by like customers. (This determination and certification constitutes the justification of a sole-source procurement)
- 9.4.2 An ACM item is equipment, tires, tubes, or material or assembly of such (such as a hub assembly, transmission, wheel suspension, et.) which is only available from the OEM and costs at least 0.5% of the depreciated value of the vehicle.

10. 0 Cost and Price Analysis

Policy:

When applicable, procurement actions must include a cost or price analysis. In the case of micro-purchases, this analysis is included in the determination that a price is fair and reasonable (2). An independent cost estimate must be made before receiving bids or proposals (5.0).

10.0 A cost estimate is an estimate of the cost of a project or projects element based on a review and evaluation of the separate cost elements and profit, including overhead, labor hours, materials, and other appropriate factors. The cost estimate is used to form an opinion of the degree to which a proposed cost represents what a project should cost, assuming reasonable economy, efficiency, and profit.

10.0.1 Cost analysis of individual factors may be accomplished through comparison of the offeror's cost estimates to actual costs of previous work for the department or other agencies, other cost estimates in the same solicitation, forecasts of planned expenditures, or technical evaluation by third parties. Both reasonableness and necessity for costs will be considered.

10.0.2 Audited or negotiated labor, overhead, or other rates may be employed.

10.0.3 The evaluated costs must be consistent with Federal cost principles and procedures.

10.1 A price analysis is an evaluation of a proposed price without evaluating its separate cost and profit elements.

10.1.1 A price analysis may be accomplished through comparison of proposed prices in the solicitation, comparison with previous prices of similar goods or services, comparison with the experience of other agencies in similar procurements, or comparison with published price lists.

11.0 Code of Conduct

11.0 No employee, officer, agent or Council member or his/her immediate family, member or partner of any organization that employs or is about to employ any of the foregoing in the selection, award or administration of any project funding in part by FTA funds.

11.1 No employee, officer, agent or Council member or his/her immediate family, member or partner of any organization shall have any financial or other interested in any firm selected for a project which is funded in part by FTA funds.

11.2 No employee or officer of the City may solicit or accept gifts, gratuities, favors or anything of monetary value from contractors, subcontractors or any organization that may participate in a project funded in part by FTA funds.

11.3 In the event any employee, officer, agent or board member or his/her immediate family, member or partner of any organization that violates the codes of conduct shall be reported to the human resources/risk manager for investigation and any appropriate

discipline, which could include submitting the matter to the County Attorney for prosecution under the Iowa Gift Law.

12.0 Process to Analyze Potential Organizational Conflicts

12.0 The Transit Director reviews each planned acquisition for the Transit department, prior to a contract award. He/she requests the contract award be placed on the City Council Agenda. The Director of Finance, City Clerk, City Administrator, and City Attorney review each item prior to the item being placed on the agenda. The review process gives several City staff the opportunity to identify any potential organizational conflicts. Each contract award is then required to be approved by the City Council or its designee.

13.0 Contracting with Disadvantaged/Minority Business Enterprises

Policy:

The department will take all steps to ensure that Disadvantaged/Minority and Women Owned Business Enterprise (D/M/WBES) are used whenever possible.

Procedure:

Affirmative steps shall include, when applicable:

- Placing qualified D/M/WBES on solicitation lists
- Ensuring that D/M/WBES are solicited whenever there are potential sources
- When economically feasible, dividing requirements into smaller tasks or quantities to permit maximum participation by D/M/WBES
- Establishing contract delivery schedules, where the requirement permits, that encourages participation by D/M/WBES

13.0 Full and Open Competition

Policy:

The department will conduct all procurements in a manner providing full and open competition.

Procedure:

13.0 Contracts for goods or services with a value of more than \$150,000 shall be awarded by sealed bid or competitive negotiation unless there is an explicit exception.

13.1 The following practices are deemed restrictive of competition in FTA Circular 4220.1D, Section 8:

- Unreasonable requirements placed on firms in order for them to qualify to do business
- Unnecessary experience and excessive bonding requirements
- Noncompetitive pricing practices between firms or between affiliated companies
- Noncompetitive awards to any person or firm on retainer contracts
- Organization conflict of interest
- Restrictive use of brand names

- Any arbitrary action in the procurement process
- Geographic preferences (advertisements must be multi-state)

14.0 Standard Certifications and Contract Clauses

Policy:

Certain standard clauses and certification are required, either by this policy or Federal or State regulation, in particular types of purchase contracts. Purchase contracts are not complete and will not be in compliance with department policies and procedures without the appropriate standard clauses and certifications.

Procedure:

14.0 The following chart indicates which certifications and clauses will be included in which types of contracts. The individual clauses and certifications are explicitly set forth in the attachments to this Manual, when applicable.

Appendix Number	Certification	Required for
A-1	Drug and Alcohol Testing	All Operational Service
A-2	Buy America	Rolling Stock over \$100,000
A-3	Charter Service	All Operational Service
A-4	School Bus Operations	All Operational Service
A-5	Cargo Preference	All Equipment, Materials, or Commodities
A-6	Seismic Safety	All New Buildings or Additions
A-7	Energy Conservation	All
A-8	Clean Water	All Over \$100,000
A-9	Bus Testing	All Rolling Stock
A-10	Pre-Award and Post Delivery Audits	All Rolling Stock
A-11	Lobbying	All Over \$100,000
A-12	Access to Records and Reports	All
A-13	Federal Changes	All
A-14	Bonds (Construction)	All Over \$100,000
A-15	Bonds (Non-Construction)	All Over \$100,000
A-16	Clean Air	All Over \$100,000
A-17	Recycled Products	All Over \$100,000
A-18	Davis-Bacon	Construction over \$2,000
A-19	Contract Work Hours and Safety	Construction over \$2,000
A-20	Standards Act (Construction)	Construction over \$2,500
A-21	Contract Work Hours and Safety Standards Act (non-construction)	All
A-22	No Government Obligations to Third Parties	All
A-23	Program Fraud and False or Fraudulent Statement and Related Acts Termination	All Over \$10,000
A-24	Government Debarment and Suspension	All Over \$100,000
A-25	Privacy Act	All
A-26	Civil Rights	All
A-27	Breaches and Dispute Resolution	All Over \$100,000
A-28	Patent and Rights in Data	A/E Research and Development
A-29	Transit Employee Protective Agreements	All Operational Service
A-30	Disadvantaged Business Enterprises (DBEs)	All
A-31	Incorporation of Federal Transit Administration (FTA) Terms	All

15.0 Contract Administration

Policy:

The department will maintain and use a contract administration system that ensures contractor performance and adherence to the terms, conditions, and specifications of contracts and purchase orders.

Procedures:

15.0 Contract administration is the responsibility of the Director of Finance (Policy 3.2).

15.1 Upon contract award, the procurement file for any purchases over \$3,500 is transferred to the Director of Finance and becomes the contract file. While other staff may maintain files relating to the procurement, the primary, "official," file is maintained by the Director of Finance. This file will contain the elements listed in Policy 3.5, plus:

- The executed contract,
- bonds, bond-related documents, and correspondence with sureties
- contract-required insurance documentation,
- all correspondence between the department and the contractor and related correspondence between the department and the FTA or Iowa DOT,
- notice to proceed
- documentation of any liquidated damages applied
- approvals or disapprovals of contract-required submittals, and requests for waivers or deviations from contractual requirements,
- modifications or changes to the contract, including rationale for the change, change orders issued, and documentation reflecting any time, performance, or cost change resulting from the change
- all change orders
- independent cost estimates of change orders (for purchases of \$150,000 or more)
- documentation regarding settlement of claims and disputes
- documentation regarding stop-work or suspension-of-work orders and termination actions
- documentation relating to contract close-out

16.0 Protests and Disputes

Policy:

Each IFB and RFP will include written protest procedures. In addition, the procedure set forth below may be used to settle disputes arising from small procurements that where a protest procedure was not set forth in a procurement document. All protest decisions must be in writing. A protester may pursue a protest with FTA, when applicable, but must first exhaust all administrative remedies with Transit and the City.

Procedure:

16.0 A protest is a potential bidder's or contractor's proposed remedy for correcting a perceived wrong in the procurement process. A protest must be accepted and reviewed with the understanding that the integrity of the procurement process may be at stake.

16.1 There are three basic types of protests, based on the time in the procurement cycle where they occur.

- A pre-bid or solicitation phase protest is received prior to the bid opening or proposal due date.
- A pre-award protest is a protest against making an award is received after receipt of proposals or bids, but before award of a contract.
- A post-award protest is a protest received after award of a contract.

16.2 Protest Procedures – All solicitations must adequate written protest procedures which address the following elements:

- Difference procedures for pre-bid, pre-award and post-award protests;
- Specific deadlines (in working days) for filing a protest, filing a request for reconsideration, and for the department's response to a protest;
- Specifically required contents of a protest (such as name of protester, solicitation/contract number and description, statement of grounds for protest);
- Location where protests are to be filed;
- Statement that the grantee will respond, in detail, to each substantive issue raised in the protest;
- Identification of the responsible official who has the authority to make the final determination;
- Statement that the department's determination will be final;
- Statement that the FTA (if FTA assistance is involved) will only entertain a protest that alleges the department failed to follow its protest procedures and that such a protest must be filed in accordance with the Circular, and that an appeal to FTA must be received by the cognizant FTA Regional or Headquarters Office within ten (10) working days of the date the protester knew or should have known of the violation; and
- Allowance for a request for reconsideration if data becomes available that was not previously known, or there has been an error of law or regulation.

16.3 Upon notice that protest has been filed with FTA, the department shall in all instances disclose information regarding the protest to FTA. Reviews of protest by FTA will be limited to the department's failure to have or follow its protest procedures, or its failure to review a complaint or protest.

16.4 In the case of a small purchase where there was no written solicitation, the following procedure will be used:

- When a potential bidder or contractor contacts the department to express his/her belief that a procurement was flawed, the department will inform him/her that all protests must be in writing, and offer to send him/her a copy of this procedure (3.16.5). If a protester contacts the department more than five days following the date when he/she knew of, or should have known of, the perceived flaw, the protest will not be considered.
- The protest must include a proposed remedy for correcting the perceived flaw, the name of the protester, description of the goods or services procured, the date that he/she became aware of the perceived flaw, and a statement of grounds for the protest.
- The protest will be accepted and reviewed with the understanding that the integrity of the procurement process is at stake.
- The protest will be considered by the Transit Director (or the City Administrator if the Transit Director made the protested award) who will respond to each substantive issue of the protest within ten (10) working days.
- The decision of the Transit Director shall be final; however, the protester may request that his/her protest be reconsidered if information becomes available that was not previously known, or there has been an error of law or regulation.
- The protester may protest to FTA (if FTA funds were involved in the procurement) only after all administrative processes have been exhausted. FTA will only entertain a protest that alleges that the department failed to follow its protest procedures. Such a protest must be filed within ten (10) working days of the date the protester knew or should have known of the violation, and may be sent to the FTA Regional Administrator, FTA Regional Office, 6301 Rockhill Rd., Suite 303, Kansas City, MO.

Appendices A-1 through A-31 to Procurement Policy and
Procedure Manual (Coralville Transit)

Appendix A-1 Drug and Alcohol Testing

Option 1:

The contractor agrees to participate in the Authority's drug and alcohol program established in compliance with 49 CFR 653 and 654.

Option 2:

The contractor agrees to establish and implement a drug and alcohol testing program that complies with 49 CFR Parts 653 and 654, produce any documentation necessary to establish its compliance with Parts 653 and 654, and permit any authorized representative of the United States Department of Transportation or its operating administrations, the Iowa Department of Transportation, or the Authority, to inspect the facilities and records associated with the implementation of the drug and alcohol testing program as required under 49 CFR Parts 653 and 654 and review the testing process. The contractor agrees further to certify annually its compliance with Parts 653 and 654 and to submit the Management Information System (MIS) reports before February 15 before to Assistant General Manager, Metropolitan Transit Authority of Black Hawk County, 1515 Black Hawk Street, Waterloo, Iowa, 50702. To certify compliance the contractor shall use the "Substance Abuse Certifications" in the "Annual List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Agreements," which is published annually in the Federal Register.

