

CITY OF ARDMORE
23 South Washington Avenue
Ardmore, Oklahoma 73401



STANDARD CONTRACT DOCUMENTS

**Including
Bid Solicitation, Award and Contracting Documents and Forms
for the
Engineering and Construction of Public Infrastructure, Facilities,
Streets, Storm Drainage,
Water and Sanitary Sewer Systems,
Process Control and Related Systems**

Prepared and Issued by:

Ardmore Engineering Department

**15 1st Street SE
Ardmore, Oklahoma 73401**

**PO Box 249
Ardmore, Oklahoma 73402**



Edition 10
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CERTIFICATION AND APPROVAL PAGE

The Ardmore City Standard Contract Documents for construction of public infrastructure has been prepared by the Engineering Department, in coordination with the Departments of Public Utilities and Community Development

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NOTICE TO BIDDERS

Notice is hereby given that the City of Ardmore, Oklahoma, will receive and open sealed bids for the construction of

NAME OF PROJECT
DEPARTMENT PROJECT NUMBER
PURCHASING BID NO.

a project consisting of the construction of [CONDENSED DESCRIPTION OF THE PROJECT] together with all related and necessary appurtenances.

Sealed bids for the project, which will be received in the offices of the Purchasing Department, City of Ardmore, 23 South Washington, Ardmore, Oklahoma 73402, are due no later than

2:00 P.M., CST, on Thursday, _____

Sealed bids can also be mailed to the Purchasing Office at Post Office Box 249, Ardmore, Oklahoma 73402, as long as they are received by the date and time referenced above. Bids shall be opened in the Purchasing Department, at the above stated time for receipt of bids or as soon thereafter as practicable and publicly read aloud and tabulated.

Bids shall be made in accordance with the Instructions to Bidders contained in the Contract Documents. Contract Documents may be examined at the following places:

- City of Ardmore – Room 5, City Hall Annex, 15 1st Street SE, Ardmore, OK 73401, (580) 221-2506
- McGraw-Hill – 605 NW 13th Street, Suite B, Oklahoma City, OK 73103, (405) 521-0018
- McGraw-Hill - 9155 Sterling Drive, Suite # 160, Irving, TX 75063, (972) 819-1315
- Southwest Construction News - 2811 NW 36th Street, Oklahoma City, OK 73112

Printed copies of Contract Documents may be obtained from the City of Ardmore – Purchasing Department upon a non-refundable payment of **\$25.00** (payable to City of Ardmore) for each set. Digital copies of the Construction Documents may be obtained by email, by mail, telephonic or email request to the City Purchasing Department at no charge.

All bids timely received shall be considered by the City prior to a Contract being awarded. Bids received more than ninety-six (96) hours, excluding Saturdays, Sundays, and Holidays, before the time set for opening of bids, as well as bids received after the time set for opening of bids, will not be considered and will be returned unopened. The Bidder shall honor the quoted prices for a period of 60 days from the time the bids are opened.

The City reserves the right to reject any or all bids and reserves the right to waive immaterial defects and irregularities or award the bid by item/schedule or all/none as it deems to be in the best interest of the City.

Bid security in the form of a cashier's check, a certified check, or a Surety Bond in the amount of five percent (5%) of the Base Bid shall accompany the sealed Bid of each Bidder. Bid security will be returned to the unsuccessful Bidders.

The Bidder shall only use the City's Bid Proposal and affidavits or photocopies thereof. All forms must be signed and all affidavits sworn to and notarized. All bids shall be typewritten or in ink. Bidder shall file the bid in a sealed envelope. Each envelope shall bear a legible notation thereon that it is a bid upon the project proposed and the name of the Bidder.

The Successful Bidder shall deliver the executed Contract and Bonds together with the certificates of insurance, all as required in the Contract Documents, to the City no later than fifteen (15) calendar days following the City's notification of its intent to award the Contract, unless that time is extended by the City.

The City may issue addenda as may be necessary in the best interest of the public and the City. Addenda may amend the date and/or time for receipt of bids or any specification, item, document or requirement in the Contract Documents upon notice to all prospective Bidders who have purchased Contract Documents for this project. The Contract will be awarded to the lowest and best Bidder.

A [mandatory][non-mandatory] pre-bid conference will be held at **10:00 A.M., CST, Tuesday, _____**, at the offices of the Ardmore City Engineer, Room 14, 15 1st Street SE, Ardmore, Oklahoma 73401.

Lori Linney
City Clerk

INSTRUCTIONS FOR BIDDERS

Preface

Bids will be received by the City of Ardmore (hereinafter called the "City"), at 23 South Washington, Ardmore, OK 73401 until 2:00 P.M., CST, on _____, and then at said office publicly opened and read aloud.

Obtaining Contract Documents

The Contract Documents may be examined at the following locations:

City of Ardmore – Room 5, City Hall Annex, 15 1st Street SE, Ardmore, OK 73401, (580) 221-2506

McGraw-Hill – 605 NW 13th Street, Suite B, Oklahoma City, OK 73103, (405) 521-0018

Southwest Construction News - 2811 NW 36th Street, Oklahoma City, OK 73112

Copies of the Contract Documents may be purchased in person at City Hall upon presentation of company check, or money order, or credit card in the amount of \$25.00. If the bidder wishes to have the documents mailed to their business, bidders shall send a company check or money order in the amount of \$25.00. The purchased contract documents are for half-size drawings and documents, or additional costs of delivery, the fees for which shall be non-refundable. Send payment to

City of Ardmore
ATTN: Purchasing Department
23 South Washington
Ardmore, OK 73401

Project Analysis and Bid Preparation

Each bidder is responsible for inspecting the site and for reading and being thoroughly familiar with the contract documents. The failure or omission of any bidder to do any of the foregoing shall in no way relieve any bidder from any obligation with respect to its bid.

Bidders must satisfy themselves on the accuracy of the estimated quantities in the Bid Proposal by examination of the site and a review of the drawings and specifications, including addenda. After bids have been submitted, no bidder shall assert that there was a misunderstanding concerning the quantities of work or of the nature of the work to be done.

A [mandatory][non-mandatory] pre-bid meeting will be held at the Ardmore City Hall Annex, Room 14, at 10:00 AM, CST, _____. Bids will be accepted only from prime contractors represented at the mandatory pre-bid meeting.

The contract documents contain the provisions required for the construction of the project. Information obtained from an officer, agent or employee of the City or any other person shall not affect the risks or obligations assumed by the contractor or relieve the contractor from fulfilling any of the conditions of this contract.

In the event that alternate bids are solicited, they will be listed in numerical order with the highest priority being number one, second priority being number two, etc. If and when alternates are used, the low bidders will be selected by the lowest and best bid, considering all bids, which include the selected alternate bids. The alternates will be listed in consecutive priority order to remain within the funds available for the project.

Bid Submittal

All bids must be made on the required bid proposal form. All blank spaces for bid prices must be filled-in, in ink or typewriter, and the bid form must be fully completed and executed when submitted. Only one copy of the bid form is required. A conditional or qualified bid will not be accepted.

Each bid must be submitted in a sealed envelope addressed to the:

City of Ardmore
Attn: Purchasing Department
23 South Washington
Ardmore, OK 73401

Each sealed envelope containing a bid must be plainly marked on the outside as a

**“Bid for NAME OF PROJECT
BID NO. _____**

along with the bidder’s name, address, phone number.

(If the bid is forwarded by mail, the sealed envelope containing the bid must be enclosed in another envelope addressed to the

City of Ardmore
ATTN: Purchasing Department
23 South Washington
Ardmore, OK 73401.

The City may waive any informalities or minor defects or reject any and all bids. Any bid may be withdrawn prior to the above-scheduled time for the opening of bids or authorized postponement thereof. Any bid received after the time and date specified shall not be considered. No bidder may withdraw a bid within 60 days after the actual date of the opening thereof.

Each bid must be accompanied by a bid bond payable to the City for five percent (5%) of the total amount of the bid. As soon as the bid prices have been compared, the Owner will return the bonds of all except the three lowest responsible bidders. When

the agreement is executed, the bonds of the two remaining unsuccessful bidders will be returned. The bid bond of the successful bidder will be retained until the payment bond, performance bond and statutory bond have been executed and approved, after which it will be returned. A certified check may be used in lieu of the bid bond.

Bid Opening

Sealed bids will be opened shortly after 2:00 PM, CST, on _____, in random order and read aloud. Bids will be opened in Ardmore City Hall, 23 South Washington, Ardmore, OK 73401. Upon opening, the Director of Purchasing shall verify that the bid is presented on the designated Bid Proposal and that the bid is accompanied by the required Bid Bond or suitable substitute. Bids without bid surety will not be read nor tabulated.

Submittal of Bonds and Execution of Contract

The City will cause the bids to be tabulated and thereafter contact the apparent low and qualified bidder. The City may choose then to make such investigations as deemed necessary to determine the ability of the bidder to perform the work; and the bidder shall furnish to the City all such information and data for this purpose as the City may request. The City reserves the right to reject any bid if the evidence submitted by or investigation of such bidder fails to satisfy the City that such bidder is properly qualified to carry out the obligations of the contract and specifications and to satisfactorily complete the work contemplated therein. The low bidder shall supply the names and addresses of previous clients, major material suppliers, and subcontractors when required to do so by the City.

Should there be reasons why the contract cannot be awarded within the specified period, the time may be extended by mutual agreement between the City and the bidder.

A performance bond, statutory/payment bond, and maintenance bond each in the amount of 100 percent of the contract price and each with a corporate surety approved by the City, shall be required for the faithful performance of the contract. The party to whom the contract is to be awarded will be required to execute the contract and obtain the performance bond, statutory bond and maintenance bond within ten (10) calendar days from the date when Notice of Award is delivered to the bidder.

Attorneys-in-fact who sign bid bonds, performance bonds, statutory/payment bonds must file with each bond a certified copy of their Power of Attorney bearing the effective date.

In case of failure of the bidder to execute the agreement, the City may consider the bidder in default, in which case the bid bond accompanying the proposal shall become the property of the Owner.

The City, within ten (10) days of receipt of acceptable performance bond, statutory/payment bond, maintenance bond and contract signed by the bidder and awardee, shall sign the contract and return to such party an executed duplicate of the

contract. Should the Owner not execute the agreement within such period, the bidder may, by written notice, withdraw the signed contract. Such notice of withdrawal shall be effective upon receipt of the notice by the City.

Upon or within 10 days following execution of the construction contract, the City and selected contractor shall conduct a Pre-Work Conference, following which conference, the Notice to Proceed shall be issued. Should there arise reasons why the Notice to Proceed cannot be issued within such period, the time may be extended by mutual agreement between the City and contractor. If the Notice to Proceed has not been issued within the ten-day period or within the period mutually agreed upon, the contractor may terminate the contract without further liability on the part of either party.

Prospective Bidders are further advised that, if awarded the Contract, the bidder shall be required to complete the work within ____ calendar days following issuance of the Notice to Proceed. Furthermore, the contract includes a provision for liquidated damages in the amount of \$250.00 per day if all work is not completed in _____ calendar days.

SPECIAL NOTE TO BIDDERS:

As a part of the bid on this project, the successful bidder will be required to meet all requirements of the Underground Facilities Damage Prevention Act when engaged in work within the public right-of-way in the same manner as in private right-of way. Successful Bidder shall assist the Owner by verifying the location/size/type of their existing facilities within the project limits.

**BID PROPOSAL
FOR
NAME OF PROJECT _____
DEPARTMENT PROJECT _____
BID NO: _____**

Mayor and Commissioners of the City of Ardmore:

_____,
(Name of Bidder)

hereinafter called the "Bidder", organized and existing under the laws of the State of Oklahoma hereby proposes and agrees to furnish all the necessary labor, materials, equipment, tools and services necessary for the construction of:

**NAME OF PROJECT
DEPARTMENT PROJECT _____
BID NO.: _____**

In compliance with the pertinent advertisement for bids, in strict accordance with the contract documents within the time set forth therein and at the prices stated below.


Bidder understands and certifies that

- The unit prices or lump sums shall be full compensation for furnishing all materials, equipment, labor, tools, power and transportation necessary to complete the construction of the various items of the project;
- The quantities shown in this Bid Proposal are approximate and are used as a basis for estimating probable cost of the work to be accomplished;
- The materials furnished may differ somewhat from these estimates;
- In addition, the City reserves the right to increase, reduce, or delete any item(s) in the bid proposal as deemed to be in the best interest of the City;
- Payment shall be based on the unit price for the actual amount of such work completed and/or the material furnished;
- The undersigned has examined the location of the proposed work and the Contract Documents and is familiar with the local conditions at the place where the work is to be performed;
- The Proposal Guaranty attached, without endorsement, in the sum of not less than five percent (5%) of the amount of the Bid, is furnished to the City as a guarantee that the Contract will be executed and a Performance Bond, Statutory/Payment Bond, and Maintenance Bond will be furnished within fifteen (15) days after award of the Contract to the undersigned, or that the undersigned will pay to the City the

difference between the total amount of this Proposal and such larger amount for which the City may in good faith contract with another party to perform the work covered by this Proposal, provided that such payment shall be limited to the amount of the Proposal Guaranty;

- Within fifteen (15) days after being awarded the Contract, the undersigned agrees to execute the form of Contract included as one of the Contract Documents, and to furnish a Performance Bond in an amount equal to 100% of the Contract Amount, a Statutory Payment Bond in an amount equal to 100% of the Contract Amount, and a Maintenance Bond in an amount equal to 100% of the Contract Amount;
- If awarded the Contract, the Undersigned agrees to complete the work within _____ calendar days following the date of the Notice to Proceed;
- The Undersigned agrees that in lieu of actual damages, liquidated damages in the amount of \$250.00 per day will be assessed if all work is not completed in _____ calendar days;
- The undersigned understands that the City reserves the right to reject any or all Proposals or to waive any formality or technicality in any Proposal in the interest of the City; and that;
- Bidder agrees to perform all work described in the Contract Documents for the following unit prices:

BID PROPOSAL

ITEM	DESCRIPTION	QUANT	UNITS	UNIT PRICE	AMOUNT
A	B	C	D	E	F
MOBILIZATION, CLEARING AND EXCAVATION					
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
	TOTAL BASE BID				

SUBMITTED BY:

PRINTED NAME OF CONTRACTOR ("BIDDER")

SIGNATURE OF CONTRACTING OFFICER

DATE

PRINT NAME AND TITLE OF SIGNATOR

ATTEST:

SECRETARY OF CORPORATION OR WITNESS

.....SEAL.....
[If bid is by corporation]

CONTRACTOR BUSINESS ADDRESS

CITY

STATE

ZIP CODE

BUSINESS TELEPHONE NUMBER

EMAIL ADDRESS OF CONTRACTOR

ADDENDA: The Bidder hereby acknowledges receipt of the following Addenda:

Addendum No.

Dated

BID BOND

KNOWN ALL MEN BY THESE PRESENT:

That we, the undersigned, _____, as Principal, and _____, as Surety, are hereby held and firmly bound unto the City of Ardmore as OWNER in the penal sum of _____ Dollars (\$ _____) for the payment of which, well and truly to be made, we hereby jointly and severally bind ourselves, our heirs, executors, administrators, successors and assigns.

Signed, this _____ day of _____, 20____.

The condition of the above obligation is such that whereas the Principal has submitted to the City Clerk, City of Ardmore, Oklahoma a certain bid, attached hereto and hereby made a part hereof to enter into a Contract in writing, for the

NAME OF PROJECT
DEPARTMENT PROJECT _____
BID NO: _____

NOW, THEREFORE,

- (a) If said bid shall be rejected, or in the alternate,
- (b) If said bid shall be accepted and the principal shall execute and deliver a Contract in the Form of Contract attached hereto (properly completed in accordance with said bid) and shall furnish a Bond for his faithful performance of said Contract, and the payment of all persons performing labor or furnishing materials in connection therewith, and shall in all other respects perform the Contract created by the acceptance of said bid, then this obligation shall be void, otherwise the same shall remain in force and effect; It being expressly understood and agreed that the liability of the Surety for any and all claims hereunder shall, in no event, exceed the penal amount of this obligation as herein stated.

The Surety, for value received, hereby stipulates and agrees that the obligation of said Surety and its Bond shall be in no way impaired or affected by any extension of the time within which the OWNER may accept such bid; and Surety does hereby waive notice of any.

IN WITNESS WHEREOF, the Principal and the Surety have hereto set their hands and seals, and such of them as are corporations have caused their corporate seals to be hereto affixed and these presents to be signed by their proper officers, the day and year first set forth above.

_____(Seal)
Principal

Witness Signature and Title

_____(Seal)
Surety

Witness Signature and Title

If awarded a contract, the bidder affirms that the work will be carried out in conformance with the contract requirements and that all invoices submitted for payment will reflect a true and accurate accounting of the work completed.

Printed Name and Title

Signature of Bidder

Subscribed and sworn to before me this _____ day of _____, _____.

By _____

Notary Public

My Commission Expires:

Note: This Affidavit shall be executed and submitted with bid.

CERTIFICATE OF NON-DISCRIMINATION

In connection with the performance of work under this Contract, the CONTRACTOR agrees as follows:

1. The CONTRACTOR agrees not to discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, or ancestry. The CONTRACTOR shall take affirmative action to insure that employees are treated without regard to their race, creed, color, sex, national origin, or ancestry. Such action shall include, but not be limited to, recruiting or recruitment, advertising, lay-off, or termination, rates of pay, or other forms of compensation and selection for training, including apprenticeship. The CONTRACTOR and sub-contractor shall agree to post in a conspicuous place, available to employees and applicants for employment, notices to be provided by the Purchasing Department of the City of Ardmore, setting forth provisions of this section.
2. In the event of the CONTRACTOR'S non-compliance with this non-discrimination clause, the Contract may be canceled or terminated by the City of Ardmore. The CONTRACTOR may be declared by the City of Ardmore ineligible for further Contracts with the City until satisfactory proof of intent to comply shall be made by the CONTRACTOR.
3. The CONTRACTOR agrees to include this non-discrimination clause in any sub-contracts connected with the performance of this agreement.

