

YORK COUNTY NATURAL GAS AUTHORITY

Amended and Restated Purchasing Policies and Procedures Manual

1.0 General Information

- 1.1 Purpose: As of the Effective Date as hereinafter defined, this Amended and Restated Purchasing Policies and Procedures Manual (“manual” or “policy”) is to serve as a source for York County Natural Gas Authority (“YCNGA”) employees to become familiar with the policies and procedures for procuring goods and services. An understanding of how YCNGA conducts its business can provide the foundation for a solid partnership between YCNGA and its internal customers. The policies provided in this manual were established to help ensure the fair and equitable treatment of all persons involved in public purchasing, to maximize the purchasing value of public funds and to provide safeguards for maintaining a purchasing system of quality and integrity. The CEO or his designee shall carry out all established policies. Subject to applicable law, it is at the sole discretion of the CEO to waive or change any purchasing policies, at any time, if in the best economic, ratepayer, and customer focused interests of YCNGA. Notwithstanding the foregoing, and unless allowed by applicable law, the CEO will have no discretion to waive or change any purchasing policies which are applicable to YCNGA’s procurements of goods and services where funding is provided by federal grant funds and that YCNGA is required to follow the procedures set forth in Appendix A, “Procurement and Related Procedures/Requirements for Federally Funded Federal Grants and Awards” attached hereto and, by this reference, made a part hereof.
- 1.2 Scope and Effective Date: This policy applies to the purchasing of any materials and supplies, equipment, professional and contractual services, or construction contracts (goods and services) entered into by YCNGA as of the effective date of this policy and shall amend, as applicable, all prior purchasing policies of YCNGA. With minor exceptions for clarification purposes, the policies provided herein have been in place and implemented by YCNGA for decades. The purpose of this manual, in addition to the provisions of Section 1.1, is to provide a better source of documentation as to such policies and also to make minor clarifications to existing related policies. Accordingly the effective date of this policy is recognized as a legacy date which is no later than January 1, 1980 (the “Effective Date”). Further, the Board of Directors of YCNGA (the “Board”) has hereby ratified this manual and policy as of November 20, 2024, for the purpose of insuring and documenting YCNGA’s compliance as to certain federal grant requirements with such ratification being exigent in nature given that YCNGA and the Board have determined that there will likely be anticipated and significant construction cost savings if YCNGA requests bids for such federally grant funded improvement projects prior to the next scheduled meeting of the Board.
- 1.2.1 *Computer software and hardware purchases*: All computer software and hardware purchases require prior approval by the CFO or his designee.
- 1.2.2 *Motorized vehicle and equipment purchases*: All purchases of motorized vehicles and equipment require prior approval by the CFO or his designee. This includes anything you bring to the garage for service or maintenance.

1.3 Definitions:

- 1.3.1 *Addenda/Addendum:* Additional requirements, specifications, or instructions to the original Invitation for Bids, Request for Proposals or Request for Quotations. All contents of the addendum are incorporated into the original document.
- 1.3.2 *Appropriation:* An authorization normally granted by the Board to make expenditures and to incur obligations for specific purposes. Such appropriation is usually in the form of an approved annual budget(s) duly adopted by the Board, but such appropriation could also be in the form of funds enabled by any lawful debt facility or bond issuance duly authorized by the Board. Appropriation could also be in the form of funds enabled and authorized under a duly approved outside grant agreement. Appropriation can also be by specific action of the Board such as the employment agreement between YCNGA and the CEO.
- 1.3.3 *Architectural, Surveying and Engineering Services:* Contracts performed by private consulting firms as agents of YCNGA including but not limited to feasibility studies, planning, design, testing, and construction administration or management services.
- 1.3.4 *Omitted*
- 1.3.5 *Bid Bond:* A letter of promise provided by bidders (typically in the amount of 5% of the bid) in order to pay for any staff time or bid differential should the low bidder withdraw his/her bid. Bonds are usually required for projects that are above \$100,000 or such other amount as determined by the CFO.
- 1.3.6 *Bidder:* Any person, firm, partnership, corporation, association, or joint venture seeking award of a public contract or subcontract.
- 1.3.7 *Business:* Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture or any other private legal entity.
- 1.3.8 *CEO:* The Chief Executive Officer and President of YCNGA under contract by the Board of Directors of YCNGA.
- 1.3.9 *CFO:* The Chief Financial Officer of YCNGA. From time to time in this manual, authority and management of this policy is vested in the CFO. In all such instances, and for the avoidance of doubt, any such authority and management under this policy as to the CFO, or any other employee of YCNGA, is subject to the lawful direction and control of the CEO.
- 1.3.10 *Commodity:* Tangible goods, wares, and merchandise which are moveable in trade.
- 1.3.11 *Construction Manager at Risk Services:* A project delivery method in which YCNGA awards separate contracts, one for design services to design a project and the second to a construction manager at-risk for both construction of the project according to the design and construction management services. These construction management services include, but are not limited to, those professional services associated with contract

administration, project management and other services provided in connection with the administration of a construction project.

