



PURCHASING PROCEDURES

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RESOLUTION

ESTABLISHING PROCUREMENT PROCEDURES FOR THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY

BE IT RESOLVED BY THE BOARD OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:

Section 1 Findings of Fact.

As an incident to the adoption of this Resolution, the Board of the Beaufort-Jasper Water and Sewer Authority (the "Board"), the governing body of the Beaufort-Jasper Water and Sewer Authority, South Carolina (the "Authority"), has made the following findings:

(a) The Authority is a special purpose district created pursuant to the laws of the State of South Carolina, specifically including Act No. 784 of the 1954 Act and Joint Resolutions of the South Carolina General Assembly and various amendments thereto (the "Enabling Legislation") to include SC Code Ann. Section 6-11-1230 and the BJWSA Act found at SC Code Ann.56-37-10, et seq., 1976 code (2009) and is thus a political subdivision of the State of South Carolina. Pursuant to the Enabling Legislation, the Authority is authorized to acquire property and contract for services in furtherance of its functions as defined in the Enabling Act, as amended.

(b) Act 148 of the 1981 Acts and Joint Resolutions of the South Carolina General Assembly, now codified as Section 11-35-10, et seq. of the Code of Laws of South Carolina, 1976, as amended (the "State Procurement Code"), requires that all political subdivisions of the State of South Carolina adopt "ordinances or procedures embodying sound principles of appropriate procurement."

(c) In conformity with the State Procurement Code, the Authority has heretofore maintained a Purchasing Policy ("Policy") which has been revised from time to time.

(d) Following a review of the Authority's procurement needs, the Board has determined that it is advisable for the Authority to revise the procurement practices contained in the Policy and to replace the Policy in its entirety by a comprehensive set of procurement procedures.

(e) The Board has determined that such procedures will benefit the Authority and will serve a valid public purpose.

Section 2 Adoption of Procurement Procedures.

There are hereby adopted and established the Procurement Procedures set forth on "Exhibit A" hereto, which Exhibit A is incorporated in this Resolution by reference as if fully set forth herein. Such Procurement Procedures shall have full force and effect until amended or repealed by future action of the Board.

Section 3 Further Actions.

In order to implement the terms of these Procedures, the Chairman, the Secretary/Treasurer, the General Manager, Deputy General Manager and the Procurement & Risk Manager of the Authority are hereby authorized to take such further action as they shall deem necessary or desirable for the implementation of the Procurement Procedures adopted and established herein.

Section 4 Severability.

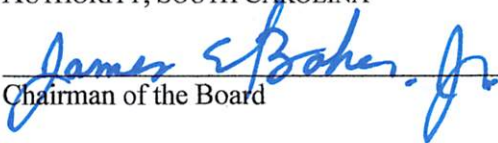
If any one or more of the provisions of this Resolution (including the provisions of the Procurement Procedures attached hereto and included herein by reference) should be contrary to law, then such provision shall be deemed severable from the remaining provisions, and shall in no way affect the validity of other portions of this Resolution.

Section 5 Effective Date.

This Resolution shall become effective as of the date hereof; provided, however, that the Procurement Procedures provided for herein shall become effective as stated in Section 1-104 thereof.

DONE, RATIFIED, AND ADOPTED THIS 23rd day of June, 2023.

BEAUFORT-JASPER WATER AND SEWER
AUTHORITY, SOUTH CAROLINA


Chairman of the Board

ATTEST:


Secretary/Treasurer of the Board

AMENDED AND ADOPTED THE 22ND DAY OF MAY, 2008 BY BJWSA BOARD ACTION. (RE: SECTION/PAGES: Part B, 3-201 page A-10; 3-208 page A-13)

AMENDED AND ADOPTED THE 24th DAY OF MAY, 2012 BY BJWSA BOARD ACTION. (RE: SECTION/PAGES: Section 1 Part A page 5; Section 3 page 5; Section 1-201 Part 6 page A-2; Section 2-101 Part 1 page A-6; Section 2-101 Part 2-e, 2-h page A-6; Section 2-102 page A-6; Section 2-202 Part 2-f page A-7; Section 2-301 page A-7; Section 2-302 page A-7/A-8; Section 2-401 part 2 page A-8; Section 2-402 page A-8/A-9; Section 2-501 Part 1, 2 page A-9; Section 3-202 Part 3, 7 page A-11; Section 3-203 Part 1 page A-12; Section 3-205 page A-13; Section 3-206 page A-13; Section 3-208 page A-14; Section 3-401 page A-14/A-15; Section 5-101 page A-16; Section 5-102 Part 1 page A-16; Section 5-103 page A-17; Section 5-104 page A-17; Section 6-102 Part 4 page A-19; Section 6-103 Part 3 page A-20; Section 6-104 Part 2b page A-20; Section 7-201 page A-21)

**AMENDED AND ADOPTED THE 22th DAY OF MARCH, 2018 BY BJWSA BOARD ACTION. (RE: Replace All: Chief Financial Officer with: Deputy General Manager-Finance & Administration & Replace All: Purchasing Manager with: Director of Business Services)
(RE: SECTION/PAGES: Section 2 Part A page A-6; Section 2 Part C 2-302, 2-401, 2-402, 2-403 page 7-9; Section 2 Part B 3-202 page 11-14; Section**

**AMENDED AND ADOPTED THE 27th DAY OF FEBRUARY 2020 BY BJWSA BOARD ACTION.
(RE: Replace All: Director of Business Services with: Procurement & Risk Manager)
(RE: SECTION/PAGES: Section 2 Part A page A-6; Section 2 Part C 2-302, 2-401, 2-402, 2-403 page 7-9; Section 2 Part B 3-202 page 11-14**

**AMENDED AND ADOPTED THE 28th DAY OF JANUARY 2021 BY BJWSA BOARD ACTION.
(RE: SECTION/PAGES: Section 2 Part B 2-302 page A-8; Section 2 Part F 2-601 page A-10,
ARTICLE 3 Part D 3-401 page A-17**

**AMENDED AND ADOPTED THE 22nd DAY OF JUNE 2023 BY BJWSA BOARD ACTION.
(RE: Replace All Deputy General Manager – Finance & Administration and Deputy General Manager
– Operations & Technical Services with: Deputy General Manager. Replace All Deputy General
Manager – Finance & Administration with: Chief of Finance & Support Services in relation to the
reporting of the Procurement & Risk Manager. Replace All Director of Information Technology with:
Chief of Technical Services)**

**(RE: SECTION/PAGES: Section 1-201 page A-3; Section 1-304 page A-5; Section 1-304 page A-6;
Section 2-102 page A-7; Section 2-202 page A-8; Section 2-301 page A-8; Section 2-302 page A-8 – A-9;
Section 2-501 page A-10; Section 2-601 page A-11; Section 3-101 page A-11; Section 3-202 page
A-13; Section 3-203 page A-14; Section 3-204 page A-15 - A17; Section 3-208 page A-17; Section 3-
401 page A-19; Section 7-201 page A-24)**

EXHIBIT A

PROCUREMENT PROCEDURES OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY

ARTICLE 1 - GENERAL PROVISIONS

Part A - Purposes and Application

1-101 Purpose.

The purpose of these Procedures is to provide for the fair and equitable treatment of all persons involved in public purchasing by Beaufort-Jasper Water & Sewer Authority (the "Authority"), to establish and enforce ethical standards for employee conduct that precludes any actual or perceived impropriety, and to provide procedures for the Authority to achieve the best value in all purchasing transactions.

1-102 Application.