I have read the above stated clause and agree to abide by its requirements.

SIGNATURE OF CONTRACTOR

ATTEST:

SECRETARY/WITNESS

NOTICE OF AWARD

Date of Notice

TO:

Name of Contractor

Address of Contractor

City, State and ZIP Code

PROJECT DESCRIPTION:

NAME OF PROJECT
DEPARTMENT PROJECT _____
BID NO: _____

The City of Ardmore has considered the BID submitted by you for the above described work in response to its Notice to Bidders dated, _____ and the Instructions to Bidders.

You are hereby notified that your bid has been accepted for items in the amount of:

(Base Bid and Stipulated Contract Amount)

You are required to execute the Contract and furnish the required Performance Bond, Statutory Payment Bond, Maintenance Bond, and Certificate of Insurance within fifteen (15) calendar days from the date of this Notice to you.

If you fail to execute said Contract and to furnish said Bonds within fifteen (15) days from the date of this Notice, said OWNER will be entitled to consider all your rights arising out of the OWNER'S acceptance of your Bid Bond. The OWNER will be entitled to such other rights as may be granted by law.

You are required to return an acknowledged copy of this Notice of Award to the Ardmore Purchasing Department.

CITY OF ARDMORE

Signature of Mayor or Designee

ACCEPTANCE OF NOTICE

Receipt of the above Notice of Award is hereby acknowledged this _____ day of _____, _____.

Signature and Title of Contractor Officer, Manager or Director

CONSTRUCTION CONTRACT

THIS CONTRACT AND AGREEMENT, made and entered into this _____ day of _____, _____, by and between the City of Ardmore, Ardmore, Oklahoma, party of the first part, hereinafter termed "City", and _____, party of the second part, hereinafter termed "Contractor".

WITNESSETH

THAT, WHEREAS, the City has caused to be prepared in accordance with the law, Contract Documents for the work hereinafter described, and has approved and adopted all of said Contract Documents, and has caused solicitation for Bids to be given and advertised as required by law, and has received sealed Proposals for the furnishing of all labor and materials for:

NAME OF PROJECT
DEPARTMENT PROJECT _____
BID NO: _____

As outlined and set out in the Bid Proposal and in accordance with the terms and provisions of said Contract Documents; and,

WHEREAS, the CONTRACTOR, in response to said solicitation for Bids, has submitted to the City, in the manner and at the time specified, a sealed Proposal in accordance with the terms of this Contract; and,

WHEREAS, the OWNER, in the manner provided by law, has publicly opened, examined, and canvassed the Proposals submitted, and has determined and declared the above-named CONTRACTOR to be the lowest and best responsible Bidder on the above-described project, and has duly awarded this Contract to said CONTRACTOR, for the unit price-based sum named in the Proposal, to-wit:

(Initial Unit Price Contract Amount)

NOW, THEREFORE, for and in consideration of the mutual agreements and covenants herein contained, the parties to this Contract have agreed, and hereby agree, as follows:

1. The CONTRACTOR shall, in a good and first class, workmanlike manner, at his own cost and expense, furnish all labor, materials, tools, and equipment required to perform and complete said work in strict accordance with this Contract and Contract Documents, all of which documents are on file in the office of the Utilities Engineer, Ardmore, Oklahoma, and are made a part of this Contract as fully as if the same were herein set out at length
2. The CONTRACTOR agrees to hold the City harmless on any liability that may arise and shall provide a certificate of insurance certifying the same.

3. The City requires the CONTRACTOR to carry insurance against damage during the process of construction until accepted by the City. A complete list of all required insurance is included in the General Provisions.
4. The CONTRACTOR will commence the work required by the Contract Documents within fifteen (15) days after the date of the Notice To Proceed and will complete same within 90 calendar days unless the period of completion is extended otherwise by the Contract Documents.
5. In lieu of actual damages, the CONTRACTOR agrees to pay liquidated damages in the amount of \$250.00 per day if all work is not completed in 90 calendar days. Extensions of time may be granted if weather conditions prohibit proper execution of the work as prescribed in the Contract Documents.
6. On completion of the work, but prior to the acceptance thereof by the City, it shall be the duty of the ENGINEER, or other appropriate person, to determine that said work has been completely and fully performed in accordance with said Contract Documents; and upon making such determination, said official shall make his final certificate to the OWNER. The CONTRACTOR shall furnish proof that all claims and obligations incurred by him in connection with the performance of said work have been fully paid and settled; said information shall be in the form of an affidavit, which shall bear the approval of the Surety on the Contract Bonds for payment of the final estimate to the CONTRACTOR; thereupon, the final estimate (including retainages) will be approved and paid.
7. The term "Contract Documents" means and includes the following:
 - A. Notice to Bidders
 - B. Instruction to Bidders
 - C. Bid Proposal
 - D. Bid Bond
 - E. Affidavits
 - F. Notice of Award
 - G. Construction Contract
 - H. General Conditions of the Contract
 - I. Performance Bond
 - J. Statutory/Payment Bond
 - K. Maintenance Bond
 - L. Notice to Proceed
 - M. General Provisions
 - N. Special Provisions
 - O. Specifications
 - P. Construction Drawings as Approved
8. This Contract shall be binding upon all parties hereto and their representative heirs, executors, administrators, successors, and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed, in three duplicate originals, the day and year first above written.

-----CONTRACTOR-----

Name of Contractor

Signature of Contractor's Officer

ATTEST:

(S E A L)

Secretary of Corporation or Witness

Street Address

City/State/Zip Code

Business Phone Number of Contractor Office

-----CITY OF ARDMORE, OKLAHOMA-----

The City of Ardmore, State of Oklahoma, acting by and through the Board of Commissioners for said City, a municipal corporation:

Mayor
City of Ardmore, Oklahoma

ATTEST:

(S E A L)

City Clerk

GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT

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Engineer's Note: An agreement, general conditions, drawings, specifications and other documents comprise a typical construction contract. General conditions define each contracting party's duties and privileges, and the rules by which they are to meet obligations and perform the work they agreed upon. General conditions detail the rights, responsibilities and relationships of the City, contractor and engineer.

1.0 DEFINITIONS: Wherever used in the contract documents, the following terms shall have the meanings indicated and shall be applicable to both the singular and plural thereof:

Addenda: Written or graphic instruments issued prior to the execution of the agreement which modify or interpret the contract documents, drawings and specifications by additions, deletions, clarifications or corrections.

Bid: The offer or proposal of the bidder submitted on the prescribed form setting forth the prices for the work to be performed.

Bidder: Any person, firm or corporation submitting a bid for the work.

Bonds: Bid, performance, payment (statutory) and maintenance bonds and other instruments of security furnished by the Contractor and the Contractor's surety in accordance with the contract documents.

Change Order: A written order to the Contractor authorizing an addition, deletion or revision in the work within the general scope of the contract documents or authorizing an adjustment in the contract price or contract time.

Contract Documents: The contract, including Advertisement for Bids, Information for Bidders, Bid, Bid Bond, Agreement, Payment (Statutory) Bond, Performance

Bond, Notice of Award, Notice to Proceed, Change Order, Drawings, Specifications and Addenda.

Contract Price: The total monies payable to the Contractor under the terms and conditions of the contract documents.

Contract Time: The number of calendar days stated in the contract documents for the completion of the work.

Contractor: The person, firm or corporation with whom the City has executed the agreement.

Drawings: The parts of the contract documents which show the characteristics and scope of the work to be performed and which have been prepared or approved by the engineer.

Engineer: The person, firm or corporation named as such in the contract documents.

Field Order: A written order effecting a change in the work not involving an adjustment in the contract price or an extension of the contract time, issued by the Engineer to the Contractor during construction.

Notice to Proceed: Written communication issued by the City to the Contractor authorizing him/her to proceed with the work and establishing the date for commencement of the work.

Notice of Award: The written notice by City to the apparent successful bidder stating that, upon compliance by the apparent successful bidder with the conditions enumerated therein within the time specified, City will sign and deliver the agreement.

Owner: A public or quasi-public body or City, corporation, association, partnership or individual for whom the work is to be performed. In these documents, the terms "Owner", "City", or "City" may be used interchangeably to mean the Contracting Entity for which the work is performed and with which the Contractor has been engaged.

Project: The undertaking to be performed as provided in the contract documents.

Resident Project Representative: The authorized representative of the Engineer who is assigned to the project site or any part thereof.

Shop Drawings: All drawings, diagrams, illustrations, brochures, schedules and other data which are prepared by the Contractor, a subcontractor, manufacturer, supplier or distributor which illustrate how specific portions of the work shall be fabricated or installed.

Specifications: A part of the contract documents consisting of written descriptions of a technical nature of materials, equipment, construction systems, standards and workmanship.

Subcontractor: An individual, firm or corporation having a direct contract with Contractor or with any other subcontractor for the performance of a part of the work at the site.

Substantial Completion: That date certified by the Engineer when the construction of the project or a specified part thereof is sufficiently completed, in accordance with the contract documents, to allow the project or specified part to be utilized for the purposes for which it is intended.

Supplemental General Conditions: Modifications to General Conditions, usually required by a Federal agency for participation in the project and approved by the agency in writing prior to being included in the contract documents or such requirements that may be imposed by applicable State laws.

Supplier: Any person or organization who supplies materials or equipment for the work, including that fabricated to a special design, but who does not perform labor at the site.

Work: All labor necessary to produce the construction required by the contract documents and all materials and equipment incorporated or to be incorporated in the project.

Written Notice: Any notice in writing to any party to the agreement regarding any part of this agreement. Said written notice shall be considered delivered and the service thereof completed when posted by certified or registered mail to said party at their last given address or delivered in person to said party or their authorized representative at the project site.

2.0 ADDITIONAL INSTRUCTIONS AND DETAIL DRAWINGS:

2.1 The Contractor may be furnished additional instructions and detail drawings by the Engineer as necessary to carry out the work required by the contract documents.

2.2 The additional drawings and instructions, when provided or transmitted to the Contractor in writing, will become a part of the contract documents. The Contractor shall carry out the work in accordance with the additional detail drawings and instructions.

3.0 SCHEDULES, REPORTS AND RECORDS:

3.1 The Contractor shall submit to the City such schedule of quantities and costs, progress schedules, payrolls, reports, estimates, records and other data, where applicable, as are required by the contract documents for the work to be performed.

3.2 Prior to the first partial payment estimate, the Contractor shall submit construction progress schedules showing the order in which the Contractor proposes to carry on the work, including dates at which the various parts of the work will be started, estimated date of completion of each part and, as applicable:

- (1) The dates at which special detail drawings will be required; and
- (2) Respective dates for submission of shop drawings, the beginning of manufacture, the testing and the installation of materials, supplies and equipment.
- (3) The Contractor shall also submit a schedule of payments the Contractor anticipates will be earned during the course of the work.

4.0 DRAWINGS AND SPECIFICATIONS:

4.1 The drawings and specifications are tools to be used by the Contractor to enable the Contractor to furnish all labor, materials, tools, equipment and transportation necessary for the proper performance of the work in accordance with the contract documents and all incidental work necessary to complete the project in an acceptable manner, ready for use, occupancy or operation by the City.

4.2 In case of conflict between the drawings and the specifications, the specifications shall govern. Figure dimensions and drawings shall govern over scale dimensions and detail drawings shall govern over general drawings.

4.3 Any discrepancies found between the drawings and specifications and site conditions or any inconsistencies or ambiguities in the drawings or specifications shall be immediately reported, in writing, to the Engineer, who shall promptly correct or clarify such inconsistencies or ambiguities in writing. Work done by the Contractor after discovery of such discrepancies, inconsistencies or ambiguities shall be done at the Contractor's risk.

5.0 SHOP DRAWINGS:

5.1 The Contractor shall provide shop drawings as may be necessary for the performance of the work as required by the contract documents. The Engineer shall promptly review all shop drawings. The Engineer's approval of any shop drawing shall not release the Contractor from responsibility for deviations from the contract documents. The approval of any shop drawing that substantially deviates from the requirement of the contract documents shall be evidenced by a change order or written instruction or approval issued by the Engineer.

5.2 When submitted for the Engineer's review, shop drawings shall bear the Contractor's certification that he has reviewed, checked and approved the shop drawings and that they are in conformance with the requirements of the contract documents.

6.0 MATERIALS, SERVICES AND FACILITIES:

6.1 It is understood that, except as otherwise specifically stated in the contract documents, the Contractor shall provide and pay for all materials, labor, tools, equipment, water, light, power, transportation, supervision, temporary construction of any nature and all other services and facilities of any nature whatsoever necessary to execute, complete and deliver the work within the specified time.

6.2 Materials and equipment shall be so stored as to preserve their quality and fitness for the work. Stored materials and equipment to be incorporated in the work shall be located to facilitate prompt inspection.

6.3 Manufactured articles, materials and equipment shall be applied, installed, connected, erected, used, cleaned and conditioned as directed by the manufacturer.

6.4 Materials, supplies and equipment shall be in accordance with samples submitted by the Contractor and approved by the Engineer.

6.5 Materials, supplies or equipment to be incorporated into the work shall be purchased by the Contractor or the subcontractor free and clear of chattel mortgages, conditional sales contracts or other agreements by which an interest is retained by the seller.

7.0 INSPECTION AND TESTING:

7.1 All materials and equipment used in the construction of the project shall be subject to adequate inspection and testing in accordance with generally accepted standards as required and defined in the contract documents.

7.2 The City shall request, coordinate, provide, and pay for all inspection and testing services not required by the contract documents. The Contractor shall assist the City and Engineer from time-to-time with the obtaining of samples.

7.3 The Contractor shall provide, at the Contractor's expense, the testing and inspection services required by the contract documents.

7.4 If the contract documents, laws, ordinance, rules, regulations or orders of any public City having jurisdiction require any specific work to be inspected, tested or approved by someone other than the Contractor, the Contractor will give the Engineer timely notice of readiness. The Contractor will then furnish the Engineer the required certificates of inspection, testing or approval.

7.5 Inspections, tests or approvals by the Engineer or others shall not relieve the Contractor from the obligation to perform the work in accordance with the requirements of the contract documents.

7.6 The Engineer and the Engineer's representatives shall at all times have access to the work. In addition, authorized representatives and agents of any participating Federal or State agency shall be permitted to inspect all work, materials, payrolls,

records of personnel, invoices of materials and other relevant data and records. The Contractor will provide proper facilities for such access and observation of the work and for any inspection or testing thereof.

7.7 If any work is covered contrary to the written instructions of the Engineer, it must, if requested by the Engineer, be uncovered for the Engineer's observation and the covering replaced at the Contractor's expense.

7.8 If the Engineer considers it necessary or advisable that covered work be inspected or tested by others, the Contractor, at the Engineer's request, will uncover, expose or otherwise make available for observation, inspection or testing, as the engineer may require, that portion of the work in question, furnishing all necessary labor, materials, tools and equipment. If it is found that such work is defective, the Contractor will bear all expenses of such uncovering, exposing, observing, inspecting and testing and of satisfactory reconstruction. If, however, such work is not found to be defective, the Contractor will be allowed an increase in the contract price or an extension of the contract time, or both, directly attributable to such uncovering, exposing, observing, inspecting, testing and reconstruction and an appropriate change order or written authorization shall be issued.

8. **SUBSTITUTIONS:** Whenever a material, article or piece of equipment is identified on the drawings or specifications by referenced to brand name or catalog number, it shall be understood that this is referenced for the purpose of defining the performance or other salient requirements and that other products of equal capacities, quality and function shall be considered. The Contractor may recommend the substitution of a material, article or piece of equipment of equal substance and function for those referred to in the contract documents by reference to brand name or catalog number and if, in the opinion of the Engineer, such material, article or piece of equipment is of equal substances and function to that specified or is compatible with existing City equipment and manufacturers, the Engineer may approve its substitution and use by the Contractor. Any cost differential shall be deductible from the contract price and the contract documents shall be appropriately modified by change order or written instruction of the Engineer. The Contractor warrants that if substitutes are approved, no major changes in the function or general design of the project will result. Incidental changes or extra component parts required to accommodate the substitute will be made by the Contractor without a change in the contract price or contract time.

9. **PATENTS.** The Contractor shall pay all applicable royalties and license fees and shall defend all suits or claims for infringement of any patent rights and save the City harmless from loss on account thereof, except that the City shall be responsible for any such loss when a particular process, design or product of a particular manufacturer or manufacturers is specified; however, if the Contractor has reason to believe that the design, process or product specified is an infringement of a patent, the Contractor shall be responsible for such loss unless the Contractor promptly gives such information to the Engineer.

10. SURVEYS, PERMITS, REGULATIONS:

10.1 The City shall furnish all boundary surveys and establish all base lines for locating the principal component parts of the work, together with a suitable number of benchmarks adjacent to the work as shown in the contract documents. From the information provided by the City, unless otherwise specified in the contract documents, the Contractor shall develop and make all detail surveys needed for construction, such as temporary control points, slope stakes, batter boards, stakes for pipe locations and other working points, lines, elevations and cut sheets.

10.2 The Contractor shall carefully preserve benchmarks, reference points and stakes and, in case of willful or careless destruction, shall be liable for the resulting expense and shall be responsible for any mistake that may be caused by their unnecessary loss or disturbance.

10.3 Permits and licenses of a temporary nature necessary for the performance of the work shall be secured and paid for by the Contractor unless otherwise stated in the Supplemental General Conditions. Permits, licenses and easements for permanent structures or permanent changes in existing facilities shall be secured and paid for by the City unless otherwise specified. The Contractor shall give all notices and comply with all laws, ordinances, rules and regulations bearing on the conduct of the work as drawn and specified. If the Contractor observes that the contract documents are at variance therewith, the Contractor shall promptly notify the Engineer in writing and any necessary changes shall be adjusted as provided in Section 13, CHANGES IN THE WORK.