- 1.3.12 *Contract*: A legally binding document, which specifies and defines the performance requirements and expectations for a purchase or project administered by YCNGA.
- 1.3.13 *Contractor*: The person, firm, partnership, joint venture, corporation, or association, who performs a trade or service agreement at any level with YCNGA.
- 1.3.14 *Debarment*: The disqualification of a person to receive invitations for bids, or request for proposals, or the award of a contract by YCNGA for a specified period of time commensurate with the seriousness of the offense or the failure or inadequacy of performance.
- 1.3.15 *Design-Bid-Build*: The traditional delivery method for construction project where design and construction are sequential and contracted for separately with two contracts.
- 1.3.16 *Design-Build-Finance-Operate-Maintain Services*: A project delivery method in which YCNGA enters into a single contract for design, construction, finance, maintenance, and operation of a project over a contractually defined period.
- 1.3.17 *Design-Build-Operate-Maintain Services*: A project delivery method in which YCNGA enters into a single contract for design, construction, maintenance, and operation of a project over a contractually defined period.
- 1.3.18 *Design-Build Services*: A method of construction or construction contract management in which a single entity (or group of associated entities) provides to YCNGA all or substantially all of the services necessary to both design and construct a project.
- 1.3.19 *Direct Purchase Order (DP)*: In most cases used for a purchase under \$49,999 (or such other amount as determined by the CFO) this is a legal contract document issued by YCNGA making a purchase to a vendor to order goods and or services.
- 1.3.20 *Discrimination*: An action or series of activities which sets apart or causes separate and unequal treatment of a person or group of persons solely on the basis of their age, gender, ethnic background, national origin, veteran's status, and/or disability. Acts of discrimination are illegal in the performance of projects for YCNGA.
- 1.3.21 *Encumbrance*: Expenditure commitments created by purchase orders that have been issued, but for which no goods or services have been received.
- 1.3.22 *Formal Bid*: Normally reserved for projects or items valued at \$50,000 or more (or such other amount as determined by the CFO), this is the procedure(s) required for awarding contracts for apparatus, supplies, materials and equipment by the sealed competitive bid. They must be advertised, opened in a non-private setting, and recorded. Award is made to the lowest responsible bidder(s) taking into consideration quality, bid-packet conditions and terms, performance, and the time specified for the performance of the contract or bid packet.

- 1.3.23 *Invitation for Bid*: A written or published solicitation issued for bids to contract for the procurement or disposal of YCNGA supplies, services or construction, which will ordinarily result in the award of the contract to the responsible bidder making the lowest responsive bid.
- 1.3.24 *Manager, employee, Authorized Employee, Supervisor, VP, Director, Executive Director*: The person who has the responsibilities, role or duties as determined by the CEO, or his designee, under this policy which shall include, from time to time, the authorization to make purchases on behalf of YCNGA.
- 1.3.25 *Payment Bond*: A letter of promise from a surety company offered on behalf of an awarded contractor to make sure that those who provide labor and materials to the project, including those who provide services such as security and leased equipment are compensated as agreed by the contractor. Payment bonds are typically for 100% of the contract amount. Bonds are usually required for projects that are above \$50,000 (or such other amount as determined by the CFO).
- 1.3.26 *Performance Bond*: A letter of promise from a surety company offered on behalf of an awarded contractor to ensure that the contractor will perform to its full extent of the contractual promises and if the contractor defaults, the surety company will pay for the difference in cost. Performance bonds are typically for 100% of the contract amount. Bonds are usually required for projects that are above \$50,000 (or such other amount as determined by the CFO).
- 1.3.27 *Proposer*: Refers to each firm that submits a proposal for consideration by YCNGA in compliance with the requirements stated in the Invitation for Bids, Request for Proposals or Request for Quotations.
- 1.3.28 *Purchase Order (PO / PUR)*: A purchaser's written document to a vendor formalizing all the terms and conditions of a proposed transaction, such as a description of the requested items, delivery schedule, terms of payment, and transportation. Created from a purchase requisition, this is a legal contract document making a purchase to a vendor to order goods and or services.
- 1.3.29 *Purchasing Card*: A Purchasing Card system is used to simplify the procurement/disbursement process. Purchasing card responsibility is delegated to the ordering department enabling an authorized cardholder to place an order directly with the vendor in accordance with YCNGA's Purchasing Card Policy.
- 1.3.30 *Quote*: An informal procedure used for expenditures greater than \$499 and less than \$50,000 (or such other amount as determined by the CFO). Pricing can be obtained by written quotation, e-mail, facsimile, or sealed competitive bids.
- 1.3.31 *Request for Proposals (RFP)*: A written or published solicitation issued for proposals to provide supplies, services or construction, which ordinarily result in the award of the contract to the responsible bidder making the proposal determined to be the most advantageous to YCNGA. The award of the contract shall be made on the basis of evaluation factors

which shall be stated in the RFP, and which shall include but not be controlled alone by the factor of price proposed to be charged.