Unless otherwise specified herein, these Procedures apply to contracts for the procurement of supplies, services, and construction entered into by the Authority after the effective date of these Procedures unless the parties agree to its application to contracts entered into prior to the effective date. It shall apply to every expenditure of public funds irrespective of their source. When the procurement involves the expenditure of State or Federal assistance or contract funds, the procurement shall be conducted in accordance with applicable State and Federal laws and regulations. Nothing in these Procedures shall prevent any Authority department or agency from complying with the terms and conditions of any grant, gift or bequest which are otherwise consistent with law.

1-103 Good Faith Provision

All parties involved in the negotiation, performance, or administration of the Authority's contracts shall act in good faith. Good faith means honesty in fact in the conduct or transaction concerned. Unless otherwise specified, all contracts shall be governed by the South Carolina Uniform Commercial Code, Title 36 of the Code of Laws of South Carolina, 1976, as amended.

1-104 Value Analysis

A significant portion of the Authority's budget is committed each year to various purchase contracts such as raw materials, equipment, equipment components, general supplies, construction, and professional and non-professional services, and it is essential that maximum return on investment be obtained. Therefore, an objective of the procurement process is value analysis. Value analysis is the organized and systematic study of every element of a proposal to evaluate the cost versus the benefit to the Authority in terms of return on investment, ensuring in all cases that the best value offer is obtained. The function and value of any material, product, or service is established by comparison to other available alternatives, materials, products, or services that will provide the overall best value to the Authority.

1-105 Specific Repealer.

These Procedures repeal all previously issued Resolutions, Rules or Regulations pertaining to public procurement for the Authority, including without limitation the Authority's Purchasing Policy, as revised and amended.

1-106 Effective Date.

These Procedures shall become effective at 12:00 A.M. on JUNE 23, 2023.

Part B - Definitions of Terms Used in These Procedures

1-201 Definitions.

(1) Board. The Board of Directors of Beaufort-Jasper Water and Sewer Authority. Board members may herein also be referred to as officials of the Authority.

(2) Business. Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.

(3) Capital Projects. Construction and equipment projects supported in the Authority's Capital Improvement Program budget.

(4) Change Order (unilateral). A written order signed and unilaterally issued by the Procurement & Risk Manager, directing the contractor to make changes in which the "Changes" clause of the contract authorizes the Procurement & Risk Manager to order without the consent of the contractor.

(5) Change Order (bilateral). The formal document effecting a bilateral contract modification that alters the specification, delivery point, rate of delivery, period of performance, price, quantity, scope of work, or other provision of any contract accomplished by mutual agreement of the parties to the contract.

(6) Chief Officers. Authority management consisting of the General Manager & Deputy General Manager.

(7) Construction. The process of building, altering, repairing, improving, or demolishing any Authority owned structure or building, or other improvements of any kind to any Authority real property. It does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings or real property.

(8) Contract. The legal obligation which results from the parties' agreement for the procurement of supplies, services, or construction.

(9) Contract Documents. All items which define the scope of the project including, but not limited to, plans and specifications, solicitations for bids, instructions to bidders, bid proposal, proposed contracts, proposed bond form, general conditions, special conditions, and technical specifications.

(10) Contract Modification. Any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.

- (11) Contractor. Any person having a contract with the Authority.
- (12) Data. Recorded information, regardless of form or characteristic.
- (13) Days. Days shall mean calendar days.
- (14) Debarment. The exclusion of any person from consideration for award of Contracts for a period not to exceed three (3) years after notice and an opportunity to be heard on the part of such person, as provided for in Section 6-102 hereof.
- (15) Designee. A duly authorized representative of a person holding a superior position.
- (16) Employee. An individual drawing a salary from this Authority and any non-compensated individual acting as the Authority's designated agent.
- (17) Financial Interest. All direct ownership interests of the total assets or capital stock of a business entity where such ownership interest is ten (10) percent or more.
- (18) Governmental Body. Any department or agency of the Authority.
- (19) Grant. The furnishing of assistance, whether financial or otherwise, to any person to support a program authorized by law. A grant does not include an award whose primary purpose is to procure an end product, whether in the form of supplies, services, or construction; a contract resulting from such an award is not a grant but a procurement contract.
- (20) Family Member. Parent, parent-in-law, sibling, sibling-in-law, spouse, child, step child, grandparent or grandchild.
- (21) May. Denotes the permissive.
- (22) Person. Any corporate organization (including without limitation corporations, limited partnerships, and limited liability companies), business, individual, union, committee, club, other organization, or group of individuals.
- (23) Procurement. Unless otherwise provided for herein, Procurement consists of buying, purchasing, renting, leasing, or otherwise acquiring any supplies, services, or construction. Procurement also includes all functions that pertain to the obtaining of any supply, service, or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.
- (24) Procurement Officer. Any person duly authorized to enter into and administer contracts and make written determinations with respect thereto. The term also includes an authorized representative acting within the limits of authority.
- (25) Procurement & Risk Manager. The person designated as the head of the central procurement office of the Authority.
- (26) Proponent. A person who puts forward a proposition or proposal.
- (27) Service. The furnishing of labor, time, or effort by a Contractor, not involving the

delivery of a specific end product other than reports which are merely incidental to the required performance. This term shall not include employment agreements or collective bargaining agreements.

(28) Shall. Denotes the imperative.

(29) Subcontractor. Any person having a contract to perform work or render service to a prime contractor as a part of the prime contractor's agreement with a governmental body.

(30) Supplies. All property including but not limited to equipment, materials, printing, insurance, information technology equipment and software packages, and leases of real property, excluding land or a permanent interest in land

(31) Suspension. The exclusion of any person from consideration for award of Contracts for a period not to exceed three (3) months based upon a determination by the Procurement & Risk Manager as provided for in Section 6-102 hereof.

(32) Value Analysis. The mode of analysis set forth in Section 1-104 of these Procedures.

Part C - Compliance with State and Federal Requirements

1-301 Public Access to Procurement Information.

Procurement information shall be a public record to the extent required by Chapter 3 of Title 30, South Carolina Code of Laws, 1976, as amended (the "Freedom of Information Act"), with the exception that commercial or financial information obtained in response to a 'Request for Bids' or a 'Request for Proposals' which is deemed privileged and confidential by the Authority shall not be disclosed. Bidders or offerors must clearly mark as "CONFIDENTIAL" each part of their bid or proposal which they consider to be proprietary information that could be exempt from disclosure under Section 30-4-40 of the Freedom of Information Act. If any part of such response is designated as confidential, there must be attached to that part an explanation of how this information fits within one or more categories of matters exempt from disclosure set forth in Section 30-4-40 of the Freedom of Information Act. The Authority reserves the right to determine whether such information should be exempt from disclosure. No action may be brought against the Authority or its agents arising out of or in relation to such determination.

1-302 Compliance with Federal Requirements.

Where a Procurement involves the expenditure of federal assistance or contract funds, the Procurement & Risk Manager shall comply with such federal law and authorized regulations which are mandatorily applicable and which are not presently reflected in these Procedures.

1-303 Standards of Conduct.

In all actions involving Procurement, the Authority shall comply with the provisions of Chapter 13 of Title 8 (State Ethics Act), South Carolina Code of Laws, 1976, as amended.

1-304 Ethics in Procurement

(1) Employee Conflict of Interest. It shall be unethical for any Authority employee or official to transact any business or participate directly or indirectly in a procurement contract when it is known that:

- (a) the employee, official or any family member thereof has a substantial interest or financial interest pertaining to the procurement contract, unless the transaction is specifically exempted by law;
- (b) any other person, business, or organization with whom the employee, official or any family member thereof is negotiating or has an arrangement concerning prospective employment is involved in the procurement contract.