Option 3:

The contractor agrees to establish and implement a drug and alcohol testing program that complies with 49 CFR Parts 653 and 654, produce any documentation necessary to establish its compliance with Parts 653 and 654, and permit any authorized representative of the United States Department of Transportation or its operating administrations, the Iowa Department of Transportation, or the Authority, to inspect the facilities and records associated with the implementation of the drug and alcohol testing program as required under 49 CFR Parts 653 and 654 and review the testing process. The contractor agrees further to certify annually its compliance with Parts 653 and 654 and to submit the Management Information System (MIS) reports before February 15 before to Assistant General Manager, Metropolitan Transit Authority of Black Hawk County, 1515 Black Hawk Street, Waterloo, Iowa, 50702. To certify compliance the contractor shall use the "Substance Abuse Certifications" in the "Annual List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Agreements," which is published annually in the Federal Register. The Contractor agrees further to [Select a, b, or c] (a) submit before (insert date or upon request) a copy of the Policy Statement developed to implement its drug and alcohol testing program; OR (b) adopt (insert title of the Policy Statement the recipient wishes the contractor to use) as its policy statement as required under 49 CFR 653 and 654; OR (c) submit for review and approval before (insert date or upon request) a copy of its Policy Statement developed to implement its drug and alcohol testing program. In addition, the contractor agrees to: (to be determined by the recipient, but may address areas such as: the selection of the certified laboratory, substance abuse professional, or Medical Review Officer, or the use of a consortium).

Appendix A-2 Buy America

Buy America -- The contractor agrees to comply with 49 U.S.C. 5323(j) and 49 CFR Part 661, which provide that Federal funds may not be obligated unless steel, iron, and manufactured products used in FTA-funded projects are produced in the United States, unless a waiver has been granted by FTA or the product is subject to a general waiver. General waivers are listed in 49 CFR 661.7, and include final assembly in the United States for 15 passenger vans and 15 passenger wagons produced by Chrysler Corporation, microcomputer equipment, software, and small purchases (less than \$100,000) made with capital, operating, or planning funds. Separate requirements for rolling stock are set out at 5323(j)(2)(C) and 49 CFR 661.11. Rolling stock not subject to a general waiver must be manufactured in the United States and have a 60 percent domestic content.

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

Appendix A-3 Charter Service

Charter Service Operations - The contractor agrees to comply with 49 U.S.C. 5323(d) and 49

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

Appendix A-4 School Bus Service

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

Appendix A-5 Cargo Preference

Cargo Preference - Use of United States-Flag Vessels - The contractor agrees: a. to use

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

Appendix A-6 Seismic Safety

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

Appendix A-7 Energy Conservation

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

Appendix A-8 Clean Water

Clean Water

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

Appendix A-9 Bus Testing

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

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

Appendix A-10 Pre-Award and Post Delivery Audit

Pre-Award and Post-Delivery Audit Requirements - The Contractor agrees to comply with 49

U.S.C. Sec. 5323(l) and FTA's implementing regulation at 49 C.F.R. Part 663 and to submit the following certifications:

- A. Buy America Requirements, per the Buy America section and certifications in this contract.
- B. Solicitation Specification Requirements: The Contractor shall submit evidence that it will be capable of meeting the bid specifications.
- C. Federal Motor Vehicle Safety Standards (FMVSS): The Contractor shall submit 1) the manufacturer's FMVSS self-certification sticker information that the vehicle complies with relevant FMVSS, or 2) the manufacturer's certified statement that the contracted buses will not be subject to FMVSS regulations.

Appendix A-11 Lobbying

Byrd Anti-Lobbying Amendment, 31 U.S.C. 1352, as amended by the Lobbying Disclosure

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

Appendix A-12 Access to Records and Reports

Access to Records - The Contractor agrees to provide the Authority, the FTA Administrator, the Comptroller General of the United States or any of their authorized representatives access to any books, documents, papers and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions.

Contractor also agrees, pursuant to 49 C. F. R. 633.17 to provide the FTA Administrator or his authorized representatives including any PMO Contractor access to Contractor's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through the programs described at 49 U.S.C. 5307, 5309 or 5311.

The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

The Contractor agrees to maintain all books, records, accounts and reports required under this contract for a period of not less than three years after the date of termination or expiration of this contract, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case Contractor agrees to maintain same until the Authority, the FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Reference 49 CFR 18.39(i)(11).

Appendix A-13 Federal Changes

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

Appendix A-14

Bonds (Construction)

A. Bid Bond Requirements

1. Bid Security -- A Bid Bond must be issued by a fully qualified surety company acceptable to the Authority and listed as a company currently authorized under 31 CFR, Part 223 as possessing a Certificate of Authority as described thereunder.
2. Rights Reserved -- In submitting this Bid, it is understood and agreed by bidder that the right is reserved by the Authority to reject any and all bids, or part of any bid, and it is agreed that the Bid may not be withdrawn for a period of ninety (90) days subsequent to the opening of bids, without the written consent of the Authority.
3. It is also understood and agreed that if the undersigned bidder should withdraw any part or all of his bid within ninety (90) days after the bid opening without the written consent of the Authority, shall refuse or be unable to enter into this Contract, as provided above, or refuse or be unable to furnish adequate and acceptable Performance Bonds and Labor and Material Payments Bonds, as provided herein, or refuse or be unable to furnish adequate and acceptable insurance, as provided herein, he shall forfeit his bid security to the extent of the Authority's damages occasioned by such withdrawal, or refusal, or inability to enter into an agreement, or provide adequate security therefor.
4. It is further understood and agreed that, to the extent the defaulting bidder's Bid Bond, Certified Check, Cashier's Check, Treasurer's Check, and/or Official Bank Check (excluding any income generated thereby which has been retained by the Authority as provided in the Instructions to Bidders) shall prove inadequate to fully recompense the Authority for the damages occasioned by default, then the undersigned bidder agrees to indemnify the Authority and pay over to the Authority the difference between the bid security and the Authority's total damages, so as to make the Authority whole.
5. The undersigned understands that any material alteration of any of the above or any of the material contained on this form, other than that requested, will render the bid unresponsive.

B. Performance and Payment Bonding Requirements

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

1. Performance bonds
 - a. The penal amount of performance bonds shall be 100 percent of the original contract price, unless the Authority determines that a lesser amount would be adequate for the protection of the Authority.
 - b. The Authority may require additional performance bond protection when a contract price is increased. The increase in protection shall generally equal 100 percent of the increase in contract price. The Authority may secure additional protection by directing the Contractor to increase the penal amount of the existing bond or to obtain an additional bond.
2. Payment bonds
 - a. The penal amount of the payment bonds shall equal:
 - 1) Fifty percent of the contract price if the contract price is not more than \$1 million.
 - 2) Forty percent of the contract price if the contract price is more than \$1 million but not more than \$5 million; or
 - 3) Two and one half million if the contract price is more than \$5 million.

- b. If the original contract price is \$5 million or less, the Authority may require additional protection as required by subparagraph 1 if the contract price is increased.

Appendix A-15

Bonds (Non-Construction)

A. Performance and Payment Bonding Requirements

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

1. The following situations may warrant a performance bond:
 - a. Authority property or funds are to be provided to the contractor for use in performing the contract or as partial compensation (as in retention of salvaged material).
 - b. A contractor sells assets to or merges with another concern, and the Authority, after recognizing the latter concern as the successor in interest, desires assurance that it is financially capable.
 - c. Substantial progress payments are made before delivery of end items starts.
 - d. Contracts are for dismantling, demolition, or removal of improvements.
2. When it is determined that a performance bond is required, the Contractor shall be required to obtain performance bonds as follows:
 - a. The penal amount of performance bonds shall be 100 percent of the original contract price, unless the Authority determines that a lesser amount would be adequate for the protection of the Authority.
 - b. The Authority may require additional performance bond protection when a contract price is increased. The increase in protection shall generally equal 100 percent of the increase in contract price. The Authority may secure additional protection by directing the Contractor to increase the penal amount of the existing bond or to obtain an additional bond.
3. A payment bond is required only when a performance bond is required, and if the use of payment bond is in the Authority's interest.
4. When it is determined that a payment bond is required, the Contractor shall be required to obtain payment bonds. The penal amount of payment bonds shall equal:
 - a. Fifty percent of the contract price if the contract price is not more than \$1 million;
 - b. Forty percent of the contract price if the contract price is more than \$1 million but not more than \$5 million; or
 - c. Two and one half million if the contract price is increased.

B. Advance Payment Bonding Requirements

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

C. Warranty of the Work and Maintenance Bonds

1. The Contractor warrants to the Authority, the Architect, and/or Engineer that all materials and equipment furnished under this Contract will be of highest quality and new unless otherwise specified by the Authority, free from faults and defects and in conformance with the Contract

Documents. All work not so conforming to these standards shall be

considered defective. If required by the Project Manager, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

2. The Work furnished must be of first quality and the workmanship must be the best obtainable in the various trades. The Work must be of safe, substantial and durable construction in all respects. The Contractor hereby guarantees the Work against defective materials or faulty workmanship for a minimum period of one (1) year after Final Payment by the Authority, and shall replace or repair any defective materials or equipment or faulty workmanship during the period of the guarantee at no cost to the Authority. As additional security for these guarantees, the Contractor shall, prior to the release of Final Payment (as provided elsewhere in this Contract), furnish separate Maintenance (or Guarantee) Bonds in form acceptable to the Authority written by the same corporate surety that provides the Performance Bond and Labor and Material Payment Bond for this Contract. These bonds shall secure the Contractor's obligation to replace or repair defective materials and faulty workmanship for a minimum period of one (1) year after Final Payment and shall be written in an amount equal to one hundred percent (100%) of the contract sum, as adjusted (if at all).

Appendix A-16 Clean Air

Clean Air

- A. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C., Sec. 7401 et seq. The Contractor agrees to report each violation to the Authority and understands and agrees that the Authority will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office.
- B. The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

Appendix A-17 Recycled Products

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

Appendix A-18 Davis-Bacon Act

A. Minimum wages –

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

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

2. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.
3. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.
4. a. The contracting officer shall require that any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:
 - 1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
 - 2) The classification is utilized in the area by the construction industry; and

- 3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
- b. If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, Employment Standards Administration, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
- c. In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination with 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
- d. The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs A.4.b. or c. of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

B. Withholding - The Authority shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, the Authority may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

C. Payrolls and basic records

1. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR

5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

2. a. The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the Authority for transmission to the Federal Transit Administration. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR part 5. This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock Number 029-005-00014-1), U.S. Government Printing Office, Washington, DC 20402. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors.
 - b. Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:
 - 1) That the payroll for the payroll period contains the information required to be maintained under 29 CFR part 5 and that such information is correct and complete;
 - 2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;
 - 3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.
 - c. The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph C.2.b. of this section.
 - d. The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.
3. The contractor or subcontractor shall make the records required under paragraph C.1. of this section available for inspection, copying, or transcription by authorized representatives of the Federal Transit Administration or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the

required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

D. Apprentices and trainees -

1. Apprentices - Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator of the Wage and Hour Division of the U.S. Department of Labor determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Bureau of Apprenticeship and Training, or a State Apprenticeship Agency recognized by the Bureau, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.
2. Trainees - Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage

and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

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

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

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

G. Contract termination: debarment - A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

H. Compliance with Davis-Bacon and Related Act requirements - All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract..

