

IGU Procurement Manual

Developed in Accordance with IGU Procurement Policy # 4.1

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IGU PROCUREMENT MANUAL

ARTICLE I. Purpose and Application

A. Purpose

To define the processes for the Procurement of Supplies, Services, Construction, and Professional Services consistent with IGU Procurement Policy 4.1.

B. Policy

It is the policy of IGU that Procurement will be conducted in accordance with procedures contained in the IGU Procurement Manual.

C. Overriding Authorities

1. All federal, state or local law applicable to and binding on IGU prevails over any provision in this manual.
2. State, federal, or other funding entities may require IGU to take or refrain from taking specific actions with respect to Procurement as a condition of receiving and expending those funds. If there is a requirement in any Board approved funding agreement that conflicts with IGU policies or procedures those requirements will prevail in accordance with the terms of the appropriation, grant, loan, or bond.

D. Applicable Transactions

1. This manual applies to all Procurement transactions made by or on behalf of IGU for Supplies, Services, Construction, and Professional Services except the following transactions which are exempt:
 - a) Contracts for Legal Services, including expert witnesses or other transactions recommended by counsel in conjunction with a legal matter. The Board may specifically select an attorney. A selection by the General Manager or any other authorized individual is subject to Board approval.
 - b) Lobbying services. The Board may specifically select a lobbyist. A selection by the General Manager or any other authorized individual is subject to Board approval.
 - c) Banking and investment services.
 - d) Grants, loans, loan guarantees, bonds, bond guarantees, or other indebtedness or similar obligations of IGU.
 - e) Cooperative agreements, memorandums of understandings, or Contracts between IGU and the FNSB, the state, its political subdivisions, and other governments or political subdivisions including the Alaska Railroad.

- f) Subject to applicable state law, Contracts to acquire or supply natural gas and/or liquid natural gas.
 - g) Partnership or Joint Venture agreements for utility services not tied to specific performance Contracts.
 - h) Acquisition or disposal of real property or interests in real property.
 - i) Employment agreements, collective bargaining agreements, or labor relation services.
 - j) Procurement of all forms of insurance, and insurance-related Contracts, including Employee benefits, services and products for IGU or its Employees.
 - k) Any other transactions specifically exempted by the Board.
2. Any exempt transactions must be approved by the Board or in the manner as otherwise provided by the Board.

ARTICLE II. DEFINITIONS

When used in this manual the following terms have the meaning as defined in this Article. Terms not specifically defined will have their ordinary dictionary meaning or as applicable in the procurement context.

AS – Alaska Statutes

Alternate Dispute Resolution – means a process that is voluntarily used to resolve issues in controversy; and may include negotiation, mediation, and arbitration.

Bid Shopping – Is a practice where, after bid opening, the prime Contractor issued the notice of intent to award requests quotes from other subcontractors for the primary purpose of lowering his project cost to the detriment of subcontractors who may have participated with the prime Contractor in the bidding process.

Board – The IGU Board of Directors.

Brand Name or Equal Specifications – means specification limited to one or more items by manufacturers' names or catalogue numbers to describe the standard of quality, performance and other salient characteristics needed to meet IGU requirements, and which provides for the submission of equivalent products.

Brand Name Specification – means a specification limited to one or more items by manufacturers' names or catalogue numbers.

Business – means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture or any other private legal entity.

Change Order – means a written order signed and unilaterally issued by the Procurement Officer, directing the Contractor to make changes which the "changes" clause of the Contract authorizes the Procurement Officer to order without the consent of the Contractor. Usually a standard provision in Contracts for Construction.

Confidential Information – means any information which is available to a Director, an Employee, or Agent of IGU only because of the individuals status as a Director, Employee, or Agent of IGU and is not a matter of public knowledge or available to the public on request.

Construction – means the process of building, altering, repairing, improving or demolishing any IGU infrastructure facility, including any IGU structure or building or other improvements of any kind to any real property owned by IGU or otherwise considered public property.

Construction Documents – means the drawings, specifications, contract, general provisions, bonds, amendments, and all other documents that identify the terms, conditions, and scope of a construction project.

Construction Management-at-Risk – means any Contract or process that permits the Procurement of a Construction manager, prior to the completion of design, to perform, manage or assist in the design and/or Construction functions.

Contract – means all types of agreements, regardless of what they may be called, for the Procurement or disposal of Supplies, Services, Professional Services, or Construction;

Contract Amendment/Amendment – means a written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of a Contract agreed to by both parties in accordance with the “changes” or “amendments” clauses of the contract.

Contractor – means any Person having a Contract with IGU.

Cost Analysis – means the evaluation of cost data for the purpose of arriving at costs actually incurred or estimates of costs to be incurred, prices to be paid, and costs to be reimbursed.

Cost and Pricing Data – means information concerning the actual or estimated cost of labor, material, overhead, and other cost elements that have been actually incurred or that are expected to be incurred by the Contractor in performing the Contract;

Cost-Reimbursement Contract – means a Contract under which a Contractor is reimbursed for costs which are allowable and allocable in accordance with the Contract terms and a fee or profit, if any.

Cooperative Purchasing – Procurement conducted by, or on behalf of, one or more public Procurement units (Federal agency, State of Alaska, or another local government).

Design-Build Construction Contract – means a Construction Contract between IGU and a design-builder to furnish architecture, engineering, and related design services, and to furnish Construction Services, including labor and materials;

Directors – Those individuals serving on the IGU Board of Directors.

Delegation of Authority – written authority by the Board or General Manager delegating responsibility to an Employee or Agent of the authority to take specific Procurement actions on behalf of IGU.

Digital Media – includes the use of the internet, e-mail, or other system for making information available in digital format as well as the documents in digital formats such as PDF, MS Word or other formats compatible with IGU digital systems.

Emergency Procurement – is a Procurement of Construction, Supplies, Services, or Professional Services when there exists an immediate threat to public health, welfare or safety, or an immediate threat to the assets of IGU including restoration of services as necessary to meet the requirements of service.

Employee/Agent of IGU – means any individual working for IGU under a labor agreement or any individual who may be working for a Contractor under Contract with IGU with delegated authority to act as an Agent for IGU.

Exempt Transactions – are agreements exempted from the Procurement Policy and Manual explicitly by the Board or in the Procurement Manual.

Financial Interest – means an interest held by a Director, Employee, Agent of IGU, or an Immediate Family member of any of the proceeding individuals, which includes an involvement or ownership of an interest in a Business, including a property ownership, or a professional or private relationship, that is a source of income, or from which, or as a result of which, a Person has received or expects to receive anything of value. A Financial Interest, however, does not exist if the individual or family member:

- a) Has a Financial Interest which is insubstantial;
- b) Has a Financial Interest that is possessed generally by the public or a large class of persons to which the public official belongs;
- c) Merely performs some duty or has some influence which would have insubstantial or conjectural effect on the matter; or
- d) Holds a Financial Interest in a disclosed blind trust.

This definition should be interpreted and applied in a manner that distinguishes between minor and insubstantial conflicts that are unavoidable in a free society and those conflicts of interest that are substantial and material.

FNSB – Fairbanks North Star Borough

General Manager – The General Manager of IGU

Hearing Officer – an individual authorized by the Board or through a process set forth in the Manual to enter a decision on a dispute including a Claim or Protest.

IGU – Interior Gas Utility (formally known as Interior Alaska Natural Gas Utility)

Immediate Family – means spouse, child (step, biological or adoptive), parent (step, biological or adoptive), sibling, grandparent, father-in-law, mother-in-law, or a regular member of the individual's household.

Informal Request for Proposals – a process used to procure Supplies or Services that requires vendors or Contractors to submit a brief proposal as a response to an IGU need for Supplies or Services when it is in best interest of IGU to use factors other than cost to evaluate the response. Generally issued in a brief letter format and used for smaller dollar Procurements or emergencies.

Interested Party – means an actual or prospective bidder or offeror whose economic interest might be affected substantially and directly by the issuance of a Contract Solicitation, the award of a Contract, or the failure to award a Contract;

Legal Services – means all services which constitute the practice of law.

Local Bidder – means a Person who (1) has a fixed physical place of business located in the Fairbanks North Star Borough; (2) which is staffed by the owner, an employee, or employees as their permanent employment year-round at that location in the normal course of business.

Minor Informality – means a matter of form rather than substance that is evident from the bid document, or is an insignificant matter that has a negligible effect on price, quantity, quality, delivery, or contractual conditions; and can be waived or corrected by IGU without prejudice to other bidders; it includes typographical errors, errors in extending unit prices, transposition errors, and arithmetical errors that are evident from the bid document.

Nonresponsive – means a bid or proposal that does not conform in all material respects to the Solicitation;

Person – means any Business, individual, union, committee, club, other organization, or group of individuals.

Procurement – means buying, purchasing, renting, leasing, or otherwise acquiring Supplies, equipment, Services, or Construction for IGU and the functions that pertain to the obtaining of Supplies, equipment, service, or Construction, including description of requirements, selection and Solicitation of sources, preparation and award of Contract, and all phases of Contract administration.

Procurement Officer – means an individual specifically authorized by this Manual (including any person acting within the limits of an authorized delegation) to solicit, enter into, or administer Contracts for IGU and make written determinations with respect to them.

Professional Services – means professional, technical, or consultant's services that are predominantly intellectual in character.

Protest – a written objection by an Interested Party to a Solicitation or an award of a Contract with the intent of receiving a remedial result.

Protester – means an actual or prospective bidder, offeror, or Contractor who believes they are aggrieved in connection with the Solicitation or award of a Contract and who files a Protest;

Price Analysis – means the evaluation of price data, without analysis of the separate cost components and profit as in Cost Analysis, which may assist in arriving at prices to be paid and costs to be reimbursed.