An employee, official or any family member thereof who holds a substantial interest or financial interest in a disclosed blind trust shall not be deemed to have a conflict of interest with regard to matters pertaining to that substantial interest or financial interest.

In accordance with the SC Ethic's Act, no public official, public member, or public employee may knowingly use his official office, membership or employment to obtain an economic interest for himself, a family member, an individual with whom he is associated, or a business with which he is associated. No public official, public member, or public employee may make, participate in making, or in any way attempt to use his office, membership or employment to influence a governmental decision in which he, a family member, an individual with whom he is associated, or a business with which he is associated has an economic interest.

A public official, public member, or public employee who, in the discharge of his official responsibilities, is required to take action or make a decision which affects an economic interest of himself, a family member, an individual with whom he is associated or a business with which he is associated shall make a written statement describing the matter requiring action or decision and the nature of his potential conflict of interest with respect to the action or decision. If a public employee, he shall furnish a copy of the statement to his superior or if no immediate supervisor, he shall take the action prescribed by the State Ethic's Commission. If he is a public official, he shall furnish a copy of the statement to the presiding officer of the governing body of an agency, commission, board, or of a county, municipality, or political subdivision thereof, on which he serves, who shall cause the statement to be printed in the minutes and require that the member be excused from any votes, deliberations, and other actions on the matter on which the potential conflict of interest exists and shall cause the disqualification and the reasons for it to be noted in the minutes.

Any willful violation of this Section shall constitute malfeasance in office, and any employee or official of the Authority who violates this Section of the policy shall forfeit their office or position. A violation of this Section with the knowledge, express or implied, of the person(s) or corporation contracting with the Authority shall render the offending contract/procurement voidable by the Authority.

(2) Gratuities, Rebates, and Kickbacks.

- (a) Gratuities. It shall be unethical for any person to offer, give, or agree to give any Authority employee or official or for any Authority employee or official to solicit, demand, accept, or agree to accept from another person, a gratuity of more than nominal value or rebate or an offer of employment in connection with any decision, approval, disapproval, recommendation, or preparation of any part of a program requirement or a purchase request, influencing the content of any specification or

procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim, or controversy, or other particular matter, pertaining to any program requirement or contract or subcontract, or to any solicitation or proposal therefor.

(b) Kickbacks and rebates. It shall 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 contract or higher tier subcontractor, or any person associated therewith, as an inducement for the award of a subcontract or order.

(3) Courtesies and Cash. Policy as defined in BJWSA’s Board Handbook and BJWSA’s Employee Handbook:

Consistent with guidelines established in the South Carolina State Ethics Act, employees, officials or any immediate family member of said employee or official must not solicit, demand, accept, or agree to accept, directly or indirectly, any cash or gift card or anything else of greater than nominal value, or special favors from any organization, firm or individual doing or seeking to do business with BJWSA; or under any circumstances which might be construed as influencing the performance of official duties.

For the purposes of this policy, a “Gift” means anything greater than \$50.00, including entertainment, travel, and lodging given or paid to a public official, public member, or public employee to the extent that consideration of equal or greater value is not received. A gift includes a rebate or discount on the price of anything greater than the nominal value of \$50.00 unless it is made in the ordinary course of business without regard to that person’s status.

To eliminate the appearance of coercion, intimidation, or pressure, employees and officials must not make personal commercial solicitations or sales to BJWSA subordinates.

ARTICLE 2 - PROCUREMENT ORGANIZATION

Part A – Procurement & Risk Manager

2-101 Authority and Duties.

(1) **Procurement & Risk Manager**. The Procurement & Risk Manager shall be the Authority’s principal public procurement official and shall be responsible for procurement of all supplies, services, construction, and professional service products in accordance with these procedures and all applicable laws and regulations. The Procurement & Risk Manager reports to the Chief of Finance & Support Services. When deemed appropriate, the Procurement & Risk Manager, may authorize other employees of the Authority as the Procurement Officer/Specialist for a specific procurement.

(2) Duties. The duties of the **Procurement & Risk Manager** include, but not limited to:

(a) procuring or supervising the procurement of all supplies, services, construction, and professional and consultant service products;

- (b) acting to procure the best value offer for the Authority by keeping informed of current developments in the field of purchasing, prices, market conditions, and new products;
 - (c) selling, trading, or otherwise disposing of surplus supplies belonging to the Authority and depositing net proceeds in the Authority's general fund and coordinating all financial data with Accounting;
 - (d) establishing and maintaining programs for supplies and services
 - (e) consult with Authority department managers in preparing and issuing specifications for supplies, services and construction required by the Authority;
 - (f) prescribing and maintaining such forms, internal controls, documentation, and systems needed to operate the purchasing program and ensure maximum efficiency in budgeting and accounting for encumbrances.
 - (g) preparing, adopting, and properly maintaining a listing of prequalified vendors who provide the best value to the Authority; and
 - (h) any other duties as assigned by the Chief of Finance & Support Services, that is within the intent and scope of this policy.
- (3) Operational Procedures. Consistent with these Procedures, the Procurement & Risk Manager may adopt operational procedures relating to the execution of their duties.

2-102 Delegation of Authority by the Procurement & Risk Manager.

The Procurement & Risk Manager may delegate authority to a designee or designees provided that each such designee be an employee of the Authority, and is approved in advance in writing by the Chief of Finance & Support Services.

Part B - Organization of Public Procurement

2-201 Centralization of Procurement Authority.

Except as otherwise provided in this Part B, the Procurement & Risk Manager or their designee, shall solicit all bids or proposals for the procurement of supplies, services, construction, professional or consultant services, products, and disposition of personal property on behalf of the Authority. The Authority shall not be legally bound by any purchase order or Contract made contrary to the provisions of this policy.

2-202 Exemptions.

- (1) These Procedures do not apply to contracts for the acquisition or sale or other disposition of land or other real property. Such contracts may be negotiated or entered into as directed by the Authority from time to time.
- (2) The following Supplies and Services need not be procured through the Office of the

Procurement & Risk Manager, but shall nevertheless be procured by the appropriate department subject to the requirements of these Procedures:

- (a) books, periodicals
- (b) postage stamps and postal fees
- (c) financial services, such as banking and investments, which shall be governed by the Authority's Cash and Investment Management Policy
- (d) department specific training and educational programs and materials
- (e) department association memberships
- (f) employee travel
- (g) power/utility payments
- (h) franchise fees

Part C - Procurement Regulations

2-301 Procurement Operating Procedures

The Procurement & Risk Manager may promulgate operating procedures pertaining to procurement by the Authority; provided that all such operating procedures shall be approved by the Chief of Finance & Support Services before they are applied. No operating procedure shall change any commitment, right, or obligation of the authority or of a Contractor under a Contract in existence on the effective date of such operating procedures. All such operating procedures shall be consistent with these Procedures.

2-302 Purchase Order Approval Requirements

Purchase Orders for all goods and services, including all Construction Services unless excluded elsewhere in this policy, must be approved at the following requisition levels prior to execution by the Procurement & Risk Manager:

- (a) Under \$5,000 must be approved by supervisor(s);
- (b) Over \$5,000 must also be approved by Manager(s)
- (c) Over \$20,000 must also be approved by Director(s)
- (d) Over \$50,000 must also be approved by Chief(s)
- (e) Over \$75,000 must also be approved by the Deputy General Manager
- (f) Over \$100,000 must also be approved by the General Manager
- (g) Over \$150,000 must be approved by the Board

Purchase Orders over \$150,000 for CIPs must be submitted to the Capital Projects committee of the Board for review. Purchase Orders over \$150,000 for O&M accounts must be submitted to the Finance Committee of the Board for review. If the respective Committees approve the expenditure, then the respective purchase must be brought to the full board for approval prior to the purchase.