I. Disputes concerning labor standards - Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

J. Certification of eligibility

1. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
2. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

3. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

Appendix A-19

Contract Work Hours and Safety Standards Act (Construction)

- A. Overtime requirements** - No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
- B. Violation; liability for unpaid wages; liquidated damages** - In the event of any violation of the clause set forth in paragraph A of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph A of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph A of this section.
- C. Withholding for unpaid wages and liquidated damages** - The Authority shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph B. of this section.
- D. Subcontracts** - The contractor or subcontractor shall insert in any subcontracts the clauses set forth in this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in this section.
- E. OSHA**
1. The Contractor agrees to comply with section 107 of the Contract Work Hours and Safety Standards Act, 40 U.S.C. section 333, and applicable DOL regulations, " Safety and Health Regulations for Construction " 29 C.F.R. Part 1926. Among other things, the Contractor agrees that it will not require any laborer or mechanic to work in unsanitary, hazardous, or dangerous surroundings or working conditions.
 2. **Subcontracts** - The Contractor also agrees to include the requirements of this section in each subcontract. The term "subcontract" under this section is considered to refer to a person who agrees to perform any part of the labor or material requirements of a

contract for construction, alteration or repair. A person who undertakes to perform a portion of a contract involving the furnishing of supplies or materials will be considered a "subcontractor" under this section if the work in question involves the performance of construction work and is to be performed: (1) directly on or near the construction site, or (2) by the employer for the specific project on a customized basis. Thus, a supplier of materials which will become an integral part of the construction is a "subcontractor" if the supplier fabricates or assembles the goods or materials in question specifically for the construction project and the work involved may be said to be construction activity. If the goods or materials in question are ordinarily sold to other customers from regular inventory, the supplier is not a "subcontractor." The requirements of this section do not apply to contracts or subcontracts for the purchase of supplies or materials or articles normally available on the open market.

Appendix A-20

Contract Work Hours and Safety Standards Act (Non-Construction)

- A. Overtime requirements** - No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
- B. Violation; liability for unpaid wages; liquidated damages** - In the event of any violation of the clause set forth in paragraph A of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph A of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph A of this section.
- C. Withholding for unpaid wages and liquidated damages** - The Authority shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph B of this section.
- D. Subcontracts** - The contractor or subcontractor shall insert in any subcontracts the clauses set forth in this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in this section.
- E. Payrolls and basic records**

Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records

which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

Appendix A-21

No Government Obligation to Third Parties

No Obligation by the Federal Government.

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

Appendix A-22

Program Fraud and False or Fraudulent Statement and Related Acts

Program Fraud and False or Fraudulent Statements or Related Acts -

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

Appendix A-23 Termination

(Paragraphs A-D below are for all contracts)

- A. Termination for Convenience:** The Authority may terminate this contract, in whole or in part, at any time by written notice to the Contractor when it is in the Government's best interest. The Contractor shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. The Contractor shall promptly submit its termination claim to the Authority to be paid the Contractor. If the Contractor has any property in its possession belonging to the Authority, the Contractor will account for the same, and dispose of it in the manner the Authority directs.
- B. Termination for Default [Breach or Cause]:** If the Contractor does not deliver supplies in accordance with the contract delivery schedule, or, if the contract is for services, the Contractor fails to perform in the manner called for in the contract, or if the Contractor fails to comply with any other provisions of the contract, the Authority may terminate this contract for default. Termination shall be effected by serving a notice of termination on the contractor setting forth the manner in which the Contractor is in default. The contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner of performance set forth in the contract.

If it is later determined by the Authority that the Contractor had an excusable reason for not performing, such as a strike, fire, or flood, events which are not the fault of or are beyond the control of the Contractor, the Authority, after setting up a new delivery of performance schedule, may allow the Contractor to continue work, or treat the termination as a termination for convenience.

- C. Opportunity to Cure:** The Authority in its sole discretion may, in the case of a termination for breach or default, allow the Contractor *[an appropriately short period of time]* in which to cure the defect. In such case, the notice of termination will state the time period in which cure is permitted and other appropriate conditions

If Contractor fails to remedy to the Authority 's satisfaction the breach or default or any of the terms, covenants, or conditions of this Contract within ten (10) days after receipt by Contractor or written notice from the Authority setting forth the nature of said breach or default, the Authority shall have the right to terminate the Contract without any further obligation to Contractor. Any such termination for default shall not in any way operate to preclude the Authority from also pursuing all available remedies against Contractor and its sureties for said breach or default.

- D. Waiver of Remedies for any Breach:** In the event that the Authority elects to waive its remedies for any breach by Contractor of any covenant, term or condition of this Contract, such waiver by the Authority shall not limit the Authority 's remedies for any succeeding breach of that or of any other term, covenant, or condition of this Contract.

(Professional or Transit Service Contracts)

- E. Termination for Convenience:** The Authority, by written notice, may terminate this contract, in whole or in part, when it is in the Government's interest. If this contract is

terminated, the Recipient shall be liable only for payment under the payment provisions of this contract for services rendered before the effective date of termination.

(Supplies and Service Contracts)

- F. Termination for Default:** If the Contractor fails to deliver supplies or to perform the services within the time specified in this contract or any extension or if the Contractor fails to comply with any other provisions of this contract, the Authority may terminate this contract for default. The Authority shall terminate by delivering to the Contractor a Notice of Termination specifying the nature of the default. The Contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner or performance set forth in this contract.

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

(Transportation Service Contracts)

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

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

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

(Construction Contracts)

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

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

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

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

(Architectural and Engineering Contracts)

- I. Termination for Convenience or Default:** The Authority may terminate this contract in whole or in part, for the Authority's convenience or because of the failure of the Contractor to fulfill the contract obligations. The Authority shall terminate by delivering to the Contractor a Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Contractor shall (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to the Contracting Officer all data, drawings, specifications, reports, estimates, summaries, and other information and materials accumulated in performing this contract, whether completed or in process.

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

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

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

(Cost-Type Contracts)

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

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

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

Appendix A-24

Governmentwide Debarment and Suspension (Non-Procurement)

- A. The Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion certification signed by the Contractor in the bid or proposal phase of this procurement is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Authority may pursue available remedies, including suspension and/or debarment.
- B. The prospective lower tier participant shall provide immediate written notice to the Authority if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- C. The terms "covered transaction", "debarred", "suspended", "ineligible", "lower tier covered transaction", "participant", "persons", "lower tier covered transaction", "principal", "proposal", and "voluntarily excluded", as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549 [49 CFR Part 29].
- D. The Contractor agrees that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized in writing by the Authority.
- E. The Contractor further agrees that it will include the clause (below) titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction", without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

"Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction"

- (1) The prospective lower tier participant certifies, by submission of this bid or proposal, that neither it nor its "principals" [as defined at 49 C.F.R., Sec. 29.105(p)] is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
 - (2) When the prospective lower tier participant is unable to certify to the statements in this certification, such prospective participant shall attach an explanation to this proposal.
- F. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non- procurement List issued by U.S. General Service Administration.

- G. Nothing contained in the foregoing shall be construed to require establishment of system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

- H. Except for transactions authorized under Paragraph D of this clause, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to all remedies available to the Federal Government, the Authority may pursue available remedies including suspension and/or debarment.

Appendix A-25 Privacy Act

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

- A. The Contractor agrees to comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974, 5 U.S.C., Sec. 552a. Among other things, the Contractor agrees to obtain the express consent of the Federal Government before the Contractor or its employees operate a system of records on behalf of the Federal Government. The Contractor understands that the requirements of the Privacy Act, including the civil and criminal penalties for violation of that Act, apply to those individuals involved, and that failure to comply with the terms of the Privacy Act may result in termination of the underlying contract.
- B. The Contractor also agrees to include these requirements in each subcontract to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by FTA.

Appendix A-26 Civil Rights

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

- A. Nondiscrimination - In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C., Sec. 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C., Sec. 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C., Sec. 12132, and Federal transit law at 49 U.S.C., Sec. 5332, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, the Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.
- B. Equal Employment Opportunity - The following equal employment opportunity requirements apply to the underlying contract:
 1. Race, Color, Creed, National Origin, Sex - In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C., Sec. 2000e, and Federal transit laws at 49 U.S.C., Sec. 5332, the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq. , (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C., Sec. 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.
 2. Age - In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C., Sec. 623 and Federal transit law at 49 U.S.C., Sec. 5332, the Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.
 3. Disabilities - In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C., Sec. 12112, the Contractor agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.
- C. The Contractor also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

Appendix A-27

Breaches and Dispute Resolution

- A. Disputes** - Disputes arising in the performance of this Contract which are not resolved by agreement of the parties shall be decided in writing by the authorized representative of the Authority's General Manager. This decision shall be final and conclusive unless within ten (10) days from the date of receipt of its copy, the Contractor mails or otherwise furnishes a written appeal to the General Manager. In connection with any such appeal, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of the General Manager shall be binding upon the Contractor and the Contractor shall abide by the decision.
- B. Performance During Dispute** - Unless otherwise directed by the Authority, the Contractor shall continue performance under this Contract while matters in dispute are being resolved.
- C. Claims for Damages** - Should either party to the Contract suffer injury or damage to person or property because of any act or omission of the party or of any of his employees, agents or others for whose acts he is legally liable, a claim for damages therefor shall be made in writing to such other party within a reasonable time after the first observance of such injury or damage.
- D. Remedies** - Unless this contract provides otherwise, all claims, counterclaims, disputes and other matters in question between the Authority and the Contractor arising out of or relating to this agreement or its breach will be decided by arbitration if the parties mutually agree, or in a court of competent jurisdiction within the State of Iowa.
- E. Rights and Remedies** - The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by the Authority, [Architect, Engineer, (as applicable)] or Contractor shall constitute a waiver of any right or duty afforded any of them under the Contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

Appendix A-28

Patent and Rights in Data

(Contracts Involving Experimental, Developmental, Or Research Work.)

- A. Rights in Data** - The following requirements apply to each contract involving experimental, developmental or research work:
1. The term "subject data" used in this clause means recorded information, whether or not copyrighted, that is delivered or specified to be delivered under the contract. The term includes graphic or pictorial delineation in media such as drawings or photographs; text in specifications or related performance or design-type documents; machine forms such as punched cards, magnetic tape, or computer memory printouts; and information retained in computer memory. Examples include, but are not limited to: computer software, engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications, and related information. The term "subject data" does not include financial reports, cost analyses, and similar information incidental to contract administration.
 2. The following restrictions apply to all subject data first produced in the performance of the contract to which this Attachment has been added:
 - a. Except for its own internal use, the Authority or Contractor may not publish or reproduce subject data in whole or in part, or in any manner or form, nor may the Authority or Contractor authorize others to do so, without the written consent of the Federal Government, until such time as the Federal Government may have either released or approved the release of such data to the public; this restriction on publication, however, does not apply to any contract with an academic institution.
 - b. In accordance with 49 C.F.R., Sec. 18.34 and 49 C.F.R., Sec. 19.36, the Federal Government reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, for "Federal Government purposes," any subject data or copyright described in subsections (2)(b)1 and (2)(b)2 of this clause below. As used in the previous sentence, "for Federal Government purposes," means use only for the direct purposes of the Federal Government. Without the copyright owner's consent, the Federal Government may not extend its Federal license to any other party.
 - 1) Any subject data developed under that contract, whether or not a copyright has been obtained; and
 - 2) Any rights of copyright purchased by the Authority or Contractor using Federal assistance in whole or in part provided by FTA.
 - c. When FTA awards Federal assistance for experimental, developmental, or research work, it is FTA's general intention to increase transportation knowledge available to the public, rather than to restrict the benefits resulting from the work to participants in that work. Therefore, unless FTA determines otherwise, the Authority and the Contractor performing experimental, developmental, or research work required by the underlying contract to which this Attachment is added agrees to permit FTA to make available to the public, either FTA's license in the copyright to any subject data developed in the course of that contract, or a copy of the subject data first produced under the contract for which a copyright has not been obtained. If the experimental, developmental, or research work, which is the subject of the underlying contract, is not completed for any reason whatsoever, all data developed under that contract shall become subject data as defined in subsection a. of this clause and shall be delivered as the Federal Government may direct. This subsection c., however, does