11.0 PROTECTION OF WORK, PROPERTY AND PERSONS:

11.1 The Contractor will be responsible for initiating, maintaining and supervising all safety procedures, rules, precautions and programs in connection with the work. The Contractor will take all necessary precautions for the safety of, and will provide the necessary protection to prevent damage, injury or loss to, all employees on the work and other persons who may be affected thereby and for the protection of all the work and all materials or equipment to be incorporated therein, whether in storage on or off the site, and other property at the site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

11.2 The Contractor will comply with all applicable laws, ordinances, rules, regulations and orders of any public body having jurisdiction. The Contractor will erect and maintain, as required by the conditions and progress of the work, all necessary safeguards for safety and protection. The Contractor will notify City of adjacent utilities when performance of the work may affect them. The Contractor will remedy all damage, injury or loss to any property caused, directly or indirectly, in whole or in part, by the Contractor or any subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except damage or loss attributable to the fault of the contract documents or to the acts or omissions of the City or the Engineer or anyone for whose acts either of them may be liable, and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of the Contractor.

11.3 In emergencies affecting the safety of persons or the work or property at the site or adjacent thereto, the Contractor, without special instructions or authorization from the Engineer or City, shall act to prevent the threatened damage, injury or loss. The Contractor will give the Engineer prompt written notice of any significant changes in the work or deviations from the contract documents caused thereby and a change order shall thereupon be issued covering the changes and deviations involved.

12.0 SUPERVISION BY CONTRACTOR: The Contractor will supervise and direct the work. He will be solely responsible for the means, methods, techniques, sequences and procedures of construction. The Contractor will employ and maintain on the work a qualified supervisor or superintendent who shall have been designated in writing by the Contractor as the Contractor's representative at the site. The supervisor shall have full authority to act on behalf of the Contractor and all communications given to the supervisor shall be as binding as if given to the Contractor. The supervisor shall be present on the site at all times to perform adequate supervision and coordination of the work.

13.0 CHANGES IN THE WORK:

13.1 The City may, at any time, as the need arises, order changes within the scope of the work without invalidating the agreement. If such changes increase or decrease the amount due under the contract documents or in the time required for performance of the work, an equitable adjustment shall be negotiated and authorized by change order.

13.2 The Engineer may also, at any time, by issuing a Field Order, make changes in the details of the work. The Contractor shall proceed with the performance of any changes in the work so ordered by the Engineer unless the Contractor believes that such Field Order entitles the Contractor to a change in contract price or time, or both, in which event, the Contractor shall give the Engineer written notice thereof within seven (7) days after the receipt of the ordered change. Thereafter, the Contractor shall document the basis for the change in contract price or time within thirty (30) days. The Contractor shall not execute such changes pending the receipt of an executed change order or written instructions from the City, City or Engineer.

14.0 CHANGES IN CONTRACT PRICE: The total contract price may not be increased except by change order; individual quantities may be increased or decreased, and the cost of the work thereby increased or decreased by field order providing the total contract price is not exceeded. The value of any work covered by a field order, change order or of any claim for increase or decrease in the contract price shall be determined by unit prices previously approved or an agreed lump sum.

15.0 TIME FOR COMPLETION AND LIQUIDATED DAMAGES:

15.1 The date of beginning and the time for completion of the work are essential conditions of the contract documents and the work embraced shall be commenced on a date specified in the Notice to Proceed.

15.2 The Contractor will proceed with the work at such rate of progress as to ensure full completion within the contract time. It is expressly understood and agreed by and between the Contractor and the City that the contract time for the completion of the

work described herein is a reasonable time, taking into consideration the average climatic and economic conditions and other factors prevailing in the locality of the work.

15.3 If the Contractor shall fail to complete the work within the contract time or extension of time granted by the City, then the Contractor will pay to the City the amount for liquidated damages as specified in the bid for each calendar day the Contractor shall be in default after the time stipulated in the contract documents.

15.4 The Contractor shall not be charged with liquidated damages or any excess cost when the delay in completion of the work is due to the following and the Contractor has promptly given written notice of such delay to the City or Engineer:

(1) Any preference, priority or allocation order duly issued by the City;

(2) Unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to acts of God, acts of the public enemy, acts of the City, acts of another contractor in the performance of a contract with the City, fires, flood, epidemics, quarantine, restrictions, strikes, freight embargoes and abnormal and unforeseeable weather; and

(3) Any delays of subcontractors occasioned by any of the causes specified in paragraphs 15.4(1) and 15.4(2) of this article.

16.0 CORRECTION WORK:

16.1 The Contractor shall promptly remove from the premises all work rejected by the Engineer for failure to comply with the contract documents, whether incorporated in the construction or not, and the Contractor shall promptly replace and re-execute the work in accordance with the contract documents without expense to the City and shall bear the expense of making good all work of other contractors destroyed or damages by such removal or replacement.

16.2 All removal and replacement work shall be done at the Contractor's expense. If the Contractor does not take action to remove such rejected work within ten (10) days after receipt of written notice, the City may remove such work and store the materials at the expense of the Contractor.

17.0 SUBSURFACE CONDITIONS:

17.1 The Contractor shall promptly, before such conditions are disturbed except in the event of an emergency, notify the Engineer by written notice of:

(1) Subsurface or latent physical conditions at the site differing materially from those indicated in the contract documents; or

(2) Unknown physical conditions at the site of an unusual nature which differ materially from those ordinarily encountered and generally recognized as inherent in the work the character provided for in the contract documents.

17.2 The City or Engineer shall promptly investigate the conditions and, if it is found that such conditions do so materially differ and cause an increase or decrease, an adjustment shall be made and the contract documents shall be modified by a change order. Any claim of the Contractor for adjustment hereunder shall not be allowed unless the required written notice has been given and provided that the City may, if the City determines the facts so justify, consider and adjust any claims asserted before the date of final payment.

18.0 SUSPENSION OF WORK, TERMINATION AND DELAY:

18.1 The City may suspend the work or any portion thereof for a period of not more than ninety (90) days or until such further time as agreed upon by the Contractor in a written notice to the Contractor and the Engineer fixing the date on which work shall be resumed. The Contractor will resume that work on the date so fixed. The Contractor will be allowed an increase in the contract price or an extension of the contract time, or both, for any costs and/or delays incurred which are directly attributable to any suspension.

18.2 If any of the following conditions occur:

- (1) The Contractor is adjudged bankrupt or insolvent or makes a general assignment for the benefit of its creditors;
- (2) A trustee or receiver is appointed for the Contractor or for any of its property;
- (3) Contractor files a petition to take advantage of any debtor's act or to reorganize under bankruptcy of applicable laws;
- (4) The Contractor repeatedly fails to supply sufficiently skilled workmen or suitable materials or equipment;
- (5) The Contractor repeatedly fails to make prompt payments to subcontractors or for labor, materials or equipment;
- (6) The Contractor disregards laws, ordinance, rules, regulations or orders of any public body having jurisdiction over the work;
- (7) The Contractor disregards the City Engineer or otherwise violates any provision of the contract documents;

then the City may, without prejudice to any other right or remedy and after giving the Contractor and its surety a minimum of ten (10) days from delivery of a written notice, terminate the services of the Contractor and take possession of the project and of all materials, equipment, tools, construction equipment and machinery thereon owned by the Contractor and finish the work by whatever method the City may deem expedient. The Contractor shall not be entitled to receive any further payment until the work is finished. If the unpaid balance of the contract price exceeds the direct and indirect costs of completing the project, including compensation for additional professional

services, such excess shall be paid to the Contractor. If such costs exceed such unpaid balance, the Contractor will pay the difference to the City. Such costs incurred by the City will be determined by the Engineer and incorporated in a change order.

18.3 Where the Contractor's services have been so terminated by the City, said termination shall not affect any right of the City against the Contractor then existing or which may thereafter occur. Any retention or payment of monies by the City due the Contractor will not release the Contractor from compliance with the contract documents.

18.4 After ten (10) days from the delivery of a written notice to the Contractor and the Engineer, the City may, without cause and without prejudice to any other right or remedy, elect to abandon the project and terminate the contract. In such case, the Contractor shall be paid for all work executed and any expense sustained plus a reasonable profit.

18.5 If, through no act or fault of the Contractor, the work is suspended for a period of more than ninety (90) days by the City or under an order of court or other public City or the Engineer fails to act on any request for payment within thirty (30) days after it is submitted or the City fails to pay the Contractor substantially the sum approved by the Engineer or awarded by arbitrators within thirty (30) days of its approval and presentation, then the Contractor may, after ten (10) days from delivery of a written notice to the City and the Engineer, terminate the contract and recover from the City payment for all work executed and all expenses sustained. In addition to and in lieu of terminating the contract, if the Engineer has failed to act on a request for payment or if the City has failed to make payment as aforesaid, the Contractor may, upon ten (10) days written notice to the City and Engineer, stop the work until paid all amounts then due, in which event and upon resumption of the work, change orders shall be issued to adjust the contract price or extend the contract time, or both, to compensate for the costs and delays attributable to the stoppage of the work.

18.6 If the performance of all or any portion of the work is suspended, delayed or interrupted as a result of a failure by the City or Engineer to act within the time specified in the contract documents or if no time is specified, within a reasonable time, an adjustment in the contract price or an extension of the contract time, or both, shall be made by change order to compensate the Contractor for the costs and delays unnecessarily caused by the failure of the City or Engineer.

19. PAYMENT TO CONTRACTOR:

19.1 At least ten (10) days before each progress payment falls due (but not more often than once a month), the Contractor will submit to the Engineer a partial payment estimate filled out and signed by the Contractor, covering the work performed during the period covered by the partial payment estimate and supported by such data as the Engineer may reasonably require. If payment is requested on the basis of materials and equipment not incorporated in the work but delivered and suitably stored at or near the site, the partial payment estimate shall also be accompanied by supporting data, satisfactory to the City, which will establish the City's title to the material and equipment and protect the City's interest therein, including applicable insurance. The Engineer will, within ten (10) days after the receipt of each partial payment estimate, either indicate

approval of payment in writing and present the partial payment estimate to the City or return the partial payment estimate to the Contractor indicating in writing the reasons for refusing to approve payment. In the latter case, the Contractor may make the necessary corrections and resubmit the partial payment estimate. The City will, within ten (10) days of presentation of an approved partial payment estimate, pay the Contractor a progress payment on the basis of the approved partial payment estimate less the retainage. The retainage shall be an amount equal to 10% of said estimate until 50% of the work has been completed. At 50% completion, further partial payments shall be made in full to the Contractor and no additional amounts may be retained unless the Engineer certifies that the job is not proceeding satisfactorily and amounts previously retained shall not be paid to the Contractor. At 50% completion or any time thereafter when the progress of the work is not satisfactory, additional amounts may be retained; however, in no event shall the total retainage be more than 10% of the value of the work completed. Upon substantial completion of the work, any amount retained may be paid to the Contractor. When the work has been substantially completed except for work which cannot be completed because of weather conditions, lack of materials or other reasons which, in the judgment of the City, are valid reasons for non-completion, the City may make additional payments, retaining at all times an amount sufficient to cover the estimated cost of the work still to be completed.

19.3 The request for payment may also include an allowance for the cost of major materials and equipment suitably stored either at or near the site.

19.4 Prior to substantial completion, the City, with the approval of the Engineer and with the concurrence of the Contractor, may use any completed or substantially completed portions of the work. Such use shall not constitute an acceptance of such portions of the work.

19.5 The City shall have the right to enter the premises for the purpose of doing work not covered by the contract documents. This provision shall not be construed as relieving the Contractor of the sole responsibility for the care and protection of the work or the restoration of any damaged work except such as may be caused by agents or employees of the City.

19.6 Upon completion and acceptance of the work, the Engineer shall issue a certificate attached to the final payment request that the work has been accepted under the conditions of the contract documents. The entire balance found to be due to the Contractor, including the retained percentages, except such sums as may be lawfully retained by the City, shall be paid to the Contractor within thirty (30) days of completion and acceptance of the work.

19.7 The Contractor will indemnify and save the City or the City's agents harmless from all claims growing out of the lawful demand of subcontractors, laborers, workmen, mechanics, materialmen and furnishers of machinery and parts therefor, equipment, tools and supplies incurred in the furtherance of the performance of the work. The Contractor shall, at the City's request, furnish satisfactory evidence that all obligations of the nature designated above have been paid, discharged or waived. If the Contractor fails to do so, the City may, after having notified the Contractor, either pay unpaid bills or withhold from the Contractor's unpaid compensation a sum of money deemed

reasonably sufficient to pay any and all such lawful claims until satisfactory evidence is furnished that all liabilities have been fully discharged, whereupon payment to the Contractor shall be resumed in accordance with the terms of the contract documents. In no event shall these provisions be construed to impose any obligations upon the City to either the Contractor, the Contractor's surety or any third party. In paying any unpaid bills of the Contractor, any payment so made by the City shall be considered as a payment made under the contract documents by the City to the Contractor and the City shall not be liable to the Contractor for any such payments made in good faith.

19.8 If the City failed to make payment within thirty (30) days after approval by the Engineer, in addition to other remedies available to the Contractor, there shall be added to each such payment interest at the maximum legal rate commencing on the first day after said payment is due and continuing until the payment is received by the Contractor.

20.0 ACCEPTANCE OF FINAL PAYMENT AS RELEASE: Acceptance by the Contractor of final payment shall be and shall operate as a release to the City of all claims and all liability to the Contractor other than claims in stated amounts as may be specifically excepted by the Contractor for all things done or furnished in connection with this work and for every act and neglect of the City and others, relating or arising out of this work. Any payment, however, final or otherwise, shall not release the Contractor or its sureties from any obligations under the contract documents or the performance of the payment bonds.

21.0 INSURANCE:

21.1 The Contractor shall purchase and maintain such insurance as will protect it from claims set forth below which may arise out of or result from the Contractor's execution of the work, whether such execution be by the Contractor, any subcontractor or by anyone directly or indirectly employed by any of them or by anyone for whose acts any of them may be liable.

- (1) Claims under Workers' Compensation, disability benefit and other similar employee benefit acts;
- (2) Claims for damages because of bodily injury, occupational sickness or disease or death of employees;
- (3) Claims for damages because of bodily injury, sickness or disease or death of any person other than employees;
- (4) Claims for damages covered by the usual personal injury liability coverage which are sustained by (a) any person as a result of an offense directly or indirectly related to the employment of such person by the Contractor; or (b) any other person;
- (5) Claims for damages because of injury to or destruction of tangible property, including loss of use resulting therefrom.

21.2 Certificates of insurance acceptable to City shall be filed with the City prior to commencement of work. These certificates shall contain a provision that coverages afforded under the policies will not be cancelled unless at least fifteen-(15) days' prior written notice has been given to the City.

21.3 The Contractor shall procure and maintain, at the Contractor's own expense, during the contract time, liability insurance as hereinafter specified:

- (1) Contractor's general public liability and property damage insurance, including vehicle coverage, issued to the Contractor and protecting the Contractor from all claims for personal injury, including death, and all claims for destruction of or damage to property arising out of or in connection with any operations under the contract documents, whether such operations be by the Contractor or by any subcontractor employed by the Contractor. Insurance shall be written with a limit of liability of not less than \$1,000,000 for all damages arising out of bodily injury, including death, at any time resulting therefrom, sustained by any one person in any one accident, and a limit of liability of not less than \$1,000,000 aggregate for any such damages sustained by two or more persons in any one accident. Insurance shall be written with a limit of liability of not less than \$250,000 for all property damage sustained by any one person in any one accident and a limit of liability not less than \$250,000 aggregate for any such damage sustained by two or more persons in any one accident.
- (2) The Contractor shall acquire and maintain, if applicable, fire and extended coverage insurance upon the project to the full insurable value thereof for the benefit of the City, the Contractor and the subcontractors, as their interest may appear. This provision shall in no way release the Contractor or the Contractor's surety from obligations under the contract documents to fully complete the project.

21.4 The Contractor shall procure and maintain, at the Contractor's own expense, during the contract time, in accordance with the provisions of the laws of the State of Oklahoma, Workers' Compensation insurance, including occupational disease provisions, for all of the Contractor's employees at the site of the project and, in case any work is sublet, the Contractor shall require such subcontractor similarly to provide Workers' Compensation insurance, including occupational disease provisions, for all of the latter's employees unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in hazardous work under this contract at the site of the project is not protected under the Workers' Compensation Statute, the Contractor shall provide and shall cause each subcontractor to provide adequate and suitable insurance for the protection of its employees not otherwise protected.

21.5 The contractor shall secure, if applicable, "all risk" type Builder's risk insurance for work to be performed. Unless specifically authorized by the City, the amount of such insurance shall not be less than the contract price totaled in the bid. The policy shall cover not less than the losses due to fire, explosion, hail, lightning, vandalism, malicious mischief, wind, collapse, riot, aircraft and smoke during the contract time and until the

work is accepted by the City. The policy shall name as the insured the Contractor and the City.

22.0 CONTRACT SECURITY:

22.1 The Contractor shall, within ten (10) days after the receipt of the Notice of Award, furnish the City with a performance bond and a payment (statutory) bond in penal sums equal to the amount of the contract price, conditioned upon the performance by the Contractor of all undertakings, covenants, terms, conditions and agreements of the contract documents and upon the prompt payment by the Contractor to all persons supplying labor and materials in the performance of the work required by the contract documents. Such bonds shall be executed by the Contractor and a corporate bonding company licensed to transact such business in the State of Oklahoma and named on the current list of "Surety Companies Acceptable on Federal Bonds", as published in Treasury Department Circular Number 570. The expense of these bonds shall be borne by the Contractor. If, at any time, a surety on any such bond is declared bankrupt or loses its right to do business in the State of Oklahoma or is removed from the list of Surety Companies Acceptable on Federal Bonds, Contractor shall, within ten (10) days after notice from the City, substitute another bond and surety, both of which must be acceptable to City. The premiums on such bond shall be paid by the Contractor. No further partial or progress payments to the Contractor shall be deemed due nor made until the new surety or sureties shall have furnished an acceptable bond to the City.

23.0 ASSIGNMENTS: Neither the Contractor nor the City shall sell, transfer, assign or otherwise dispose of the contract or any portion thereof or of any right, title or interest therein or any obligations thereunder without written consent of the other party.