- 1.3.32 *Request for Qualification*: A request for the submission of unpriced offers to be followed by and limited to those bidders whose responses have been determined to be technically acceptable. Requests for Qualification may also be issued for obtaining information from companies that provide professional services such as Architecture or Civil Engineering.
- 1.3.33 *Request for Quotation*: Informal procedure for expenditures greater than \$499 but under \$10,000 (or such other amount as determined by the CFO). All written quotations should be mailed, faxed, or emailed and include the following: company name, salesperson's name and signature, telephone number, itemized price and delivery date.
- 1.3.34 *Requisition*: An electronic request from a YCNGA department to the CFO or his designee to obtain specific goods or services.
- 1.3.35 *Specifications*: The parameters, requirements, and instructions that define the exact item or service that is desired and provide the basis for comparing bids. Specifications are generally incorporated into a contract, by reference, to become the successful bidder's legal obligations under the contract.
- 1.3.36 *Subcontractor*: Any persons named by a general contractor and approved by YCNGA to perform work or provide services for a public contract.
- 1.3.37 *Term Contract*: A formal agreement between YCNGA and a designated vendor(s) to provide an identified commodity upon request at an established price, and for a specified term.
- 1.3.38 *Vendor*: Individual or company who sells products or services and is usually compensated financially.

2.0 Organization Overview

- 2.1 Who we are: Unless as otherwise provided under this policy, the CFO or his designee is the buying officer responsible for the acquisition of supplies, equipment, materials, apparatus, YCNGA's central warehouse and some of the services as requested by all departments within YCNGA. The CFO or his designee provides services to all YCNGA departments as requested by departments by planning, organizing, and directing purchasing activities in accordance with federal, state, and local laws governing purchasing.
- 2.2 Where are we located:
Main Office Location: 979 West Main Street
Rock Hill, SC 29730; and other offices, facilities and locations within the service territory of YCNGA.
- 2.3 Responsibilities: It is the CFO's or his designee's responsibility to ensure that all purchases are made in accordance with the established policies and procedures of YCNGA.

YCNGA maintains central warehouse(s) where a variety of routinely needed materials and supplies can be obtained in centralized location(s). The savings in

personnel hours, which this service represents for operating departments, are obvious. Therefore, it is the responsibility of all departments to utilize such location(s) for items they need. Any such materials that are available in the warehouse(s) must be obtained from the warehouse(s), and not purchased on the open market.

In addition to purchasing responsibilities, the CFO, or his designee, also handles the disposal of surplus property.

2.4 Objectives:

- 2.4.1 To conduct business with integrity, fairness and dignity so as to maintain public trust and reduce YCNGA's exposure to criticism and legal action.
- 2.4.2 To secure the right materials, equipment, and services at the right quality and quantity, on a timely basis, as efficiently as possible, and at the best value.
- 2.4.3 To conserve public funds by obtaining the best products and services for the dollars spent.
- 2.4.4 To provide all customers with quality service in a manner that is courteous, responsive, accessible, and seamless.
- 2.4.5 To maintain continuity of supply to support on-going service, operations, and schedules.
- 2.4.6 To furnish timely information to management and appropriate departments covering market conditions and trends, and the probable effect on supply and price.
- 2.4.7 To assure vendors that impartial and equal treatment is afforded to all who wish to do business with YCNGA.
- 2.4.8 To secure, whenever possible, competitive prices on purchases.
- 2.4.9 To establish specifications which will encourage competition and accurately describe the equipment, materials and services needed.
- 2.4.10 To be receptive to changes in material and requirements along with new products and procedures.
- 2.4.11 Promote the use of American-made products locally when applicable, using local contractors.
- 2.4.12 To conduct audits of YCNGA's purchasing practices throughout the year.