- not apply to adaptations of automatic data processing equipment or programs for the Authority or Contractor's use whose costs are financed in whole or in part with Federal assistance provided by FTA for transportation capital projects.
- d. Unless prohibited by state law, upon request by the Federal Government, the Authority and the Contractor agree to indemnify, save, and hold harmless the Federal Government, its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation by the Authority or Contractor of proprietary rights, copyrights, or right of privacy, arising out of the publication, translation, reproduction, delivery, use, or disposition of any data furnished under that contract. Neither the Authority nor the Contractor shall be required to indemnify the Federal Government for any such liability arising out of the wrongful act of any employee, official, or agents of the Federal Government.
 - e. Nothing contained in this clause on rights in data shall imply a license to the Federal Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Federal Government under any patent.
 - f. Data developed by the Authority or Contractor and financed entirely without using Federal assistance provided by the Federal Government that has been incorporated into work required by the underlying contract to which this clause has been added is exempt from the requirements of subsections b., c., and d. of this clause , provided that the Authority or Contractor identifies that data in writing at the time of delivery of the contract work.
 - g. Unless FTA determines otherwise, the Contractor agrees to include these requirements in each subcontract for experimental, developmental, or research work financed in whole or in part with Federal assistance provided by FTA.
3. Unless the Federal Government later makes a contrary determination in writing, irrespective of the Contractor's status (i.e. , a large business, small business, state government or state instrumentality, local government, nonprofit organization, institution of higher education, individual, etc.), the Authority and the Contractor agree to take the necessary actions to provide, through FTA, those rights in that invention due the Federal Government as described in U.S. Department of Commerce regulations, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," 37 C.F.R. Part 401.
 4. The Contractor also agrees to include these requirements in each subcontract for experimental, developmental, or research work financed in whole or in part with Federal assistance provided by FTA.

B. Patent Rights - This following requirements apply to each contract involving experimental, developmental, or research work:

1. If any invention, improvement, or discovery is conceived or first actually reduced to practice in the course of or under the contract to which this clause has been added, and that invention, improvement, or discovery is patentable under the laws of the United States of America or any foreign country, the Authority and Contractor agree to take actions necessary to provide immediate notice and a detailed report to the party at a higher tier until FTA is ultimately notified.
2. Unless the Federal Government later makes a contrary determination in writing, irrespective of the Contractor's status (a large business, small business, state government or state instrumentality, local government, nonprofit organization, institution of higher education, individual), the Authority and the Contractor agree to take the necessary actions to provide, through FTA, those rights in that invention due the Federal

Government as described in U.S. Department of Commerce regulations, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," 37 C.F.R. Part 401.

3. The Contractor also agrees to include the requirements of this clause in each subcontract for experimental, developmental, or research work financed in whole or in part with Federal assistance provided by FTA.

Appendix A-29

Transit Employee Protective Agreements

Transit Employee Protective Provisions.

- A. The Contractor agrees to comply with applicable transit employee protective requirements as follows:
1. General Transit Employee Protective Requirements - To the extent that FTA determines that transit operations are involved, the Contractor agrees to carry out the transit operations work on the underlying contract in compliance with terms and conditions determined by the U.S. Secretary of Labor to be fair and equitable to protect the interests of employees employed under this contract and to meet the employee protective requirements of 49 U.S.C., Sec. 5333(b), and U.S. DOL guidelines at 29 C.F.R. Part 215, and any amendments thereto. These terms and conditions are identified in the letter of certification from the U.S. DOL to FTA applicable to the FTA Recipient's project from which Federal assistance is provided to support work on the underlying contract. The Contractor agrees to carry out that work in compliance with the conditions stated in that U.S. DOL letter. The requirements of this subsection A, however, do not apply to any contract financed with Federal assistance provided by FTA either for projects for elderly individuals and individuals with disabilities authorized by 49 U.S.C., Sec. 5310(a)(2), or for projects for nonurbanized areas authorized by 49 U.S.C., Sec. 5311. Alternate provisions for those projects are set forth in subsections 2 and 3 of this clause.
 2. Transit Employee Protective Requirements for Projects Authorized by 49 U.S.C., Sec. 5310(a)(2) for Elderly Individuals and Individuals with Disabilities - If the contract involves transit operations financed in whole or in part with Federal assistance authorized by 49 U.S.C., Sec. 5310(a)(2), and if the U.S. Secretary of Transportation has determined or determines in the future that the employee protective requirements of 49 U.S.C., Sec. 5333(b) are necessary or appropriate for the state and the public body subrecipient for which work is performed on the underlying contract, the Contractor agrees to carry out the Project in compliance with the terms and conditions determined by the U.S. Secretary of Labor to meet the requirements of 49 U.S.C., Sec. 5333(b), U.S. DOL guidelines at 29 C.F.R. Part 215, and any amendments thereto. These terms and conditions are identified in the U.S. DOL's letter of certification to FTA, the date of which is set forth Grant Agreement or Cooperative Agreement with the state. The Contractor agrees to perform transit operations in connection with the underlying contract in compliance with the conditions stated in that U.S. DOL letter.
 3. Transit Employee Protective Requirements for Projects Authorized by 49 U.S.C., Sec. 5311 in Nonurbanized Areas - If the contract involves transit operations financed in whole or in part with Federal assistance authorized by 49 U.S.C., Sec. 5311, the Contractor agrees to comply with the terms and conditions of the Special Warranty for the Nonurbanized Area Program agreed to by the U.S. Secretaries of Transportation and Labor, dated May 31, 1979, and the procedures implemented by U.S. DOL or any revision thereto.
- B. The Contractor also agrees to include the any applicable requirements in each subcontract involving transit operations financed in whole or in part with Federal assistance provided by FTA.

Appendix A-30

Disadvantaged Business Enterprises (DBE's)

Disadvantaged Business Enterprises (DBE's)

- A. The Federal Fiscal Year goal has been set by the Authority in an attempt to match projected procurements with available qualified disadvantaged businesses. Goals for budgeted service contracts, bus parts, and other material and supplies for Disadvantaged Business Enterprises have been established by the Authority as set forth by the Department of Transportation Regulations 49 C.F.R. Part 26, March 4, 1999 and is considered pertinent to any contract for such goods or services.

If a specific DBE goal has been assigned to this contract, and if the contractor is found to have failed to exert sufficient, reasonable, and good faith efforts to involve DBE's in the work provided, the Authority may declare the Contractor noncompliant and in breach of contract. If the contractor is not specifically informed in the procurement documents, it will be understood that no specific goal is assigned to this contract.

1. Policy - It is the policy of the Department of Transportation and the Authority that Disadvantaged Business Enterprises, as defined in 49 CFR Part 26, shall have the maximum opportunity to participate in the performance of Contract financed in whole or in part with federal funds under this Agreement. Consequently, the DBE requirements of 49 CFR Part 26 applies to this Contract.

The Contractor agrees to ensure that DBEs as defined in 49 CFR Part 26 have the maximum opportunity to participate in the whole or in part with federal funds provided under this Agreement. In this regard, the Contractor shall take all necessary and reasonable steps in accordance with the regulations to ensure that DBE's have the maximum opportunity to compete for and perform subcontracts. The Contractor shall not discriminate on the basis of race, color, national origin, religion, sex, age or physical handicap in the award and performance of subcontracts.

It is further the policy of the Authority to promote the development and increase the participation of businesses owned and controlled by disadvantaged. DBE involvement in all phases of Authority procurement activities is encouraged.

2. DBE obligation - The Contractor and its subcontractors agree to ensure that disadvantaged businesses have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with federal funds provided under the Agreement. In that regard, all Contractors and subcontractors shall take all necessary and reasonable steps in accordance with 49 CFR Part 26 to ensure that minority business enterprises have the maximum opportunity to compete for and perform contracts.
3. Where the Contractor is found to have failed to exert sufficient reasonable and good faith efforts to involve DBE's in the work provided, the Authority may declare the contractor noncompliant and in breach of contract.
4. The Contractor will keep records and documents for a reasonable time following performance of this contract to indicate compliance with the Authority's DBE program.

These records and documents will be made available at reasonable times and places for inspection by any authorized representative of the Authority and will be submitted to the Authority upon request.

5. The Authority will provide upon request affirmative assistance as may be reasonable and necessary to assist the prime contractor in implementing their programs for DBE participation. The assistance may include identification of qualified DBE's.

B. DBE Program Definitions, as used in this contract:

1. Disadvantaged business "means a small business concern":
 - a. Which is at least 51 percent owned by one or more socially and economically disadvantaged individuals, or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more socially and economically disadvantaged individuals; *and*
 - b. Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

or

 - c. Which is at least 51 percent owned by one or more women individuals, or in the case of any publicly owned business, at least 51% of the stock of which is owned by one or more women individuals; *and*
 - d. Whose management and daily business operations are controlled by one or more women individuals who own it.
2. "Small business concern" means a small business as defined by Section 3 of the Small Business Act and Appendix B - (Section 106(c)) Determinations of Business Size.
3. "Socially and economically disadvantaged individuals" means those individuals who are citizens of the United States (or lawfully admitted permanent residents) and States (or lawfully admitted permanent residents) and who are black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Asian-Indian Americans, or women, and any other minorities or individuals found to be disadvantaged by the Small Business Administration pursuant to section 8(a) of the Small Business Act.
 - a. "Black Americans", which includes persons having origins in any of the Black racial groups of Africa;
 - b. "Hispanic Americans", which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
 - c. "Native Americans", which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians;
 - d. "Asian-Pacific Americans", which includes persons whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of Pacific, and the Northern Marianas;
 - e. "Asian-Indian Americans", which includes persons whose origins are from India, Pakistan, and Bangladesh.

Appendix A-31

Incorporation of Federal Transit Administration (FTA) Terms

Incorporation of Federal Transit Administration (FTA) Terms - This Contract includes, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth. All contractual provisions required by DOT, as set forth in FTA Circular 4220.1D, dated April 15, 1996, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any Authority requests which would cause the Authority to be in violation of the FTA terms and conditions.

North Liberty Purchasing Policy



Purchasing Policy

Approved: October 26, 2009

Last Reviewed: December 29, 2020

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SECTION I PURCHASING POLICY

General Policy

The purchasing function involves the procurement of materials, supplies, equipment and services at the lowest possible cost consistent with the quality needed for the proper operation of various municipal departments and consistent with City Council policy. The intent of this policy is to promote fiscal responsibility.

The City of North Liberty will make a good faith effort to purchase goods and services from the North Liberty business community whenever possible. The costs of those goods and services shall be on parity with the costs of those same goods and services available outside the community. If the cost of the goods or the availability of services is not favorable to the City, purchases may be made outside the community.

General Practices

- Whenever possible, purchases shall be requested to allow for ample time for processing and delivering the order.
- Purchase orders will be processed as needed.
- A full and accurate description of materials, supplies, equipment or services shall be provided.
- Supplies shall be of a quality to suit the intended purpose at the least expense.
- Supplies shall be purchased in sufficient quantities that will meet the normal requirements of the City for a reasonable time.
- Invoices, bills and receipts must be submitted by Wednesday at noon in order to be approved at the following Tuesday Council meeting.
- Invoices, bills and receipts shall be submitted immediately after department head approval and shall not be held for the change of a fiscal year. If the current fiscal year budget cannot support a purchase, said purchase must be delayed until the new fiscal year. It is the Department Head or Designee's responsibility to determine if funding is available.
 - Invoices needing to be paid prior to the close of the fiscal year must be submitted to the Administrative Assistant by the Wednesday (noon) prior to the last Council meeting of the fiscal year.
 - Every effort shall be made to purchase supplies and services from vendors who have businesses within the City of North Liberty. Exceptions to this policy may include:
 - When supplies or services are not available from local vendors or prices of local vendors exceed prices of vendors located outside the corporate limits.
 - When supplies or services are available locally but have to be ordered or scheduled, requiring inordinate delay in the department's work, project or activity.
 - In emergency situations when local businesses are closed or vehicle/personnel are outside of the City.