24.0 INDEMNIFICATION:

24.1 The Contractor shall indemnify and hold harmless the City and the Engineer and their agents and employees from and against all claims, damages, losses and expenses, including attorney's fees, arising out of or resulting from the performance of the work, provided that any such claims, damages, loss or expense is attributable to bodily injury, sickness, disease or death or to injury to or destruction of tangible property, including the loss of use resulting therefrom, which is caused in whole or in part by any negligent or willful act or omission of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable.

24.2 In any and all claims against the City or the engineer or any of their agents or employees by any employee of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Contractor or any subcontractor under the Workers' Compensation Act, disability benefits acts or other employee benefits acts.

24.3 The obligation of the Contractor under this paragraph shall not extend to the liability of the third-party Engineer, its agents or employees arising out of the preparation

or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications.

25.0 SEPARATE CONTRACTS:

25.1 The City reserves the right to let other contracts in connection with this project. The Contractor shall afford other contractors reasonable opportunity for the introduction and storage of their materials and the execution of their work and shall properly connect and coordinate the work with theirs. If the proper execution or results of any part of the Contractor's work depends upon the work of any other contractor, the Contractor shall inspect and promptly report to the Engineer any defects in such work that render it unsuitable for such proper execution and results.

25.2 The City may perform additional work related to the project or the City may let other contracts containing provisions similar to these. The Contractor will afford the other contractors who are parties to such contracts (or the City, if the City is performing the additional work) reasonable opportunity for the introduction and storage of materials and equipment and the execution of work and shall properly connect and coordinate the work with theirs.

25.3 If the performance of additional work by other contractors or the City is not noted in the contract documents prior to the execution of the contract, written notice thereof shall be given to the Contractor prior to starting any such additional work. If the Contractor believes the performance of such additional work by the City or other involves it in additional expense or entitles it to an extension of the contract time, the Contractor may make a claim therefor as provided in Sections 14 and 15.

26.0 SUBCONTRACTING:

26.1 The Contractor may utilize the services of specialty subcontracts on those parts of the work which, under normal contracting practices, are performed by specialty subcontractors.

26.2 The Contractor shall not award work to subcontractor(s) in excess of fifty (50) percent of the contract price or in excess of fifty (50) percent of the labor and equipment required to install the project without prior written approval of the City.

26.3 The Contractor shall be as fully responsible to the City for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by them as the Contractor is for the acts and omissions of persons directly employed by the Contractor.

26.4 The Contractor shall cause appropriate provisions to be inserted in all subcontracts relative to the work to bind subcontractors to the Contractor by the terms of the contract documents insofar as applicable to the work of subcontractors and to give the Contractor the same power regarding termination of any subcontract that the City may exercise over the Contractor under any provision of the contract documents.

26.5 Nothing contained in this contract shall create any contractual relationship between any subcontractor and the City.

27.0 ENGINEER'S AUTHORITY:

27.1 The Engineer shall act as the City's representative during the construction period, shall decide questions which may arise as to quality and acceptability of materials furnished and work performed, and shall interpret the intent of the contract documents in a fair and unbiased manner. The Engineer will make visits to the site and determine if the work is proceeding in accordance with the contract documents.

27.2 The Contractor will be held strictly to the intent of the contract documents in regard to the quality of materials, workmanship and execution of the work. Inspections may be made at the factory or fabrication plant of the source of material supply.

27.3 The Engineer shall not be responsible for the construction means, controls, techniques, sequences, procedures or construction safety.

27.4 The Engineer shall promptly make decisions relative to interpretation of the contract documents.

28.0 LAND AND RIGHTS-OF-WAY:

28.1 Prior to issuance of the Notice to Proceed, the City shall obtain all land and right-of-way necessary for the carrying out and completion of the work to be performed pursuant to the contract documents, unless otherwise mutually agreed.

28.2 The City shall provide the Contractor with information that delineates and describes the lands owned and right-of-way acquired.

28.3 The Contractor shall provide, lease, or acquire at its own expense and without liability to the City, any additional land and access thereto that the Contractor may desire for temporary construction facilities or for storage of materials.

29.0 GUARANTEE: The Contractor shall guarantee all materials and equipment furnished and work performed for a period of one (1) year from the date of substantial completion. The Contractor warrants and guarantees for a period of one (1) year from the date of substantial completion of the system that the completed system is free from all defects due to faulty materials or workmanship and the Contractor shall promptly make such corrections as may be necessary by reason of such defects, including the repairs of any damage to other parts of the system resulting from such defects. The City will give notice of observed defects with reasonable promptness. In the event the Contractor should fail to make such corrections, the City may do so and charge the Contractor the costs thereby incurred. The performance bond shall remain in full force and effect throughout the guarantee period.

30.0 TAXES: The Contractor will pay all sales, consumer, use and other similar taxes required by the laws of the State of Oklahoma. Where exemptions from such taxes exist and are applicable to the Contractor, the City shall issue a letter to the Contractor to that effect.

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENT:

That we, _____ as Principal, and _____ as Surety, are hereby held and firmly bound unto the City of Ardmore, in the State of Oklahoma, in the full and sum of DOLLARS (\$ _____) for the payment of which well and truly to be made, we, and each of us, bind ourselves, our heirs, executors, and assigns, themselves and its successors and assigns, jointly and severally, firmly by these presents.

Dated, this _____ day of _____, _____.

The conditions of the above obligation are such, that whereas, said Principal is the lowest and best Bidder for the making of the following work and improvement, viz:

NAME OF PROJECT
DEPARTMENT PROJECT _____
BID NO.: _____

and has entered into a certain written Contract with the City of Ardmore, on the _____ day of _____, _____, for the erection and construction of said work and improvement all in compliance with the Contract Documents, made a part of said Contract and on file in the office of the City Engineer, City of Ardmore, and said Contract is hereby made a part and parcel of this Bond as if literally written herein.

NOW, THEREFORE, if said Principal shall fully and faithfully execute the work and perform said Contract according to its terms, conditions and covenants, and in exact accordance with the bid of said Principal, and according to Contract Documents heretofore made, adopted and placed on file in the office of the City Engineer of the City of Ardmore, and shall promptly pay or cause to be paid, all labor, materials and/or repairs and all bids for labor performed on said work, whether by sub-contract or otherwise; and shall protect and save harmless the said OWNER and all interested property owners against all claims, demands, causes of action, losses or damage, and expense to the life or property suffered or sustained by any person, firm or corporation by reason of negligence of the CONTRACTOR or his agents, servants, or employees in the construction of said work, or by, or in consequence of, any improper execution of work or act of omission or use of inferior materials by said CONTRACTOR or his or its agents, or employees; and shall protect and save the OWNER harmless from all suits and claims of infringement of alleged infringement of patent rights or processes, then this obligation shall be null and void. Otherwise this obligation shall remain in full force and effect.

It is further expressly agreed and understood by the parties hereto that no changes or alterations in said Contract and no deviations from the plan or mode of procedure herein fixed shall have the effect of releasing the sureties, or any of them, from the obligations of this Bond.

IN WITNESS WHEREOF, the Principal has caused these presents to be executed in its name and its corporate seal to be hereunto affixed by its duly authorized officers; and the said Surety has caused these presents to be executed in its name and its corporate seal to be hereunto affixed by its attorney-in-fact, duly authorized to do to, the day and year first above-written.

ATTEST:

Principal

ATTEST:

Surety

STATUTORY PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS:

That we, _____,
as Principal, and _____, as
Surety, are held and firmly bound unto the City of Ardmore, in the sum of
_____ Dollars
(\$_____) for the payment of which, well and truly to be made, we
and each of us, bind ourselves, our heirs, executors and assigns, themselves and its
successors and assigns, jointly and severally, firmly by these presents.

Dated this _____ day of _____, _____.

The conditions of this obligation are such, that whereas, the above Bonded Principal,

is the lowest and best Bidder for the making of the following work and improvements,
viz:

NAME OF PROJECT
DEPARTMENT PROJECT _____
BID NO.: _____

and has entered into a certain written Contract with the City of Ardmore, on the _____
day of _____, _____, for the erection and construction of said work and
improvements. In exact accordance with the bid of said Principal, and according to the
Contract Documents heretofore made, adopted and placed on file in the office of the,
City of Ardmore, Oklahoma.

NOW, THEREFORE, if said principal shall fail or neglect to pay all indebtedness
incurred for labor and materials furnished by any supplier and consumed in the
performance of said Contract, and such repairs to and rental of machinery and
equipment as may be furnished by a sub-contractor to the person or persons
contracting with this OWNER within thirty (30) days after the same becomes due and
payable, their person, firm or corporation entitled thereto may sue and recover on this
Bond, the amount so due and unpaid.

It is further expressly agreed and understood by the parties hereto that no changes or
alterations in said Contract and no deviations from the plan or mode of procedure herein
fixed shall have the effect of releasing the sureties, or any of them, from the obligations
of this Bond.

IN WITNESS WHEREOF, the Principal has caused these presents to be executed in its
name and its corporate seal to be hereunto affixed by its duly authorized officers; and
the said Surety has caused these presents to be executed in its name and its corporate
seal to be hereunto affixed by its attorney-in-fact, duly authorized so to do, the day and
year first above-written.

ATTEST:

Principal

ATTEST:

Surety

MAINTENANCE BOND

KNOW ALL MEN BY THESE PRESENT:

That we, _____, as Principal, and _____, as Surety, are hereby held and firmly bound unto the City of Ardmore, in the State of Oklahoma, in the full and just sum of _____ DOLLARS (\$_____) such sum being equal to the Contract amount for a period of one (1) year and thereafter for a period of one (1) year for the sum of _____ DOLLARS (\$_____) such sum being not less than fifteen percent (15%) of the Contract price for the payment of which well and truly to be made, we, and each of us, bind ourselves, our heirs, executors, and assigns, themselves and its successors and assigns, jointly and severally, firmly by these presents.

Dated, this _____ day of _____, _____.

The condition of the above obligation are such, that whereas, said Principal, has by a certain Contract between Principal and the City of Ardmore, dated _____ day of _____, _____, agreed to construct;

NAME OF PROJECT
DEPARTMENT PROJECT _____
BID NO.: _____

all in compliance with the Contract Documents therefore, made a part of said Contract and on file in the office of the Engineer, Ardmore, Oklahoma; and to maintain the said improvement in the amounts set forth above against any failure due to workmanship or material for a period of two (2) years from the date of acceptance of the project by the City of Ardmore.

NOW, THEREFORE, if said Principal shall pay or cause to be paid to the City of Ardmore; all damage, loss and expense which may result by reason of defective materials and/or workmanship in connection with said work, occurring within a period of two (2) years from and after acceptance of said project by the City; and if Principal shall pay or cause to be paid all labor and materials, including the prime CONTRACTOR and all sub-contractors; and if Principal shall save and hold the OWNER harmless from all damages, loss and expense occasioned by or resulting from any failure whatsoever of said Principal, then this obligation shall be null and void, otherwise to be and remain full force and effect.

It is further agreed that if the said Principal or Surety herein shall fail to maintain said improvements against any failure due to defective workmanship and/or material for a period of two (2) years and any time repairs shall be necessary that the cost of making said repairs shall be determined by the City of Ardmore; or some person or persons designated by them to ascertain the same, and if, upon thirty (30) days notice, the said amount ascertained shall not be paid by the Principal or Surety herein, or if the necessary repairs are not made, that said amount shall become due upon the expiration of thirty (30)

days and a suit may be maintained to recover the amount so determined in any Court of Competent Jurisdiction.

And that amount so determined shall be conclusive upon the parties as to the amount due on this Bond for the repairs or repairs included therein, and the cost of all repairs shall be so determined from time to time during the life of this Bond as the condition of the improvements may require.

It is further expressly agreed and understood hereto that no charges or alterations in the said Contract and no deviations from the plan or mode of procedure herein fixed shall have effect of releasing the Sureties, or any of them, from the obligations of this Bond.

IN WITNESS WHEREOF, the said principal has caused these presents to be executed in its name and its corporate seal to be hereunto affixed by authorized officers; and said Surety has caused these presents to be executed in its name and its corporate seal to be hereunto affixed by its attorney-in-fact, duly authorized to do so, the day and year first above-written.

ATTEST:

Principal

ATTEST:

Surety

**ATTORNEY'S STATEMENT
OF
APPROVAL OF CONTRACT AND BONDS**

I, the undersigned, _____, the fully authorized and legal representative of the City of Ardmore and the City of Ardmore, Ardmore, Carter County, Oklahoma, do hereby certify as follows:

I have examined the construction contract and between the construction contractor,

(Name of Contractor)

and the above-named entity, the surety bonds given by the construction contractor in connection with performance of said contract, and the manner of execution of the contract and surety bonds; and I am of the opinion that each of the aforesaid agreements has been duly executed by the proper parties thereto, acting through their duly authorized representatives, that said representatives have full power and City to execute said agreements on behalf of the respective parties named therein and that the foregoing contract and surety bonds constitute valid and legally binding obligations upon the parties executing the same in accordance with the terms, conditions and provisions thereof.

Dated the _____ day of _____, _____.

CITY ATTORNEY

NOTICE TO PROCEED

(General Form of the Notice to Proceed to be Published on City Letterhead)

Date of Notice Letter

TO

Name of Contractor

Address of Contractor

City, State and ZIP

PROJECT:

NAME OF PROJECT
DEPARTMENT PROJECT _____
BID NO.: _____

You are hereby notified to commence work in accordance with the Contract dated the _____, _____, on or before _____, 20____, and you are to complete the work within _____ days thereafter. The date of completion of all work is therefore _____, 20____.

The Contract provides for the assessment of the sum of \$250.00 as liquidated damages for each calendar day after the above established Contract completion date the work remains incomplete.

CITY OF ARDMORE

Signature

City Engineer

ACCEPTANCE OF NOTICE

Receipt of the above Notice to Proceed is hereby acknowledged by

Signature of Contractor

Title

(Sign and return to the City Engineer)

Date of Waiver

STATE OF OKLAHOMA)
) ss.
COUNTY OF _____)

Whereas, the undersigned has entered into a contract with

(Contractor)

to furnish labor and/or materials for the project known as

NAME OF PROJECT
DEPARTMENT PROJECT _____
BID NO.: _____

Now therefore, know ye that the undersigned for and in consideration of the monies to be paid pursuant to the above contract, do hereby waive and release the City of Ardmore, Oklahoma (Owner) and the aforementioned Project Contractor from any and all lien or claim or right of lien on said above described project and premises.

Name of Company, Subcontractor or Supplier

Signature of Authorized Company Designee

Subscribed and sworn to before me this _____ day of _____, _____.

Notary Public (SEAL)

My Commission expires:

NOTE: A signed and notarized copy of this Release or Waiver shall be executed by each subcontractor and supplier of and to the Contractor and submitted with the last and final partial pay request submitted by the Contractor to the City.

CONSENT OF SURETY COMPANY TO FINAL PAYMENT

NAME OF PROJECT
DEPARTMENT PROJECT _____

BID NO.: _____

CONTRACT DATE:

OWNER: CITY OF ARDMORE, ARDMORE, OKLAHOMA

in accordance with the provisions of the Contract between the City of Ardmore and the CONTRACTOR as indicated above, the

(here insert name and address of Surety Company)

On Bond of _____
(here insert name and address of Contractor)

hereby approves of the final payment to the CONTRACTOR, and agrees that final payment to the Contract, and agrees that final payment to the CONTRACTOR shall not relieve the Surety Company of any of its obligations to

City of Ardmore
Ardmore, Oklahoma

as set for in the said Surety Company's Bond No. _____, dated _____.

IN WITNESS WHEREOF, the Surety Company has hereunto set its hand this ____ day of _____, _____.

Surety Company

Signature of Authorized Representative

Title

Attest (SEAL)

Following is a transcription of the City of Ardmore Purchasing Manual dated February 15, 2019, for ready reference and inclusion in the Engineering Department Standard Contract Documents.

**CITY OF ARDMORE COMPREHENSIVE PURCHASING MANUAL
SECTION 1: GENERAL PROVISIONS**

1.1 Introduction

There is hereby established a purchasing manual for the City of Ardmore for the purpose of regulating purchases for the City. This manual will encompass the requirements of the City Charter, City Ordinances, and Oklahoma Law regulating such purchases.

All employees of the City of Ardmore shall be required to familiarize themselves with the requirements set forth and shall adhere to its rules, regulations, and procedures. If the procedures and guidelines established in this manual are followed, each department will efficiently manage, control, and plan their available resources to meet present and future departmental needs and help the City achieve these goals.

1.2 Purpose

The primary purpose of purchasing is to provide a means to maximize the use of financial resources with sound procurement practices. The City of Ardmore's Purchasing Manual shall embody the following principles:

1. Comply with the legal requirements of public purchasing.
2. Purchase materials, supplies, contractual services, and equipment to maximize to the fullest extent the maximum purchasing value of public funds.
3. Provide City departments the required goods and services when market conditions are favorable in the proper quantity and quality.
4. Ensure uniformity of procedures and specifications.
5. Promote competitive bidding.
6. Purchase goods and services for which funds have been approved and budgeted.
7. Inspect goods delivered in order to enforce contractual and specification compliance.
8. Ensure prompt payment of all bills in accordance with legal payment procedures in order to earn maximum cash discounts and maintain good vendor relations.

9. Provide vendors impartial and equal treatment while establishing and maintaining cordial relationships.

1.3 Definitions

For the purpose of this manual the following terms, phrases, words, and their derivatives shall have the following meaning:

1. Addendum - an amendment to the specifications that must be sent to all potential bidders and must be signed on a form that they received the addendum.

2. Bidding documents - means the bid notice, plans and specifications, bidding form, bidding instructions, special provisions, and all other written instruments prepared by or on behalf of the City of Ardmore for use by prospective bidders on public construction contracts or improvements of public property contracts.

3. Change Order – a unilateral written order which alters the scope of work or contract requirements after the contract has been awarded.

4. City - means the City of Ardmore, Oklahoma and means the City government in all its forms, including not only all City departments, but also the City Commission or other persons or entity acting for or on behalf of the City.