3.0 Ethics in YCNGA Contracting

- 3.1 Ethics Statement: "The staff of York County Natural Gas Authority is governed by the highest ideals of honor and integrity in all public and professional relationships in order to merit the respect and inspire the confidence of York County Natural Gas and the ratepayers/public it serves.
- 3.2 Ethical Conduct: YCNGA believes strongly in the precept of fair and open competition and in maintaining the integrity of YCNGA's purchasing and contracting process.
- 3.3 Conflict Of Interest: The policies of YCNGA prohibit business transactions with their respective employees, either directly or indirectly. Employees that are found in conflict will face disciplinary action that could lead to dismissal.

- 3.4 Equal Opportunity: The policies of YCNGA prohibit discrimination against any person or business in pursuit of business opportunities on the basis of race, color, sex, religion, or national origin. YCNGA is committed to assisting small, women-owned, and minority-owned businesses in becoming active vendors with YCNGA. YCNGA encourages and invites small, women, and/or minority-owned businesses to participate in YCNGA’s procurement process.
- 3.5 Fair and Open Competition: YCNGA promotes the precept of a fair and open competitive solicitation process, wherever practicable. Restrictive or proprietary specifications are kept to minimal use; and only applied where absolutely necessary to meet technical demands for operational compatibility with existing YCNGA equipment and or operations for truly unique and cost-effective performance applications.
YCNGA may contract with persons other than YCNGA personnel for the preparation of specifications. However, no person or entity preparing specifications shall receive any direct or indirect benefit from the utilization of such specifications.
- 3.6 Confidential Information: It is unethical and unlawful for any employee or former employee knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

4.0 Purchasing Policy

- 4.1 Objectives:
- 4.1.1 Provide comprehensive governing of YCNGA’s purchasing activities, which instill public confidence.
 - 4.1.2 Maximize the value of goods and services acquired with public funds.
 - 4.1.3 Foster competition and ensure equitable and fair access to all potential vendors.
- 4.2 Good Faith and Budget Compliance: Every activity covered by this policy imposes an obligation of good faith in its negotiation, performance, and enforcement. “Good Faith” means all activities are conducted honestly and ethically and with the observance of reasonable commercial standards of fair dealing. Further, every activity covered by this policy imposes an obligation to comply with the YCNGA budget duly approved by the Board.
- 4.3 OMITTED
- 4.4 Record Retention: All original purchasing documents pertinent to bidding activities, including licenses, insurance certificates, certifications, disclosure statements, reporting updates, and or agreements of any kind shall be retained as required by law in official files of the department issuing the purchase order, all invoices associated with the purchase of goods and or service will be retained by the accounting department as required by law. All documents must be maintained under provision of the records retention policy of YCNGA or pursuant to applicable law.
- 4.5 Authority: The CEO or his designee has the authority to issue policies governing the procurement and disposal of all goods and services. The CEO or his designee has the authority to approve procurements outside of this policy or make changes

to this policy when the CEO or his designee determines such actions serve a proper purpose as provided hereinabove.

- 4.6 Decentralized Purchasing System: The CFO or his designee is charged with the management of all YCNGA purchases that are processed. Since YCNGA has a decentralized purchasing system, any other purchases not processed through the CFO or his designee become the sole responsibility of the respective Manager/Supervisor/Director/VP/Executive Director as to where the purchase originated. All purchasing activities are to be made in accordance with this purchasing policy and other state and federal laws and regulations where applicable.
- 4.7 Ethics and Government Accountability: The provisions of the Ethics, Government Accountability and Campaign Reform Act of the South Carolina Code of Laws and YCNGA's Code of Ethics are incorporated herein by reference and are applicable to all YCNGA procurement activities.
- 4.8 Procurement involving Federal Funds: All goods and services obtained through the use of Federal funds shall be in compliance with applicable state and federal laws and regulations and be in compliance with the mandatory requirements of the selected agency. Whenever YCNGA policy is more restrictive than the state or federal laws or regulations, the provisions of this YCNGA policy shall be followed.
- 4.9 Federal Grant Funds: To the extent that they conflict, the whole of YCNGA's procurements of goods and services where funding is provided by federal grant funds shall be governed by the provisions contained in Appendix A. The terms and provisions of Appendix A will not govern or otherwise apply to YCNGA procurements of goods and services.
- 4.10 Prohibition of Contracting with Discriminatory Business: YCNGA will comply with all South Carolina legal requirements and provisions concerning open trade and boycotts as more fully provided in S. C. Code Sec. 11-35-5300, as amended, or similar provisions enacted by the South Carolina legislature.
- 4.11 South Carolina Freedom of Information Act: Procurement information shall be public record to the extent required by the South Carolina Freedom of Information Act (FOIA). Commercial or financial information obtained which is determined to be privileged and confidential, shall not be disclosed.
- 4.12 Cooperative Purchasing: The CEO or his designee may administer a cooperative purchasing agreement for the purchase of goods and services with one or more governmental entities by entering into an intergovernmental agreement with the other governmental entities. The purchasing laws, ordinances, and policies of each entity will be considered in the intergovernmental agreement.