Public Notice – means the process of informing the public through posting on IGU web site or other means regarding the Procurement actions of IGU as identified in Procurement Manual.

Price Data – means factual information concerning prices for items substantially similar to those being procured. Prices in this definition refer to offered or proposed selling prices, historical selling prices and current selling prices. The definition refers to data relevant to both prime and subcontractor's prices.

Qualified Products List – means an approved list of Supplies, Services or Construction items, which, prior to competitive Solicitation, IGU has determined will meet the applicable specification requirements.

Reasonable and Adequate Procedures – means procedures that ensure fairness to potential offerors and competition commensurate with the circumstances of the Procurement, considering price, mission requirements, and available competition and includes contacting only one potential offeror in appropriate circumstances as set for in policy and procedures.

Request for Bids – is the process utilized for soliciting sealed competitive bids.

Request for Proposals – is the process utilized for soliciting proposals.

Requests for Quotes – is the process of requesting price quotes from vendors or Contractors for Supplies or Services where price is the primary bases of award. May be done verbally or in writing depending on the dollar value of the Procurement, and is generally done for smaller dollar Procurements or emergency purchase.

Responsible Bidder or Offeror – means a Person who has the capability in all respects to perform fully the Contract requirements, and the tenacity, perseverance, experience, integrity, reliability, capacity, facilities, equipment and credit which will ensure good faith performance.

Responsive Bidder or Offeror – means a Person who has submitted a bid or proposal which conforms in all material respects to the Request for Bids or Request for Proposals.

Services – means the furnishing of labor, time, or effort by a Contractor, resulting in the completion of tasks not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. “Services” includes, but is not limited to facility maintenance and operations, consulting, personal, professional, and technical services.

Solicitation – means a Request for Bids, a Request for Proposals, a Request for Quotations, or any other method of soliciting bids, proposals, or quotes to perform a Contract with IGU.

Specification – means any description of the physical or functional characteristics, or of the nature of a supply, service scope, or Construction item. It may include a description of any requirement for inspecting, testing, or preparing a supply, service, or Construction item for delivery.

Supplies – means all property, including equipment and materials, solicited or owned by IGU. It also includes privately owned real property leased for IGUs use, such as office space, but does not include the acquisition or disposition of other interests in land.

ARTICLE III. ETHICS IN PROCUREMENT

A. Unethical Acts

1. An Employee, Agent of IGU, or an Immediate Family member of any of the proceeding individuals may not materially participate in any IGU Solicitations in which the individual or their family members would have a Financial Interest.
2. Any attempt to realize personal gain though discharge of a person’s IGU duties is a breach of a public trust. It is unethical for any Employee or Agent of IGU to materially fail to meet any applicable standard set forth in this section; or to participate directly or indirectly in a Procurement when the Employee or Agent of IGU knows that:
 - a) The Employee, Agent of IGU or any member of their Immediate Family has a Financial Interest pertaining to the Procurement; or

- b) Any other Person, Business, or organization with whom Employee, Agent of IGU or any member of their Immediate Family is negotiating or has an arrangement concerning prospective employment is involved in the Procurement.
- 3. It is unethical for an Employee or Agent of IGU, or their Immediate Family member, to solicit, demand, accept or agree to accept from another Person a gratuity or an offer of employment made in circumstances which reasonably suggests a connection to a Procurement, Solicitation or Contract decision.
- 4. It will be unethical for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a Contract to the prime Contractor or higher tier subcontractor or any Person associated therewith as an inducement for the award of a subcontract or order.
- 5. It will be unethical for a Person to be retained or to retain a Person to solicit or secure an IGU Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide Employees or bona fide established commercial selling agencies for the purpose of securing business.
- 6. Participation for purposes of this Article means involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity.

B. Ethical Violations

- 1. An Employee of IGU or individual working as an Agent for IGU who participates in a Procurement in a manner the Employee or individual working as an Agent for IGU knows or should know is unethical or contrary to the requirements of IGU policies and procedures including this Manual is subject to disciplinary or contractual suspension or termination.
- 2. If IGU suffers damages as a result of an unethical act, the General Manager will document the facts and consult with legal counsel to determine if other civil or criminal action should be considered.
- 3. IGU may hold an Employee or Agent personally responsible for any unethical or unauthorized Procurement act or conduct resulting in a personal or financial benefit to the Employee or Agent.
- 4. If for any reason a Procurement Officer suspects there may be collusion or other anticompetitive practices among bidders or offerors, the Procurement Officer will transmit a notice of the relevant facts to the General Manager and Chairman of Finance Committee, or the Board as may be appropriate.

ARTICLE IV. PROCUREMENT OFFICER

A. Appointment and Delegation

The General Manager, General Manager's designee or other individual authorized by the Board may act as the Procurement Officer and take Procurement actions on behalf of IGU.

1. A delegation must be in writing and may be revoked at any time, with or without cause.
2. The General Manager may not, except to an individual appointed acting General Manager, delegate the approval required to conduct:
 - a) Limited Competition Procurements;
 - b) Single Source Procurements, or
 - c) Innovative Procurements.

B. Duties and Authority

The Procurement Officer must take Procurement actions that are consistent with IGU Management Policy 4.1, *Procurement Policy*, and this Manual. These duties include:

1. Developing or obtaining construction documents, Specifications and Solicitation documents.
2. Determining appropriate source selection methodology and conducting informal and formal Solicitations,
3. Making determinations and recommendations regarding the use of single source or other alternate Procurement methods where such a determination is required.
4. Receiving and evaluating bids and proposals and making determinations with respect to them.
5. Receiving and making determinations with respect to Protests of a Solicitation.
6. Negotiating, compiling, and preparing contract documents.
7. Awarding Contracts within limits of delegated authority.
8. Preparing Contracts for review and award.
9. Administering Contracts for compliance with requirements, terms, and conditions of Contracts and preparing Amendments and Change Orders with supporting documentation to those Contracts as required.
10. Resolving disputes and making determinations on formal Contract claims.
11. Closing out Contracts and maintaining Contract records in accordance with the Contract terms, IGU policies and procedures and IGU record retention schedules. This includes but is not limited to acting as the primary point of contact with the Contractor, review and acceptance of deliverables and schedules, review of invoices for compliance with terms, preparing Amendments or Change Orders as may be appropriate, receiving and resolving Contract disputes, and closing out the Contract in accordance with IGU Procurement procedures.

ARTICLE V. GENERAL PROCUREMENT RULES AND REQUIREMENTS

A. Funding Authorization

All Procurement actions are subject to availability of funds authorized by the Board or General Manager through an established budget, purchase authorization, policy, or other legally permitted act authorizing the expenditure. Solicitations should include a notification that they are subject to availability of funds.

B. Specifications or Contract Requirements

1. *Purpose.* The purpose of a Specification or Contract requirement is to provide a basis for obtaining, in a cost-effective manner, a supply, service, or Construction item suitable for IGU's needs. Specifications or requirements should promote overall economy for the purposes intended, encourage competition in satisfying IGU's needs, and to the extent practicable, emphasize functional or performance criteria necessary to meet the needs of IGU.
2. *Qualified Products List.* Under the direction of the General Manager, IGU may develop and maintain a Qualified Products List.
3. *Use of Brand Names.*
 - a) IGU may use Brand Name or Equal Specifications for the purpose of identifying the performance and functional requirements of a commodity.
 - b) Except for small Procurements where the total costs are less than \$10,000, a specification may not limit a procured item to a single brand, manufacturer's name or catalog number unless the Procurement Officer determines in writing that only the identified brand name item or items will satisfy IGU's needs.
4. *Multi-year Contracts.* Unless otherwise provided by law and subject to a determination as required by this section, a Contract may be solicited for any period of time considered to be in the best interests of IGU provided:
 - a) the term of the Contract and conditions of renewal or extension are included in the Solicitation;
 - b) funds are available for the initial Contract period at the time of contracting;
 - c) the Contract contains language identifying any obligations IGU may have in the event of early termination;
 - d) the Contract makes payment and performance obligations for succeeding periods subject to the availability of funds appropriated for that purpose and permits cancellation when funds are not otherwise made available to support continuation of performance in a subsequent period;
 - e) the estimated requirements cover the period of the Contract and are reasonably firm and continuing; and
 - f) the Contract will serve the best interests of IGU by encouraging effective competition and efficient Contract administration.

C. Source Selection

1. *Use of Reasonable and Adequate Procedures.* When necessary or reasonable under the circumstances, the Procurement Officer will use Reasonable and Adequate Procedures to determine the potential sources of Supplies, Services, Construction, and Professional Services. The procedures used to determine potential qualified sources may include, but not be limited to: requesting information from potential suppliers or Contractors, soliciting formal letters of interest, or providing Public Notice of IGU's intent to contract prior to developing formal Solicitation documents.
2. *Contact Information.* The Procurement Officer may establish and maintain contact information for Contractors who have expressed an interest in doing business with IGU and may, when appropriate, provide specific notice to those Contractors of a bid or proposal.
3. *Local contractors and suppliers.* IGU will encourage the use of Responsive and Responsible local suppliers and Contractors whose prices are competitive and meet the requirements of IGU.
4. *Excluded from Participation.*
 - a) Employees of IGU, Contractor Employees acting as Agents of IGU, or IGU Directors, including Immediate Family members of any of those individuals, are excluded from participating in any Procurement or Contract with IGU that would provide a financial benefit if the individual has been involved in the development of the Solicitation requirements, evaluation, or award of the contract.
 - b) The Procurement Officer may issue a competitive Solicitation that specifically prohibits an individual or entity from submitting a bid or proposal if:
 - i. the Procurement Officer makes a determination that the entity or individual assisted in drafting the Request for Bids or request for proposal and gained substantial information regarding the Request for Bids or request for proposal that is not available to other bidders or offerors;
 - ii. the entity or individual is listed on any municipal, state, or federal list of debarred Contractors;
 - iii. the entity or individual would only act as a broker in supplying the Supplies or Services and not add value to the transaction;
 - iv. award to a specific entity or individual could create a conflict of interest that would compromise the objectivity or purposes of the Contract; or
 - v. the entity or individual has participated in a report or study that is subsequently used in the preparation of design requirements for a Construction project and the Procurement Officer determines that participation by the firm in the report or study provides that firm with a substantial competitive advantage.
 - c) If an excluded Contractor or individual submits a bid or proposal, the Procurement Officer will reject the bid or proposal as Nonresponsive.