Department Director and Authorized Individuals

The Department Director of the requesting department must first approve any request for purchase. The Department Director may appoint an individual within the department to maintain

inventories and prepare requests for the department. Notification of such an appointment shall be made to the City Clerk and/or City Administrator.

City Clerk

The City Clerk will ensure that, for accounting purposes, necessary records are kept and made available for reference.

City Administrator

Any purchase order, once approved by the Department Director or authorized individual and reviewed by the Administrative Assistant, shall be forwarded to the City Administrator for approval. The City Administrator will make a determination based upon the information provided on the purchase order and possible further inquiries. Except in cases where purchases exceed the annually adopted budget, the decision of the City Administrator will be final.

City Council

City Council approval will be necessary for applicable purchases that exceed that annually adopted budget.

SECTION II TYPES OF PURCHASES

General

The circumstances which are involved in the purchase of an item and/or service vary considerably. The following types of purchases define the situation, explain the purchasing procedures involved and describe the role of the Department Director or authorized individual in the process.

Routine Purchases

Those budgeted items (equipment, supplies, materials, etc.) or services which are used by the department in the operation of city business that are neither ongoing or contractual purchases as defined on page six (6) of this policy and do not exceed the amounts approved in the annually adopted budget are routine purchases. Such purchases may require quotations, obtained by the Department Director or authorized individual, and a purchase order.

Purchase with a Value Under \$1,000.

Routine purchases that have a value of less than **\$1,000** do not require any formal purchasing procedures, unless the amount exceeds the annually adopted budget. Purchases may be made by any City employee authorized by the Department Director.

Purchase with a Value above \$1,000

A routine purchase with a value between **\$1,000 and \$10,000** requires a purchase order and at least two (2) quotations unless the item or service obtained or provided is such that two (2) quotations cannot be obtained.

A routine purchase with a value of greater than **\$10,000** requires a purchase order and three (3) quotations or submitted bids from interested vendors, unless the item or service obtained or provided is such that three (3) quotations cannot be obtained.

In the event that bids or quotations cannot be obtained, a detailed explanation must be submitted with the requisition. If the purchase amount for any purchase exceeds the annually adopted budget, approval from Council is required.

Emergency Purchases

An emergency situation exists when an item or service that is necessary to a department's work, project or activity must be purchased as soon as possible so not to jeopardize that particular work, project or activity. In such a case, a purchase may be made without the immediate presentation of a purchase order. However, upon the completion of the work, project or activity, or at the beginning of the next work day, a purchase order shall be submitted with an explanation of the circumstances that resulted in the emergency purchase procedure.

On-Going Purchases

Any item or service that is used by the City on an on-going basis and which, by the nature of the item or service, is not subject to competitive buying, is available only through one vendor, and is accordingly billed at regular, consistent, and predictable intervals, is an on-going purchase and is not subject to the purchasing procedures; thereby eliminating the need for a purchase order.

List of On-Going Purchases and Expenses

- Publication of city proceedings, as required by law.
- Postal services.
- Contractual purchases and maintenance agreements. Those items or services which are provided as a result of the City entering into a binding and legal agreement with the vendor are contractual purchases.
- Bonds and principal representing bonded indebtedness of the City, when said bonds and principal are due and presented for payment.
- All interest on bonded indebtedness of the City when the same is due and coupons are presented for payment, or when the contracted bond Registrar requests payment
- All sales tax due the State of Iowa.
- All utility bills for water, electricity, gas, telecommunication, etc.
- All medical, dental, vision, disability and life insurance premiums and medical claims from insurance provider.
- Salaries and wages of appointed officers and employees at the rates authorized by City Council resolution.
- Payment of federal and state withholding taxes, social security, Medicare, retirement fund and IPERS contributions, and unemployment taxes as required.
- Recording fees for documents filed at the Johnson County Recorder's Office.
- Court costs and filing fees for Police Department matters.
- Expenses paid to the Iowa Law Enforcement Academy for the training, lodging, food and other related costs to certify a police officer.
- Essential software subscriptions (i.e. Microsoft, Adobe) that are only available from a single vendor.

Purchase/Procurement Card Purchases

The purpose of a purchasing/procurement card program is to provide an efficient, cost effective method of purchasing and paying for small dollar as well as high-volume, repetitive purchases, items that require advance deposits, such as hotel reservations and when it is necessary to expedite delivery of goods. This type of program is designed as an alternative to the traditional purchasing process reducing the volume of purchase orders, invoices and checks processed.

Authorized purchases using a City issued card include:

- Purchase of materials/equipment for City work via the internet when no other purchase option is available.
- Payment for travel and conference fees for City staff and City Council.
- Purchases requiring immediate payment and the City is unable to issue a check for the purchase.
- Other uses specifically approved.

A purchase/procurement card shall not be issued without the approval of the Department Director and City Administrator. Each issued card will include the individual's name along with the City's name and tax exemption number. Each Department Director will determine when an employee will be allowed to use their individualized purchasing/procurement card.

Each individual issued a purchasing/procurement card will be required to sign an affidavit acknowledging responsibility for the safe keeping and proper use of the card. Upon employee termination, both voluntarily and due to disciplinary action, the purchasing/procurement card shall be returned to the City Clerk and all purchases will be suspended and reconciled.

Any card may be withdrawn from the program for misuse, which shall include, but is not limited to periodic audits for card activity and retention of sales receipts and documentation of purchases.

Lost or stolen cards must be reported immediately to the City Clerk. Any cost associated with the replacement of cards will be borne by the responsible employee. The card will be automatically suspended and a new card will be sent to the city. **It is extremely important to act promptly in the event of a lost or stolen card to avoid city liability for fraudulent transactions.** As with a personal charge card, you will no longer be able to use the account number after notifying the bank. A new card should be issued shortly after notification.

Purchases using the purchasing/procurement card may be made by telephone, fax or secure internet sites. Precautions shall be made in all cases to ensure security and protection from theft or unauthorized use. Each transaction shall reflect the appropriate purchasing/procurement card number, expiration date, signature of user and **detailed** invoices (receipts) which should be forwarded to the Administrative Assistant. When using the card for orders placed via phone, fax or mail, or online, you must request a receipt, detailing merchandise price, sales/use tax, freight, etc. be included with the goods mailed/shipped. (Note: a merchant should not reject this request, as it is a VISA policy). It is the cardholder's responsibility to ensure sales tax is not charged on the account. Tax exempt certificates can be obtained from the Administrative Assistant.

The detailed vendor sales receipt for each transaction shall be submitted to the Department Director. All vendor sales receipts must be approved by the Department Director and the appropriate account number assigned. Some card "swipe machines" only indicate account number and total amount, in these situations; the cash register detailed receipt is also required. **The reader of the receipt should be able to tell exactly what was purchased.** The Department Director is responsible for retaining all receipts for items purchased under the program for the department and ensuring all transactions posted are legitimate purchases made by their employee. Immediately upon receipt of the statement, the Department Director and/or Administrative Assistant will check to ensure all the transactions posted are legitimate transactions made by the department, mark transactions for which receipts will be attached, and attach line item detailed point of sale receipts or delivery invoices. The detailed receipt and/or invoice must be forwarded to the Administrative Assistant within five (5) days of the purchase.

Use of the card for travel and conference fees will be allowed only if the travel policy procedures are followed.

The handling of disputed charges and unauthorized purchases will be the responsibility of the department. Problems with a purchased item or billing resulting from use of the purchasing/procurement card should be resolved with the supplier or merchant that provided the item. In most cases, disputes can be resolved directly between the cardholder and the supplier.

The supplier or merchant should issue credit for any item that has been discussed and agreed to for return and a returned goods authorization number from the supplier should be given.

If the department cannot reach resolution with the merchant, a formal letter should be written within 15 days of the date the charge first appeared on the statement and forwarded to the City Clerk. The City Clerk will then dispute the item to the bank disputes department. No cash advances shall be allowed with the purchasing/procurement card.

SECTION III REQUISITIONS AND PURCHASE ORDERS

General

The requisition initiates the procurement process. The receipt of the requisition with the necessary information and the required authorizations gives the authority for each specific purchase. Following the approval of the requisition by the City Administrator and/or authorized personnel, a purchase order will be issued. (Note: The requisition and purchase order are the same form. Once a requisition is approved, it becomes the purchase order). Checks will not be issued unless authorized by a proper purchase order.

The purchase order is the vendor's authorization to ship equipment, supplies, or perform services specified thereon. The purchase order also encumbers the budgeted funds for the purchase. It constitutes a contract between the City and the vendor, and as such, it is a legal document and may not be changed by anyone other than the City Administrator, or other authorized official or personnel.

Action to be Taken Prior to Completing a Requisition

Before submitting a requisition for approval, the Department Director or authorized individual shall make the following determinations:

- The purchase is within the department's budget.
- The item or service is needed.
- Sufficient supporting documentation and complete explanation is included in the requisition.

Survey of Vendors

When necessary, the Department Director or authorized individual shall survey vendors for:

- Price quotes.
- Availability.
- Delivery time.

Information on Requisition

A requisition shall include, but not be limited to, all of the following information and must be completed in its entirety prior to approval:

- Date the requisition is prepared.
- Requesting department.
- Shipment location.
- Quantity/measurable units. For example: pieces, sheets, pounds, etc. must be used.
- Description of the item as complete and accurate as possible.
- Any additional information or anticipated requirements, such as fees or deposits, which will assist in making the best possible purchase of the requested supplies and services.
- Estimated cost determined by quotes and surveys, including shipping, handling and freight fees.
- Suggested vendor or vendors and any additional vendor quotation if needed.

- Brief reason for/explanation of request.
- Indication of whether the request is budgeted.
- Line item account number.
- Availability of funds.
- Date that the requested item or service is needed.
- When quotes/bids are required by this policy, but not obtained, the reasons why quotes/bids could not be obtained.
- Signature (electronically) of Department Director or authorized individual.

Step # 1 - Review and Action by Administrative Assistant

Review and action on the requisition will be made by the Administrative Assistant. The Administrative Assistant will take the following steps upon receipt of the requisition:

- Review the form for completeness and accuracy.
- Verify availability of funds.
- Approve and forward to City Administrator or return to Department Director for corrections, revisions or additions.

Step # 2 - Review and Action by City Administrator

Review and action on the request will be made by the City Administrator. Upon receipt of the requisition the City Administrator may:

- Approve the request and return the purchase order to the Administrative Assistant for further action; or
- Review, approve and submit to the City Council for final approval if the value of the request exceeds the annually adopted budget; or
- Approve with conditions; or
- Disapprove.

Step # 3 - Action by Administrative Assistant

Upon receipt of the purchase order from the City Administrator, the Administrative Assistant shall complete the final step of the process by:

- Preparing for payment, as necessary.
- Routing the forms to the proper files and/or Department Head.

After the purchase order is executed, it will be distributed as follows:

- A copy will be provided to the vendor, if required.
- A copy will be attached to the invoice and filed in the vendor files.

SECTION IV RECEIVING

General

The ordering department or person shall ultimately be responsible for incoming supplies, equipment and/or services. The department is also charged with the responsibility of inspecting all supplies delivered to determine quality, quantity, condition, and conformance with specifications of the purchase order.

Procedure

Upon receipt of supplies and/or service, and after verifying the goods and/or services are correct or satisfactory, the department shall initial the packing slip and forward to the Administrative Assistant.

Partial Deliveries

In the event of partial deliveries, the packing slip shall so note.

Rejections

In the case of defective supplies, insufficient amounts, etc., the department will note the defective or missing items on the packing slip. The Department Director or authorized individual will take immediate action to arrange for the return and replacement of items by the vendor.