Whenever YCNGA enters into an intergovernmental agreement for a joint project with the federal or a state government, or with another governmental entity including, but not limited to, a county, regional council, special purpose district, special tax district, state authority, joint district, or public university, then the purchasing practices of the other public entity may be used in lieu of YCNGA's own procedures.

- 4.13 Certificate of Insurance: Contractors and professional service providers contracted by YCNGA shall be required to provide a Certificate of Insurance with limits acceptable to and approved by YCNGA prior to commencing work. Certificates containing wording that release the insurance company from liability for non-notification of cancellation of the insurance policy shall not be acceptable. Policies shall be endorsed to include a waiver of subrogation against YCNGA, its officers, officials, agents, and employees. Insurance is to be placed with an insurer with a current A.M. best rating not less than: A:VII, unless otherwise allowed by the CFO, or his designated risk manager (or other designee). Separate endorsements shall be required, naming YCNGA as additional insured, for liability insurance and providing a waiver of subrogation for Worker's Compensation Insurance. At any time, if insurance as required by YCNGA is canceled, then all work shall cease until insurance acceptable to YCNGA is once again provided. YCNGA may for good causes waive the Certificate of Insurance for professional services, but only when the lack of such coverage will have no significant impact upon YCNGA.
- 4.14 Women/Minority Business Enterprises (WMBE STATEMENT): It is the policy of YCNGA to provide minorities and women equal opportunity for participating in all aspects of YCNGA's contracting and procurement programs, including but not limited to employment, construction projects, and lease agreements consistent with the laws of the State of South Carolina.

It is further the policy of YCNGA to prohibit discrimination against any person or business in pursuit of these opportunities on the basis of race, color, national origin, religion, sex, age, handicap, or veteran status.

It is further the policy of YCNGA to conduct its contracting and procurement programs so as to prevent such discrimination and to resolve any and all claims of such discrimination.

- 4.15 Illegal Immigration Reform Act Compliance: Contractors must certify that they will comply with the requirements of Chapter 14, Title 8 of the South Carolina Code of Laws titled Unauthorized Aliens and Public Employment and agrees to provide to YCNGA any documentation required to establish either; (a) the applicability of such law to the contractor, subcontractor, and sub-subcontractor; or (b) the compliance with this law by the contractor and any subcontractors or sub-subcontractors.
- 4.16 Recycled Content: YCNGA policy is to buy products with recycled content where fitness, quality, and price are not more than 5% over the cost of the equal non-recycled products.
- 4.17 Levels of Authority: A system of authorization and approval is an important element of internal control. This approval authority is required on all purchases prior to issuing an order or contract. With the understanding that the CEO may amend these authority levels from time to time, the following levels of authority are based on the dollar amount of purchase:
- | | |
|---------------------|---------------------|
| \$0.01 to \$300.00 | Authorized Employee |
| \$0.01 to \$3000.00 | Supervisor |

- \$0.01 to \$5,000.00 Manager
- \$0.01 to \$10,000.00 Director
- \$0.01 to \$25,000.00 VP/Exec. Director
- \$0.01 to per Authorization CFO
- \$0.01 to per Authorization CEO

4.18 Local Purchasing and Miscellaneous Procurement Factors: From time to time, the CEO may decide that it is the intent and serves the ratepayers of YCNGA better and improve YCNGA’s performance, customer base and mission, if YCNGA promotes the use of local businesses and hiring citizens living within the YCNGA service area when possible. In such event, the CEO may direct that certain adjustment and reasonable adjustment factors be included in this policy in order to serve such purposes. Such adjustment factors, if applicable directed by the CEO, will be published at a later date.

4.18.1 Real Estate: Interest in Real Estate may be acquired or transferred without a bidding process, provided the amount paid or received can be substantiated on the fair market value or below (in the case of a purchase) of the interest which is subject of the transaction or if it is otherwise determined by the CEO that such purchase is otherwise in the best interest of YCNGA. The YCNGA Attorney must review all such transactions prior to the execution of documents.

4.18.2 Safety Equipment: Safety equipment will be purchased using purchasing policies and procedures upon the approval and direction of YCNGA.

4.18.3 Emergency Purchases: The CFO may authorize the Manager/Supervisor/Director/VP/Executive Director to make emergency purchases when there exists an immediate threat to public health, welfare, critical economy and efficiency, or safety under emergency conditions, without following this purchasing policy. Unless waived or modified by the CFO, a written determination of the basis for the emergency and for the selection of the particular contractor or vendor shall be forwarded to the CFO or his designee or Manager/Supervisor/Director/VP/Executive Director within 5 business days for review and retention. Under these circumstances, the CFO or his designee may make any necessary purchases outside of the normal Purchasing policies and procedures in order to facilitate timely acquisition of critical goods and services.