Exceptions:

- a. Blanket purchase orders for chemicals may be issued to chemical suppliers for the amounts approved by the Board in the Operating Budget.
- b. Water meters, transponders and meter boxes
- c. Replacement parts for existing system equipment
- d. Annual maintenance fees (Examples: SCADA. Badger Meters)
- e. Annual software maintenance fees and licenses (Examples: Tyler, Microsoft)

All budgeted line items listed in the O&M Capital Improvements Program that are over the Board Approval limit of \$150,000 are inherently approved when the annual O&M budget is approved by the Board. The acquisition of these items will follow the appropriate procurement procedures. Therefore, these items will not be subject to additional approval by the Board when the items are procured during the next fiscal year. These items will be listed in the Finance Committee packet for awareness during the month in which they are procured.

Part D - Request for Qualifications (RFQ)

2-401 Pre-Qualification of Contractors and Professional Service Providers (Proponents)

- (1) When required, the Procurement & Risk Manager, in consultation with the appropriate Authority employees, may determine that it shall be in the best interest of the Authority to pre-qualify proponents for planned solicitations. The Authority will develop a general scope of work (SOW) along with a set of questions that will be asked of the proponents to determine their qualifications for planned solicitations. The potential proponent shall submit required responses so that the Procurement & Risk Manager and the appropriate Authority employees can make fair and impartial determinations as to whether a proponent has met the pre-qualification requirements and can supply the best value to the authority. Once pre-qualification has been determined, only those proponents shall be allowed to submit bids or proposals on future contract opportunities.

2-402 Pre-Qualification Standards

The Procurement & Risk Manager shall identify an internal panel of end users / subject matter experts to evaluate and score the responses when deemed appropriate. The appropriate Authority employees shall develop a scoring methodology that will be used in the scoring process. Evaluation members each shall sign a Non-Disclosure / Conflict of Interest statement. The Procurement & Risk Manager shall provide the form. The evaluation team scores the responses and identifies those proponents who meet the minimum qualification requirements. Only qualified proponents are invited to participate in a subsequent solicitation. When the RFQ process is concluded, the Authority may or may not issue a solicitation. The Procurement & Risk Manager will maintain a listing of pre-qualified proponents including, but not limited to, the scope and nature of the supplies or services for which the proponent has been pre-qualified to provide. The Procurement & Risk Manager shall advertise and solicit every five years Request for Qualifications (RFQ's) for predetermined classifications of consultants, professional service providers, non-professional service providers & utility contractors in order to maintain the most up to date listing of pre-qualified proponents as possible.

2-403 Qualified Products and Nonprofessional Services Listing

The Procurement & Risk Manager shall advertise and solicit at least every five years, and on an on-going basis as needed, bids for products and services needed on a repeat basis (construction supplies, maintenance or others as selected) with the purpose of creating a pool of qualified vendors that are capable of providing such products and services satisfactorily and within a competitive range. Information such as labor and equipment pricing rates, capability and qualification statements, customer references, etc. may be requested and evaluated. The Procurement & Risk Manager shall review proposals and, after consulting with appropriate Authority users of the services, shall select vendors who provide the best value offer to the Authority. Additionally, the Procurement & Risk Manager shall maintain an index of these vendors by name and the list shall be cross-referenced for products and services. Records shall be kept as to the number of times a vendor is contacted for informal quotes and other bids. Upon the request of the vendor, the vendor shall be added or deleted from the list, if approved by the Procurement & Risk Manager. Awards shall be made on a rotational basis depending on specific project needs in the best interest of the Authority and without further bid activity. The use of such a list is not intended to restrict competition, but to ensure efficiency in the procurement process, while providing the best value to the Authority.

Part E – Purchasing Card Program (PCard)

2-501 Program Description

(1) The Procurement & Risk Manager and Accounting Manager are responsible for overseeing the Purchasing Card Program. The purpose of a purchasing card (also known as a procurement card or PCard) program is to provide an efficient, cost-effective method of purchasing and paying for small-dollar as well as high-volume purchases. This type of program is used as an alternative to the traditional purchasing process and can result in a significant reduction in the volume of purchase orders, invoices, and checks processed. PCard can be used whenever a purchase order or check request would have been processed and with any vendor that accepts credit cards. The PCard program eliminates most of the paperwork associated with Authority purchases that are less than \$5,000. The PCard shall not be utilized to circumvent the Procurement process and shall be used to obtain the best value to the Authority in all circumstances.

(2) The PCard should be used for purchases relating only to Authority business and use of the card for personal purposes is strictly prohibited. PCards are not permitted for use for any CIP purchase. Cardholders assume responsibility for the protection and proper use of the Purchasing Card. Accounting is responsible for assigning the cards and monitoring usage. Accounting may suspend PCard privileges when policies and procedures are not followed including when the PCard is used for prohibited purchases or personal use. The Chief of Finance & Support Services is responsible for ensuring that appropriate accounting procedures, including internal controls over expenditures, are followed. All PCard holders must follow the guidelines for usage as defined in BJWSA's Corporate Credit Card Procedure.

Part F – Information Technology Purchases

2-601 Program Description

(1) Purchases of any and all computing and data processing equipment, software or services must be approved for use and connectivity shall be procured through the Information Technology Department (IT). IT is to ensure that the procurement of all computing and data processing equipment, software and services follow established Authority policies and guidelines, that due diligence is performed to ensure compatibility with existing systems and policies, that the purchase aligns with all applicable cybersecurity

controls of the Authority and that the approval of the Chief of Technical Services or Information Technology Manager is obtained prior to a purchase. This policy applies to all technology resources and related services owned, used or operated by the Authority, regardless of the source of funding, location or intended purpose. These resources include but are not limited to: computers and servers of any form factor; mobile and cellular devices, software and information systems; technology services, information technology related consulting and maintenance contracts, peripheral equipment (e.g. printers, scanners, keyboards, speakers, etc.), network devices, television, audiovisual, surveillance and projection equipment. Additionally, all departmental procurement plans containing computing and data processing equipment, software or services shall seek IT approval, even if the primary subject of procurement is not technology related. d the potential financial impact of unbudgeted purchase requests. Non-budgeted purchases may require additional approval beyond the IT department depending on the source and amount of funding.

ARTICLE 3 - SOURCE SELECTION AND CONTRACT FORMATION

Part A - Definitions

3-101 Definitions of Terms Used in this Article.

- (1) Cost-Reimbursement Contract. A contract under which a Contractor is reimbursed for costs which are allowable and allocable in accordance with the Contract terms and the provisions of these Procedures, and a fee, if any.
- (2) Delivery Order. An order issued by the Authority for a professional to perform work under an Indefinite Quantity Contract. (IDQ)
- (3) Established Catalogue Price. The price included in a catalogue, price list, schedule, or other form that:
 - (a) is regularly maintained by a manufacturer or contractor;
 - (b) is either published or otherwise available for inspection by customers; and
 - (c) states prices at which sales are currently or were last made to a significant number of any category of buyer or buyers constituting the general buying public for the supplies or services involved.
- (4) Indefinite Quantity Contract. (IQC) A Professional Services contract that does not procure or specify a defined quantity of services (other than a minimum or maximum quantity) and that provides for the issuance of Delivery Orders for the performance of work during the period of the contract. The Authority procures Indefinite Quantity Contracts in the same manner as any professional services contract.
- (5) Invitation for Bids. (IFB) is a procurement method used to solicit competitive sealed bid responses, sometimes called a formal bid, when price is the basis for award.
- (6) Purchase Description. The words used in a solicitation to describe the supplies, services, or construction to be purchased, including specifications attached to, or made a part of, the solicitation.
- (7) Request for Proposals. (RFP): The document used to solicit proposals from suppliers for commodities, i.e., goods and services. Selection is based on evaluation of criteria and may include price.