Possible Charge to Employees

A unique purchase, if not a reasonable and justifiable expense as determined by the City Administrator, will be charged to the employee who made the purchase. The use of good judgment by all when making such purchase is especially urged.

SECTION V

UNIFORM GRANT GUIDANCE POLICY REGARDING FEDERAL REVENUE SOURCES

Purpose

The purpose of this policy is to ensure compliance with the requirements of the federal Uniform Grant Guidance regulations by establishing uniform administrative requirements, cost principles, and audit requirements for federal grant awards received by the City.

Definitions

1. Grants
 - a. "State-administered grants" are those grants that pass through a state agency such as the State of Iowa.
 - b. "Direct grants" are those grants that do not pass through another agency such as and are awarded directly by the federal awarding agency to the grantee organization. These grants are usually discretionary grants that are awarded by a federal awarding agency.

[Note: All of the requirements outlined in this policy apply to both direct grants and state-administered grants.]

2. "Non-federal entity" means a state, local government, Indian tribe, institution of higher education, or nonprofit organization that carries out a federal award as a recipient or sub-recipient.
3. "Federal award" has the meaning, depending on the context, in paragraphs a, b or c of this definition:
 - a. The federal financial assistance that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 C.F.R. § 200.101 (Applicability); or
 - b. The cost-reimbursement contract under the federal Acquisition Regulations that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 C.F.R. § 200.101 (Applicability).
 - c. The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (b) of 2 C.F.R. § 200.40 (Federal Financial Assistance), or the cost-reimbursement contract awarded under the federal Acquisition Regulations.

"Federal award" does not include other contracts that a federal agency uses to buy goods or services from a contractor or a contract to operate federal-government- owned, contractor-operated facilities.

4. "Contract" means a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. The term, as used in 2 C.F.R. Part 200, does not include a legal instrument, even if the non-federal entity considers it a contract, when the substance of the transaction meets the definition of a federal award or sub-award.

5. Procurement Methods
 - a. "Procurement by micro-purchase" is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (generally \$10,000, except as otherwise discussed in 48 C.F.R. Subpart 2.1 or as periodically adjusted for inflation).
 - b. "Procurement by small purchase procedures" are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$150,000 (periodically adjusted for inflation).
 - c. "Procurement by sealed bids (formal advertising)" is a publicly solicited and a firm, fixed-price contract (lump sum or unit price) awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.
 - d. "Procurement by 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. Competitive proposals are generally used when conditions are not appropriate for the use of sealed bids.
 - e. "Procurement by noncompetitive proposals" is procurement through solicitation of a proposal from only one source.
6. "Equipment" means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000.
7. "Compensation for personal services" includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the federal award, including, but not necessarily limited to, wages and salaries. Compensation for personal services may also include fringe benefits which are addressed in 2 C.F.R. § 200.431 (Compensation - Fringe Benefits).
8. "Post-retirement health plans" refer to costs of health insurance or health services not included in a pension plan covered by 2 C.F.R. § 200.431(g) for retirees and their spouses, dependents, and survivors.
9. "Severance pay" is a payment in addition to regular salaries and wages by the non-federal entities to workers whose employment is being terminated.
10. "Direct costs" are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.
11. "Relocation costs" are costs incident to the permanent change of duty assignment (for an indefinite period or for a stated period not less than 12 months) of an existing employee or upon recruitment of a new employee.

12. "Travel costs" are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the City.

Conflict of Interest

1. **Employee Conflict of Interest.** No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The employees, officers, and agents of the City may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the City may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by employees, officers, or agents of the City.
2. **Organizational Conflicts of Interest.** The City is unable or appears to be unable to be impartial in conducting a procurement action involving the related organization because of relationships with a parent company, affiliate, or subsidiary organization.
3. **Disclosing Conflicts of Interest.** The City must disclose in writing any potential conflict of interest to MDE in accordance with applicable federal awarding agency policy.

Acceptable Methods of Procurement

1. **General Procurement Standards.** The City must use its own documented procurement procedures which reflect applicable state laws, provided that the procurements conform to the applicable federal law and the standards identified in the Uniform Grant Guidance.
2. The City must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
3. The City's procedures must avoid acquisition 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.
4. The City must award contracts 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.
5. The City must maintain records sufficient to detail the history of procurement. These

records will include, but are not necessarily limited to, the following: rationale for the method of procurement; selection of the contract type; contractor selection or rejection; and the basis for the contract price.

6. The City alone must 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 City of any contractual responsibilities under its contracts.
7. The City must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
8. Methods of Procurement. The City must use one of the following methods of procurement:
 - a. Procurement by micro-purchases. To the extent practicable, the City must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the City considers the price to be reasonable.
 - b. Procurement by small purchase procedures. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
 - c. Procurement by sealed bids (formal advertising).
 - d. Procurement by competitive proposals. If this method is used, the following requirements apply:
 - i. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
 - ii. Proposals must be solicited from an adequate number of qualified sources;
 - iii. The City must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
 - iv. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
 - v. The City 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.
9. Procurement by noncompetitive proposals. Procurement by noncompetitive proposals may be used only when one or more of the following circumstances apply:

- a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - c. The Federal funder expressly authorizes noncompetitive proposals in response to a written request from the City; or
 - d. After solicitation of a number of sources, competition is determined inadequate.
10. Competition. The City must have written procedures for procurement transactions. These procedures must ensure that all solicitations:
- a. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must 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, must 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 making a clear and accurate description of the technical requirements is impractical or uneconomical, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
 - b. Identify all requirements which the offers must fulfill and all other factors to be used in evaluating bids or proposals.
11. The City must 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, the City must not preclude potential bidders from qualifying during the solicitation period.
12. Non-federal entities are prohibited from contracting with or making sub-awards under “covered transactions” to parties that are suspended or debarred or whose principals are suspended or debarred. “Covered transactions” include procurement contracts for goods and services awarded under a grant or cooperative agreement that are expected to equal or exceed \$25,000.
13. All non-procurement transactions entered into by a recipient (i.e., sub-awards to sub-recipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 C.F.R. § 180.215.

Managing Equipment and Safeguarding Assets

- 1. Property Standards. The City must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with federal funds as provided to property owned by the non-federal entity. Federally owned property need not be insured unless required by the terms and conditions of the federal award. The City

must adhere to the requirements concerning real property, equipment, supplies, and intangible property set forth in 2 C.F.R. §§ 200.311, 200.314, and 200.315.

2. Equipment

- a. Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a federal award, until disposition takes place will, at a minimum, meet the following requirements:
 - i. Property records must be maintained that include a description of the property; a serial number or other identification number; the source of the funding for the property (including the federal award identification number (FAIN)); who holds title; the acquisition date; the cost of the property; the percentage of the federal participation in the project costs for the federal award under which the property was acquired; the location, use, and condition of the property; and any ultimate disposition data, including the date of disposition and sale price of the property.
 - ii. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
 - iii. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
 - iv. Adequate maintenance procedures must be developed to keep property in good condition.
 - v. If the City is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

Financial Management Requirements

1. Financial Management. The City's financial management systems, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the federal statutes, regulations, and the terms and conditions of the federal award.
2. Payment. The City must be paid in advance, provided it maintains or demonstrates the willingness to maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement between the City and the financial management systems that meet the standards for fund control. Advance payments to a City must be limited to the minimum amounts needed and timed to be in accordance with the actual, immediate cash requirements of the City in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the non-federal entity for direct program or project costs and the proportionate share of any allowable indirect costs. The City must make timely payment to contractors in accordance with the contract provisions.

3. Internal Controls. The City must establish and maintain effective internal control over the federal award that provides reasonable assurance that the City is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government,” issued by the Comptroller General of the United States, or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
 - a. The City must comply with federal statutes, regulations, and the terms and conditions of the federal award.
 - b. The City must also evaluate and monitor the City’s compliance with statutes, regulations, and the terms and conditions of the federal award.
 - c. The City must also take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.
 - d. The City must take reasonable measures to safeguard protected personally identifiable information considered sensitive consistent with applicable federal and state laws regarding privacy and obligations of confidentiality.

Allowable Use of Funds and Cost Principles

1. Allowable Use of Funds. The City administration and board will enforce appropriate procedures and penalties for program, compliance, and accounting staff responsible for the allocation of federal grant costs based on their allowability and their conformity with federal cost principles to determine the allowability of costs.
2. Definitions
 - a. “Allowable cost” means a cost that complies with all legal requirements that apply to a particular federal education program, including statutes, regulations, guidance, applications, and approved grant awards.
 - b. “Omni Circular” or “2 C.F.R. Part 200s” or “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” means federal cost principles that provide standards for determining whether costs may be charged to federal grants.
 - c. “Advance payment” means a payment that a federal awarding agency or pass-through entity makes by any appropriate payment mechanism, including a predetermined payment schedule, before the non-federal entity disburses the funds for program purposes.
3. Allowable Costs. The following items are costs that may be allowable under the 2 C.F.R. Part 200s under specific conditions:
 - a. Advisory councils;
 - b. Audit costs and related services;
 - c. Bonding costs;
 - d. Communication costs;
 - e. Compensation for personal services;

- f. Depreciation and use allowances;
 - g. Employee morale, health, and welfare costs;
 - h. Equipment and other capital expenditures;
 - i. Gains and losses on disposition of depreciable property and other capital assets and substantial relocation of federal programs;
 - j. Insurance and indemnification;
 - k. Maintenance, operations, and repairs;
 - l. Materials and supplies costs;
 - m. Meetings and conferences;
 - n. Memberships, subscriptions, and professional activity costs;
 - o. Security costs;
 - p. Professional service costs;
 - q. Proposal costs;
 - r. Publication and printing costs;
 - s. Rearrangement and alteration costs;
 - t. Rental costs of building and equipment;
 - u. Training costs; and
 - v. Travel costs.
4. Costs Forbidden by Federal Law. 2 CFR Part 200s and EDGAR identify certain costs that may never be paid with federal funds. The following list provides examples of such costs. If a cost is on this list, it may not be supported with federal funds. The fact that a cost is not on this list does not mean it is necessarily permissible. Other important restrictions apply to federal funds, such as those items detailed in the 2 CFR Part 200s; thus, the following list is not exhaustive:
- a. Advertising and public relations costs (with limited exceptions), including promotional items and memorabilia, models, gifts, and souvenirs;
 - b. Alcoholic beverages;
 - c. Bad debts;
 - d. Contingency provisions (with limited exceptions);
 - e. Fundraising and investment management costs (with limited exceptions);
 - f. Donations;
 - g. Contributions;
 - h. Entertainment (amusement, diversion, and social activities and any associated costs);
 - i. Fines and penalties;
 - j. General government expenses (with limited exceptions pertaining to Indian tribal governments and Councils of Government (COGs));
 - k. Goods or services for personal use;
 - l. Interest, except interest specifically stated in 2 C.F.R. § 200.441 as allowable;
 - m. Religious use;
 - n. The acquisition of real property (unless specifically permitted by programmatic statute or regulations, which is very rare in federal education programs);

5. Program Allowability
 - a. Any cost paid with federal funds must be permissible under the federal program that would support the cost.
 - b. Many federal programs detail specific required and/or allowable uses of funds for that program. Issues such as eligibility, program beneficiaries, caps or restrictions on certain types of program expenses, other program expenses, and other program specific requirements must be considered when performing the programmatic analysis.
6. Federal Cost Principles. The Omni Circular defines the parameters for the permissible uses of federal funds. While many requirements are contained in the Omni Circular, it includes five core principles that serve as an important guide for effective grant management. These core principles require all costs to be:
 - a. Necessary for the proper and efficient performance or administration of the program.
 - b. Reasonable. An outside observer should clearly understand why a decision to spend money on a specific cost made sense in light of the cost, needs, and requirements of the program.
 - c. Allocable to the federal program that paid for the cost. A program must benefit in proportion to the amount charged to the federal program – for example, if a teacher is paid 50% with Title I funds, the teacher must work with the Title I program/students at least 50% of the time. Recipients also need to be able to track items or services purchased with federal funds so they can prove they were used for federal program purposes.
 - d. Authorized under state and local rules. All actions carried out with federal funds must be authorized and not prohibited by state and local laws and policies.
 - e. Adequately documented. A recipient must maintain proper documentation so as to provide evidence to monitors, auditors, or other oversight entities of how the funds were spent over the lifecycle of the grant.
7. Program Specific Fiscal Rules. The Omni Circular also contains specific rules on selected items of costs. Costs must comply with these rules in order to be paid with federal funds.
 - a. All federal programs have certain program specific fiscal rules that apply. Determining which rules apply depends on the program; however, rules such as supplement, not supplant, maintenance of effort, comparability, caps on certain uses of funds, etc., have an important impact when analyzing whether a particular cost is permissible.
8. Approved Plans, Budgets, and Special Conditions
 - a. As required by the Omni Circular, all costs must be consistent with approved program plans and budgets.
 - b. Costs must also be consistent with all terms and conditions of federal awards, including any special conditions imposed on the City's grants.