- d) *No discrimination.* Source selection and Contract awards may not be based on discrimination because of race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, disability, or political affiliation.

5. *Construction Project Delivery Methods.*

- a) *Approved Methods.* One or more of the following project delivery methods may be used for Procurements related to design, Construction, routine repair, maintenance, management, or operations for projects or facilities of IGU:
 - i. design-bid-build;
 - ii. Construction Management;
 - iii. Construction Management At Risk;
 - iv. design-build;
 - v. design-build-operate-maintain;
 - vi. design-build-finance-operate or;
 - vii. any variation of the methods described above.
- b) *Disqualification of Participants.* Participation in a report or study that is subsequently used in the preparation of design requirements for a Construction project does not automatically disqualify a firm from participating as a member of a proposing team offering proposals under any of the project delivery methods described above, unless

6. *Subcontractors.*

- a) *Bid Shopping and Key Participants.* The Procurement Officer may include requirements in a Solicitation to prohibit Bid Shopping by a prime Contractor and assure that key participants in the Contractor's proposal or bid are not arbitrarily excluded from participation in the Contract. This may include requiring bidders or offerors to list their proposed subcontractors with their submission or within a specified time during the evaluation of bids or proposals.
- b) *Replacement of Subcontractors.* The Procurement Officer may also require in a solicitation that prime Contractors must receive IGU approval prior to replacing subcontractors identified in their submissions or prior to adding new subcontractors.

7. *Multiple Awards.*

- a) IGU may issue a Solicitation with the intent to make multiple awards if award to two or more bidders or offerors of similar products or Services is necessary for adequate or timely delivery, service, or product compatibility.
- b) If the intent of the Solicitation is to establish multiple indefinite-delivery or indefinite-quantity term Contracts; the Contract period, including optional renewals and the process for selection and award of work orders or purchase orders, must be included in the original Solicitation and subsequent Contract award.

8. *Bid, Payment, and Performance Bonds.*

- a) Bid bonds or bid security in the amount of a least five percent of the bid price:

- i. must be submitted with all invitations to bid for Construction projects estimated to cost over \$100,000; and
 - ii. if needed for the protection of IGU as determined by the Procurement Officer, bid guarantees may be required in invitations to bid for Contracts for Supplies, Services, or Professional Services.
- b) Payment and performance bonds, or other acceptable security approved by the General Manager, will be required for all Construction Contracts over \$100,000; and if needed for the protection of IGU as determined by the Procurement Officer, may be required for other Contracts.
- c) Any bid, payment, or performance bonding requirements must
 - i. be set out in the Solicitation; and
 - ii. identify the acceptability of alternative forms of security, approved by the General Manager, that may be substituted for the required bond or provide that other security may be approved at the discretion of the General Manager.
- d) If the Solicitation requires security, the Procurement Officer will reject a bid or proposal that does not comply with the security requirements except that the Procurement Officer may, if in the best interests of IGU, waive any immaterial or insubstantial non-compliance.

9. *Public Notice Requirements.*

- a) *Minimum notice.* The Procurement Officer will provide Public Notice of a Request for Bids or a Request for Proposals at least 15 calendar days before the date for the opening of bids or date specified for receipt of proposals unless the Procurement Officer determines that a shorter notice period is advantageous or required for a particular project and adequate competition is anticipated even with shortened notice.
- b) *Posting.* Public Notice will be posted on IGU's website and may be posted at other locations and in other fashions deemed by the Procurement Officer to be in the best interest of IGU. Notice may include but not be limited to:
 - i. publication in a newspaper calculated to reach prospective bidders;
 - ii. posting in public places within the area where the work is to be performed or the material furnished;
 - iii. communicating in other appropriate media;
 - iv. notifying bidders or offerors who have participated in previous Solicitations of IGU or expressed an interest in participating.

10. *Amendments or Extensions.*

- a) Before the opening of bids or proposals, a Solicitation may be amended, clarified or time for opening of bids or receipt of proposals may be extended, if the Procurement Officer determines that the extension or Amendment is in IGU's best interest. Notice will be provided so that potential bidders or offerors have access to the Amendment, clarification or extension.

- b) If, after the deadline for receipt of proposals, there is a need for any substantial clarification or material change in the Request for Proposals, the request may be amended to incorporate the clarification or change. The Procurement Officer will provide notice of the date and time established for receipt of new or amended proposals.
- c) When issuing an amendment or extension the Procurement Officer should take into consideration the effort and time that may be required for bidders or offerors to respond to the amendment and potential impacts any extension may have on the proposed project schedule.

11. *Notice of Intent to Award.* Except for small or emergency procurements or when only one Responsive bid or Offer is received, a notice of intent to award should be made prior to formal award of a Contract. This notice should be issued at least five days before formal award of the contract. The notice of intent to award should include:

- a) the name of the successful bidder or offeror;
- b) if applicable, a statement that the Contract award is subject to authorization by the Board;
- c) a statement concerning the right to Protest the award in accordance with IGU procedures for Protests.

12. *Cancellation of the Solicitation or Rejection of all Bids or Proposals.*

- a) Before award, the Procurement Officer may or the Board may direct the General Manager to cancel the Solicitation or reject all bids or proposals. Reasons for cancellation or rejection may include one or more of the following:
 - i. the Supplies, Services, or Construction being procured are no longer required;
 - ii. ambiguous or otherwise inadequate specifications or requirements were part of the Solicitation;
 - iii. the Solicitation did not provide for consideration of all factors of significance to IGU;
 - iv. prices exceed available authorized funding or the funding has substantially changed or been repealed;
 - v. there is reason to believe that the bids or proposals may not have been independently arrived at in open competition, may have been collusive, or may have been submitted in bad faith;
 - vi. only one proposal or bid was received;
 - vii. proceeding with the Solicitation or award is not in the best interests of IGU.
- b) Notice of cancellation or rejection of all bids or proposals will be posted on the IGU web site and specifically provided to all Interested Parties. The notice will identify the Solicitation and explain the reasons for cancellation.
- c) If at any time during the Solicitation process a Request for Proposals or Request for Bids is canceled, the Procurement Officer will return all bid or proposal documents received to the offeror or bidder. The Procurement Officer will keep a list of returned bids or proposals in the Procurement file.

ARTICLE VI. AUTHORIZED PROCUREMENT METHODS

A. Authorized Procurements Methods

Authorized Procurements Methods are multi-step solicitations, Request for Bids, Request for Proposals, Small Procurements, Limited Competition Procurements, Emergency Procurements, Procurements using public contracts, Single Source Procurements and Innovative Procurements.

B. Small Procurements

1. *Applicability.* Small Procurement methods may be used for any procurement transaction costing less than \$50,000. Small Procurement will follow Reasonable and Adequate Procedures which will include soliciting quotes or proposals for larger dollar transactions and may include contacting only one vendor or supplier when the value of the Procurement is anticipated to be less than \$10,000, the price is fair and reasonable and the Contractor or vendor is known to be qualified and available.
2. *Notice Requirements.* The Procurement Officer may provide Public Notice of a small Procurement provided the notice is posted for at least 5 days prior to the deadline for receipt of quotes or proposals.
3. *Digital Media.* Requests for quotes and informal Request for Proposals may be issued and vendor responses received using Digital Media.
4. *No artificial division or fragmentation.* Procurement requirements should not be artificially divided or fragmented so as to constitute a small Procurement or to circumvent the source selection procedures otherwise required by this Manual.
5. *Small Procurement Rules vary depending on the anticipated value of the procurement.*
 - a) *Purchases Not Exceeding \$10,000*
 - i. Purchases may be made by credit card, purchase orders, field purchase orders, or other form that shows the vendor or Contractor name, Supplies or Services received, price of Supplies or Services, time of receipt of Supplies or Services, and who made the purchase on behalf of IGU.
 - ii. Written purchase orders should normally be used when Supplies or Services are expected to be over \$1,000, the items purchased are subject to inventory control, the delivery date is in the future, or specific terms and conditions are applicable to the Procurement to protect the interests of IGU.
 - iii. *Purchase records* should include a copy of the invoice that shows the Supplies or Services received, the individual receiving those Supplies or approving the service and, a copy of the purchase order, credit card receipt, or Contract used to make the purchase.
 - b) *Purchases No More Than \$50,000 but Greater than \$10,000.* The Procurement Officer will use the following procedures in the Procurement of Supplies, Services, Professional Services, or Construction estimated to cost more than \$10,000, but not more than \$50,000.