4.18.4 Sole Source / Single Source Procurement: The CFO or his designee may purchase goods and services without competition when the Manager/Supervisor/Director/VP/Executive Director certifies in writing, at the time of request, that only a single and sole source for the goods or services exists and therefore, the competitive process is not appropriate, and that sole source purchasing serves a proper corporate and public purpose.

As a point of reference procurement by noncompetitive proposals may be used only when the award is infeasible under small purchase procedures, sealed bids, or competitive proposals and at least one of the following circumstances applies:

4.18.4.1 The item is available only from a single source;

4.18.4.2 The public emergency for the requirement will not permit a delay resulting from competitive solicitation; or,

4.18.4.3 After solicitation of a number of sources, competition determined inadequate.

4.19 Purchases of Tangible Assets (materials, supplies, equipment, and construction)

4.19.1 Blanket Contracts: Subject to the direction of the CFO, these will be negotiated by the requesting division for the frequent and recurring purchase of tangible assets. The purchasing card (visa or other credit type card) is to be used with vendors when a direct billing account has not been established.

4.19.2 Quotations: Unless waived or modified by the CFO, all transactions on materials and/or services greater than amounts as determined by the CFO and not covered by a contractual agreement shall be obtained through the use of quotations. Managers/Supervisors/Directors/VPs/Executive Directors are responsible for obtaining quotations. The levels and requirements of such quotations shall be established by the CFO.

All written quotations should be mailed, faxed or emailed and include the following: company name, salesperson's name and signature, telephone number, itemized price and delivery date.

4.19.3 Prior to any solicitation, the procurement method for any amount in excess as determined by the CFO, from time to time, must be approved by the CFO or his designee. Formal bid process or other solicitation methods could be used, except as otherwise provided in this policy.

4.19.3.1 Invitation for Bid: Unless waived/modified by the CFO, after receiving a requisition, the CFO or his designee shall issue an Invitation for Bid requesting sealed bids from prospective vendors. An Invitation for Bid shall be issued to at least three (3) qualified vendors when possible, for the particular purchase. The Invitation for Bid shall include specifications and all other contractual terms and conditions applicable to the purchase. Unless waived/modified by the CFO, each department/division shall maintain a vendors list for all purchases.

Unless waived/modified by the CFO, public notice of the Invitation for Bid shall be given not less than fourteen (14) calendar days prior to the bid opening date. Such notice may be given through the internet on YCNGA's website and or the State's website, South Carolina Business Opportunities (SCBO) or in other forums. Unless waived/modified by the CFO, the sealed bids are received and opened not in private at the approximate time, date, and place specified in the bid requests. All bids are then tabulated; said tabulation being made available to the public. All bids must be approved by the CFO or his designee and the requesting department. Award will be made to the bid to the lowest responsible, responsive bidder meeting the specifications in

most cases, however YCNGA reserves the right to reject any and all bids in whole or in part, to waive any informality in any bid, and/or to accept the bid which, in its discretion, may be in the best interest of YCNGA even if such bid is not the lowest bid. The CFO or his designee reserves the right to further negotiate the terms of the bid with the chosen bidder, even if such terms alter the terms, conditions and/or specifications of the Invitation for Bid.

4.19.3.2 Request for Proposals: Unless waived/modified by the CFO, after receiving a requisition, the CFO or his designee shall issue a Request for Proposals requesting sealed proposals from prospective vendors. Unless waived/modified by the CFO, a Request for Proposals shall be issued to at least three (3) qualified vendors when possible, for the particular purchase. The request shall include specifications and all other contractual terms and conditions applicable to the purchase. Each department/division shall maintain a vendors list for all purchases. Unless waived/modified by the CFO, public notice of the request for proposals shall be given not less than fourteen (14) calendar days prior to the bid opening date. Unless waived/modified by the CFO, such notice shall be given through the internet on YCNGA's website, the State's website South Carolina Business Opportunities (SCBO) or such other forums chosen by YCNGA. Unless waived/modified by the CFO, the sealed proposals are received and opened (not in private) at the approximate time, date, and place specified in the proposal requests. Only the names of offerors will be made available. As provided in the request for proposals, negotiations may be conducted with any offeror submitting a proposal, which appears to be eligible for contract award pursuant to the selection criteria set forth in the request for proposals. In conducting negotiations, there must be no disclosure of any information derived from proposals submitted by competing offerors. All apparently eligible offerors must be afforded the opportunity to submit best and final offer, including firm prices. After final proposals and firm prices are received, the CFO or their designee will award the proposal to the responsible, responsive offeror whose proposal is determined to be the most advantageous to YCNGA, taking into consideration price and the evaluation factors. The CFO or his designee reserves the right to further negotiate the terms of the proposal with the chosen bidder, even if such terms alter the terms, conditions and/or specifications of the Request for Proposal, to reject any and all proposals in whole or in part and/or to waive any informality in any proposal.