(8) Responsible Bidder or Offeror. A business entity or individual who has the financial and technical capacity to perform the requirements of the solicitation and subsequent contract.

(9) Responsive Bidder or Offeror. A contractor, business entity, or individual who has submitted a bid or proposal that fully conforms in all material respects to the Invitation for Bids (IFB)/Request for Proposals (RFP) and all of its requirements, including all form and substance.

(10) Sole Source Procurement. A purchase where there is only one source (one supplier) that could possibly supply the required product or service.

Part B - Methods of Source Selection

3-201 Methods of Source Selection.

Unless otherwise required by law, all Authority Contracts shall be awarded by competitive sealed bidding, pursuant to Section 3-202 (Competitive Sealed Bidding), except as provided in:

- (a) Section 2-401 (Pre-qualification of Professional Service Providers and Contractors)
- (b) Section 3-203 (Competitive Sealed Proposals);
- (d) Section 3-204 (Indefinite Quantity Contracts);
- (e) Section 3-205 (Informal Quotes);
- (f) Section 3-206 (Small Purchases);
- (d) Section 3-207 (Sole Source Procurement);
- (e) Section 3-208 (Emergency Procurement).

3-202 Competitive Sealed Bidding.

(1) Conditions for Use. Competitive sealed bids may be solicited for any Procurement at the option and in the sole discretion of the Procurement & Risk Manager. Competitive sealed bids and/or request for proposals shall be solicited for any Procurement expected to exceed \$100,000 in Contract price – Exception: Sole Source-Non-Bid Scenarios – Reference Section 3-205

(2) Invitation for Bids. An Invitation for Bids shall be issued and shall include a purchase description and all contractual terms and conditions applicable to the Procurement. For all competitive sealed bids, an Invitation for Bids must be issued to not less than three (3) potential bidders. Projects with estimated budgets greater than \$50,000.00 must be posted to the Authority's website to promote maximum competition.

(3) Submission of Bids and Bid Opening. Sealed bids shall be submitted to the Authority securely sealed in an envelope or submitted electronically with such designation as may be provided for in the Invitation for Bids. Bids shall be opened publicly in person or via live video feed in the presence of one or more witnesses at the time, ~~and~~ place and method designated in the Invitation for Bids. The amount of each bid, and such other relevant information as may be specified by regulation, together with the name of each bidder, shall be recorded; the record and each bid shall be open to the public inspection after award.

(4) Bid Acceptance; Bid Evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in these Procedures. Bids shall be evaluated based on the requirements set forth in the Invitation for Bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs, and total or life cycle costs. The Invitation for Bids shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluation that are not set forth in the Invitation for Bids.

In the case of tie bids, the Contract shall be awarded to the bidder maintaining a place of business in either Beaufort or Jasper County. If more than one tie bidder maintains a place of business in either Beaufort or Jasper County, then the Contract shall be awarded by the public drawing of lots by such tie bidders. If none of the tie bidders maintains a place of business in either Beaufort or Jasper County, then the Contract shall be awarded by the public drawing of lots by tie bidders.

(5) Correction or Withdrawal of Bids; Cancellation of Awards. Corrections or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on such bid mistakes are permitted at the sole discretion of the Procurement & Risk Manager. After bid opening no changes in bid prices or other provisions of bids prejudicial to the interest of the Authority or fair competition shall be permitted. Except as otherwise provided by regulation, all decisions to permit the correction or withdrawal of bids, or to cancel awards or Contracts based on bid mistakes, shall be supported by a written determination made by the Procurement & Risk Manager.

(6) Award; Rejection. The Contract shall be awarded with reasonable promptness by written notice to the lowest Responsive and Responsible Bidder whose bid meets the requirements and criteria set forth in the Invitation for Bids. In the event all bids for a construction project exceed available funds as approved by the Board of Directors, and the low bid from a Responsible and Responsive Bidder does not exceed such funds by more than five (5) percent, the Procurement & Risk Manager is authorized in situations where time or economic considerations preclude re-solicitation of work of a reduced scope to negotiate an adjustment in the bid price, including changes in the bid requirements, with the low responsive and responsible bidder, in order to bring the bid within the amount of available funds.

The Procurement & Risk Manager may, in their discretion and only as provided for in the Invitation for Bids, waive any technicalities with respect to any bid and reject any or all bids.

The Procurement & Risk Manager may, in their discretion, require the posting of a bond, including without limitation a performance bond, by any successful bidder; provided, however, that the requirement of any bond shall be stated in the Invitation for Bids.

(7) Multi-Step Sealed Bidding. When it is considered impractical initially to prepare a purchase description to support an award based on price, an Invitation for Bids may be issued requesting the submission of unpriced offers to be followed by an Invitation for Bids limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.

3-203 Competitive Proposals.

(1) Conditions for Use. Competitive proposals shall be solicited for any Procurement estimated to exceed \$50,000 in Contract price with a minimum of three (3) potential proposers or when to do otherwise is justified in writing by the requesting department and approved by the Procurement & Risk Manager.

(2) Request for Proposals. Proposals shall be solicited through a Request for Proposals, which shall be issued to not less than three (3) potential proposers. Projects with estimated budgets greater than \$50,000.00 must be posted to the Authority's website to promote maximum competition.

(3) Proposal Opening. Proposals will be opened at the time designated in the Request for Proposal (RFP). Submittal data will be recorded, tabulated and provided electronically by the Procurement & Risk Department to the public. Contents of competing offerors shall not be disclosed during the process of negotiation. Proposals shall be open for public inspection after Contract award.

(4) Discussion with Responsible Offerors and Revisions to Proposals. As provided in the Request for Proposals, discussions may be conducted with Responsible Offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors.

(5) Evaluation Factors. The Request for Proposals shall state the evaluation factors in relative order of importance.

(6) Award. Award shall be made to the Responsible Offeror whose proposal is determined in writing by the Procurement & Risk Manager and to be most advantageous to the Authority taking into consideration the evaluation factors set forth in the Request for Proposals. No other factors or criteria shall be used in the evaluation. The Contract file shall contain the basis on which the award is made.

The Procurement & Risk Manager may, in their discretion, require the posting of a bond, including without limitation a performance bond, by any successful bidder; provided, however, that the requirement of any bond shall be stated in the Request for Proposals.

(7) Exception. Contracts for the procurement of professional and construction services, which are normally obtained on a fee basis, or other such specialized services, including without limitation the services of architects, engineers, accountants, attorneys, contractors and technology providers may be awarded to firms with or without competitive bidding pursuant to BJWSA's enabling legislation found at South Carolina Code Section 6-37-50(26). When competing proposals are solicited for such services, depending on the type of professional or special service that is required, the Authority shall look beyond the price estimates or bids to the qualifications of the firms. Pricing, technical factors and qualifications of the staff and firm should receive balanced consideration. **See also 3-204 Indefinite Quantity Contracts**

3-204 Indefinite Quantity Contracts. (IQC)

Related Statutory Authority. SC Code § 11-35-3310 allows Agencies to award Indefinite Quantity Contracts for architectural-engineering and land surveying services pursuant to § 11-35-3220 and § 11-35-3230.

Establishment of Indefinite Quantity Contracts. With the approval of the Procurement & Risk Manager, and in accordance with any applicable regulations, the Authority may establish contracts providing for an indefinite quantity, within approved maximum or minimum limits, of specified supplies or services, to be furnished during a fixed period, and that provide for the issuance of orders for delivery or performance of individual requirements during the period of the contract.