- i. Solicitation Requirements - At least three firms or persons will be contacted by a Request for Quotes or through an Informal Request for Proposals. The Solicitation may be made verbally or in writing. In the Solicitation, the Procurement Officer will include the specifications, the award criteria, and the date and time responses are due.
 - ii. Award - The Procurement Officer will make the award in accordance with the specifications and award criteria in the Solicitation to the Responsive and Responsible firm or Person that submitted the lowest quotation or that submitted the informal proposal that is the most advantageous to IGU and provide notice of the award, including the name of the successful offeror, to each firm or Person providing a quotation or informal proposal.
 - iii. Award will be in writing by purchase order or other Contract form.
 - iv. The Procurement records will include:
 - The name of the individual who made the Solicitation and the date of the Solicitation;
 - Solicitation documents or information provided by the Procurement Officer to the vendor or Contractor;
 - The names of the firms or persons contacted,
 - A summary of any verbal responses, and copies of all quotations or informal proposals received;
 - Justification for the award; and
 - A copy of the written Contract or purchase document.
- c) *Purchases No More than \$100,000 but Greater than \$50,000.* The Procurement Officer will use the following procedures in the Procurement of Supplies, Services, Professional Services, or Construction estimated to cost more than \$50,000, but not more than \$100,000.
- i. Solicitation Requirements - At least three firms or persons will be contacted by a Request for Quotes or through an Informal Request for Proposals. The Solicitation must be made in writing, include IGU specifications or requirements, the award criteria and the date and time responses are due any responses must be in writing.
 - ii. Award - The Procurement Officer will make the award in accordance with the specifications and award criteria in the Solicitation to the Responsive and Responsible firm or Person that submitted the lowest quotation or the informal proposal that is the most advantageous to IGU and provide notice of the award, including the name of the successful offeror, to each firm or Person providing a quotation or informal proposal. Award will be in writing by purchase order or other standard IGU Contract form.
 - iii. The Procurement records will include:
 - A copy of the Solicitation document,
 - The names of the firms or persons contacted,
 - Copies of all quotations or informal proposals received;
 - Basis for the award;
 - A copy of the notice of award; and
 - A copy of the written Contract or purchase document.

C. Multi-step Solicitations

1. *Applicability.* When it is considered impractical to initially prepare a definitive purchase description to support an award based on price or other definitive criteria, the Procurement Officer may first issue a request for qualifications or information, seeking the submission of bidder qualifications, technical information, or data to be followed, by either a Request for Bids or Request for Proposals as authorized by this Manual but limited to;
 - a) the bidders or offerors whose offers are determined to be technically qualified; or
 - b) a short list of bidders or offerors who are determined to be best qualified under the criteria set out in the first step of the Solicitation.

D. Requests for Bids

1. *Applicability.* Unless another method of procurement is specifically authorized by this Manual or approved by the General Manager, the Procurement Officer *must* use requests for bids when the award is anticipated to exceed \$100,000, IGU requirements are definite and can be sufficiently described by industry standards or practices, and multiple suppliers or Contractors could potentially meet the requirements.
2. *Content.* A Request for Bids must include a time, place, and date by which the bid must be received, a description of contractual terms and conditions applicable to the Procurement, the bid evaluation criteria, and the basis for award.
3. *Estimated Cost.* If the release of an estimated cost of Supplies or Services would adversely affect IGU's ability to obtain the best competitive bid, the estimated cost of the Supplies or Services is confidential during the Solicitation process and may not be released to the public before bid opening.
4. *Pre-opening Correction or Withdrawal of Bids.*
 - a) A bid may be corrected or withdrawn by written request received in the office designated in the Request for Bids before the time and date set for opening. The request must be by a Person duly authorized to make the correction or withdrawal.
 - b) If a bid is timely withdrawn, the bid security, if any, will be returned to the bidder along with the copies of the unopened bid documents not later than 15 days after bid opening. A copy of the correspondence requesting the withdrawal will be included in the Procurement file.
 - c) All documents relating to the correction of a bid will be included in the Procurement file.
5. *Submission and Receipt of Bids.*
 - a) A bid submitted on paper must be submitted in a sealed envelope with the request for bid number identified on the outside of the envelope. Upon receipt, the bid and any bid corrections will be stored in a secure place until the time and date set for bid opening.

- b) The Procurement Officer may receive bids through an electronic bidding system if the system is able to receive electronic bid documents and corrections to bid documents, document the date and time of receipt of bid documents, secure the electronic bid submissions from being reviewed until after the date and time of bid opening, and provide an accessible public record that documents the Solicitation.
- c) Bids must be unconditionally accepted without alteration or correction, except as authorized by applicable law, Policy or this Manual.
- d) A bid, bid correction, or withdrawal of a bid, received by IGU after the time and date set for receipt of bids is late. Prior to bid opening, however, a late bid, correction, or withdrawal may be accepted if the delay is due to an error of IGU.
- e) An unaccepted late bid or correction may not be considered. The Procurement Officer will document the date and time the late bid or correction was received and return the unopened late bid or correction to the bidder after the Protest period has passed.

6. *Bid openings.*

- a) The Procurement Officer will open all bids and corrections received at the date and time designated in the Request for Bids.
- b) All bid openings are open to the public at the place, date, and time designated in the Request for Bids. A record of those attending the bid opening will be made and kept in the Procurement file.
- c) The name of each bidder, the bid price, and other information determined appropriate by the Procurement Officer will be tabulated at the bid opening. Any engineers estimate on a Construction bid and the bid tabulation is open to public inspection as soon as practicable after the bid opening.
- d) The bids are not open for public inspection until after the notice of intent to award a Contract is given.
- e) If the bidder indicates in its bid that it contains trade secrets or confidential information, IGU may treat that portion of the bid as Confidential Information only if the bidder, properly identified the information as confidential and the Procurement Officer concurs that the information should be treated confidentially subject to a final determination if and when the designated information is subject to an otherwise proper public records request.

7. *Correction and Withdrawal of Bids After Bid Opening.*

- a) After bid opening, changes in bid prices or other provisions of bids prejudicial to the interest of IGU or fair competition are not permitted except as provided below.
 - i. If, before award, a Procurement Officer knows of an error in a bid, the officer will notify the bidder of the error.
 - ii. If inadvertent, the Procurement Officer may correct a bid that contains a Minor Informality. This may include correcting the bid submission to

the intended correct bid price if the correct price is evident from the bid document. The Procurement Officer will initial any correction made to the bid documents.

- iii. Inadvertent errors discovered after opening but before award, other than Minor Informalities, may not be corrected. If a bidder submits proof that clearly and convincingly demonstrates that an inadvertent error other than a Minor Informality was made or that the error was caused by IGU, the bidder may withdraw the bid.
- b) A decision to permit the correction or withdrawal of a bid, or to cancel an award or Contract based on bid mistake, will be supported by a written determination made by the Procurement Officer.
- c) If a bidder is permitted to withdraw a bid before award because of an error in their bid, IGU will not take any action against the bidder or the bid security.

8. *Bid Criteria and Evaluation.*

- a) The Procurement Officer will evaluate bids to determine which bid offers the lowest price to IGU in accordance with the evaluation criteria set out in the Request for Bids. This may include criteria to determine acceptability such as inspection, testing, quality, delivery, and suitability for a particular purpose. An evaluation of product acceptability may be conducted to determine whether a bidder's offering is acceptable as set out in the Request for Bids. A bid that does not meet the acceptability requirements will be rejected as Nonresponsive.
- b) The criteria that will affect the bid price must be objectively measurable, such as discounts, transportation costs, and total or life cycle costs. The evaluation factors must:
 - i. be reasonable estimates based upon information IGU has available concerning future use; and
 - ii. treat all bids equitably.
- c) Criteria may not be used in bid evaluation if they are not set out in the request for bid.
- d) A Contract may not be awarded to a bidder submitting a higher quality item than that designated in the Request for Bids unless the bidder is also the lowest bidder.
- e) An alternate or conditioned bid submitted by a bidder that requires a change to a material term of the Solicitation is Nonresponsive.
- f) Negotiations are not permitted prior to award except that after opening bids a Procurement Officer may request bidders extend the time during which IGU may accept a bid.
- g) If the lowest price bid received is determined to be Responsive and the bidder is a Responsible Bidder the Procurement Officer is not required to conduct a complete evaluation of all other higher price bids received.

9. *Determination of Responsibility.*

- a) Before Contract award the Procurement Officer will consider whether the apparent low bidder is a Responsible Bidder. Factors that may be considered in determining whether the apparent low bidder is a Responsible Bidder include whether the bidder:
 - i. has a satisfactory record of performance;
 - ii. is qualified legally to contract in the State; and
 - iii. has supplied all necessary information in connection with the inquiry concerning responsibility.
- b) The Procurement Officer may require the apparent low bidder to demonstrate the availability of necessary financing, equipment, facilities, expertise, and personnel, by submitting:
 - i. evidence that the Contractor possesses the necessary items;
 - ii. acceptable plans to subcontract for the necessary items;
 - iii. a documented commitment from, or explicit arrangement with, a satisfactory source to provide the necessary items; or
 - iv. other information required by the Procurement Officer.
- c) Any detailed financial information and details in any agreements with suppliers or subcontractors provided by the bidder in response to a request by the Procurement Officer may be treated as Confidential Information and will not be disclosed unless required by law, including but not limited to a proper public records request.
- d) If the apparent low bidder is determined not to be Responsible, the Procurement Officer may reject the bid and award the Contract to the next lowest Responsive and Responsible bidder.

10. *Rejection of Individual bids.* The Procurement Officer may reject an individual bid for one or more of the following reasons:

- a) the bid is Nonresponsive;
- b) the bidder that submitted the bid is not Responsible;
- c) the bidder is excluded from bidding by an applicable provision of this Manual, IGU Policy or law;
- d) the supply, service, or Construction item fails to meet the specifications or other acceptability criteria set out in the Solicitation;
- e) only one bid was received and the Procurement Officer determines that award is not in the best interest of IGU.

11. *Contract Award Under Request for Bids & Tie Bids.*

- a) Subject to available funds and any required approval by the Board; the General Manager:
 - i. will issue an Intent to Award a Contract with reasonable promptness to the lowest Responsible and Responsive Bidder whose bid conforms in all material respects to the requirements and criteria set out in the Request for Bids; and

- ii. after expiration of any Protest period, may award the Contract.
- b) Tie bids are low Responsive bids from Responsible bidders which are identical in price. If low tie bids exist, award will be made through a random drawing or flip of the coin. Unless otherwise stated in the Solicitation, award will not be made by dividing the Procurement.