9. Training
 - a. The City will provide training on the allowable use of federal funds to all staff involved in federal programs.
 - b. The City will promote coordination between all staff involved in federal programs through activities, such as routine staff meetings and training sessions.
10. Employee Sanctions. Any City employee who violates this policy will be subject to discipline, as appropriate, up to and including the termination of employment.

Compensation – Personal Service Expenses and Reporting

1. Compensation – Personal Services. Costs of compensation are allowable to the extent that they satisfy the specific requirements of the Uniform Grant Guidance and that the total compensation for individual employees:
 - a. Is reasonable for the services rendered and conforms to the established written policy of the City consistently applied to both federal and non-federal activities; and
 - b. Follows an appointment made in accordance with a City's written policies and meets the requirements of federal statute, where applicable.
 - c. Unless an arrangement is specifically authorized by a federal awarding agency, a City must follow its written non-federal, entity-wide policies and practices concerning the permissible extent of professional services that can be provided outside the City for non-organizational compensation.
2. Compensation – Fringe Benefits
 - a. During leave. The costs of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, court leave, military leave, administrative leave, and other similar benefits, are allowable if all of the following criteria are met:
 - i. They are provided under established written leave policies;
 - ii. The costs are equitably allocated to all related activities, including federal awards; and
 - iii. The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the City.
 - b. The costs of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in 2 C.F.R. § 200.447(d)); pension plan costs; and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits must be allocated to federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such federal awards and other activities and charged as direct or indirect costs in accordance with the City's accounting practices.
 - c. Actual claims paid to or on behalf of employees or former employees for workers'

compensation, unemployment compensation, severance pay, and similar employee benefits (e.g., post-retirement health benefits) are allowable in the year of payment provided that the City follows a consistent costing policy.

- d. Pension plan costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with the written policies of the City.
 - e. Post-retirement costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with established written policies of the City.
 - f. Costs of severance pay are allowable only to the extent that, in each case, severance pay is required by law; employer-employee agreement; established policy that constitutes, in effect, an implied agreement on the City's part; or circumstances of the particular employment.
3. Insurance and Indemnification. Types and extent and cost of coverage are in accordance with the City's policy and sound business practice.
 4. Recruiting Costs. Short-term, travel visa costs (as opposed to longer-term, immigration visas) may be directly charged to a federal award, so long as they are:
 - a. Critical and necessary for the conduct of the project;
 - b. Allowable under the cost principles set forth in the Uniform Grant Guidance;
 - c. Consistent with the City's cost accounting practices and City policy; and
 - d. Meeting the definition of "direct cost" in the applicable cost principles of the Uniform Grant Guidance.
 5. Relocation Costs of Employees. Relocation costs are allowable, subject to the limitations described below, provided that reimbursement to the employee is in accordance with the City's reimbursement policy.
 6. Travel Costs. Travel costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the City's non-federally funded activities and in accordance with the City's reimbursement policies.

Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the City in its regular operations according to the City's written reimbursement and/or travel policies.

In addition, when costs are charged directly to the federal award, documentation must justify the following:

- a. Participation of the individual is necessary to the federal award; and

- b. The costs are reasonable and consistent with the City's established travel policy.

Temporary dependent care costs above and beyond regular dependent care that directly result from travel to conferences is allowable provided the costs are:

- a. A direct result of the individual's travel for the federal award;
- b. Consistent with the City's documented travel policy for all City travel; and
- c. Only temporary during the travel period.

Contracts

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

1. Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
2. All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.
3. Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
4. Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the

Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

The contracts must also include a provision for compliance with the Copeland “Anti- Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non- Federal entity must report all suspected or reported violations to the Federal awarding agency.

5. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
6. Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.
7. Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended

(33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

8. Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
9. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.
10. See §200.322 Procurement of recovered materials.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75888, Dec. 19, 2014]

§200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

- (a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- (b) Affirmative steps must include:
 - (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
 - (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
 - (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and

(6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5)

Legal References: 2 C.F.R. § 200.12 (Capital Assets)
2 C.F.R. § 200.112 (Conflict of Interest)
2 C.F.R. § 200.113 (Mandatory Disclosures)
2 C.F.R. § 200.205(d) (Federal Awarding Agency Review of Risk Posed by Applicants)
2 C.F.R. § 200.212 (Suspension and Debarment)
2 C.F.R. § 200.300(b) (Statutory and National Policy Requirements) 2 C.F.R. § 200.302 (Financial Management)
2 C.F.R. § 200.303 (Internal Controls) 2 C.F.R. § 200.305(b)(1) (Payment)
2 C.F.R. § 200.310 (Insurance Coverage)
2 C.F.R. § 200.311 (Real Property) 2 C.F.R. § 200.313(d) (Equipment) 2 C.F.R. § 200.314 (Supplies)
2 C.F.R. § 200.315 (Intangible Property)
2 C.F.R. § 200.318 (General Procurement Standards) 2 C.F.R. § 200.319(c) (Competition)
2 C.F.R. § 200.320 (Methods of Procurement to be Followed)
2 C.F.R. § 200.321 (Contracting with Small and Minority Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms)
2 C.F.R. § 200.328 (Monitoring and Reporting Program Performance) 2 C.F.R. § 200.338 (Remedies for Noncompliance)
2 C.F.R. § 200.403(c) (Factors Affecting Allowability of Costs) 2 C.F.R. § 200.430 (Compensation – Personal Services)
2 C.F.R. § 200.431 (Compensation – Fringe Benefits) 2 C.F.R. § 200.447 (Insurance and Indemnification)
2 C.F.R. § 200.463 (Recruiting Costs)
2 C.F.R. § 200.464 (Relocation Costs of Employees) 2 C.F.R. § 200.473 (Transportation Costs)
2 C.F.R. § 200.474 (Travel Costs)

APPENDIX I

CARDHOLDER USER AGREEMENT

You are being entrusted with a City of North Liberty purchasing credit card. The card is provided to you based on the need to purchase service or merchandise for the City of North Liberty. The card may be revoked at any time without your permission. Your signature below indicates that you have read and will comply with the terms of the City of North Liberty Purchasing Policy and this agreement.

1. I understand that I will be making financial commitments on behalf of the City of North Liberty and will do so following the requirements of the Purchasing Policy.
2. I have read and will follow the Purchasing Card Policies and Procedures. Failure to do so could be considered a misappropriation of City funds. Failure to comply with this Agreement may result in either revocation of my use privileges, possible criminal charges, restitution or other corrective action, up to and including termination of employment.
3. I understand that under no circumstances will I use the Purchasing Card to make personal purchases, either for myself or for others. Using the card for personal charges could be considered misappropriation of City funds and could result in corrective action, up to and including termination of employment.
4. The Purchasing Card is issued in my name. I am considered responsible for any and all charges against the card.
5. The Purchasing Card is City property. As such, I understand that I may be periodically required to comply with internal control procedures designed to protect City assets. This may include being asked to produce the card to validate its existence and account number.
6. If the card is lost or stolen, I will immediately notify the City Clerk.
7. I will receive a monthly statement, which will report all purchasing activity during the statement period. Since I am responsible for all charges (but not for payment) on the card, I will assist the Department Director and/or Administrative Assistant in reconciling the statement each month.
8. I agree to surrender the Purchasing Card immediately upon termination of employment, whether for retirement, voluntary, or involuntary reasons.

Employee Name (Print)

Last 8 Digits of Card Number

Employee Signature

Date

City of Tiffin Purchasing Policies and Procedures

I. POLICIES

- A. It shall be the responsibility of each Department Head to ensure that purchasing policies and procedures are followed in his/her department.
- B. The Department Head shall be responsible for authorizing all purchases for his/her department and approving all invoices for payment.
- C. All invoices shall be forwarded to the City Clerk's Office in a timely manner to expedite processing.
- D. Where possible, Department Heads are encouraged to coordinate their purchasing activities with other departments to obtain best possible purchasing prices and benefits.

II. PROCEDURES

- A. The purchase of any products or materials with a cumulative value less than \$500.00 can be purchased by the department head without the approval of the City Administrator. Purchases in excess of \$500.00 but less than \$1,000 shall require the approval of the City Administrator and at least two competitive quotations if necessary or applicable. Quotations can include documented catalog prices or telephone quotes from vendors. Price, while an important factor, is not necessarily the primary factor in selection of products and services.
- B. The purchase of any products or materials with a cumulative value in excess of \$1,000 but less than \$5,000 and in the official City Budget can be approved by the City Administrator. Those purchases shall require at least two written quotations from two separate suppliers unless there are specific, and documented, reasons to select a particular vendor, and prior approval of the City Administrator.
- C. Purchases of products and materials in excess of \$1,000 but less than \$5,000 and not included in the official City Budget shall require prior City Council approval. Purchases of products and materials in excess of \$5,000 included in the official City Budget, except those purchase items listed in Section III, Part F below, shall require prior City Council approval. In both cases, an emergency purchase situation shall be exempt from this requirement and the Council shall be notified as soon as practical with an explanation of the need for the emergency purchase.

III. ADDITIONAL PURCHASE PROCEDURES

- A. In emergency situations, the Department Head may authorize purchases without the approvals required above, but in such cases, the purchases must be submitted as soon as practical to the City Administrator with an explanation of the need for emergency action.

- B. The following purchase items are exempt from the purchasing policy requirements:
 - 1. Utility bills, postage meter and copier expenses and similar recurring budgeted operating expenses.
 - 2. Expenses based upon previously approved contracts or leases.
 - 3. Products or services for resale.
 - 4. Expenditures approved by the City Council.

City of Tiffin Procurement Policy

PURPOSE

The purpose of this procurement policy is to ensure that sound business judgement is utilized in all procurement transactions and that supplies, equipment, construction and services are obtained efficiently and economically and in compliance with applicable federal and state law and executive orders and to ensure that all procurement transactions will be conducted in a manner that provides full and open competition. These procedures will ensure that all solicitations incorporate clear and accurate descriptions of the technical requirements for the goods or services being procured. Chapter 26 and Section 331.341 of the Iowa Code will be followed on all applicable purchases. All other appropriate sections of the Iowa Code shall also apply.

APPLICATION

This policy applies to the procurement of all supplies, equipment, and construction and services of and for City of Tiffin that include any federal program funding. In regards to any such federal programs, all procurement will be done in accordance with 2 CFR; Part 200. Chapter 26 and Section 331.341 of the Iowa Code will be followed on all applicable purchases. All other appropriate sections of the Iowa Code shall also apply. When federal requirements conflict with local or state requirements, the federal requirement, or most restrictive requirement will be followed.

POLICY

METHODS OF PROCUREMENT

Procurement under grants shall be made by one of the following methods, as described herein: (a) small purchase procedures; (b) sealed bids (formal advertising); (c) competitive proposals; (d) noncompetitive proposals.