- (1) **General Applicability.** Indefinite quantity contracts may be awarded on an as-needed basis for architectural-engineering, land-surveying services and construction services. When these contracts are awarded, the sum of the delivery orders for each must be limited to a total expenditure of one million, five hundred thousand (\$1,500,000.00) for a three-year period with two (2) one (1) year option. The Authority may shorten this time; however, the maximum time allowed for the contract, with extensions, is five (5) years.
- (2) **Qualifications Based Selection Procedures.** The Authority shall establish its own architect-engineer, construction management, and land surveying services selection committee, referred to as the authority selection committee, which must be composed of those individuals the Procurement & Risk Manager determines to be qualified to make an informed decision as to the most competent and qualified firm for the proposed project. The Procurement & Risk Manager or their qualified responsible designee shall sit as a permanent member of the authority's selection committee for the purpose of coordinating and accounting for the committee's work. To assist the authority's selection committee in the selection of firms to be employed for significant or highly technical projects and to facilitate prompt selections, the Procurement & Risk Manager may invite a subject matter expert to sit as a nonvoting member of the committee.
- (3) **Advertisement of Project Description.** Refer to 3-203 Competitive Proposals.

General Requirements for Solicitation of an Indefinite Quantity Contract. The solicitation for an IDQ contract shall include the following:

- (a) Period of the contract
 - (b) Maximum dollar value of the services to be procured under the contract
 - (c) Maximum dollar value of the services to be procured under a single Delivery Order
 - (d) Statement of work, specifications, or other description that reasonably describes the general scope, nature, complexity, and purposes of the services to be procured under the contract in a manner that will enable a prospective offeror to decide whether to submit an offer
 - (e) Any geographic limitations to the contract
 - (f) Any required contractor response times.
- (4) **Delivery Order.** Each Delivery Order shall include a statement of work that clearly specifies all work to be performed under the Delivery Order so the full price for the performance of the work can be established when the Delivery Order is placed. Delivery Orders shall be within the scope, issued within the period of performance, and be within the maximum value of the contract. Delivery Orders must not be artificially divided.

At any given time, the Authority may enter into one or more IQCs in accordance with the provisions contained in this section for each of the following categories: architectural services, landscape architectural services, professional engineering services, land surveying services, interior design services, construction services and construction management agent services.

Delivery Orders may be awarded based on qualifications and not solely on price.

- (5) **Completion of the Delivery Order Work After the IQC Termination Date.** Work on individual projects started within the three-year IQC contract period and option term may continue past the time limit to bring the work to an expeditious completion.

In such event, the Director of Engineering must notify the Board in writing, in advance, of the need to start a project within the three-year period or subsequent option term that it expects to continue past the time limit. Without such notification and approval, the Procurement & Risk Manager will automatically close out the IQC at the end of the three-year contract period.

3-205 Small Purchases.

- (1) Any Procurement not exceeding \$25,000 may be made in such manner as shall be determined by the Procurement & Risk Manager in writing from time to time. The procedures for such purchases shall, to the extent practical, be set forth in operating procedures promulgated by the Procurement & Risk Manager.
- (2) Such procedures may involve delegation of purchasing authority to employees of the Authority and may authorize the use of established accounts and lines of credit by those employees.

3-206 Informal Quotes.

- (1) Any procurement greater than \$25,000 and less than \$50,000 shall be made by the request of three (3) informal quotes.

3-207 Sole Source Procurement.

Sole source & non-bid procurement shall occur as required and/or needed. Negotiations and contract awards may occur when there is only one source available for the required Supply, Service or Construction Project and competition is not available. Each requisition and/or contract award for a sole source purchase shall state 1) why only this product or service can meet the need, for example a patent, copyright or proprietary data limits competition 2) the purchase is a new component, repair, or replacement part of existing equipment for which no commercially available substitute exists 3) why the vendor is the only available source 4) and that efforts have been made to negotiate the best possible price on behalf of the Authority.

Any decision by the Procurement & Risk Manager that procurement be restricted to one (1) potential vendor must be accompanied by written explanation as to why no other will be suitable or acceptable to meet the need.

3-208 Emergency Procurement.

Notwithstanding any other provision of these Procedures, the Procurement & Risk Manager, General Manager, Deputy General Manager or any of the Chief Officers may make or authorize others to make emergency procurements when there exists a threat to public health, welfare, or safety under emergency conditions, or where normal daily operations are affected; provided that such emergency procurements shall be made with such competition as is practicable under the circumstances. As soon as practical, a record of each emergency procurement shall be made by the initiating department and shall set forth the contractor's name, the amount and type of the contract as applicable, a listing of the item(s) or service(s) procured, and a written

documentation of the basis for the emergency and for the selection of the particular contractor. The record will be forwarded to the Procurement & Risk Manager within twenty-four (24) hours, if possible, after the occurrence. Details of the procurement will be included in the next Finance Committee and/or Capital Projects Committee packet for awareness of the occurrence and shall be included in the General Managers report at the Board Meeting immediately following the occurrence.

3-209 Cancellation of Invitation for Bids or Requests for Proposals.

An Invitation for Bids, a Request for Proposals, or other solicitation may be cancelled, or any or all bids or proposals may be rejected in whole or in part as may be specified in the solicitation, when it is in the best interest of the Authority. The reasons therefore shall be stated in writing and made part of the Contract file.

3-210 Local Supplier Preference.

In that it is the desire of the Authority to support local vendors where possible in order to provide stability to our local economy, a competitive procurement made by Authority may be made from responsive and responsible resident suppliers within the jurisdictions of Beaufort or Jasper County for procurement, if such bid does not exceed the lowest qualified bid from a nonlocal supplier by more than one percent of the lowest nonlocal supplier.

A vendor or supplier shall be deemed to be a “local vendor” if such vendor is an individual, partnership, association or corporation that is authorized to transact business within the state, maintains an office in Beaufort or Jasper County, has a business license of Beaufort or Jasper County, or one of the municipalities within County jurisdictions, and maintains a representative inventory of commodities within Beaufort or Jasper County or one of the municipalities on which the bid is submitted and has paid all taxes duly assessed.

If the procurement is to be made pursuant to State or Federal guidelines which prohibit or restrict a preference, there shall be no local supplier preference unless restricted variation is allowed under the guidelines.

Part C - Qualifications and Duties

3-301 Responsibility of Bidders and Offerors.

(1) Determination of Nonresponsibility. Determinations of nonresponsibility of a bidder or offeror shall be made in writing by the Procurement & Risk Manager. The unreasonable failure of a bidder or offeror to supply information in a timely fashion in connection with an inquiry with respect to responsibility may be grounds for a determination of nonresponsibility with respect to such bidder or offeror.

3-302 Prequalification of Suppliers.

Prospective suppliers may be prequalified for particular types of Supplies, Services, and Construction. Solicitation mailing lists of potential Contractors shall include but shall not be limited to such prequalified suppliers. The prequalification requirements should be defined by the Procurement & Risk Manager and included in the operating procedures.

Part D - Change Order Procedures

3-401 Approval Requirements

(1) Change Orders on Purchase Orders and Contracts, including all Construction Services unless excluded elsewhere in this policy, must be appropriately documented, stating the reason for the change, financial impact, and referencing the original Purchase Order number. The following approvals are required for each contract prior to execution by the Procurement & Risk Manager:

- (a) Under \$5,000, individually or aggregately, must be approved by the supervisor;
- (b) Over \$5,000, individually or aggregately, must also be approved by the Manager
- (c) Over \$20,000, individually or aggregately, must also be approved by the Director
- (d) Over \$50,000, individually or aggregately, must also be approved by the Chief
- (e) Over \$75,000, individually or aggregately, must also be approved by the Deputy General Manager
- (f) Over \$100,000, individually or aggregately, must also be approved by the General Manager
- (g) Over \$150,000, individually or aggregately, must be approved by the Board.