5. Commission - means the Mayor and City Commission of the City of Ardmore.

6. Contract Modification and or Change Order - means any written alteration in the contract period, specifications, price, quantity or other contract provisions of any contract, whether accomplished by unilateral action in accordance with a contract provision, or by mutual action of the parties to the contract. It includes bilateral actions, such as supplemental agreements and unilateral actions, such as change notices, administrative changes, notices of termination, and notices of the exercise of a contract option and approval of the City Commission is required. The City will follow the requirements found in the Public Competitive Act, as it is amended from time to time. Currently, change orders or addenda to public construction contracts of less than One Million Dollars (\$1,000,000.00) shall not exceed fifteen percent (15%) cumulative increase in the original contract amount. Change orders or addenda to public construction contracts of One Million Dollars (\$1,000,000.00) or more shall not exceed a ten percent (10%) cumulative increase in the original contract amount, or One Hundred and Fifty Thousand Dollars (150,000.00), whichever is less. Change orders or cumulative changer orders exceeding limits shall require a re-advertising for bids on the incomplete portions of the contract. All change orders shall be formally approved by the governing body of the awarding public agency and the reasons for approval recorded in the permanent records of the governing body.

7. Contractor - means an individual or business entity entering into a contract for goods/services with the City.

7. Contractual Services - means services to be provided as described within a contract.
8. Encumbrance – means that a department’s funds are set aside, or “earmarked,” to be used for a specific purchase.
9. Enterprise Funds - funds which recover all or part of the cost of providing the service through user charge.
10. Equipment – Equipment includes, but is not limited to lawnmowers, tractors, and fire trucks. Generally, a piece of equipment is a motorized unit in which the primary purpose is not to be a mode of transportation.
11. FOB Destination– means “free on board” which as a term used to specify at what point respective obligations, costs, and risk involved in the delivery of goods shifts from the seller to the buyer. “FOB destination” means that the seller is responsible for the goods until delivery to the buyer. The sale technically occurs when the goods reach the destination.
12. Invitation for Bids (IFB) - means bids submitted in sealed envelopes to the Purchasing Coordinator, or other designated official, to be opened at the designated time and place for items over \$25,000.00. For the same item, it shall be based on total price not unit price.
13. Manual - means this Purchasing Manual.
14. Procurement - means the process of obtaining goods or services including all activities from preparation and processing of a requisition, including inventories management, through receipt and approval of the final invoice for payment.
15. Professional Services - means services which are predominately mental or intellectual in character, rather than physical or manual and which not does not involve the supplying of products. It generally includes services that require special, usually advanced education and skill.
16. Proposal - means a formal written/verbal offer containing price and other terms made by a vendor.
17. Public Construction Contract - means any contract exceeding Fifty Thousand Dollars (\$50,000.00) entered into for the purpose of making any public

improvements or constructing any public building or making repairs to or performing maintenance on the same. For more information, see the Oklahoma Public Competitive Bidding Act.

18. Public Improvement - means any beneficial or valuable change or addition, betterment, enhancement or amelioration of or upon any real property or interest therein intended to enhance its value, beauty or utility or to adapt it to new or further purposes. The term does not include direct purchase of materials, equipment or supplies by the City or any personal property.

19. Public Notice - means the placement of the required notice in a local newspaper of general circulation within the City and other publications as desired in order to notify the public that the City is requesting bids on specific purchases or items to sell. Such notice by publication shall be published in two (2) consecutive weekly issues of said newspaper with the first publication thereof to be at least twenty (20) days prior to the date set for the opening bids. For public construction contracts and/or public improvements, notice shall also be sent to at least one in- state trade or construction publication, however, no publication of such notice is required.

20. Purchase Requisition – a form used to record verbal or written quotes. The purchase requisition provides department, fund, item description, quantity, and vendor information. It shall be attached to the purchase request when submitted for payment. It shall be filled out in its entirety including date and signature or it will be returned to the department for completion.

21. Purchasing Cooperative – means an association of public entities working together to provide leverage in achieving best value and/or the best terms in contracts awarded through a competitive bidding process.

22. Purchasing Coordinator - position within the Finance Department, who assists all departments with purchasing functions.

23. Retainage - means the difference between the amount earned by the contractor on a public construction contract or improvements of public property contract with the work being accepted by the City of Ardmore and the amount paid on said contract by the City of Ardmore.

24. Request for Proposal (RFP) – a document circulated by the City when seeking proposals for professional services, or other contractual services.

25. Request for Qualifications (RFQ) - a request for statements of qualifications from professional service vendors.

26. Sealed Bid - an offer, as a price, whether for payment or acceptance, used as either an offer by a vendor to the City or an offer by a buyer to the City submitted as a result of an Invitation for Bids in a competitive process.

27. Solicitation for Bid - means a formal request for a written bid as part of a competitive bidding process.

28. Sole Source and Sole Brand Acquisitions- a "sole brand acquisition" is an acquisition that by specification restricts the purchase to one manufacturer or brand name. "Sole source" means that a vendor is the only source for a service or item to be purchased. It can also be an acquisition which, by specification, restricts the acquisition to one supplier. An example of a sole source service contract would be maintenance or repair to equipment that can only be done by the manufacturer of the item.

29. Supplies - shall mean and include all equipment, material and supplies.

30. User Department - means any department, division, section, or other unit in the City government using supplies or procuring contractual services as provided herein.

31. Vendor - means a supplier of commodities, services and/or equipment. It is sometimes used interchangeably with "contractor."

32. Verbal Price Quotation - means to request from a vendor a price, or quotation for a supply or contractual service equal to an amount greater than \$2,500.00 but less than \$4,999.99, by telephone or verbally. Verbal Price Quotation is based on the total price for a single item, not per unit cost.

33. Written Price Quotation - means a written response from a vendor to a request for a price or quotation for a supply or contractual service in an amount greater than \$5,000.00 but less than \$25,000.00. Written Price Quotation is based on total price for a single item, not per unit cost. Acceptable forms of written response include: quote on vendor's letterhead, copy of catalogue price, downloaded website price.

1.4 Authority and Responsibilities

A. City Manager or Designee - The City Manager shall administer the rules and regulations for the purchase and procurement of all materials, supplies, equipment and contractual or professional services (Ardmore City Charter, Section 27). For purposes of approving expenditures, the City Manager may approve up to Twenty Five Thousand Dollars (\$25,000.00) without first obtaining Commission approval. Further, in emergency situations, the City Manager may approve

transaction up to Fifty Thousand Dollars (\$50,000.00) without first seeking Commission approval.

B. Finance Director - The Finance Director shall be responsible for the Purchasing Coordinator, shall have charge of directing staff, and implementing and maintaining the purchasing policies as set by the City Commission and City Manager. For purposes of approving expenditures, the Finance Director may unilaterally approve up to Five Thousand Dollars (\$5,000.00).

D. City Treasurer – The City Treasurer also has the ability to direct staff and implement purchasing policies. For purposes of approving expenditures, the City Treasurer may unilaterally approve up to Two Thousand Five Hundred Dollars (\$2,500.00).

C. Purchasing Coordinator - The Purchasing Coordinator shall work under the direction of the Finance Director. He/she shall:

1. Coordinate all competitive bidding requirements encompassed by the City's Purchasing Manual;
2. Assist user departments in accordance with applicable rules and regulations as set out in the Purchasing Manual.

D. Department Heads - The department head shall:

1. Inform and train departmental personnel on the requirements of this manual and ensure adherence to established purchasing policies and procedures;
2. Work cooperatively with the Purchasing Department and communicate department needs with enough lead time to ensure that procurement can be made using applicable Purchasing Manual procedures;
3. Utilize effective material requirements planning to maximize efficiency in the City's procurement schedule;
4. Provide accurate and complete information on items requested and timely preparation of requisitions;
5. Prepare specifications and item descriptions and assist the Purchasing Coordinator;
6. Designate certain employees with authority to prepare requisitions and make requests for purchase of certain items;

7. Inspect, or supervise the inspection of, supplies, services, and equipment delivered, and determine that their quality and quantity are in conformance with specifications.

8. Ensure all purchasing documents, including invoices, are signed by staff members who have reasonable knowledge of the transaction.

1.5 Bonds, Affidavits, and Insurance.

_____1.5.1 The City shall have the authority to require performance, maintenance, and/or payment bonds before entering into any contract for such amount as it finds necessary to protect the interests of the City.

1.5.2 The City shall have the authority to require affidavits, including Business Relationship Affidavits and Non-Collusion Affidavits, as it finds necessary to protect the interests of the City.

1.5.3 The City shall require contractors, consultants, and other workers upon City property to provide proof of compliance with the City's insurance requirements, including compliance with Oklahoma Workers' Compensation laws, if applicable.

1.6 Ethics and Conflicts of Interest. The propriety of actions by employees and officers of the City of Ardmore are governed by City Charter, ordinances, policies, and Oklahoma law, including the Oklahoma Constitution. Conflicts of interest inquiries are very fact specific and may require legal research. When in doubt, staff should contact the Human Resources Department or legal counsel for an opinion.

1.6.1 Conflicts of Interest. The City's Employee Handbook contains a section entitled "Conflict of Interest and Outside Employment Policy Statements." It provides a few examples of problem areas that arise in a municipal government, including financial interests and acceptance of gifts.

1.6.2 The City of Ardmore's General Policy Statement: The City expects its employees to conduct business according to the highest ethical standards of conduct. Employees are expected to devote their best efforts to the interests of the City. Business dealings that appear to create a conflict between the interests of the City and an employee are unacceptable. The City recognizes the right of employees to engage in activities outside of their employment which are of a private nature and unrelated to our business. However, the employee must disclose any possible conflicts so that the City may assess and prevent potential conflicts of interest from arising. A potential or actual conflict of interest occurs whenever an employee is in a position to influence a decision that may result in personal gain for the employee or an immediate family member (i.e., spouse or significant other, children, parents, siblings) as a result of the City's business dealings.

1.6.3 Activities which constitute a conflict of interest and unethical behavior include, but are not limited to, the following:

1. Soliciting, accepting, or agreeing to accept a financial benefit, gift or favor, other than from the City, that might reasonably tend to influence the employee's performance of duties for the City or that the employee knows or should know is offered with intent to influence the employee's performance;
2. Accepting employment, compensation, gifts or favors that might reasonably tend to induce the employee to disclose confidential information acquired in the performance of official duties;
3. Accepting outside employment, compensation, gifts, or favors that might reasonably tend to impair independence of judgment in performance of duties for the City;
4. Making any personal investment that might reasonably be expected to create a substantial conflict between the employee's private interest and duties for the City; and
5. Soliciting, accepting, or agreeing to accept a financial benefit from another person in exchange for having performed duties as a City employee that benefit that person.
6. An employee or his or her immediate family owning or holding a significant interest in a business that is a supplier, vendor, or contractor working with the City.

SECTION 2: GENERAL GUIDELINES

These general guidelines should be considered administrative rules and regulations and are to be adhered to as closely as possible by all departments in the procurement of goods and services.

2.1 Preference to Local Vendors

2.1.1 It is the desire of the City to purchase from Ardmore vendors whenever possible, with the exception of state contract purchases, purchasing alliances, or purchasing cooperatives. This can be accomplished by ensuring that local vendors who have goods or services available which are needed by the City are included in the processes for obtaining quotes and competitive bids which should precede most purchases. The City has a responsibility to its residents, however, to ensure that the maximum value is obtained for each public dollar spent.

2.2 Preference to Oklahoma Vendors

2.2.1 It is the desire of the City to purchase from Oklahoma vendors whenever local purchases are not possible, with the exception of state contract purchases, purchasing alliances, or purchasing cooperatives.

2.3 Preference to American Products

2.3.1 It is the desire of the City to encourage the purchase of products manufactured, assembled, or produced in the United States, if the quality and price are comparable with other goods.

2.4 Planning

2.4.1 Planning for purchases should be done on both a short term and long term basis. Small orders and last minute purchases should be minimized, thereby increasing the capability of each department to purchase its goods and services in larger quantities in order to obtain the maximum discounts possible. Planning will also cut down on the number of trips required to obtain materials and minimize the amount of clerical and supervisory time spent on documenting purchases. The purchasing process begins with the preparation of the Annual Budget.

2.5 Overdrafts Prohibited

2.5.1 No purchase will be authorized which would overdraw a department's budget. Department directors who are contemplating a purchase that will exceed a department's budget should contact the Finance Director for approval to ensure that a provision is made for the necessary budget allocation prior to initiating the purchase.

2.6 Buying Proper Quality

2.6.1. Quality and service are just as important as price and it is the duty of the requisitioning department to secure the best quality for the purpose intended. Quality buying is the buying of goods or services that will meet but not exceed the requirements for which they are intended. Departments may want to investigate life cycle costs or ERA mileage ratings to compare quotes and/or bids as opposed to utilizing the price as the criterion for determining the lowest bidder. It is the responsibility of each department director to become familiar enough with the available equipment to determine the appropriate quality required in order to develop specifications.

2.7 Sales Tax

2.8.1 The City is exempt from paying all local and state sales tax. The Finance or Purchasing Department can provide the necessary exemption documents to any vendor upon request.

2.8 Endorsements

2.8.1 It is City policy not to allow employees to endorse, or in any way permit an employee's name and position to be used and advertised as supporting a product or vendor to include advertisements, hats/ball caps, t-shirts, jackets and etc.

2.9 Personal Purchases

2.9.1 Purchases for employees by the City for non-business related purposes are prohibited (i.e. airfare, meals, and etc.). City employees are also prohibited from using the City's name or the employee's position to solicit special consideration in personal purchases.

2.9.2 This section does not apply to expenses for a spouse accompanying employees or commissioners on City business that is reimbursed by employee to the City.

2.10 Legal Requirements The power, authority, regulations, and interpretation for purchasing policies and procedures come from several sources. If this Purchasing Manual conflicts with provisions in the City Charter, Ardmore Code of Ordinances, or state law, those provisions will prevail. The City Manager, Finance Director, and/or City Attorney may be asked to review this policy in light of a certain situation to provide guidance to the Purchasing Department and other departments.

SECTION 3: OPEN MARKET PURCHASING PROCEDURES

The City Commission has established policies regulating the degree of formality to be followed in the purchase of goods and services, depending on the costs of the items to be purchased. An "open market purchase" The splitting of contracts into smaller orders to avoid competitive bidding requirements is strictly prohibited. In other words, one cannot divide a known quantity or fail to consolidate a known quantity of an acquisition to avoid the competitive bidding requirements of this Purchasing Manual or state law. All such contracts shall be void.

Whenever goods or services are required, the department director shall submit a material and purchase requisition form to the Finance Department. The information on the requisition form will be reviewed to ensure the correct account number is being used, the account has funds available and at which of the following levels the goods will be requested. If the purchase requires formal bidding, the Purchasing Agent will prepare and receive the bids. The results will be forwarded to the department director for review.

Once the requisition has been approved, a purchase order will be issued. The Department Director will be notified of the approval.

If a vendor requires payment in advance, the offer may be rejected and the next low bidder awarded the item, service or contract.

3.1 Open Market Purchases - under \$25,000.00

Exceptions to authorization requirements include OG&E, ONG, SORD, or energy services, Sunshine Industries, fuel, Softball Associations, and contract labor from staffing agencies, sales tax, occupancy tax or any other utility, government entity or commission.

A. Open Market Purchases

1. All purchases of supplies or contractual services of less than \$25,000.00 may be made in the open market without newspaper advertisement and without observing the procedure for formal bid award, except as otherwise provided herein. No order for delivery on a contract or open market purchase shall be issued until the department head verifies that there are unencumbered funds to the credit of the using department sufficient to pay the cost of the order.

2. Direct Solicitation for Purchases less than \$2,500.00

Open market purchases less than \$2,500.00 shall be based upon open market direct solicitation. Open market purchases less than \$2,500.00 shall be based on total price for a single type of item, not per unit cost. An example would be 6" PVC pipe at a cost of \$5.25/ft. If 350' are purchased the total cost would be under \$2,500.00 and no quotes or prior approval is necessary other than ensuring that funds are available for the purchase.

3. Verbal Price Quotation for Purchases Less than \$5,000.00

Open market purchases equal to or greater than \$2,500.00 but less than \$5,000.00 shall be based upon three (3) verbal quotations which shall be valid for not more than Ninety (90) days. Verbal Price Quotation is based on total price for a single type of item, not per unit cost. An example would be a radio that costs \$500.00/unit. If six (6) units are purchased the total cost would be over \$2,500.00 and therefore would require verbal quotes and approval by the Finance Director prior to purchase. When soliciting quotes, freight shall be included in the total cost. The quotations shall be recorded on the purchase requisition form that shall be signed, dated, and filled out entirely, or be returned to the department for completion. The lowest bidder meeting the specifications will receive award if funding is available in the appropriate line item. After placing an order with a vendor for goods having a value of \$2,500.00 to \$4,999.99 inclusive, departments must submit a purchase request, with the purchase requisition which shall request permission to encumber funds attached, along with the documented verbal quotes, for written approval by the Finance Director.

4. Written Price Quotation for Purchases Greater than \$4,999.99 but Less than \$25,000.00

Open market purchases equal to or greater than \$5,000.00 but less than \$25,000.00 shall be based upon three (3) written quotations which shall be valid for not more than Ninety (90) days. Written Price Quotation is based on total price for a single type of item, not per unit cost. An example would be a polycart that costs \$50.00/unit. If two hundred (200) units are purchased the total cost would be over \$5,000.00 and therefore would require written quotes, encumbering the funds and approval by the Finance Director prior to purchase. When soliciting quotes, freight shall be included in the total cost. Written quotations can be in the form of a document on the vendor's letterhead, an internet document or a copy of the item's cost in a catalogue. The quotations shall be recorded on the purchase requisition that shall be signed, dated and filled out entirely or be returned to the department for completion. The lowest bidder meeting the specifications will receive award if funding is available in the appropriate line item. Prior to placing an order for goods having a value of \$5,000.00 to \$25,000.00, departments must submit a purchase request and request encumbering the funds, with the purchase requisition, and three (3) written quotes attached, for written approval by the Finance Director. The City Manager's written approval will be required on purchases over \$5,000.00.