12. Notice of Intent to Award.

- a) Notice of intent to award does not constitute a formal award of a Contract and will be made prior to formal award of the Contract. The notice of intent to award will include:
 - i. the name of the successful bidder,
 - ii. if applicable, a statement that Contract award is subject to authorization by the Board;
 - iii. a statement of a bidder's right to Protest the award in accordance with IGU procedures for Protests, including the time within which the Protest must be received which is generally five days from when the bidder receives the notice unless otherwise stated in the notice; and
 - iv. Unless only one Responsive bid is received, the notice of intent to award will be issued at least five days before formal award of the Contract. If only one Responsive bid is received, the Contract award may proceed as soon as practical after the notice of intent to award is issued.

13. Request for Bid Records. The Procurement Officer will keep records, hard copy or electronic, documenting the Solicitation process and the basis for award. The Procurement file should, if applicable, contain:

- a) A copy of the Public Notice
- b) Any correspondence with Contractors prior to bid opening
- c) A copy of the Request for Bids and any addenda
- d) A list of attendees at the public bid opening
- e) A bid abstract
- f) Copies of each bid submitted
- g) Any communications with bidders after bid opening
- h) A copy of the notice of intent to award
- i) A copy of the final Contract
- j) A copy of the Engineer's Estimate when procuring Construction Services

E. Request for Proposals

- 1. *Conditions for Use.* The Procurement Officer may procure Supplies or Services by Request for Proposals whenever detailed specifications are unavailable or IGU is looking to evaluate options regarding a specific need or scope of work, it appears there may be multiple suppliers or Contractors who could meet the minimum requirements of the Solicitation, and an award is primarily based on qualifications or other criteria.
- 2. *Specific Authorization.* At the option of the Procurement Officer, Requests for proposals are specifically authorized for:
 - a) Professional Services Contracts;

- b) architectural, engineering, and land surveying Contracts;
 - c) lease space;
 - d) Supplies and Services for clean-up of oil or hazardous substances;
 - e) Design-Build Construction Contracts;
 - f) Design-Build-Operate Contracts; or
 - g) Any other supply, Construction, or service where the Procurement Officer makes a written determination that it is in the best interest of IGU to use the request for proposal process.
3. *Award.* Award under Request for Proposals must be made to the Responsive and Responsible offeror who provides the highest ranked proposal based on the criteria and evaluation processes identified in the request for Request for Proposals provided IGU and the offeror are able to negotiate a Contract for the benefit of IGU consistent with the Solicitation and the offeror's proposal.
4. *Request for Proposals Format and Content.*
- a) A Request for Proposals must contain
 - i. the date, time, and place for delivering proposals which may include authorization of delivering through a digital solicitation system. The Procurement Officer may issue requests for proposals and receive proposals through a digital Solicitation system, if the system is able to receive digital proposal documents and corrections to proposal documents, document the date and time of receipt of proposal documents, secure the digital submissions from being reviewed until after the date and time for receipt of proposals, and provide an accessible public record that documents the Solicitation process;
 - ii. a description of the Supplies, Construction, Services, or Professional Services to be provided under the Contract;
 - iii. any specific IGU requirements or conditions including any minimum requirements that will be used in evaluating if a proposal is Responsive;
 - iv. the standard Contract terms under which the Supplies, Construction, Services, or Professional Services are to be provided, or a reference to those terms;
 - v. the requirement that the offeror document any required professional and Contractor's licenses necessary to legally provide the Supplies, Services, or Professional Services requested;
 - vi. the information necessary for an offeror to submit a proposal including any specific submittal requirements or instructions or references to information that cannot reasonably be included with the request;
 - vii. a description of the criteria and process the Procurement Officer will use to evaluate the proposals received.
5. *Submission, Receipt, and Treatment of Proposals.*
- a) A proposal submitted on paper must be submitted in a sealed envelope with the request for proposal number identified on the outside of the envelope or, if authorized in the Request for Proposals, through a digital Solicitation system. Upon receipt, the proposal and any proposal corrections will be stored in a secure place.

- b) A proposal or proposal correction received after the time and date set for receipt of proposals is late. A late proposal or correction may not be considered unless the delay was due to an error of IGU and is received prior to evaluation of the proposals. Otherwise, the Procurement Officer will document the date and time the late proposal or correction was received and return the late proposal or correction to the offeror after the time for filing a Protest has passed.
- c) After the date set for receipt of proposals the Procurement Officer will prepare a register of proposals received that includes the name of each offeror. The register of proposals and all the contents of all proposals are confidential until the Procurement Officer issues a notice of intent to award.
- d) If a Solicitation is canceled after proposals are received but before a notice of intent to award a Contract has been issued, and if a Protest of the Solicitation has not been filed by an Interested Party, the Procurement Officer will return all proposals to the offerors that submitted proposals once the time specified for filing a Protest has expired. The Procurement Officer will keep a list of returned proposals in the file for the Solicitation.

6. *Disclosure of Proposal Contents and Confidential Information.*

- a) Unless otherwise stated in the Request for Proposals or this Manual, all materials submitted in response to a Request for Proposals will become the property of IGU. The Procurement Officer will receive, open, and evaluate proposals so as to avoid disclosure of contents to competing offerors before notice of intent to award a Contract is issued.
- b) After notice of intent to award is issued, the selected proposal is open for review except for information designated by the Offeror as Confidential as required in the Solicitation or this Manual and determined by the Procurement Officer to be Confidential.
- c) After the award of the Contract, responses and proposals will become public information except information designated by the Offeror as Confidential as required in the Solicitation or this Manual and determined by the Procurement Officer to be Confidential.
- d) *Required designation by Offeror.* If any individual pages, which the offeror asserts contain Confidential information must be marked and an explanation furnished of its Confidential nature. In addition to marking individual pages, the proposal's cover must also be annotated with the words "THIS DOCUMENT CONTAINS INFORMATION THAT IS LEGALLY CONFIDENTIAL".
- e) *Legally Confidential Information.* No information will be treated as Confidential unless the Procurement Officer initially concurs with the Offeror's designation. Information will not be treated as Confidential if IGU has received a public records request for the information and the Procurement Officer, General Manager or a reviewing court determines that the Public Records Act requires disclosure; it is information which, at the time of disclosure, is generally known by the public and/or competitors; it is otherwise apparent that it is not legally confidential; or it is summary cost information used for the purpose of documenting the basis of award.

- f) *Removal of Improperly Designated Information.* If a determination is made that the requested information is not legally confidential the offeror may, if legally permissible, be provided the opportunity to either remove such designation or request that designated information be returned to the offeror. If the Offeror refuses to remove the designation or requests the return of the designated information the proposal may be reviewed if still responsive without consideration of the information. Otherwise the Procurement Officer must reject the submittal as Nonresponsive and return the entire submission to the offeror.

7. *Evaluation of Proposals.*

- a) Proposals must be evaluated solely on the evaluation process and criteria identified in the Request for Proposals.
- b) The Procurement Officer, or an evaluation committee, will evaluate proposals. The Procurement evaluation committee may include any individuals with appropriate expertise but must include at least one Employee of IGU.
- i. If an evaluation committee evaluates the proposals, each member will exercise independent judgment, and the vote of one member may not be weighted more than the vote of any other member.
 - ii. The evaluation committee may hold closed meetings to discuss the proposals received. Evaluators may adjust their own scores or rankings as a result of discussions with other evaluators as well as discussions with offerors as permitted in this Manual.
 - iii. Numerical rating systems may be used, but are not required. If a numerical rating system is used, evaluators are not required to provide additional documentation for scoring if the relative weight of the criteria and numerical rating system is defined in the Solicitation. Otherwise, each evaluator will provide a brief written narrative consistent with the evaluation criteria documenting the basis for the evaluator's ranking.
 - iv. The Procurement Officer will document the evaluation process, ensure compliance with this Manual and provide a summary of the final ranking of proposals for the Procurement file.

8) *Rejection of Individual Proposals.* An individual proposal may be rejected if in the best interest of IGU including reasons based on one or more of the following:

- a) the proposal is Nonresponsive to the minimum requirements in the Solicitation;
- b) the offeror submitting the proposal is excluded by any provision of this manual from submitting a proposal;
- c) the offeror submitting the highest ranked proposal exceeds available funding and after discussions the offeror is unwilling or unable to meet Solicitation or contractual requirements at a lower cost;
- d) after evaluation and discussion only one proposal is available for award, and the Procurement Officer determines that proceeding with the award is not in the best interest of IGU.

9) *Clarification of Offers During the Evaluation of Proposals.*

- a) In order to determine if a proposal is reasonably suitable for award, the

Procurement Officer or the Procurement evaluation committee may communicate with an individual offeror to clarify the contents of an offeror's proposal.

- b) Clarification is limited to clarification of ambiguities or conflicts in the proposal and may not be a negotiation or allow for material changes to the proposal being evaluated.
- c) The Procurement Officer may limit communications to only those offerors who submitted proposals requiring clarification in order to complete the evaluation of those proposals.
- d) The evaluation by the Procurement Officer or the Procurement evaluation committee may be adjusted as a result of a clarification provided by the offeror.

10) Proposal Discussions with Offerors During Evaluation of Proposals.