Once aggregate or individual amount is met, all subsequent change orders must be approved by respective approval level.

(2) Change Orders involving capital projects, primarily Construction, should be supported by the engineer or the Contractor's change order documentation, providing a detailed description of the reason for the change and the financial impact. For all capital project Change Orders requiring Board approval, the Change Order shall be submitted through the Capital Projects Committee of the Board. Any Change Order to be submitted to the Board requiring a budgetary adjustment either to an individual capital project total or to the total Operations and Maintenance budget shall be submitted through the Finance Committee of the Board. The submitting department must provide the Procurement & Risk Manager with a copy of the Change Order documentation including the appropriate approval before the Purchase Order can be modified to include the Change Order.

(3) The Board must approve all Change Orders, regardless of the amount, for Purchase Orders and Contracts that were initially executed in an amount less than \$150,000, if the subsequent total value of the Purchase Orders and Contracts exceed \$150,000.

Part E - Types of Contracts

3-401 Types of Contracts.

Subject to the limitations of this Section, any type of Contract which will promote the best interest of the Authority may be used. A cost-reimbursement Contract or a cost-plus-a-percentage-of-cost Contract, however, may be used only when a determination by the Procurement & Risk Manager is made in writing that such Contract is likely to be less costly to the Authority than any other type or that it is impracticable to obtain the Supplies, Services, or Construction required except under such a Contract.

3-402 Multi-Term Contracts.

(1) Specified Period. A Contract for Supplies or Services may be entered into for a period of time not to exceed five (5) years, provided the term of the Contract and the conditions of renewal or extension, if any, are included in the solicitation and funds are available or budgeted for the payment obligations of the Authority in the first fiscal period of the Contract's term. Thereafter, payment obligations with respect to all Contracts shall be subject to the availability and appropriation of funds therefor.

(2) Determination Prior to Use. Prior to the utilization of a multi-term Contract, it shall be determined in writing:

- (a) that estimated requirements cover the period of the Contract and are reasonably firm and continuing; and
- (b) that such a Contract will serve the best interest of the Authority by encouraging effective competition or otherwise promoting economies in Authority procurement.

(3) Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods. All multi-term Contracts shall contain a clause stating that when funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the Contract shall be cancelled.

ARTICLE 4 - SPECIFICATIONS

Part A - Definitions

4-101 Definitions of Terms Used in this Article.

(1) Specification. Any description of the physical or functional characteristics, or of the nature of a Supply, Service, or Construction item. It may include a description of any requirement for inspection, testing, or preparing a Supply, Service, or Construction item for delivery.

Part B - Specifications

4-201 Maximum Practicable Competition.

All Specifications issued by the Procurement & Risk Manager shall be drafted so as to promote overall economy for the purpose intended and encourage maximum free and open competition in satisfying the Authority's needs, and shall not be unduly restrictive.

ARTICLE 5 - SUPPLY MANAGEMENT

5-101 Disposition of Surplus Supplies.

The sale of all Authority-owned surplus supplies and equipment shall be conducted by the Procurement & Risk Manager and/or Procurement Specialist at such places and in such manner most advantageous to the Authority. The Procurement & Risk Manager and/or Procurement Specialist shall deposit the proceeds from such sales, less expense of the sales, with the Authority general funds, coordinating all financial data with Accounting, unless otherwise directed by the Authority.

5-102 Competitive Sealed Bidding.

(1) Solicitation and Opening. When making sales by competitive sealed bidding, notice of the sale should be given at least fifteen (15) days before the date set for opening bids. Notice shall be given by internet postings to the Authority's website. The Notice of Sale shall list the Supplies or Property offered for sale; designate their location and how they may be inspected; and state the terms and conditions of sale and instructions to bidders including the place, date, and time set for bid opening. Bids shall be conducted through online public auction.

(2) Award. Award shall be made in accordance with the provisions of the Notice of Sale to the highest Responsive and Responsible Bidder, provided that the price offered by such bidder is acceptable to the Procurement & Risk Manager. Where such price is not acceptable, the Procurement & Risk Manager may reject the bids in whole or in part and negotiate the sale provided the negotiated sale price is higher than the highest responsive and responsible bid.

5-103 Auctions.

Surplus supplies and equipment may be sold at auction and/or online auction; for ex: www.govdeals.com The solicitation to bidders shall stipulate, at a minimum, any terms and conditions of sale and the fact that the Authority retains the right to reject any and all bids. Authority employees and Board members may participate in such auctions on an equal, non-preferential basis, with all other public bidders.

5-104 Trade-in Sales.

The Procurement & Risk Manager may trade-in personal property of the Authority, the trade-in value of which may be applied to the purchase of new like items, upon terms and conditions deemed appropriate by the Procurement & Risk Manager. All financial data and transaction records shall be disclosed to Accounting.

ARTICLE 6 - LEGAL AND CONTRACTUAL REMEDIES

6-101 Bid Protest Procedures and Removal from Bidders List.

(1) Any prospective bidder, offeror, or Contractor who is aggrieved in connection with the solicitation of a Contract may protest to the Procurement & Risk Manager. Any such protest must be delivered in writing within five (5) days of the issuance of the Invitation for Bids or Request for Proposals, or within five (5) days of amendment thereto if the amendment is at issue.

(2) Any actual bidder, offeror, Contractor, or Subcontractor who is aggrieved in connection with the intended award or award of a Contract shall protest to the Procurement & Risk Manager. Any such protest must be delivered in writing within five (5) days of the date the notice of award or intent to award is posted by the Procurement & Risk Manager.

(3) The Procurement & Risk Manager shall review all such protests and attempt to resolve any bid protest by consulting with the affected parties. In the event that the protest cannot be resolved through consultation, then the Procurement & Risk Manager will provide a written decision with respect to the protest.

(4) Any party aggrieved by the decision of the Procurement & Risk Manager with regard to a bid protest may file a written appeal with the Board within five (5) days of the decision of the Procurement & Risk Manager.

(5) Upon receiving the written appeal, the Authority's Board Chair shall appoint a committee, which will hear the appeal within fifteen (15) days. The committee shall prepare a written report concerning the appeal for the Board of Directors.

(6) The Board will take final action on any bid protest based solely upon the written report from the committee and any other documents previously submitted in connection with the bid protest.

(7) The remedies set forth herein shall be the sole remedies of the protestant and anyone claiming through him, including remedies for the violation of these Procedures.

(8) Any supplier or Contractor who is actively involved in litigating a claim or claims with the Authority shall be removed from the bid list and will not be allowed to bid on any projects until such litigation is fully and finally resolved. The Procurement & Risk Manager shall also have the authority to remove from the bid list any supplier or Contractor who has defaulted on its quotations, attempted to defraud the Authority, or who has performed in an unsatisfactory manner, by debaring or suspending such supplier or Contractor as provided for in this Article.

6-102 Authority to Debar or Suspend.

(1) Authority. After reasonable notice to the person involved and reasonable opportunity for that person to be heard, the Procurement & Risk Manager, after consultation with the Authority's General Counsel and General Manager, shall have authority to debar a person for cause from consideration for award of Contracts. Unless otherwise provided for herein, the debarment shall not be for a period of more than three (3) years. The Procurement & Risk Manager, after consultation with the Authority's Attorney and General Manager, shall have authority to suspend a person from consideration for award of Contracts if there is probable cause for debarment per 6-102 (2). Unless otherwise provided for herein, the suspension shall not be for a period exceeding three months. The authority to debar or suspend shall be exercised in accordance with operating procedures promulgated hereunder.