- A. Micro-Purchase Procedures 200.320(a)
 - i. The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold - \$10,000 (200.67)
 - ii. To the extent practicable, must distribute micro-purchases equitably among qualified suppliers
 - iii. May be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable
- B. Small Purchase Procedures 200.320(b)
 - i. Are those relatively simple and informal procurement methods for securing services, supplies, or other property that does not cost more than the simplified acquisition threshold - \$250,000 (200.88)
 - ii. Price or rate quotations are to be obtained from an "adequate number" of qualified sources
- C. Sealed Bidding (formal advertising) 200.320(c)
 - i. Lowest priced, responsive, responsible, bidder WINS
 - ii. The preferred method for construction when sealed bidding is "feasible", which is when certain conditions are present

- iii. Bids must be solicited from an “adequate number of known suppliers”, providing them sufficient response time before date for the opening of bids
 - iv. Bids will be opened at the time and place prescribed in the invitation for bids
 - v. Must publicly advertise the invitation for bids
 - vi. Bids must be opened publicly
 - vii. Other procedural requirements at 200.320(c)(2)
- D. Competitive Proposals 200.320(d)
- i. Used when conditions are not appropriate for the use of sealed bids
 - ii. The appropriate method when more than one source is expected to submit an offer and either a fixed-price or cost-reimbursement type contract is awarded
 - iii. Awards will be made to the responsible firm whose proposal is most advantageous to the program, with **price** and other factors considered
 - iv. Requests for proposals **must be publicized** and identify all evaluation factors and their relative importance
 - v. Proposals must be solicited from an adequate number of qualified sources
 - vi. Must have written method for conducting technical evaluations of the proposals received and for selection of the contract
- E. Noncompetitive Proposals 200.320(f)
- i. Procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
 - a. **One Source:** the item is available only from a single source
 - b. **Exigency/Emergency:** an exigency or emergency will not permit a delay resulting from competitive solicitation
 - c. **Awarding Agency Approval:** the Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity
 - d. **Inadequate Competition:** after the solicitation of a number of sources, competition is determined inadequate

CONTRACTING WITH SMALL AND MINORITY BUSINESSES, WOMEN’S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS (200.321)

- A. Assuring that small and minority businesses, and women’s business enterprises are solicited whenever they are potential sources;
- B. Placing qualified small and minority businesses and women’s business enterprises on solicitation lists;
- C. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women’s business enterprises;
- D. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women’s business enterprises;
- E. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- F. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (a) through (e).

CONTRACT PRICING (200.323)

- A. The cost plus a percentage of cost and percentage of construction cost method of contracting shall not be used.
- B. City of Tiffin shall perform some form of cost/price analysis for every procurement action, including contract modifications, amendments, or change orders. City of Tiffin shall make an independent estimate prior to receiving a bid or proposal.
- C. City of Tiffin shall 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. In determining a fair and reasonable profit, City of Tiffin must consider 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 the industry profit rates in the surrounding geographical area.

PROCUREMENT RECORDS

City of Tiffin shall maintain records sufficient to detail the significant history of a procurement, including the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(200.324)

(a) City of Tiffin must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition.

(b) City of Tiffin must make available upon request, for the Federal awarding agency or pass-through entity preprocurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:

(1) City of Tiffin's procurement procedures or operation fails to comply with the procurement standards in this Part;

(2) 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;

(3) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product;

(4) The proposed contract 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

(5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.

(c) City of Tiffin is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this Part.

(1) City of Tiffin may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third party contracts are awarded on a regular basis;

(2) City of Tiffin may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from City of Tiffin that it is complying with these standards. City of Tiffin must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

AWARDED CONTRACTS

- A. City of Tiffin will not award a contract to a party listed as debarred, suspended, or otherwise excluded in the System for Award Management (SAM). www.sam.gov (200.213)
- B. Contracts awarded shall contain the applicable contract provisions described in 2 CFR 200.326 and Appendix II to Part 200.
- C. City of Tiffin will maintain written standards of conduct covering conflicts of interest and must provide for disciplinary action to be applied for violations of such standards as defined in 2 CFR 200.318 (c) (1).

No officer, employee, or agent of the City of Tiffin shall participate in the selection, award, or administration of a contract supported by federal grant funds, if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

The employee, officer, or agent:

Any member of his/her immediate family;

His/her partner; or

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.

City of Tiffin officers, employees, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or subcontractors.

To the extent permitted by federal, state, or local law or regulations, violation of these standards may cause penalties, sanctions, or other disciplinary actions to be taken against City of Tiffin's officers, employees, or agents.

Passed and adopted this 20th day of August 2019.

Attest:

Mayor

Deputy City Clerk

Appendix 4: Interview Questions

NOTE: We sent the numbered questions to our interviewees in advance. During the interviews, we made sure that their answers covered bullet point questions below each numbered question. The bullet points guided our follow-up questions, if any, in the interviews.

1) Please explain what type of procurement policy your local government has (e.g., single policy, department-level policy, other).

- [When you ask, make sure they cover the following topics:]
 - Who, one or more people, is in charge of the procurement process.
 - What policy or policies are in place.
 - Do you have any special policies or processes for specific departments, e.g., police, transportation, parks and recreation?
 - Who makes the decisions about outsourcing in your department / government?

2) Please describe a typical procurement process, with and without RFP, from the time when the purchase is being considered to the time it is completed.

- [When you ask, make sure that they cover the following topics:]
 - Methods of source selection other than RFP, such as sole-source procurement and small purchase information.
 - How procurement opportunities are advertised.
 - How they accept bids.
 - How they conduct evaluations and award contracts.
 - How disputes are handled.
 - How the public is included or able to access information about the processes and bids.
 - Maybe ask if the local government adopts any procurement practices for veterans, minority, and women-owned businesses.
 - Pre-approved providers, whether provided at local or state level.

3) Have you ever done a joint procurement with an outside organization? Whose policies applied?

- [When you ask, make sure that they cover the following topics:]
 - How well did you feel that this worked?

4) When do you depart from these “standard” processes, and what kind of documentation do you have for these situations? E.g., small purchases, emergencies.

- [When you ask, make sure that they cover the following topics:]
 - Emergency procurement process.
 - How often emergency procurement is used. Ask some questions about the derecho as an example of emergency procurement.

5) Have you ever exempted a transaction from these procedures in the last five years?

- 6) How well do you believe the process works from the point of view of the vendors?
- [When you ask, make sure that they cover the following topics:]
 - Whether potential vendors seem to understand the processes or ask a lot of questions.
 - Whether the definition of disadvantaged businesses seems inclusive enough.
 - Has City Council / Board of Supervisors ever not approved a large budget item? How do you decide what to take to the political body?

7) What is involved if a citizen wants to review materials from a project, including any RFP and the bids?

- [When you ask, make sure that they cover the following topics:]
 - Is some information more available than other information?
 - Are there any extra steps beyond typical freedom of information processes?

8) Without doing any research, what portion of the budget would you estimate goes through the procurement process?

9) What kind of experience and education do your procurement staff have? What systems/tools, processes, and training are in place to help the employees who are in charge of procurement?

- [When you ask, make sure that they cover the following topics:]
 - Training and education that the employees go through.
 - Resources are available through the local government, state, or other organizations (e.g., League of Cities).
 - Memberships, certifications, and best practices.
 -

10) Do you have any concerns about the process you are using?

- [When you ask, make sure that they cover the following topics:]
 - Transparency and efficiency (emphasize efficiency).
 - How the employee would improve the process, if at all.
 - Processes available for employees to make suggestions for improvements, reporting problems, etc., and whether employees feel comfortable using them.

Additional Questions for Specific Entities:

For all local governments: Ask about the spots where there are “blanks” in our model code table [see **Appendix 2**—each interviewer should compile that list prior to conducting interviews.

North Liberty:

1. Each expenditure goes through several people. How long does it take for a request to be approved?

2. Do you have a policy for architectural or engineering projects specifically? How do procurement procedures work for these two operations?

3. There is an extensive section on regulations for Federal projects. Is this section used for local projects also?

Coralville:

Are you allowed to purchase via phone or internet? How do you keep records of online orders?

Appendix 5: Iowa Code Provisions Cited in Procurement Policies

Iowa Code Sections

Chapter 8A - DEPARTMENT OF ADMINISTRATIVE SERVICES

Chapter 23A - NONCOMPETITION BY GOVERNMENT

Chapter 26 - PUBLIC CONSTRUCTION BIDDING

Chapter 68B - GOVERNMENT ETHICS AND LOBBYING

Chapter 314 - ADMINISTRATIVE PROVISIONS FOR HIGHWAYS

Chapter 331 - COUNTY HOME RULE IMPLEMENTATION

Chapter 384 - CITY FINANCE

Chapter 618 - PUBLICATION AND POSTING OF NOTICES

Iowa Administrative Code Sections

Administrative Services Department [11] – Chapter 117 PROCUREMENT OF GOODS AND SERVICES OF GENERAL USE

City Finance Committee [545] – Chapter 2 BUDGET AMENDMENTS AND FUND TRANSFERS

Transportation Department [761] – Chapter 180 PUBLIC IMPROVEMENT QUOTATION PROCESS FOR GOVERNMENTAL ENTITIES FOR VERTICAL INFRASTRUCTURE

Appendix 6: News Article

1/10/2021 Johnson County Supervisor Rettig calls Board's architect selection 'ridiculous and wrong' <https://www.press-citizen.com/story/news/2018/11/28/janelle-rettig-condemns-board-supervisors-lack-transparency-johnson-county-access-center-beh...> 1/2

NEWS

Johnson County Supervisor Rettig calls Board's architect selection 'ridiculous and wrong'

Zachary Oren Smith

Press Citizen

Published 4:45 p.m. CT Nov. 28, 2018

The road to the Johnson County Access Center/Behavioral Health Urgent Care Center (BHUCC) has been a long one. What should be included? Where should it be? Built or refurbished? At Tuesday's work session, Project Manager Matt Miller came in with a complete timeline that stretched all the way to the September 2020 "Grand Opening." Miller's project update ended. And then there was the rub:

"I don't see anything on here about hiring a new architect to build a new building," said Supervisor Janelle Rettig.

"Our plan right now is to bring a contract with Neumann Monson to the board next week," Miller said.

"No request for proposal? No public process? Just hire someone?" said Rettig.

For Rettig, if the county wants someone to design a new building, the county must be transparent about who they hire. She said there should be an official request for proposals and the board should select the lowest bidder.

But as Miller explained, it is complicated. Back in an April 25 work session, Board Office Executive Director Mike Hensch asked the board to enter an informal agreement with Neumann Monson Architects for "on-call architectural/consultation services" in preparation for the BHUCC. The board including Rettig agreed so long as at least three supervisors would need to agree to the instance of consultation. They agreed to the rate of \$150. According to Miller, the firm has since been paid \$26,000 for their design services.

"At this point, we would be setting the process back and losing more money by going out and looking at other architecture firms," Miller said.

For the last six months, Miller said Neumann Monson Architects has put work towards the project. Supervisor Rod Sullivan said that it is unlikely — given that amount of work already conducted — that another firm could underbid them.

"It's hard to believe anybody else would pick up their work where they are at. It seems disingenuous to ask other firms to put in the time to do a proposal when they are not going to get it."

In July, the Board of Supervisors purchased 5.38 acres in south Iowa City in hopes of it one day becoming a place to provide care for people experiencing mental health or substance abuse crisis situations. For people picked up by police during the middle of a crisis, the BHUCC was billed as a third option as opposed to taking them to a hospital emergency department or jail. The land cost the county \$1.34 million.

Rettig has long been with the board on the need for a facility like the Access Center, but at meetings she has opposed the current planned location. The facility would be located on land 1,400 feet from the Iowa River; well within the 100-year flood plain.

While there has been talk of a contractor raising the build site, Rettig voted against the July land purchase.

Zachary Oren Smith covers city government, growth and development for the Press-Citizen. Reach him at zsmith@press-citizen.com or 319-339-7354, and follow him on Twitter @zacharyos.