- a) At the discretion of the Procurement Officer, an offeror or offerors whose proposal(s) are reasonably suitable for award as determined in the initial evaluation conducted may be offered the opportunity to confidentially discuss the proposal with the Procurement Officer or Procurement evaluation committee.
- b) The opportunity for confidential discussions, if held, will be extended to all offerors submitting proposals determined reasonably susceptible for award.
- c) Auction techniques that reveal one offeror's price to another, and disclosure of any information derived from competing proposals, are prohibited.
- d) The Procurement Officer may limit discussions to specific sections of the proposals received or specific sections of the Request for Proposals.
- e) The conditions, terms, or price of the proposal may be altered or otherwise changed during the course of the discussions, if the changes are within the scope of the Request for Proposals. Any modifications to a proposal as a result of discussions will be reduced to writing by the offeror within the time frame designated by the Procurement Officer.
- f) Final evaluations may consider the information provided by the offerors in these discussions or the Procurement Officer may request offerors provide a best and final offeror.

11) Best and Final Offers.

- a) Following discussions, the Procurement Officer may set a date and time for the submission of best and final offers and limit the scope of the offeror's submission to specific sections of the offeror's original proposal.
- b) Best and final offers may be submitted more than once if the General Manager determines that it is in IGU's best interest to conduct additional discussions, change IGU's requirements consistent with the scope of the Request for Proposals, or request submission of another round of best and final offers.

- c) If an offeror does not submit a best and final offer or a notice of withdrawal, the offeror's previous proposal is considered the offeror's best and final offer for the purpose of evaluation and award.
- d) After best and final offers are received, final evaluations will be conducted.

12) *Offeror Selection and Negotiations.*

- a) After final evaluation of proposals including any adjustment of an evaluation of a proposal as authorized in this Manual, the Procurement Officer may negotiate with the offeror with the highest ranked proposal for the purpose of developing a Contract consistent with the Solicitation and most favorable to IGU.
- b) IGU may request or the offeror may propose changes to the offeror's proposal during contract negotiations that are consistent with the scope of the Request for Proposals. The changes must be reasonable and may not have the effect of substantially changing the Proposal's scope of work or price such that the change would alter the ranking of the highest ranked proposal. All changes will be documented in writing and incorporated into the Contract documents.
- c) If the offeror with the highest ranked proposal fails to negotiate in good faith, fails to negotiate within the time period set by the Procurement Officer, cannot accept IGU Contract terms, or is unable to adjust the price as may be required by IGU without materially affecting the scope of work, the Procurement Officer may terminate negotiations and begin contract negotiations with the offeror of the next highest ranked proposal.

13) *Contract Award.* The Procurement Officer will award a Contract under Request for Proposals to the Responsible and Responsive Offeror whose proposal is determined in writing to be the most advantageous to IGU, taking into consideration the evaluation factors set out in the Request for Proposals and any contract negotiations authorized in this Manual.

14) *Notice of Intent to Award.* After completing the evaluation of proposals and negotiations as may be required, the Procurement Officer will issue a Notice of Intent to Award in accordance with this Manual.

15) *Records of Requests for Proposals.* For Contracts awarded by Request for Proposals the Procurement Officer will keep a Contract file that includes:

- a) A copy of the Public Notice,
- b) Any correspondence with interested offerors prior to the deadline for responses.
- c) A copy of the request for proposal and any addenda
- d) A register of proposals received
- e) Any correspondence with offerors during the evaluation process
- f) Final evaluation score sheets.
- g) A copy of each proposal submitted, including any clarifications or best and final offerors.
- h) A copy of the final Contract that incorporates any changes as a result of negotiations
- i) A copy of the notice of intent to award

- j) A summary of the evaluation process and basis for selection prepared by the Procurement Officer

F. Limited Competition Procurements

- 1) *Applicability.* Limited competition methods may be used when the Procurement Officer has identified two or more vendors or Contractors who could meet IGU requirements, and the General Manager determines in writing that a situation exists that makes compliance with applicable solicitation requirements impractical or contrary to the interests of IGU. Situations that may justify conducting a limited competition Procurement include:
 - a) Procurements that cannot be publicly advertised without compromising the business interests of IGU or its customers.
 - b) Procurements that may have been previously solicited by Request for Proposals or requests for bids but IGU was unable to award because no Responsive or Responsible bids or proposals were received and IGU still has an immediate need for the Supplies or Services.
 - c) Procurements made after the Procurement Officer issues a formal notice requesting information and interest from suppliers or Contractors and the Procurement Officer determines that a limited number of suppliers or Contractors are qualified and available to provide the Supplies or Services.
- 2) *Determination of interest.* To determine if two or more sources are interested the Procurement Officer may provide private or public notice (as justified in the written determination) to prospective offerors that requests letters of interest and which outline the minimum requirements prospective offerors must demonstrate in order to participate in the proposed limited competition Solicitation.
- 3) The Procurement Officer may solicit formal or informal bids or proposals and conduct negotiations, as appropriate, as to price, delivery, and terms, with each potential Contractor and proceed with award to the Contractor whose bid or proposal is in the best interest of IGU.
- 4) The Procurement Officer will provide a summary of the Solicitation process and basis of award to the General Manager for review and approval prior to issuing a notice of intent to award.
- 5) The Procurement records will include:
 - a) A copy of the General Manager's decision to use a limited competition Procurement method;
 - b) The names of the firms or persons contacted;
 - c) A copy any letter of interest or other Solicitation document;
 - d) Any correspondence with Contractors;
 - e) Copies of all quotations or proposals received;
 - f) Justification for the award;
 - g) A copy of the written Contract or purchase document.

G. Emergency Procurements

1. *Applicability.* An Emergency Procurement must occur with the greatest amount of competition that is practicable under the circumstances, and must be limited to the Procurement necessary to meet the emergency. A Procurement may be made under emergency conditions if:
 - a) a threat to public health, welfare, or safety exists, including fire, flood, riot, environmental accident, or a similarly compelling reason;
 - b) an equipment failure occurs, and the need for timely repair is essential; or
 - c) action must be taken to protect public or private property; and
 - d) there is not sufficient time to conduct the Solicitation otherwise required by this Manual.
2. *Determination.* The General Manager must make a written determination finding the existence of an emergency justifying the use of an Emergency Procurement.
3. The Procurement file will include:
 - a) a copy of the General Manager's emergency determination;
 - b) a copy of the Contract that identifies the Supplies, Services, Construction, or Professional Services procured under the Contract; and
 - c) any correspondence with the Contractor.
4. To the greatest extent practical the Procurement Officer will immediately follow-up any verbal request for Supplies or Services with written Contracts or work orders using standard IGU Contract or order forms.

H. Procurements Using Other Public Contracts

1. *Applicability.* To the extent it is specifically permitted in a Contract, the Procurement Officer may participate in Contracts for the Procurement of Supplies, Services, Construction, or Professional Services made by the Fairbanks North Star Borough, State of Alaska, or other Governmental agency or cooperative purchasing group using generally accepted public procurement methods.
2. Purchases made from other governmental agency or cooperative purchasing group Contracts must be made in accordance with the terms of the authorizing Contract and reference the other agency Contract number on IGU purchase orders and/or billings.

I. Single Source Procurements

1. A single source Procurement may be made:
 - a) for a Contract that was previously competitively bid, but where only one Nonresponsive bid was received and the Procurement Officer determines that negotiation with that bidder is in the best interest of IGU because:
 - i. an immediate need exists for the Supplies or Services; or
 - ii. re-Solicitation is unlikely to increase the number of bids or proposals.
 - b) for a Contract where time is of the essence and the Procurement Officer makes a determination that:

- i. the time required to solicit competitive bids or proposals for the Supplies or Services would adversely impact IGU's program or mission;
 - ii. the price for Supplies or Services is reasonable compared to the impacts of a delay;
 - iii. the proposed Contractor is in a unique position to be able to meet IGU's needs; and
 - iv. the duration of the Contract is limited.
 - c) or for a Contract where the Procurement Officer makes a good faith review of available sources and determines that award of a Contract by requests for bids, Request for Proposals, or small Procurement procedures is not practicable, and that award to a sole source is in IGU's best interests as no other reasonable source of the Supplies or Services is available that could meet IGU's requirements and schedule.
 - d) or for a Contract where the Procurement Officer makes a written determination that it is impractical to solicit bids, proposals, or quotes for the Supplies or Services and it is the "best interest of IGU" to award a Contract to a single supplier or Contractor.
2. A sole source determination must be approved by the General Manager (not a delegatee) prior to award and must include:
- a) A description of the Supplies or Services needed;
 - b) The name of the proposed Contractor;
 - c) The estimated value of the Contract and available cost or pricing data;
 - d) The material facts of the Procurement;
 - e) Why it is in IGU's best interest to make a non-competitive award;
 - f) Evidence of any unique attributes of the proposed Contractor.
3. If practicable including on shortened time if warranted, the Procurement Officer should provide a Public Notice of its intent to make a single source award as necessary to aid the determination of whether a single source award is appropriate.
4. Prior to award the Procurement Officer must require the Contractor to provide Cost and Pricing Data for evaluation. The Procurement Officer must negotiate and award a Contract that is in the best interest of IGU.
5. The Procurement file will include:
- a) a copy of the single source justification approved by the General Manager;
 - b) a copy of the Contract; and
 - c) any correspondence with the Contractor.

J. Innovative Procurements

1. *Applicability.* The Procurement Officer may propose the use of an innovative Procurement process not otherwise identified in these procedures. Prior to conducting an innovative Procurement, the Procurement Officer will develop a Procurement plan with the assistance of legal counsel and present that plan to the General Manager for written approval.

2. The Procurement file will include:

- a) a copy of the Procurement plan approved by the General Manager;
- b) A copy of the Solicitation documents;
- c) A copy of any response from vendors or Contractors; and
- d) a copy of the Contract.

ARTICLE VII. Contract Formation and Modification

A. Types of Contracts

Any type of Contract that promotes the best interests of IGU may be used. Use of a cost-plus-a-percentage-of-cost Contract however, may only be used if no other type of Contract would be acceptable as determined and approved by the General Manager.