(2) Causes for Debarment or Suspension. The causes for debarment or suspension include but are not limited to the following:

- (a) conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
- (b) conviction under State or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a Contractor;
- (c) conviction under State or Federal antitrust statutes arising out of the submission of bids or proposals;
- (d) violation of Contract provisions, as set forth below, of a character which is regarded by the Procurement & Risk Manager to be so serious as to justify

debarment action:

- (i) deliberate failure without good cause to perform in accordance with specifications or within the time limit provided in the Contract; or
 - (ii) a recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more Contracts provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the Contractor shall not be considered to be a basis for debarment.
- (e) actively involved in litigating a claim or claims with the Authority;
 - (f) any other cause the Procurement & Risk Manager determines to be so serious and compelling as to affect responsibility as a Contractor, including but not limited to, debarment by another governmental entity for cause.
 - (g) violation of the ethical standards set forth in South Carolina State Ethics Act.

(3) Decision. The Procurement & Risk Manager shall issue a written decision with respect to the debarment or suspension within thirty (30) days of their determination to take such action. The decision shall:

- (a) state the reasons for the action taken; and
- (b) inform the debarred or suspended person involved of its rights to administrative review as provided in this Article.

(4) Notice of Decision. A copy of the decision under Subsection (3) of this Section shall be mailed or otherwise furnished immediately to the debarred or suspended person and any other party intervening on their behalf.

(5) Finality of Decision; Appeals. A decision under Subsection (3) of this Section shall be final and conclusive unless the debarred or suspended person appeals to the Board in accordance with this Article. Contracts shall not be stayed pending the decision of the Procurement & Risk Manager and the protestant's remedies set forth herein shall be the protestant's exclusive remedy, including any remedy for violation of these Procedures. A protestant may appeal the decision of the Procurement & Risk Manager to the Board by requesting a review, in writing, with the Authority within five (5) days of the Procurement & Risk Manager's decision. No new issues will be considered by the Board on appeal. The Board may appoint a committee to hear any such appeals. The Board shall take final action on such appeals based solely upon the written report of such committee, if any, and any documents previously submitted by the Procurement & Risk Manager or the protestant.

6-103 Authority to Resolve Contract and Breach of Contract Controversies.

(1) Applicability. This Section applies to controversies between the Authority and a Contractor which arise under, or by virtue of, a contract between them. This includes without limitation controversies based upon breach of contract, mistake, misrepresentation, or other cause for Contract modification or rescission.

(2) Authority. The Procurement & Risk Manager is authorized, prior to commencement of an action in a court concerning the controversy, to settle and resolve a controversy described in Subsection (1) of this Section.

(3) Decision. If such a controversy is not resolved by mutual agreement, the Procurement & Risk Manager shall promptly issue a decision in writing within thirty (30) days of their determination that the controversy cannot be resolved. The decision shall:

- (a) state the reason for the action taken; and
- (b) inform the contractor of its rights to administrative review as provided in this Article.

(4) Notice of Decision. A copy of the decision under Subsection (3) of this Section shall be mailed or otherwise furnished immediately to the Contractor.

(5) Finality of Decision. The decision under Subsection (3) of this Section shall be final and conclusive, unless the contractor appeals to the Board in accordance with this Article.

6-104 Solicitations or Awards in Violation of Law.

The provisions of this Section apply where it is determined administratively, or upon administrative review, that a solicitation or award of a Contract is in violation of law.

(1) Remedies Prior to an Award. If prior to award it is determined that a solicitation or proposed award of a Contract is in violation of law, then the solicitation or proposed award shall be:

- (a) cancelled; or
- (b) revised to comply with the law.

(2) Remedies After an Award. If after an award it is determined that a solicitation or award of a Contract is violation of law, then:

- (a) if the person awarded the Contract has not acted fraudulently or in bad faith:
 - (i) the Contract may be ratified and affirmed, provided it is determined that doing so is in the best interest of the Authority; or
 - (ii) the Contract may be terminated and the person awarded the Contract shall be compensated for the actual expenses reasonably incurred under the Contract prior to the termination;
- (b) if the person awarded the Contract has acted fraudulently or in bad faith:
 - (i) the Contract may be declared null and void; or
 - (ii) the Contract may be ratified and affirmed if such action is in the best interests of the Authority, without prejudice to the Authority's right to such damages against the person as may be appropriate.

ARTICLE 7 - INTERGOVERNMENTAL RELATIONS

Part A - Definitions

7-101 Definitions of Terms Used in this Article.

(1) Cooperative Procurement. Procurement conducted by, or on behalf of, more than one Public Procurement Unit. A term that refers to the combining of requirements of two or more public procurement entities¹ to leverage the benefits of volume purchases, delivery and supply chain advantages, best practices, and the reduction of administrative time and expenses. Cooperative procurement efforts may result in contracts that other entities may “piggyback”.

(2) Piggyback (Piggyback Cooperatives). A form of intergovernmental cooperative purchasing in which an entity will be extended the same pricing and terms of a contract entered into by another entity. Generally, the originating entity will competitively award a contract that will include language allowing for other entities to utilize the contract, which may be to their advantage in terms of pricing, thereby gaining economies of scale that they would otherwise not receive if they competed on their own.

(3) Public Procurement Unit. Any county, city, town and any other subdivision of the State, including Tax Authority, or public agency of any such subdivision, public authority, educational, health, or other institution, or other entity which expends public funds for procurement of supplies, services or construction.

Part B - Cooperative and Piggyback Procurement

7-201 Cooperative and Piggyback Procurement Authorized.

The Procurement & Risk Manager, subject to the review and approval by the Deputy General Manager, may participate in, sponsor, conduct, or administer a cooperative purchasing agreement or piggyback agreement for the procurement of Supplies, Services, or Construction with one or more Public Procurement Units in accordance with an agreement entered into between the participants. Such cooperative purchasing may include, but is not limited to, joint or multi-party contracts between Public Procurement Units.

7-202 Sale, Acquisition or Use of Supplies.

The Procurement & Risk Manager may sell to, acquire from, or use any Supplies belonging to another Public Procurement Unit independent of the requirements of Article 3 of these Procedures.

7-203 Cooperative Use of Supplies or Services.

The Procurement & Risk Manager may enter into an agreement, independent of the requirements of Article 3 of these Procedures, with any Public Procurement Unit for the cooperative use of Supplies or Services under the terms agreed upon between the parties.

7-204 Joint Use of Facilities.

The Procurement & Risk Manager may enter into agreements for the common use or lease of warehousing facilities, capital equipment and other facilities with another Public Procurement Unit under the terms agreed upon between the parties.

7-205 Use of State Contracts.

The Procurement & Risk Manager may, independent of the requirements of Article 3 of these Procedures, procure Supplies, Services or Construction items through the Contracts established by the General Services Division of the State of South Carolina as provided in Chapter 35 of Title 11 (State Consolidated Procurement Code), South Carolina Code of Laws, 1976.

STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

I, the undersigned, Secretary/Treasurer of the Board of the Beaufort-Jasper Water and Sewer Authority, South Carolina (the "Authority"), DO HEREBY CERTIFY:

That the foregoing constitutes a true, correct, and verbatim copy of a Resolution adopted by the Authority on 23rd day of June 2023. The Resolution was adopted at a public meeting of the Authority. A quorum of the Authority was present and remained present throughout the meeting.

The Resolution is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my Hand and the Seal of the Beaufort-Jasper Water and Sewer Authority, this 23rd day of June 2023.

(SEAL)



Secretary/Treasurer of the Board,
Beaufort-Jasper Water and Sewer Authority,
South Carolina