

## Guide to Bidding and Award of Construction Contracts for Recycle Projects

**Please Note:** Prior to bidding a project, sponsors shall submit to DHEC a *Certification Regarding Debarment, Suspension and Other Responsibility Matters* (DHEC 3590).

This guide provides information to assist project sponsors in bidding projects and receiving Department of Health and Environmental Control (DHEC) approval to award contracts that meet the requirements for SRF funding. Complying with the following guidelines will help to ensure procurement integrity is maintained and will aid in DHEC contract approval.

To prevent confusion about the State Revolving Fund (SRF) eligibility of any portion of project work, it is recommended that project sponsors receive DHEC approval of the project's plans and specifications before advertising for bids and also prior to executing a construction contract. If project sponsors elect to execute a construction contract without approval, they do so "at their own risk".

### BIDDING

Project sponsors are **required** to competitively bid their projects. The project sponsor shall:

- Advertise the project, for a minimum of thirty (30) days in advance of bid opening, using at least one of the following methods: (a) local newspapers of general circulation, (b) publications targeting minority or women owned businesses, (c) statewide or regional newspapers of general circulation, and (d) the *South Carolina Business Opportunities* (SCBO). The ad should include the following information:
  - ◆ A complete statement of the work to be performed.
  - ◆ Place, date and time of the bid opening.
  - ◆ Location of the bid documents along with instructions and cost to purchase a bid set.
  - ◆ A statement that the project is being funded by a loan from the State Revolving Fund and that bidders must comply with all applicable state and federal requirements identified in the bid documents – including Davis-Bacon and "American Iron and Steel" Provisions.
  - ◆ A statement that bidders must provide a 5% bid bond.
- Modify bid documents only by written addenda, which require prior DHEC approval.
- Hold a public bid opening.
- Use competitive sealed construction bid.
- Require at least a five percent (5%) bid bond or certified check. It is the responsibility of the project sponsor's attorney to review the bid bond for accuracy and completeness.

- ❑ Require a one hundred percent (100%) payment bond and performance bond. It is the responsibility of the project sponsor's attorney to review the payment and performance bonds for accuracy and completeness.
- ❑ Require the contractor to provide fire, extended coverage, vandalism and malicious mischief insurance equal to the actual value of the insured property during construction. It is the responsibility of the project sponsor's attorney to review the insurance documents for accuracy and completeness.
- ❑ Follow Davis-Bacon and Related Acts labor provisions, which require all laborers and mechanics employed by contractors and subcontractors be paid wages at rates not less than those listed on the prevailing wage rate contained in the contract documents and that all applicable provisions of the Davis-Bacon and Related Acts be met. Require the prime contractor to follow the "Davis-Bacon" provisions.
- ❑ Follow the "American Iron and Steel" provisions of the Consolidated Appropriations Act, 2014 (Section 426) and certify that all iron and steel products used in the project are produced in the United States unless a waiver is granted by the U.S. Environmental Protection Agency. Require the prime contractor to follow the "American Iron and Steel" provisions.
- ❑ If other funding sources are used which have stricter bidding requirements or if applicable federal, state, or local laws or ordinances have stricter requirements, these stricter requirements govern.

## **AFTER BID OPENING**

DHEC must concur in the project sponsor's construction contract award. It is recommended that project sponsors receive DHEC approval prior to executing a construction contract to prevent any confusion about SRF eligibility. The project sponsor shall **provide DHEC with a bid package** consisting of the following items:

- ❑ *Project Construction Summary for Recycle Projects* (DHEC 1295) signed by the project sponsor's representative.
- ❑ A certified copy of the advertisement with date of publication.
- ❑ A copy of the detailed bid tabulation certified by the project sponsor's engineer.
- ❑ Proposal of the successful bidder(s).
- ❑ A copy of the bid bond and associated Power of Attorney.
- ❑ A copy of the Davis-Bacon wage decision(s) used in bidding the project.
- ❑ A copy of the engineer's award recommendation of low bidder(s) to the project sponsor listing the proposed contract amount. If award is recommended to other than low bidder(s), provide justification for this decision.
- ❑ A certified copy of the project sponsor's tentative award resolution listing the proposed contractor(s) and contract amount(s).

- ❑ A copy of the proposed prime contractor's *Bidder's "American Iron and Steel" Certification* (DHEC 2556).
- ❑ *Certification Regarding Debarment, Suspension and Other Responsibility Matters* (DHEC 3590) signed by the proposed prime contractor(s).
- ❑ A signed *Project Inspection Designation Form* (DHEC 2324), with all required attachments, indicating the selected method of providing continuous inspection during construction.

## EQUIPMENT/MATERIAL PROCUREMENT

Under Section 11-35-50 of the South Carolina Consolidated Procurement Code, Act 148 of 1981, all South Carolina political subdivisions are required to have and use a procurement ordinance or procedures that embody sound principles of appropriately competitive procurement. Project sponsors should follow their own established procurement policy when purchasing equipment and/or materials. Equipment and/or materials purchased *directly* by the project sponsor is eligible for loan participation provided:

- ❑ The equipment/material is determined to be technically eligible by the SRF project manager.
- ❑ A copy of the equipment/material contract or purchase order is submitted for purposes of cost-documentation.
- ❑ The mandatory SRF Supplemental General Conditions for Recycle Projects (Appendix A- Recycle Funds) are added to the equipment/material contract or purchase order. (See *Recycled Funds Permit Guidance*)
- ❑ The documentation required by Appendix A is submitted for the selected equipment/material supplier and approved by DHEC.
- ❑ The *Project Sponsor's American Iron and Steel Certification for Direct Equipment/Material Purchases* (DHEC Form 2558) is submitted.

Prior to any disbursement of funds for equipment and/or materials, an equipment and/or materials line item must be established in the budget of the loan agreement.

**More information?** Contact the SRF Section at DHEC's Bureau of Water, 803-898-4300. Chuck Gorman is the program manager and can be reached at 803-898-3993, or, Gormancm@dhec.sc.gov.