B. Purchases to the Lowest Responsible Bidder

Purchases mentioned in Sections 3.1, A(3) and A(4) shall be to the lowest responsible bidder. The user department will submit a purchase request to the Finance Director for said purchase.

C. Payment

Upon receipt of the invoice and goods, the user department will certify that goods have been received and submit the purchase request to the accounts payable clerk for payment.

3.2 When Bidding is Not Required

Competitive bidding shall not be required in the following cases;

A. Supplies, materials, equipment or contractual services which costs do not exceed twenty five thousand dollars \$25,000.00 in a single transaction for total price of one type of item, not cost per unit.

B. Supplies, materials, equipment, or contractual services purchased from another unit of government at a price determined below that obtainable from a private dealer, including war surplus.

C. Contractual services (gas, electricity, telephone service, etc.) purchased from a public utility corporation at a price or rate determined by the state corporation committee or other proper governmental authority.

D. Contractual services of a professional nature, such as engineering, architectural, legal, accounting, medical, laboratory testing or other such professional or skilled services which, in keeping with the standards of their discipline, will not enter into a competitive bidding process. The department head will make a recommendation to the City Manager regarding the need to submit Requests for Proposal to various vendors. If the City Manager determines that it is necessary, a Request for Proposal (RFP) will be prepared. RFPs are similar to bid documents as they include scope of work, specifications, requirements, and minimum standards for the services to be provided. When an RFP for professional services is approved, a limited number of qualified professionals known to the City will be invited to submit a proposal setting forth their interest, qualifications, and how they can meet the City's needs. In securing professional services, it is the primary goal of the City to obtain the services of a professional who has a proven record of providing, in a professional way, those services required. A contract will be negotiated with the professional deemed to best meet the City's needs.

E. Used supplies, materials, or equipment when price is of prime importance and the difference in cost between new and used is significant; where equipment will be used infrequently, for a limited time, for training or auxiliary operations; or when better delivery is essential. Purchases of used equipment requires careful shopping and the requisitioning department should make every effort to secure a minimum warranty or guarantee that the equipment will perform as needed and that service or replacement parts are reasonably available.

F. It is recognized that certain supplies, materials, equipment, or contractual services may only be procured from sole source vendors or which have a uniform price wherever purchased. (i.e., maintenance provided on the City's computer or photo copying equipment parts). Therefore, when it can be documented in writing by the department head that the supply or contractual service cannot be competitively bid due to sole source availability, the supply or contractual service may be procured without following the normal bidding procedures. Such documentation shall be forwarded with a purchase requisition, which includes a request for encumbering funds, and a sole source affidavit (signed by the department head) to the Finance Department. A sole source letter from the manufacturer should also be obtained. The Finance Department must approve all sole source supplies or services prior to purchase.

G. The City Manager shall approve all purchases of used supplies, equipment, or materials that do not exceed \$25,000.00 in cost for like items, not cost per unit.

3.3 Warranty Practices

When a warranty is in effect for a piece of equipment, it shall be taken to the nearest authorized warranty and repair center for any and all repairs for the sole purpose of keeping the warranty in good standing.

Any repairs made to any equipment by a non-authorized agency shall result in the warranty being null and void; therefore, it shall be standard practice to know which pieces of equipment are under warranty and which are not and to follow the manufacturer's warranty rules and regulations.

In certain circumstances, labor will be covered while the parts are not. In this instance, the equipment shall still be taken to the authorized warranty and repair center despite the price of the parts. While the parts may be more expensive than another repair center, the labor is covered so the price of the total ticket would still be less because of the labor being warranted. The same scenario is plausible for a part being under warranty and the labor not being covered.

3.4 Motor Tear Downs, Transmission Repairs, Rear End Repairs and Major Break Downs

It shall always be the intent of the City to seek out the lowest possible prices for repairs and labor. However, situations will arise when certain parts are not able to be sent out for bid or quote due to time constraints and/or the nature of the repair.

Time is an issue that cannot be dealt with when certain equipment breaks down. The repairs need to be made in a matter of hours or days so that the equipment may be back in full functioning order as soon as possible. Examples of time constraint equipment includes but is not limited to the fire engines, lawn mowers and tractors in the summer mowing season etc. Examples of repairs which may be indicated as above include but are not limited to: motor tear downs, transmission repairs, rear end repairs and major break downs. Purchase requisition must note the type of repair, the unit/inventory number and description of the equipment, and that it is a tear down repair.

When the occasion arises and equipment must be "broken down" to determine the exact problem and what parts and labor will be needed, the City shall not require separate quotes.0 However, approval from the Department Head is required prior to repair.

It should not be expected of a repair shop to perform a tear down and then allow the City to gather bids or quotes from competitors for parts and labor. Therefore the City will allow on these rare occasions an exception to the bid rule as stated in Section 4 of this purchasing manual.

SECTION 4: COMPETITIVE BIDDING PROCEDURES FOR PURCHASES AND CONTRACTS NOT RELATED TO PUBLIC CONSTRUCTION AND PUBLIC IMPROVEMENTS

4.1 Competitive Sealed Bidding Procedures - \$25,000.00 or over

Prior to processing a purchase order to secure goods or services with a total invoice amount greater than \$25,000.00, the Purchasing Department must advertise for written bids and conduct sealed bid openings. This requirement applies to all types of purchases and transaction except for those specifically exempted from a bidding requirement.

Generally, purchases off of the Oklahoma State Contract or other cooperative procurement program do not need to be competitively bid. Cooperative Procurement Programs should be used when available. The City is encouraged to check with Oklahoma State Contracts or other governmental entities bids or proposals within and outside of the State of Oklahoma and/or cooperative procurement programs in effect prior to making any large dollar purchase. However, all purchase orders for goods or services having a value greater than \$25,000.00, including those off of the Oklahoma State Contract or other cooperative procurement program shall be submitted to the City Commission for approval prior to placing an order with a vendor. If the purchase involves a public construction contract or public improvement, the use of purchasing cooperatives may or may not be allowed based on the specific circumstances. See Section 5, below.

A. Specification Responsibility

Department heads, or consultants, will prepare bid specifications and other bid documents, with assistance from the Purchasing Coordinator. All departments shall utilize the City's standard bid forms to ensure uniformity and efficient administration of contracts. See Section 10.

B. Evaluation Factors

Bid evaluation factors should be standards which measure how well a vendor's product or service meets desired needs and permits an evaluation between what is needed and what is proposed.

C. Bid Solicitation

The specifications and bid documents shall be published by the Purchasing Coordinator. The Purchasing Coordinator will then assist the user departments in developing a vendor list and mail specifications and bid documents or notice to prospective bidders.

D. Bid Opening and Tabulation

Sealed bids shall be received by the Purchasing Coordinator and shall be identified as bids on the envelope. Such bids shall be opened and read aloud by the Purchasing Coordinator or his/her designee at the time and place specified in the bid documents. The Purchasing Coordinator will then prepare the bid tabulation. The Department Head will prepare an agenda item for submission to

the City Commission for award or rejection of bids. After the City Commission has approved the award, the Purchasing Coordinator will notify the bidders of the award. The department head will then complete a purchase request and forward it to the Finance Department.

E. Bid Rejection

The City Commission shall have the authority to reject all bids, or parts of all bids, when the public interest will be served thereby. There are several reasons why a bid may be rejected, which may include but is not limited to the following: non-responsive to bid specifications or requirements; bid price exceeded estimate; specifications contained errors; failure to execute required documents; giving or offering gratuities or gifts to City employees or officials; conflict of interest; or the awarding of the bid would not be in the best interest of the City. This list is not all inclusive and there may be other reasons for the rejection of bids.

F. Bid Award

Contracts for which bids are required shall be awarded to the lowest responsible bidder. In determining the lowest responsible bidder, in addition to price, the City shall consider various factors, which may include the following:

1. The ability, capacity and skill of the bidder to perform the contract or provide the service required;
2. Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;
3. The character, integrity, reputation, judgement, experience, and efficiency of the bidder;
4. The quality of performance of previous contracts or services;
5. The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service;
6. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
7. The quality, availability and adaptability of the supplies or contractual services to the particular use required;
8. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;

9. The availability of the bidder to provide maintenance, performance of warranties, guaranties, the proximity to the City of the bidder with reference to providing maintenance, warranty or services;

10. Whether bidder can perform the maintenance, warranty or service to the equipment, locally or otherwise.

G. Award to Other than Lowest Bidder

The user department shall always recommend the person or entity which represents in their judgment, the lowest responsible bidder to the Commission. However, it is recognized that the judgment of the Commission with regard to who should be awarded the contract should prevail. When the bid award is not given to the lowest bidder, a full and complete statement of the reasons for selecting the successful bidder shall be entered into the agenda item.

H. Tie Bids

If all bids are received for the same amount or unit price, quality and service being equal, contracts shall be awarded to the local bidder. In all other cases where tie bids are received and a local vendor is not involved, the City Commission shall award the contract to one of the tie bidders by recommendations from the department head and other information available.

I. Splitting of Contracts

No contract or purchase shall be divided into more than one bid or contract to avoid the provisions of the Oklahoma Public Competitive Bidding Act.

J. No Timely Bid Received

If no timely bid is received after bid notices have been published on any supplies or contractual services whose estimated cost exceeds \$25,000.00, the Commission may direct the City Manager or his/her assignee contract with a prospective supplier or contractor.

K. Contract Completion

The Purchasing Coordinator will ensure that all contract documents are completed with one complete set of original documents being delivered to the City Clerk.

L. Purchase Request

The department head will prepare and submit at the time of the contract award a purchase request to be forwarded to the Finance Department for encumbrance/payment.

M. Payment

Following receipt of the goods or services and the invoice, the department head will sign the purchase request indicating that the goods or services have been received and submit same to the Finance Department for payment.

SECTION 5: PROCEDURES FOR PUBLIC CONSTRUCTION CONTRACTS AND CONTRACTS FOR PUBLIC IMPROVEMENTS

5.1 Introduction

All public construction and improvements of public property contracts shall be let and awarded to the lowest responsible bidder, by free and open competitive bidding, after solicitation for sealed bids in accordance with these provisions and the Oklahoma Public Competitive Bidding Act of 1974, 61 Okla. Stat. 101, et seq. (the "PCBA") or as hereafter amended by the State Legislature. No work shall be commenced until a written contract is executed and all required bonds and insurance have been provided by the contractor to the City of Ardmore. The Purchasing Coordinator shall maintain a checklist to ensure all such contracts comply with the then-current provisions of the Oklahoma Public Competitive Bidding Act. Due to constantly changing provisions in the PCBA, they will not be reproduced here. Below, you will find a listing of the sections of the PCBA that you should refer to if you have questions. Otherwise, please contact the Purchasing Coordinator for more information.

5.2 Sections of the Public Competitive Bidding Act. Contracts and purchases that exceed \$50,000 in cost and are performed for the purpose of constructing or maintaining a public improvement or for a public construction contract, must conform with the requirements in the Oklahoma Public Competitive Bidding Act. This Act is often revised by the legislature. Before proceeding with a contract or purchase that is subject to the Act, you will need to review the applicable sections of the Act to ensure compliance as provisions are amended. Here is a list of the sections of the Act:

- Section 101 – Short Title
- Section 102 – Definitions
- Section 103 – Competitive Bidding Required
- Section 103.2 – Political Subdivision may Appoint Purchasing Agent
- Section 103.4 – State Agency and School District Exclusion
- Section 103.5 – Right of Way Clearance Contracts Below \$50,000
- Section 103.7 – Contracts by the Oklahoma Department of Wildlife Conservation
- Section 104 – Bid Notices
- Section 105 – Contents of Bid Notices
- Section 106 – Bidding Documents to be on File

Section 107 – Requirements of Bids Exceeding Certain Amount Section
108 – Written Statement under Oath to Accompany Bid Section 109 –
Late Bids
Section 110 – Opening of Bids
Section 111 – Time for Awarding of Contracts
Section 112 – Bids, Contracts, Bonds Open for Public Inspection
Section 113 – Execution of Contract – Bond – Insurance
Section 113.1 – Partial Payment – Retainage
Section 113.2 – Withdrawal of Retainage – Deposit of Securities
Section 113.3 – Interest – Rate Section 114 –
Conflict of Interest Section 115 – Collusion
among Bidders
Section 116 – Disclosure of Terms of Bids
Section 117 – Award to Other than Lowest Bidder
Section 118 – Prequalification of Bidders
Section 119 – Rejection of Bids
Section 119.1 – Certain Contract to be Negotiated When no Bid is Received
Section 120 – Assignment of Contracts
Section 121 – Change Orders or Addenda
Section 122 – Taxpayer Suits to Enjoin Execution of Unlawful Contracts
Section 123 – Supervisor’s Certification to Accompany Invoices
Section 124 – Inspections
Section 125 – Accounting Procedure
Section 126 – Construction on Force Account Basis
Section 127 – Contracts made by a Public Entity – Applicability
Section 128 – Insurance against Fire and the Elements
Section 129 – Exemptions – Contracts before August 1, 29174 – Contracts for
CompSource Oklahoma Pilot Programs
Section 130 – Emergencies Section 131
– Splitting Contracts Section 133 – Law
Governing
Section 134 – Insurance or Bond to be Secured from Carrier License in Oklahoma
Section 135 – Public Agencies or Officers not to Exert Influence in Procuring Particular
Bond or Insurance
Section 136 – Conflicts with Federal Rules and Regulations – Law Governing
Section 137 – Termination of Contracts on which no Work has been Performed
Section 138 – Noncollusion Affidavit Attached to Bid Submitted to School District, County or
Municipality

SECTION 6: PURCHASE REQUESTS

6.1 Purpose

The executed purchase request is the City’s order authorizing the vendor to deliver supplies or contractual services as specified. Upon acceptance and/or acknowledgment of the purchase request by the vendor, it constitutes a valid contract. The issuance of

purchase requests by unauthorized individuals will not be recognized by the City and payment of these obligations will not be approved. Unauthorized purchases are classified as personal expenses.

6.2 Instructions for Preparing Purchase Requests

Purchase requests are multi-part forms. Each part is colored differently (white, yellow, and pink) in order to assist in distribution. Purchase requests should be signed by the Department. The Department head or his/her designee shall prepare the purchase request giving the following information:

1. Date and Fiscal Year;
2. Vendor name and address;
3. Item description;
4. Quantity ordered;
5. Unit and/or total (actual or estimated);
6. Fund/department/expense code;
7. Work numbers or unit number, if applicable;
8. Bid or State Contract number
9. Date approved by City Commission or City Manager, if applicable.

After reviewing complete purchase request, the department head shall sign in the “requested by” space. The submission of the purchase request, if approved, will result in the encumbrance of funds.

6.3 Goods received

If the merchandise or services have been received, the department head/or designee will sign his/her name in the “GOODS RECEIVED BY” space and attach the invoice.

6.4 Distribution of Purchase Requests

After the purchase request has been prepared, it is then forwarded to the Finance Director for approval. After final approval, it is forwarded to Accounts Payable who then processes the Purchase Request in the following manner:

1. If the Purchase Request is ready for payment (i.e. goods received and invoice attached) then the accounts payable clerk assigns the purchase order number and vendor number and processes for payment.

2. If a Purchase Request is forwarded to Accounts Payable when the goods and/or services have not been received, the funds are encumbered and the pink copy is returned to the department head awaiting merchandise, invoice, and approval. Once the goods have been received, the Purchase Request (pink copy) shall be signed by the department head /or designee in the "GOODS RECEIVED BY" space and forwarded to Accounts Payable along with the invoice.

3. From the approved Purchase Requests (and invoices) a claims listing shall be prepared and submitted to the City Manager or his designee for approval. A listing of the claims that have been paid shall be submitted to the City Commission for their information. Claims will be paid by invoice once each week. The Finance Director shall designate the day on which claims will be paid.

6.5 YEAR END INVOICES AND ENCUMBERANCES

Any invoices dated prior to July 1st, will be paid as of June 30th, if received before the financial books are closed. The only way an invoice dated after July 1st can be paid with prior year budget funds is if it clearly states the work performed was prior to June 30th. Exceptions shall be up to the Finance Director or designee. An example would be memberships.

Any encumbrances not completed by the year-end will be voided. The department will have to issue a new encumbrance for the remaining balance with a July date, when the last invoice for work completed prior to July 1st is submitted for payment.

SECTION 7: CONTRACTS/AGREEMENTS

7.1 Purpose

The purpose of this section is to establish the general structure and content of contracts.

7.2 Procedures

To the extent possible, all procurement of supplies and contractual services will be obtained by purchase request issued by the user department. Any additional terms not covered by the City's formal purchase request will be stated in the contract. The City Manager shall sign all contracts/agreements up to \$25,000.00. Upon approval of the City Commission, the Mayor shall sign all contracts/agreements over \$25,000.00. All original contract/agreement shall be forwarded to the City Clerk for central filing.

7.3 Terms and Conditions

Generally the following terms are necessary to all contracts:

1. Names of contracting parties;

2. Named individuals;
3. Compensation and terms of payment;
4. Term (length of time for performance);
5. Responsibilities of City;
6. Responsibilities of Contractor;
7. Termination of contract;
8. Assignability;
9. Insurance;
10. Completeness of contract;
11. Legal requirements; and,
12. Acceptance.

The following additional terms are examples of the types of terms that are often necessary to the specific types of agreements for products and services:

A. Construction Contracts

1. Specifications,
2. Drawings,
3. Warranty,
4. Permits,
5. Inspections,
6. Subcontractors,
7. Performance, payment, and maintenance bonds,
8. Liquidated damages,
9. Patent and copyright indemnification,

10. Engineering charges,
11. Affidavit of non-collusion,
12. Business relationships affidavit,
13. Control of work and materials,
14. Lien waivers,
15. Insurance and Workers' Compensation,
16. Safety responsibility to public, and
17. Proposal from bidder. B.

Lease Agreements

1. Lessee and lessor identification,
2. Property or equipment descriptions and identification,
3. Purchase options or optional renewal periods,
4. Delivery, maintenance, and other special charges,
5. Relocation or modification of property and equipment,
6. Conditions or restrictions to use,
7. Rental period,,
8. Rent, and
9. Insurance.