4.19.3.3 Request for Qualification: When it is impractical to initially prepare a purchase description to support an award based on price, a Request for Qualification may be issued requesting the submission of unpriced offers to be followed by an Invitation for

Bid limited to those bidders whose responses have been determined to be technically acceptable. Request for Qualification may also be issued for obtaining information from companies who provide professional services such as Architecture or Civil Engineering.

4.19.3.4 Unless waived/modified by the CFO, additional procedures to follow during the formal bid process:

4.19.3.4.1 All bids shall be kept in a secure location and shall remain unopened until the announced time of bid opening. Bids shall be opened publicly in the presence of one or more witnesses at the time and the place designated in the Invitation for Bids. The amount of each bid, the name of each bidder, and other relevant information shall be announced and recorded by the CFO or his designee. The record and bid tabulation shall be opened for public inspection after award of contract.

4.19.3.4.2 Bid opening dates may be changed if the scope of work or bid specifications are altered. Any changes in the bid opening date must be made in writing and posted to YCNGA's website not less than five (5) days prior to the original bid opening date.

4.19.3.4.3 YCNGA reserves the right to use value engineering, negotiate with vendors, and reject any or all bids or to waive any informality in the bidding. Bids may be held for a minimum of sixty (60) days from the date of the opening of bids for the purpose of reviewing the bids and investigating the qualifications of bidders, prior to awarding of the contract.

4.19.3.5 Bid, Payment and Performance Bonds: Unless waived or modified by the CFO, bid, payment and performance bonds or other securities may be requested for supply contracts or service contracts as the Manager/Supervisor/Director/VP/Executive Director deem advisable to protect YCNGA's interest. Any such bonding requirements shall be set forth in the solicitation.

4.19.3.5.1 Bid security: Unless waived/modified by the CFO, in an amount equal to at least five percent (5%) of the amount of the bid shall be required for all competitive bidding for construction contracts exceeding \$100,000 (or such other amount as determined by the CFO). Bid security shall be a legitimate bid bond provided by a surety company authorized to do business in South Carolina, or the equivalent in cash, certified check, cashiers' check, or money order. YCNGA, at its option, may require bid bonds on construction contracts under \$100,000 (or such other amount as determined by

the CFO) when the circumstances warrant. Noncompliance with this provision mandates that YCNGA reject the bid. Bid security will be returned to the unsuccessful bidders upon contract award by the CFO or his designee.

4.19.3.5.2 Unless waived or modified by the CFO, when a construction contract is awarded in excess of \$50,000 (or such other amount as determined by the CFO) the following bonds or security shall be delivered by the successful bidder to YCNGA and shall become binding on the parties upon the execution of the contract. Bid or performance bonds shall not be used in substitution for the determination of bidder's responsibility.

4.19.3.5.2.1 Unless a lower percentage amount is determined by the CFO, a performance bond shall be in an amount equal to one hundred percent (100 %) of the contract amount; and

4.19.3.5.2.2 Unless a lower percentage is determined by the CFO, a payment bond for the protection of all persons supplying labor and material to the contract or its subcontractors for the performance of the work shall be in an amount equal to one hundred percent (100%) of the contract amount.

The CFO or his designee is authorized to reduce the amount of performance and payment bonds when such action is in YCNGA's best interest.

4.19.4 Tie Bid Procedures: Unless waived/modified by the CEO, when two or more vendors are tied in price and/or value, while otherwise meeting all required terms and conditions of the Invitation for Bid, YCNGA shall award the contract as described below to recognize local preference. Local preference is not applicable if federal funds are utilized or if local preference is not allowed due to restrictions on the funds being used for the project.

4.19.4.1 If there is an in-city vendor tied with an out-of-city vendor, the award shall go to the in-city vendor.

4.19.4.2 If there is an in-county vendor tied with an out-of-county vendor, the award shall go to the in-county vendor.

4.19.4.3 If there is an in-state vendor tied with an out-of-state vendor, the award shall go to the in-state vendor.

4.19.4.4 If local vendors are not involved in the tie bids or two local vendors at the same level (city, county, state) are tied, YCNGA shall award the contract by drawing lots not in private.