B. Contract Terms and Conditions

1. The Procurement Officer must use the approved standard contract terms developed by the General Manager, in consultation with legal counsel, and may use other contractual provisions, terms, and conditions of Solicitations and Contracts unless they conflict with this Manual or any other policy, statute or regulation governing the Procurement.
2. *Adoption of Standard Contract Terms.* The General Manager, in consultation with legal counsel, will adopt and maintain standard Contract terms and conditions for use in soliciting and awarding Contracts. All Contracts over \$1000, except those used to procure Supplies up to \$10,000, must be in writing and contain at a minimum;
 - a) a statement of the amount of the Contract;
 - b) the date for the Supplies to be delivered or the expected period of performance of the Construction, Services, or Professional Services;
 - c) a description of the Supplies, or statement of work regarding the Construction, Services, or Professional Services to be provided; and
 - d) other terms or requirements included in the Solicitation or negotiated between the Procurement Officer and the Contractor such as payment terms, price adjustments, renewals, or changes.
3. *Referenced in Solicitation.* The standard clauses to be used in a particular Contract will be identified in a separate appendix referenced in the Solicitation.
4. *Change to Standard Contract.* With the written approval of the General Manager, after consultation with legal counsel, a Procurement Officer may vary the standard clauses for inclusion in a particular solicitation or Contract if the variations and the circumstances justifying them are in the best interest of IGU.
5. *Acceptance by Bidder or Offeror.* A bidder or offeror's failure to accept the standard Contract clauses included in the Solicitation may be grounds for determining the bidder or Contractor to be Nonresponsive.

C. Contract Approvals

1. *Signature required.* The General Manager or an authorized designee must sign, on behalf of IGU, all purchase orders, Contracts, Contract Amendments, Change Orders, leases, or other similar agreements.
2. *Board approval.*
 - a. If Board approval is required the General Manager will prepare a Board memo or resolution that includes:
 - i. a summary of the Supplies or Services;
 - ii. a summary of Solicitation method used;
 - iii. the name of Contractor;
 - iv. the estimated Contract amount;
 - v. whether a Protest or other appeal has been filed; and
 - vi. any other relevant information.
 - b. The Board may authorize the General Manager to proceed with the award, request the General Manager provide additional information, or request the General Manager cancel any applicable Solicitation if, in the Board's opinion, cancellation is in the best interests of IGU.

D. Contract Amendments or Change Orders

1. *Permitted by Contract.* To the extent authorized by the Board and within any applicable budgetary limits, the Procurement Officer or General Manager may amend a Contract or purchase order if the Contract specifically authorizes the Amendment or Change Orders.
2. *Unanticipated Change.* Subject to the Board's Delegation of Authority and budget authorization the Procurement Officer or General Manager may amend a Contract or execute a Change Order when there is an unanticipated change in required work or Supplies:
 - a) If the solicitation was conducted following the small Procurement procedures:
 - i. the Amendment or Change Order, or cumulative Contract Amendments or Change Orders, does not cause the total Contract amount, as amended, to exceed by 50 percent or more the original Contract price; and
 - ii. the new total price of the Contract, including all Change Orders and Amendments, does not exceed \$100,000.
 - b) If the original Contract was greater than \$100,000:
 - i. and the amount of the unanticipated Amendment or Change Order, or cumulative unanticipated Contract Amendments or Change Orders, is *less than 20 percent* of the original Contract amount, including any anticipated Amendments or Contract adjustments; or
 - ii. the amount of the unanticipated Amendment or Change Order, or cumulative unanticipated Contract Amendments or Change Orders, will be *greater than 20 percent* of the original Contract amount, and the General Manager has made a single source determination as authorized by this Manual.

3. Prior to issuing an Amendment or Change Order the Procurement Officer will obtain Cost and Pricing Data from the Contractor and confirm that the price adjustment is fair and reasonable.
4. Prior to issuing an Amendment or Change Order that requires authorization by the Board the General Manager will prepare a Board memo that includes.
 - a) the name of Contractor;
 - b) the original Contract amount and proposed amended amount;
 - c) a summary of the Supplies or Services in the original Contract;
 - d) reason for the Contract Amendment or Change Order;
 - e) any other relevant information, such as a single source justification, or a request for additional authority to proceed with the anticipated Contract Amendment or Change Order.

ARTICLE VIII. Legal and Contractual Remedies

A. Dispute Resolution

Nothing in these Manual is intended to restrict or limit the General Manager's ability to use other processes such as arbitration, or other Alternate Dispute Resolution techniques, provided it is done in consultation with legal counsel. Contracts greater than \$100,000 should include dispute resolution clauses as may be appropriate depending on the complexity of the Contract and types of Supplies or Services procured.

B. Protest of Solicitation or Award of a Contract

In order to protect the integrity of the Procurement system and correct possible mistakes made by IGU in the Procurement process, an Interested Party has the right to Protest a Solicitation or award of a Contract. All written Solicitations should contain the language and processes for Protests identified in this Manual.

C. Protest Time Limits

1. A Protest must be filed within 5 business days after the Interested Party knows or should have known of the material fact(s) giving rise to the protest. A Protest is untimely and will not be accepted if:
 - a) the Protest concerns the data, materials or requirements of a Solicitation and is submitted after the closing date;
 - b) the Protest is based in whole or in part on the language, terms or conditions of the Solicitation, and the Interested Party did not timely and in writing notify the Procurement Officer of its concern or question regarding that language, term or condition *prior* to the closing date; or
 - c) the Protest is filed more than five days after issuance of a notice of intent to award.
2. *Protest Requirements.* A Protest must be in writing and contain:
 - a) the name, address, and telephone number of the protester;
 - b) the signature of the protester or the protester's representative;
 - c) identification of the Solicitation at issue;

- d) a detailed statement of the legal and factual grounds of the Protest, including copies of relevant documents. A Protestor may not, in any resulting appeal or request for reconsideration, rely on any legal and factual grounds or introduce new facts or information that the Contractor failed to include in its Protest;
 - e) the relief requested; and
 - f) unless the Solicitation is a Small Procurement, a non-refundable filing fee of \$75.00.
3. *Protest Security.* Unless the Solicitation is a Small Procurement, the Protestor must submit Protest Security within five (5) calendar days of submittal of a timely Protest. If the Protestor fails to submit the required security the Protest may be denied without further action. Protest Security must be in the form of a bond or cashier's check in an amount not to exceed five percent of the Protestor's proposal price or if proposals have not yet been opened, five percent of total estimated cost of the Contract or \$20,000, whichever is less.
- a) If, after all the administrative and judicial remedies have been exhausted, the Protest fails, the Protest security will be forfeited to IGU.
 - b) If, after all the administrative and judicial remedies have been exhausted, the Protest is upheld in whole or in part, the Protest security will be returned to the Protestor.
4. *Notice.* The Procurement Officer will, within two business days, give notice of the Protest. If the Solicitation has closed, notice shall be to all entities or persons who made a timely submittal. If the Solicitation has not closed, notice should be provided in the same manner that the Solicitation was noticed.
5. *Informal Resolution.* The Procurement Officer or other person designated by the General Manager may attempt to informally resolve any Protest upon written notice to the Protestor which may, at the option of IGU, extend up to 60 days.
6. *Decision.* If Informal Resolution is attempted but the Protest is not informally resolved within 60 days or within an extended time period mutually agreed to by the parties, the Procurement Officer, General Manager or other person selected by the General Manager shall, within 30 days after expiration of the informal resolution period enter a written decision on the Protest.
7. *Appeal.*
- a) Decision other than by General Manager. If the written decision is entered by an authorized person other than the General Manager, the decision may be appealed within 10 days of the notice of decision to the General Manager. If no appeal to the General Manager is timely filed the decision is a final decision of the IGU not subject to any further appeal.
 - b) Decision by the General Manager. If a written decision is made by the General Manager either initially or on appeal from a decision by a person other than the General Manager and the Protestor believes the decision is factually or legally erroneous in any respect the Protestor must, within 10 days of the notice of decision, file a request for reconsideration with the General Manager identifying each and every alleged factual or legal error.

- i. If no request for reconsideration is filed by the Protestor the written decision of the General Manager will become a final decision of the IGU *not* subject to any further appeal.
- ii. If a request for reconsideration is filed, the General Manager may: refer the request to a Hearing Officer appointed by the Board; set a hearing to determine any material, disputed facts, affirm the initial decision, or issue a new decision. If no action is taken within 30 days the decision is considered affirmed.
- iii. If the General Manager affirms the initial decision or issues a new decision, that decision is a final decision of the IGU.

c) Appointment and Decision by a Hearing Officer.

- i. A Hearing Officer, if appointed, must be a member of the State Bar for at least five years and experienced in procurement, contract, administrative law or commercial matters.
- ii. If a decision on the Protest will resolve disputed genuine issues of fact, the Hearing Officer will hold a hearing.
- iii. Hearings will be recorded and conducted informally with due regard for the rights of the parties involved.
- iv. The decision must be based on IGU policies and procedures and generally accepted principles of government purchasing.
- v. Unless necessary to correct a failure to follow the procedures identified in the Solicitation, IGU Procurement policies and procedures, or other applicable laws or regulations, the Hearing Officer may not substitute his judgment for the General Manager on any matter vested within the General Manager's discretion and may not order the Amendment of any specifications, any change in the criteria for selection of a proposal, or any Amendment, reordering, or reassessment of any qualitative judgment in the rating of a proposal.
- vi. The Hearing Officer's decision will be in writing and contain findings of fact and conclusions of law.

d) Final decisions. Final decisions entered after request for reconsideration either by the General Manager or a Hearing Officer appointed by the Board are IGU's final administrative decisions on a Protest and may be appealed pursuant to Alaska Court Rules.

8. *Award Pending Resolution of Protest.* If, in the opinion of the General Manager, time is of the essence or the Protest does not have a reasonable likelihood of success based on its merits, the General Manager, after consultation with legal counsel, may proceed with an award of the Contract prior to finalizing the decision on the Protest.