C. Service Contracts for Maintenance or Repairs

1. Equipment descriptions and identification,
2. Scope of work,
3. Period of performance,
4. Responsibility of supplies,

5. Cost;
6. Insurance;
7. Notice and response to notice.

7.4 Finalization

No contract will be deemed final until signed by all participating parties. Award of a bid only constitutes a resolution that the governing body at that time desires to enter into a contract. Such awarded bid is not binding upon the City unless a written contract is signed by all parties. The City cannot obligate any funds past the current fiscal year and thus no contract can be binding past the current fiscal year. However, contract terms can be for one (1) year, with optional renewal periods. If approved by the City Manager, the City Manager or his designee shall sign all contracts/agreements up to \$25,000.00. Upon approval of the City Commission, the Mayor shall sign all contracts/agreements over \$25,000.00. All original contract/agreement shall be forwarded to the City Clerk for central filing.

SECTION 8: CONTRACTING FOR PROFESSIONAL SERVICES

8.1 Purpose

These guidelines are established in order to provide to assist City Officials with selecting and contracting for professional services which are unique in nature and not subject to competitive bidding. The primary purpose is to select persons who have the licensing, education, training, and experience necessary to provide professional services. Although cost is important, professional services will not necessarily be purchased solely on the basis of lowest cost.

8.2 Professional Services

Professional services may include, but are not limited to, the following disciplines:

1. Architectural services;
2. Consulting services (case by case basis);
3. Data processing and programming services;
4. Engineering and surveying services;

5. Financial, accounting, and auditing services;
6. Legal services;
7. Appraisal services;
8. Insurance services;
9. Inspection services; and,
10. Laboratory services.

8.3 Requests for Proposals

Specifications for professional services to be procured should include:

1. Instructions to the prospective proposer specifying when, to whom, and where proposals should be sent;
2. A complete technical description of the problem or work task;
3. An objective or statement of what is expected to be accomplished;
4. Scope of work or task and the extent to which the City's staff will be available to the contractor;
5. Firm or estimated time schedule, including dates for commencement of performance, for submission of progress reports, and for completion of task;
6. Selection criteria;
7. Standard contract terms and conditions; and
8. Understanding for compensation for additional work authorized.

8.4 Selection Criteria

The following are suggested criteria:

1. Experience on similar projects including references of former clients;
2. Qualifications of person(s) proposed to work on the project (require professional resumes);

3. Ability to meet work schedule;
4. Completeness of project approach;
5. Samples of work representing product quality;
6. Additional services and skills available;
7. Work space requirements and/or City staff support; and
8. The cost.

Interviews for the purposes of selecting consultants may be conducted by committees composed of City staff and/or members of the City Commission.

8.5 Contract Award

The City will solicit proposals and evaluate in the following manner:

1. Weight should be assigned to each criterion based on relative importance of the particular qualification, and may be available to the vendors at City discretion.
2. After ascertaining the scope and type of work each prospective professional proposes to provide, the City shall award the contract to the person or firm who would be the most responsible vendor.
3. In determining which offer is the most advantageous, the City will take into account the following in order of importance:
 - a. Professional competence;
 - b. Technical merits; and
 - c. Price.

8.6 Contract Terms and Conditions

The following general contract terms should be addressed within a professional service contract:

1. Names of contracting parties;
2. Named individuals;
3. Scope of work;
4. Term (length) of contract and work schedule;

5. Compensation and terms of payment including compensation for additional services;
6. Responsibilities of the City;
7. Termination of contract;
8. Assignability;
9. Confidentiality;
10. Insurance; and
11. Errors or deficiencies.

SECTION 9: ACCOUNTS PAYABLE/FINANCE DIRECTOR

9.1 Purpose

The function of Accounts Payable is to pay vendor invoices and maintain accurate financial records. This involves checking account numbers for accuracy; comparing invoices with the Purchase Request for correct vendor number, description, and amount; and checking for adequate unencumbered budgeted funds and unencumbered cash balances.

9.2 Payment of Vendor Invoices

The purchase request and invoice are submitted to the Finance Director, or his designee, who verifies and approves the request, then submits it to the Accounts Payable Clerk. The Accounts Payable Clerk then processes the purchase request for payment and prepares a claims list for submission to the City Commission, or its designee, for its information, review, and approval.

9.3 Manually Written Checks

The Finance Department recognizes the need for manually issuing checks, although checks should be generated by computer whenever possible. Manually written checks can be held to a minimum by anticipating needs sufficiently in advance so as to utilize normal payment procedures. Manually written checks will be issued for items when it is not possible to wait for normal processing. All such requests for manually written checks shall be subject to the approval of the City Manager or designee.

9.4 Petty Cash

Very often, there is a need for immediate availability of funds. Petty Cash is intended to be used as reimbursement for small purchases made on behalf of the City with personal funds like document recording fees and mailing. Other items that can be paid on a purchase request in the Finance Department should not be reimbursed with petty cash. Petty cash funds will be issued with a maximum amount of \$100.00.

Petty cash receipts are to be completed by the person responsible for the fund; these should include the amount, description of items, budget account number, and signatures of the persons receiving the funds plus department head and approval of the Finance Department. Petty Cash funds can be replenished weekly or as needed. Each individual receipt must be summarized on a Purchase Order. A check will then be prepared, made payable to the City Petty Cash Fund, and it will be the Customer Service Department's responsibility to cash the check and ensure that the funds are placed into the departmental petty cash fund. The Finance Department will conduct unannounced audits of petty cash funds to ensure the monies are being properly accounted for. The use of petty cash funds for personal use, even for very short periods of time, is contrary to City policy and may result in discipline up to and including termination.

SECTION 10: UNIFORMITY AND SPECIFICATIONS

10.1 Purpose

It is essential that items be purchased in accordance with carefully drawn terms and specifications.

A. Uniformity

Using uniform documents for purchasing is more efficient for the City and ensures that all vendors are held to the same standards. It also lowers the administrative cost of purchasing by reducing the amount of time spent administering the process.

B. Specifications. The overall purpose of using specifications is to set forth requirements for a good or service that will meet the City's needs while inviting vendors to provide the most competitive pricing. Specifications should be written in such a manner to encourage, not discourage, competition.

1. Specifications will be used when purchasing using a process to obtain quotes, bids, and/or proposals. "Specifications" are a clear and complete description of the essential requirements that items and/or services should meet. Well written specifications ensure that maximum value is obtained for the public funds spent; and, all qualified vendors, large and/or small, are able to compete on an equal basis. Specifications, regardless of the type, should do four (4) things:

- a. Identify minimum requirements,
 - b. Allow for a competitive pricing,
 - c. Be capable of objective review, and
 - d. Provide for an equitable award at the lowest possible cost.
2. Keep specifications as simple as possible while containing necessary specificity to allow potential vendors to provide proper responses.
 3. Whenever possible, identify the equipment or material required with some known standard specification. All specifications that utilize a brand must include the terms “or equivalent” or, “or comparable” to avoid being restrictive and eliminating fair competition from the bidding process.
 4. Specifications should promote competition. Specifications so drafted will normally allow several vendors to provide the City with alternatives and ensure that the City obtains the lowest possible price for the goods or services required.
 5. Flexibility in the specifications is desirable in instances where new technologies are being sought. Specifications should be specific enough to guarantee the quality required but sufficiently flexible to allow vendors to be creative in their proposals. If a quote, bid, or proposal does not meet the City’s needs, it can be rejected and the quote, bid, or proposal which closely follows the specifications can be accepted. These procedures should be used sparingly and department heads contemplating flexible specifications should contact the Purchasing Coordinator to discuss the format and degree of flexibility anticipated prior to the completion of a final draft.
 6. Specifications should be written with clear, simple language, free of vague terms or words subject to variation in interpretation.
 7. Employees shall not allow current or potential vendors to provide specifications or documents that are prepared by the vendor for use in the purchasing process. City staff will draft specifications to ensure that documents are not tailored to a specific vendor’s capabilities. Sometimes, staff may receive several examples of specifications to help guide the process but must be mindful that documents are prepared in house or by a consultant.

10.2 Types of Specifications

User departments will usually prepare their own specifications although professional assistance, i.e. consultants, engineers, or architects, may be necessary for items of a highly specialized or technical nature. Specifications must be clear and accurate, updated

regularly to reflect technological or market changes, and should avoid restrictive or unfair details that preclude or reduce competition. Most specifications have characteristics of one or more of the following types included on the following table. To better assist staff, the table also indicates which types of specifications are best for the City's purposes. Additional information about each type is available below the table.

Undesirable Specification Types	Better Specification Types	Best Specification Types
Single Product	Sample	Open
Multi-Product	Equal Product	Design
		Performance
		Chemical Analysis or Physical Properties
		Qualified Products or Acceptable Brands

A. Best Specification Types:

1. Open Specification. A description of all physical function features will be developed, and it may incorporate words or phrases from widely accepted industrial or governmental specifications.
2. Design Specification. Describes in detail precise configuration measurement, tolerance, material, standard, or method of testing or inspection, as determined by an architect or engineer. Such specifications provide an appropriate method of evaluating all bids, and later of verifying the quality of the construction work, equipment or fixtures delivered.
3. Performance Specification. Describes specifications which include a set of performance criteria for the goods or services required that will provide flexibility for vendors to design products or programs specifically aimed at meeting the purpose or performance standards the City has established. Generally, specifications which center on performance standards generate a great deal of competition since they allow vendors to exercise some creativity in the types of services or goods included in their bids. Specific technical specifications should be included to provide a floor or bottom line quality determination. The use of performance specifications without minimum standards could result in items being installed, paid for, and later determined not to meet the performance criteria established. At that point, the determination of satisfactory performance can become extremely subjective with the vendor

insisting that his item is acceptable even though actual experience indicates otherwise.

4. Chemical Analysis or Physical Properties Specifications. Describes specifications which include the chemical analysis or physical properties of the goods requested, clearly place responsibility on the supplier to provide exactly those items requested. Care must be taken in preparing specifications utilizing this method to ensure that competition remains a part of the bidding process.

5. Qualified Products or Acceptable Brands List Specifications. Describes specifications in which lists are developed, only where it is not possible to write specifications adequately, to identify the quality and performance required of the goods or services to be purchased. Acceptable brands lists are also used when tests necessary to determine compliance with technical specifications are lengthy, costly or require complicated technical equipment.

B. Less Desirable

6. Sample Specification. Requires match of sample submitted to vendors; sometimes entails substantial inspection and testing to determine actual match.

7. Equal Product Specification. Brand or trade names should be used where brand name products have been found to be superior to others for the purpose intended, or when their composition is secret, unknown or patented. The use of brand names establishes a quality standard but is not intended to limit or eliminate competition. Whenever this method of establishing specifications is used, the specifications should specifically provide for bidding of competitive or equal grades. It is incumbent on a vendor who bids on goods of supposed equal quality to those specified, to document that the goods or services that he is bidding are, in fact, of equal quality.

C. Undesirable

8. Single Product Specification. Designates only one manufacturer brand, trade name, or catalog number, which functionally limits competition. Sometimes, this cannot be avoided where highly technical or specialized products are required.

9. Multi Product Specification. Names two (2) or more specific products. Can unfairly limit competition.

10.3 Specification Development and Approval

A. Research

The user department shall determine its needs and shall research available and alternative products by means of manufacturer product brochures, contacts with salespersons, and advice from the Purchasing Coordinator. The user department and/or the Purchasing Coordinator shall prepare and compile a detailed description that can be incorporated into a specification format.

B. Specification Development

User departments will be responsible for the completeness and accuracy of their specifications.

C. Process

The following steps outline the process to be used:

1. User department determines requirements;
2. User department prepares specifications with assistance from Purchasing Coordinator;
3. The Purchasing Coordinator reviews specifications for accuracy and completeness and submits them back to the user department for correction and approval;
4. User department reviews bid documents and upon approval, submits them to the Purchasing Coordinator who assigns the dates the bids are to be received and publishes a notice to bidders in the newspaper;
5. The Purchasing Coordinator prepares bid packets, utilizing the City's standard bid documents including bonds and affidavits, to be mailed/faxed/e-mailed to vendors;
6. Pre-bid conference and/or inquiries with vendors regarding specifications are held if necessary;
7. Addendums to specifications are prepared by the Purchasing Department and issued by the Purchasing Coordinator who forwards information to affected vendors;
8. Bid opening is held;

9. Purchasing Coordinator tabulates bids;
10. User department prepares recommendation of bid award and applicable agenda item; and
11. User department prepares purchase request after Commission award.

10.4 Specifications Outline

Specifications must be clear, detailed, accurate, well organized and consistent in format. Specifications constitute a reflection of the City and its staff and importance shall be placed on the specifications of the product. Instructions to bidders and general conditions shall be a part of every specification.

SECTION 11: TRAVEL REGULATIONS AND REIMBURSEMENTS

11.1 General Regulations

The City's goals are to allow travel arrangements that (1) conserve public funds, (2) provide equitable treatment of all personnel, and (3) allow travel in a manner that is dignified and reflects credit on the City of Ardmore. These regulations are applicable for all travel expenses incurred on behalf of the City by employees. Where these regulations do not adequately cover a travel situation, the City Manager may authorize exceptions. Decisions as to which trips will be authorized are generally made through the annual budget process. Attendance at other meetings outside the Ardmore area may be authorized when the Department Head is an active participant in the national and/or state organization. The Department Head must approve all requests in advance. Attendance at various local professional and technical conferences and meetings will be authorized as funds and time permit. Good judgment and a proper regard for economy are expected when incurring travel expenses on behalf of the City. There is no objection to a spouse and/or other family members traveling on an official trip, but no expense attributable to them will be reimbursed by the City. Employees must follow the provisions in this Manual along with any applicable provisions in the Employee Handbook, other City policies, and laws.

11.2 Travel Advance

A travel advance, in an amount not to exceed the budgeted amount for the trip, may be secured by use of the Purchase Request and an invoice stating the amount, date, destination, and business purpose. If the travel advance is for a conference or a training program, a descriptive brochure or announcement must accompany the request. This request must be submitted to the Finance Director no later than two (2) weeks prior to the date of the trip. Such advance will be in the form of a check.

11.3 Travel Expense Report

Within five (5) days after returning from a trip, a Travel Expense Request form must be completed, with receipts attached, and forwarded to the Finance Director for lodging and any additional conference fees. Meal receipts are not required when the meal per diem is given (see Section 11.10). Failure to comply with this section could cause future denials of travel advances.

11.4 Use of Commercial Carriers

Commercial carrier fares will be limited to “coach” or “economy” fares when such services are available. Travel to and from stations and airports may be by bus, taxi or private vehicles (for which mileage will be paid), whichever is least costly. Receipts for transportation costs are required.

11.5 Use of Private Vehicles

Private vehicles may be used for travel on City business when authorized by the Department Head. Reimbursement will require an employee to record date, business purpose and place of each trip:

- A. Mileage will be paid at the Federal mileage rate, or
- B. The cost of air travel as provided in section 11.7.

11.6 Travel Time One (1) Day

Since an employee attending a one (1) day conference or trip is not out of town overnight, meals will not be reimbursed to the employee by the City. IRS Pub. 463

Mileage will be reimbursed at the current IRS mileage rate.

11.7 Travel Time Exceeding One (1) Day

Employees should not drive to meetings and conferences when the travel time en route to the destination required is more than one (1) day. If the employee decides to drive a personal vehicle anyway, he/she will only be reimbursed the lesser of the mileage cost or a thirty (30) day advanced purchased airline ticket. In such instances, no reimbursement will be made for any lodging, meals or other expenses incurred en route, unless prior approval is received from the Finance Director.

11.8 Vehicle Rental

There may be an occasion when rental of a vehicle may be required (i.e. great distance between hotel and conference sites). Prior written authorization must be given by the Finance Director or City Manager. The actual cost will be reimbursed and written receipts will be required.

11.9 Lodging

Hotel or motel reservations are expected to be made well in advance to ensure that lodging is secured at moderate rates. Written receipts for lodging are required. Reimbursement of lodging will be limited to the minimum number of nights required to conduct City business. If a conference, for example, opens on Sunday evening and closes Thursday noon, reimbursement for Sunday through Wednesday night will be allowed. If an employee or City official choose to arrive earlier or stay later, the additional lodging and other expenses related to this decision are personal expenses and will not be reimbursed. There may be instances in which significant savings in travel expense may be achieved by taking advantage of discount fares requiring an additional night's stay. Prior written authorization by the Finance Director or City Manager will be required to utilize this arrangement. No lodging expense will be reimbursed for meetings or conferences held in the Ardmore area unless prior written approval is obtained from the Finance Director or City Manager. A one (1) day meeting or conference will not be reimbursed for lodging unless the meeting or conference will be held at least one hundred (100) miles away from the employee's principal work location, or unless it is otherwise approved in advance by the City Manager.

11.10 Meals and Miscellaneous Expenses while Away from Home on Business

11.10.1 Actual Expense: IRS Pub. 463/535
For meetings and conferences held outside the Ardmore area or at such a distance that overnight lodging is required and approved by the Finance Director, employees and City officials will be reimbursed for meals, tips, taxi fare, tolls, parking and other miscellaneous business-related expenses incurred. Detailed receipts will be required for all expenditures, except tips. Substantiation of the business trip is required on a travel expense request form, along with the receipts, stating (1) Amount, (2) Time and Date, (3) Location and (4) Business Purpose (proof of class or conference).

11.10.2 Per Diem:
Meals, Incidental, and Entertainment (MI & E) the Federal per diem rate will be used unless the Finance Director or the City Manager approves the use of actual expenses. No receipts are required using the current IRS per diem rate but the payment must still meet the substantiation rules stating (1) Amount, (2) Time and Date, (3) Location and (4) Business Purpose (proof of class or conference). Incidental expenses include fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards or stewardesses, and transportation between places of lodging or business places for meals. Incidental expenses DO NOT include cab fare, faxes, laundry, cleaning and pressing of clothing, lodging taxes, or the cost of telegrams or telephone calls which are miscellaneous expenses to be reimbursed by the City. The Finance Director may approve non-receipted expenses upon receipt of acceptable

written documentation that the expenditure was incurred and that a receipt could not be obtained.