4.20 Contracts: Any type of contract or purchase order that promotes the best interest of YCNGA may be used, except that the form of such contract or purchase order must comply with the budget and related matters prior to execution as determined

and approved by the CFO or his designee. Unless waived/modified by the CFO, a cost-reimbursement contract or a cost-plus-a-percentage-of-cost contract may be used only when a written determination is prepared showing that such a contract is likely to be less costly to YCNGA than any other type or that it is impractical to obtain the supplies, services, or construction required except under such a contract. This process cannot be utilized for any federally funded projects. Such contracts shall be negotiated by the Manager/Supervisor/Director/VP/Executive Director in consultation with the CFO or his designee with the assistance of the YCNGA attorney, if needed. Final approval of all contracts or amendments rests with the CEO or his designee.

- 4.21 Change Orders: Unless waived/modified by the CFO, any work outside of the original scope of work must be approved in writing using the procedures below:
- 4.21.1 Change order request shall be submitted by Contractor before work is performed and with reasonable time for YCNGA to respond before work is required.
 - 4.21.2 Request shall clearly state why the work in question is required and how it is not included in the current scope of the contract.
 - 4.21.3 Request shall include previously agreed upon unit prices or offer support to justify the amount of the request broken down into labor and materials.
 - 4.21.4 An estimated quantity of units (i.e. yards of poor dirt or rock to be removed) may be used but must be supported by calculations of known or assumed conditions.
 - 4.21.5 Manager/Supervisor/Director/VP/Executive Director must approve use of additional department funds for change order requests. Additionally, any change order amount over \$20,000 (or such other amount as determined by the CFO) must be approved by the CFO or his designee.
 - 4.21.6 Work under the change order shall not be started until written acceptance of request is issued by YCNGA. YCNGA is under no obligation to pay for work not approved in writing in advance of work. No third party representing YCNGA has the authority to approve change order requests.
 - 4.21.7 Change orders accepted in writing by YCNGA will be formalized with a document signed by both parties, however, work may begin upon Contractor receipt of informal written notification of YCNGA acceptance.
 - 4.21.8 Change order requests for federally funded projects must be submitted separately using the *Change Order Request Form for Federally Funded Projects*. If this form is not submitted, YCNGA is under no obligation to pay for work not approved in advance.
 - 4.21.9 Change orders must be directly related to the original project scope of work.
- 4.22 Payments to Contractor and Retainage
- 4.22.1 Partial Payments: Unless waived/modified by the CFO, YCNGA may approve partial payments or draw payments if approved by Manager/Supervisor/Director/VP/Executive Director over project/purchase. Payments may not exceed 90% of completed project or

material delivered and approved. Partial payments of federal grant procurements will be made as provided in Appendix A.

4.22.2 Omitted

4.22.3 Monies Held: If specified in contract or if issues with project, material or service delivered are not to YCNGA's satisfaction a 10% retainage will be held by YCNGA until issue is resolved. All actions with regards to retainage must be documented in writing and approved by the CFO or his designee.

5.0 Protest Procedures

- 5.1 A protest shall be in writing, submitted to the CFO or his designee, and shall set forth the grounds of protest and the relief requested with enough particularity to give notice of the issues to be decided.
- 5.2 Requirements for the Protester: The Protester must qualify as an "interested party." An "interested party" is a party that is an actual or prospective bidder or offeror whose direct economic interest would be affected by the award or failure to award the third party at issue.
 - 5.2.1 Subcontractors: A subcontractor does not qualify as an "interested party" because it does not have a direct economic interest in the results of the procurement.
 - 5.2.2 Consortia / Joint Ventures / Partnerships / Teams: An established consortium, joint venture, partnership, or team that is an actual bidder or offeror and is acting in its entirety, would qualify as an "interested party" because it has a direct economic interest in the results of the procurement. An individual member of a consortium, joint venture, partnership, or team, acting solely in its individual capacity, does not qualify as an "interested party" because it does not have a direct economic interest in the results of the procurement.
 - 5.2.3 Associations or Organizations: An association or organization that does not perform contracts does not qualify as an "interested party," because it does not have a direct economic interest in the results of the procurement.
- 5.3 Authority to Resolve Protests: The CEO or his designee in coordination with and under the advisement of YCNGA Attorney shall have authority prior to the commencement of an action in court concerning the controversy, to settle and resolve a protest by a prospective aggrieved bidder, offeror, or a contractor concerning the solicitation of a contract.
- 5.4 Protest Procedure for Awards: A protest shall be in writing, submitted to the CFO or his designee, as stated above, and shall set forth the grounds of protest and relief requested with enough particularity to give notice of the issues to be decided.