9. *Protest Remedies.*

- a) A Protest Decision may, if an award has not already been made, order that a proposal be accepted as the most Responsive proposal and may order any of the additional remedies set forth in the Solicitation or this Manual except that a decision may not order the selection or rejection of any additive or deductive alternate or award attorney fees.
- b) If prior to the closing date for receipt of proposals, the Protest decision determines that the Solicitation is in violation of federal, state or municipal law,

Board policy or this manual then the Solicitation must be canceled or amended to comply with applicable law.

- c) If after the closing date for receipt of proposals and prior to any Contract award, the Project Manager or General Manager or Hearing Officer on appeal determines that a Solicitation or a proposed award of a Contract is in violation of federal, state or municipal law, then the Solicitation or proposed award must be canceled.
- d) If after an award of a Contract, the General Manager or Hearing Officer on appeal determines that a Solicitation or award of a Contract was in violation of applicable law, Board policy or this manual then:
 - i. If the Contractor awarded the Contract has not acted fraudulently or in bad faith:
 - The Contract may be ratified and affirmed, provided it is determined that so doing is in the best interests of IGU, or
 - The Contract may be terminated and the Contractor will be compensated for the actual expenses reasonably incurred under the Contract, plus a reasonable profit on those expenses, prior to the termination;
 - ii. If the awarded Contractor has acted fraudulently or in bad faith, the Contract may be declared null and void or voidable, if such action is in the best interests of IGU.
- e) If a Protest is sustained, and the protesting offeror or bidder should have been awarded the Contract under the Solicitation but is not, then the Protestor as its sole and exclusive remedy shall receive its reasonable bid preparation costs or proposal preparation costs, excluding attorney's fees.

D. Contract Claims

1. *Timeliness is a requirement of any claim.* A claim will not be considered by IGU unless it is timely brought and reported in writing to the Procurement Officer by the Contractor. The Contractor must in all circumstances act promptly, generally considered to be within the time period set by the Contractor if not set within five business days or less after the Contractor becomes aware of any act or occurrence which may form the basis of a claim by the Contractor for additional compensation or an extension of time for performance. If a Contractor fails to timely notify IGU of a basis of a claim or a dispute IGU may deny the claim in its entirety or, at IGU's sole option, accept the claim and deduct any damages or cost which *may* have been avoided, mitigated or reduced if the Contractor had acted timely.
2. *Cost and Pricing Data.* When a Contractor becomes aware of a situation that may form the basis of a claim for compensation that exceeds the amount designated as the base amount of the Contract and before performing additional work or supplying additional materials, the Contractor must timely submit reasonable Cost and Pricing Data on the additional work or materials. The Contractor will certify that, to the best of the Contractor's knowledge and belief, the data submitted is accurate, complete, and current and is the actual cost to the Contractor of performing the additional work or supplying the additional materials.

3. *Intent to Claim.* If a matter timely submitted as required in this section cannot be resolved by agreement between the Procurement Officer and the Contractor within seven days, the Contractor will, within the next 14 days, submit an "Intent to Claim" in writing to the Procurement Officer. Unless this and any other required written notices are timely provided, the Contractor will have no entitlement to additional time or compensation for such act, event or condition.
 - a) An Intent to Claim must specifically include the following:
 - i. The act, event or condition giving rise to the claim.
 - ii. The Contract provisions which apply to the claim and under which relief is provided.
 - iii. The item or items of Contract work affected and how they are affected.
 - iv. The specific relief requested and the basis upon which it was calculated.
 - v. A certification by the Contractor under oath that the claim is made in good faith, that the supporting data are accurate and complete to the best of the Contractor's knowledge and belief, and that the amount requested accurately reflects the Contract adjustment for which the Contractor believes IGU is responsible.
 - b) IGU may not award any compensation or other relief unless the Intent to Claim demonstrates not only that the Contractor suffered damages or delay but that those conditions were actually a result of the act, event or condition complained of and that the Contract provides entitlement to relief to the Contractor for such act, event, or condition.
3. *Diligent Performance.* The existence or filing of a Intent to Claim does not remove or alleviate the Contractor's responsibility to diligently perform of the Contract.
4. *Informal Resolution.* The Procurement Officer, General Manager or other person designated by the General Manager may attempt to informally resolve any Claim upon written notice to the Contractor which may, at the option of IGU, extend up to 60 days. This time may, therefore, only be extended by the mutual agreement. After expiration of this period, the matter must be resolved by a Decision on Claim.
5. *Decision on Claim:*
 - a) If Informal Resolution is attempted but the Claim is not informally resolved, the Procurement Officer, General Manager or other person selected by the General Manager shall, enter a written decision on the Claim.
 - i. *Decision other than by General Manager.* If the written decision is entered by an authorized person other than the General Manager, the decision may be appealed within 10 days of the notice of decision to the General Manager. If no appeal to the General Manager is timely filed the decision is a final decision of the IGU not subject to any further appeal.
 - ii. *Decision by the General Manager.* If a written decision is made by the General Manager either initially or on appeal from a decision by a person other than the General Manager and the Contractor believes

the decision is factually or legally erroneous in any respect the Claimant must, within 10 days of the notice of decision, file a request for reconsideration with the General Manager identifying each and every alleged factual or legal error. The Claimant thereafter may not rely upon or argue any factual or other error except those identified in the request for reconsideration.

- If no request for reconsideration is filed by the Contractor the written decision of the General Manager will become a final decision of the IGU *not* subject to any further appeal.
- If a request for reconsideration is filed, the General Manager may: refer the request to a Hearing Officer appointed by the Board; set a hearing to determine any material, disputed facts, reaffirm the initial decision, or issue a new decision. If no action is taken within 30 days the decision is considered affirmed.
- If the General Manager reaffirms the initial decision or issues a new decision, that decision is a final decision of the IGU.

iii. *Appointment and Decision by a Hearing Officer.*

- A Hearing Officer, if appointed, must be a member of the State Bar for at least five years and experienced in procurement, contract, administrative law or commercial matters.
 - If a decision on the Protest will resolve disputed genuine issues of fact, the Hearing Officer must hold a hearing.
 - Hearings will be recorded and conducted informally with due regard for the rights of the parties involved.
 - The decision must be based on IGU policies and procedures and in the absence of a specific policy or rule, generally accepted principles of governmental contract management.
 - Unless necessary to correct a failure to IGU policies, rules and procedures, or other applicable laws or regulations, the Hearing Officer may not substitute his judgment for the General Manager on any matter vested within the General Manager's discretion.
 - The Hearing Officer's decision will be in writing and contain findings of fact and conclusions of law.
- b) Before issuing any decision, the decisionmaker may obtain necessary assistance from legal, fiscal, and other advisors and may request the Contractor provide additional documentation to support the claim.
- c) If the Contractor fails to furnish necessary information requested by the authorized decisionmaker, the decisionmaker will proceed to decide the claim and may, in the decisionmaker's discretion, deny all or part of the claim because of the failure to furnish necessary information.
- d) The decisionmaker will notify the Claimant of the decision within 90 days after receipt of the claim (following any informal resolution period), request for reconsideration, receipt of additional requested information or completion of hearing, whichever occurs last. The decision must include:
- i. a description of the claim;
 - ii. a reference to the pertinent Contract provisions;

- iii. a statement of the agreed upon and disputed facts;
 - iv. findings of fact about the claim;
 - v. a determination of any amount payable;
 - vi. a statement of reasons supporting the decision;
- e) A decision by the General Manager or a Hearing Officer after Request for Reconsideration is a final decision by IGU and may be appealed as permitted by the Alaska Rules of Court.

ARTICLE IX. SUPPLY MANAGEMENT

A. Supply Inventory Records

- 1) The General Manager will establish and maintain inventory records for non-consumable Supplies owned and managed by IGU. The records will include;
 - a) non-consumable Supplies with a unit acquisition cost of more than \$10,000;
 - b) Supplies determined by the General Manager to be subject to inventory tracking regardless of cost; and
 - c) lease purchase or installment purchase equipment or long-term rental equipment.
- 2) All missing, lost, stolen, or destroyed Supplies will be reported to the General Manager. Theft of Supplies valued at \$1000 or more will be immediately reported to the appropriate law enforcement agency.

B. Surplus and Disposal of Supplies

- 1) The General Manager may act on behalf of IGU in all matters pertaining to the disposition of surplus Supplies.
- 2) The General Manager may offer surplus Supplies through spot bids, formal bids, public auction, established markets, lease, trade or posted prices. If circumstances render these methods impractical, the General Manager may employ other disposition methods, including negotiations with a single buyer or barter.
- 3) If the General Manager offers surplus Supplies by Request for Bids, notice of sale of the surplus Supplies must be publicly available at least 10 days before the date set for opening bids.
- 4) An Employee, Contractor, or partner of IGU may not directly or indirectly purchase, or agree with another Person to purchase, surplus Supplies that are offered through a bid process if the Employee, Contractor, or partner is, or has been, directly or indirectly involved in the disposal, maintenance, or preparation for sale of the surplus Supplies.
- 5) Before conducting a public disposal process, the General Manager may approve the sale of surplus Supplies to a Contractor of IGU subject to a determination that;
 - a) the value received for the surplus Supplies through a negotiated sale would exceed the cost to otherwise dispose of the property; or
 - b) the sale to the Contractor is in the best interest of IGU.

- 6) The General Manager may offer surplus Supplies by negotiated sale, transfer, lease, or donation to local governments, public Procurement units, or tax-exempt nonprofit organizations if the General Manager determines it to be in the best interest of IGU.

Appendix A – IGU Procurement Policy 06

Appendix B -- Board Memo Delegation of Authority to General Manager