11.10.3 Travel for day of Departure and Return:

In order to receive the full rate of per diem on your travel day (day of departure and day of return), you must be away at least the number of hours of a normal work day. If you are gone less time than your normal work day, you will only receive ¾ of the per diem rate for that date.

11.11 Meal/Entertainment Reimbursements while NOT Traveling Away from Home

Detailed receipts are required in order to be reimbursed for business meetings. If an advance is given for the meeting, excess must be returned in a reasonable time. IRS Pub.

463

Requirements on the detailed receipt are:

- 11.11.1 Time and Date (if not already on receipt)
- 11.11.2 Location (if not already on receipt)
- 11.11.3 Business Purpose
- 11.11.4 Individuals at business meeting

11.12 Registration Fees

Registration and tuition fees for pre-approved professional and technical meetings and conferences will be reimbursed if not prepaid by the City. Written receipts will be required.

SECTION 12: DELIVERY AND PERFORMANCE

12.1 Scope

A contract or purchase order that is complete in all respects and that is accepted by the parties concerned still must produce the intended results or objectives before it can be considered a successful or completed purchase. The terms and conditions must clearly define the delivery and performance requirements of the services, supplies, or equipment. The importance of the delivery schedule should be emphasized to the vendor. Delivery requirements must be clearly written and fully understood by all contract participants. If several items are required by the contract, there may be a different delivery schedule for each item. The delivery schedule will normally be shown in calendar days from a specific date or transaction, such as receipt of order by the vendor. It is also important that you clearly show the place for delivery and the receiving time schedule at the delivery points. If there are liquidated damages for failure to deliver or late delivery, call these terms to the attention of the vendor and stress their importance. All parties should know where the materials will be accepted, FOB destination Ardmore, Oklahoma. In

determining delivery locations, you should analyze each specific location in respect to product, costs, timeliness, and other relative factors.

12.2 Follow-up and Expediting

Follow-up normally applies to the monitoring of the delivery schedules to ensure compliance. Expediting, in the purest sense, involves an attempt to improve or to reduce the contractually stipulated delivery time for various reasons, and the vendor is not legally obligated to comply. The primary objectives of the follow-up are:

- a. To ensure full compliance by the vendor.
- b. To develop documentation for future evaluation of the vendor's performance.

The early detection of possible delivery delays will provide the City with a greater opportunity for resolving the problem and for developing satisfactory alternatives. The initial follow-up action would be to reaffirm the delivery schedule and to establish proper liaison with the seller's representative. If delivery problems do develop, there are certain techniques that may be used to help solve them:

- a. Contact the salesperson for assistance.
- b. Initiate phone calls (letters or e-mails may also be used.)
- c. Visit the vendor's plant. This might help solve the problem and will assist in verifying any reasons for the delay.
- d. Cancel the contract for nonperformance.

12.3 Delinquent Deliveries

When follow-up efforts have failed, and the deliveries have become delinquent, one (1) of three (3) actions must be taken:

- a. Authorize additional time for delivery.
- b. Authorize additional time for delivery and collect liquidated damages, if applicable.
- c. Cancel and order from other sources.

In making the decision as to which of these actions should be taken, several factors must be considered:

- a. Needs and requirements of the City.
- b. Agreements with the vendors.
- c. Availability of the items from other sources.
- d. The time it would take for delivery if reordered from another source.

12.4 Partial Deliveries

Some purchase orders may list several items. In this event, it may be possible for the vendor to complete timely delivery on some of the items, which would be referred to as "partial deliveries" on the complete quote, bid, and/or contract. If these items can be

used separately, partial payments can be authorized. However, if the separate items are part of a system, then partial deliveries would be of little value to the City and partial payments should not be authorized.

12.5 Substitution

To meet the contractual delivery schedule, it may be appropriate in some situations to consider substitute items. The specifications should cover this eventuality and would govern the legality of the transition. However, substitutions may be necessary, regardless of the specifications, if it is absolutely necessary for the City to have the material by a specified date. Other reasons for substitution may be design changes, raw material shortages, and health and safety priorities. Whenever substitutions are necessary, due to shortcomings of the vendor, it is the responsibility of the purchaser to seek and obtain an adjustment for lower prices on the substituted items. This action will serve to meet the legal requirements of the contract and to discourage future substitutions by the same vendor. In addition, this action will serve notice on the other vendors that no favoritism was shown and that compliance with specifications is expected from all vendors.

12.6 Nonperformance

Should the vendor fail to meet any requirement of the specifications, the vendor can be cited for nonperformance. The seriousness of nonperformance must be evaluated based on the circumstances surrounding each violation. However, there should always be some recourse to the City when a vendor fails to perform in accordance with the terms and conditions. These recourses include:

- a. The City may exercise its rights under a liquidated damages cause or under the terms of a performance bond.
- b. The City may obtain the needed items from another source and charge the delinquent vendor the excess difference in cost. (But obtaining the delinquent items from another source is not always an acceptable solution, since additional delivery time may be required. A revised delivery schedule with the vendor may be the best remedy).
- c. The City may terminate the contract for default if it is in the best interest of the City, provided that the items can be obtained under more favorable conditions from other sources.

SECTION 13: INSPECTION AND TESTING

13.1 Scope

Human lives as well as the success of expensive projects may depend upon how well the purchased items meet the design and performance specifications included in the bid package. Goods and materials should be checked at the time of receipt to detect any damage or defects. The inspection also includes ensuring that materials are in compliance with the specifications. A variety of tests may be conducted as a necessity

for determining if the merchandise meets specifications. Certain forms of inspection and testing will only be conducted on a percentage of the items, as the procedure followed may make the items unusable. Inspecting or testing every item received is neither economical nor practical. All requirements for inspection and testing must be clearly stated in the specifications. Both inspection and testing are costly, but the benefits far outweigh the expense when defects can be detected before they cause loss of life, injury or equipment failure. Inspection, testing, and acceptance are conclusive, except for latent defects or fraud.

13.2 Reports, Rejection, and Return Authorization

Whenever an inspection is performed, all reports to properly support claims or actions must be thoroughly documented. Sufficient times should be scheduled to allow for an inspection immediately upon arrival of the goods, taking into consideration required tests as necessary. Goods should be inspected for damage, quantity, quality, price, and for all other requirements listed in the specifications. A copy of the inspection report will normally be used to substantiate payment for the goods and verification of receipt. In the event of rejection, for whatever reason, certain steps must be taken to inform and to protect the rights of the vendor as well as of the City. Reasons for rejection must be listed and these reasons should reference specific requirements of the bid documents and/or contracts.

13.3 Damage During Shipment

One of the major reasons for inspection at the time of receipt is to detect any visible damage. It is important that all damage be completely described on the receiving report. Any evidence of concealed damage should also be noted at this time. This notation is necessary to support the filing of damage claims against the carrier. The carrier should be notified immediately, and a joint inspection should be scheduled with the carrier's representative. When it is apparent that the extent of the damage causes the goods to be worthless, they should not be accepted. The shipment shall always be "F.O.B. destination (23 S. Washington) Ardmore, Oklahoma and therefore the vendor shall be responsible for assisting with the settlement of the claim and for full replacement of the damaged items. Payment will be withheld until the claims are settled.

13.4 Latent Defects

Latent defects may be the result of damages in transit or of failure of the manufacturer to conform to specifications. Consequently, it is sometimes very difficult to assign responsibility for the defective material. If the carrier is suspected to be at fault, then the carrier's representative should be invited to come in for a joint inspection. Subsequently, a claim describing the situation should be filed with the representative carrier. A similar procedure should be followed if the vendor/manufacturer is suspected to be at fault. The importance of "FOB destination, 23 South Washington, Ardmore, Oklahoma" shipments should be reiterated at this point, for on such shipments, the vendors are responsible for rectifying the situation or for correcting the defect. If specific liability for the defect

cannot be determined between the carrier, the vendor, or the manufacturer, the City may have to file a claim against all parties, seeking their cooperation in resolving the situation.

SECTION 14: DISPOSAL OF PROPERTY

14.1 Scope

Goods become obsolete or they wear out. Occasionally, it turns out they are over- stocked. Changing technology, accumulation of waste, and fulfillment of the useful life of goods make the activity of handling surplus inevitable. The City is interested in full realization of the value of goods it purchases. The City policy is aimed at making sure all surplus property is disposed of to the economic advantage of the City. The Purchasing Coordinator, or designee, is responsible for directing the effective disposal of surplus and obsolete property. Surplus and obsolete property may be transferred to another department, sold through sealed bids or auction, donations to other governmental or non- profit entities, offered as a trade-in, sold for scrap, or destroyed. For any assets that have a value of five thousand dollars (\$5,000) and at least a year of useful life, the City Commission must approve of the designation of assets as surplus and authorize disposal.

14.2 Procedures

The Purchasing Coordinator or designee shall annually survey the departments to determine if surplus and/or obsolete property is on hand for disposal. Each department shall prepare a list of all surplus and scrap property on hand and submit it to the Purchasing Coordinator.

Depending on the nature of the item, the Purchasing Coordinator may choose one of the following methods of disposition:

A. Transfer

City Manager may approve the transfer of surplus items to another department.

B. Trade-In

If a trade-in is available on a particular piece of equipment, the invitation for bid shall call for bid prices with and without trade-in, and indicate that award may be made on either basis. The award shall be made based upon the best interest of the City and its public purpose.

C. Sale

All sales of surplus, obsolete, or abandoned property shall be conducted by the Purchasing Coordinator or designee.

1. Auction

An auction is one method of selling certain types of surplus and/or obsolete property. Auctions may be advertised to the public in a newspaper of general circulation, online through a public auction website, and in some cases notices are circulated among interested parties and organizations in an appropriate auction bulletin. The City may hire an auctioneer, utilize staff personnel, or utilize a public auction website.

For all auctions the following procedure shall be observed:

- a. List all items for sale.
- b. Register and assign a registration number to all participants in the auction.
- c. Interested parties will be allowed time to inspect the items before the auction. Property for sale shall be placed in proper condition by user departments in order to obtain maximum return on the property to be sold.
- d. As items are sold, a list shall be compiled with the item description, the sale price, and the registration number of the buyer.
- e. Item will be sold to the highest bidder. Only cash, certified checks, money orders, or bank checks will be accepted.

2. Bids

If a live auction will be held, public notice of the sale shall be made in the newspaper(s). Prospective bidders may be mailed a bid with a list and description of the items up for sale and the bid opening date. If an online auction will be held, notice of the sale shall be made in the newspaper and the list of items will be available upon the opening of the auction.

3. Sale of Salvage Goods

If none of the methods mentioned above are feasible, the City after public notice listing all items, may sell said items to a second-hand dealer, scrap dealer, recycler, or junk dealer.

D. Destruction

Surplus property which cannot be transferred, traded-in, or sold, may be destroyed in an appropriate manner with the approval of the City Commission.

E. Police Department

Police dogs may be retired to the care of their handlers provided that there will be no further liability or expense to the City. Further, the Chief of Police may authorize a service firearm to be transferred to an officer upon retirement. If an officer resigns in good standing, the service firearm may be sold to the officer at fair market value.

14.3 Sale of Products-Proceeds

All proceeds resulting from the sale of surplus or obsolete equipment shall be placed in the General Fund.

14.4 Terms and Conditions of Sale

Depending on the nature of the items and the method of sale selected, the following terms and conditions shall be used:

A. Inspection

Prospective buyers will be allowed time prior to the sale to inspect items.

B. No Warranty Given

No express warranty or guarantee of any kind is given by the City of Ardmore as to the description, quality, condition, serial number or any other aspect of any item put on sale and no claim for allowance on such ground will be considered. The City of Ardmore disclaims all implied warranties, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. No City official, employee or agent of the City has the authority to make or give any warranty of any kind whatsoever. ALL items are offered for sale "AS IS", "WHERE AT", and "WITHOUT RECOURSE."

C. Reservation

The City of Ardmore City Commission reserves the right to accept or reject any or all bids if, in the opinion of the City Manager, such action would be in the best interest of the City.

D. Removal

The successful bidder will be requested to furnish all labor and equipment at their own risk and expense necessary for the removal of any items bid upon within a period of five (5) working days after notification of acceptance of bid by the City. Any item not called for or left behind for a period of more than five (5) working

days after the date of acceptance of bid will be considered as abandoned, and the City shall have the right to dispose of same in any manner whatsoever.

E. Minimum Price

In some instances minimum prices will be established. In such cases, items may not be sold below that minimum price.

14.5 Abandoned Property-City. State law controls the definition and disposition of abandoned or unclaimed property. See the City Attorney for up to date information when determining how to proceed.

14.6 Abandoned or Confiscated Property-Police The Chief of Police is authorized to dispose of personal property, money or legal tender as provided 11 O.S. Section 34-104, as amended from time to time.

SECTION 15: FIXED ASSETS

15.1 Purpose

The purpose of recording fixed assets is to provide for physical and cost control. Proper accounting for fixed assets demonstrates to citizens that the City has responsibly spent public monies, including those expended for fixed assets. Also, complete fixed asset records can provide a deterrent to lost or stolen assets by providing a basis for a periodic inventory of those assets. Accurate fixed asset records are critical in developing comprehensive risk management programs. Complete records containing accurate historical costs, current replacement cost estimates, and asset locations are needed to determine insurable values, proper levels of coverage, and to substantiate proof-of-loss claims. The final benefit of quality fixed asset records is the effect it may have on the City's ability to obtain an unqualified audit opinion on its financial statements are "fairly presented" in conformity with generally accepted accounting principles (GAAP). The auditor's unqualified opinion, therefore, adds credibility to those financial statements.

15.2 Fixed Assets

A fixed asset is a specific piece of real or personal property which meets all of the following characteristics:

15.2.1 Unit or system cost of \$5,000.00 or more, including set up and freight

15.2.2 Tangible in nature (possesses physical substance)

15.2.3 Expected useful life of one (1) year or more

Items not considered fixed assets are those that do not meet the fixed asset criteria including units or systems with a value of less than \$5,000.00, assets that do not have an expected useful life of a year or more, replacement parts, repairs and services.

15.3 Capitalization

Major additions, including those that significantly prolong a fixed asset's economic life or expand its usefulness, should be capitalized. A general rule is if the cost to repair the asset is a quarter (1/4) of the original cost of the item then the repair should be capitalized. Normal repairs that merely maintain the asset in its present condition should not be capitalized.

15.4 Reporting

Fixed assets shall be reported on a monthly basis, (not whenever an asset is purchased, transferred or disposed.)

Purchasing will accept this report once a month. This report is due by the 7th day after the month being reported (Jan. 7, Feb. 7, Mar. 7, and etc.) If a report is incomplete or incorrect, it will be returned unreported.

15.5 Inventory Responsibilities

Department heads are responsible for ensuring that a proper inventory of all department assets is kept. Any item that meets the criteria for a fixed asset must be capitalized and a new acquisition form with the new barcode asset number must be on file in Purchasing. Department heads shall inventory department assets regularly to verify all items in the department are properly accounted for and that all necessary documentation has been completed.

15.6 Forms

15.6.1 New Acquisition (Form 1)

New Acquisition forms shall be completed and returned to Finance for all purchases of new, as well as used and donated items and items acquired through capital loans that meet the fixed asset criteria.

Explanation of Form 1

Month Ending: This is the month that the acquisition was made.

Asset Number: This is the identifying number of the asset. The barcode asset number is assigned by Purchasing and will be returned with a copy of recorded new acquisition.

Description: This must be a detailed description of the item. Examples: A vehicle – state sedan or truck, make, color, and etc.

Serial Number: Most everything has a serial number and departments should make a concerted effort to obtain the information. Look on invoice or contact vendor, often they can help. If an item has no identifying numbers in the description of the asset, include sizes or capacities.

Manufacturer: If there is no clear manufacturer, list the vendor where the item was purchased.

Model Number: Most everything has a model number and departments should make a concerted effort to obtain the information. Look on invoice or contact vendor, often they can help.

Status: Make the appropriate condition of the item.

Ownership: Mark the appropriate type of purchase.

Fund Name Paid By: This is the name of the fund. Examples: General Fund, Water Enterprise, Wastewater Enterprise, Fire Capital, etc.

Fund Number: This is the ten (10) digit code stating the fund, expense, department and line item where the purchase was classified. Examples: 01-5217-4200 – The '01' is the General Fund, the '5' states that this is an expense, the '217' is the department, and the '4200' is the line item for furniture and fixtures. All fixed assets will be classified to a '4000' capital outlay expenditure and shall meet the fixed asset criteria. The key is to utilize your expenditure code definitions and properly classify your expected purchases at budget time. Improper classifications directly affect your budget and take more time to correct than if it had been properly classified initially.

Addition or Replacement: Mark whether the purchase is an addition to your department's inventory or if the purchase of the item will replace an item in inventory. If the item is a replacement, a disposal form or transfer must be included with your report. Failure to include will result in the report being returned to the department.

Site: Mark the appropriate site.

Location: Be specific on the location. Examples: Wastewater Treatment Plant, Fire Station 3, Cemetery, Douglas Park, etc.

Vendor: The vendor on the name of the invoice for the asset.

Purchase Order #: The purchase order number that Finance writes on the purchase request. Date: Date of the purchase request.

Purchase Price: The amount of the item being purchased, including freight, set-up fees or training fees.

For Vehicles: List the number assigned by Fleet Maintenance.

Old Asset #: If the item has a blue sticker for the asset, a new acquisition form must be issued and the barcode asset number will replace the old blue asset number.

Bid#: If the item was bid, please list the bid number.

Note: Any additional information that would aid in the identification of the asset.

Tagging the Asset: Place the barcode on the front of the item, by the serial number, model number, or manufacturer. If it is best not to place the barcode on the item, then attach it to the new acquisition form, for instance software, and maintain the record in your fixed asset file.

15.6.2 Transfers (Form 2)

Transfers are defined as any movement of an asset by virtue of change in location, department, ownership, etc.

Explanation of the Form 2

Transfer In: If a department is receiving (transferring in) an asset from another department, the department receiving the asset is responsible for filling out the "Transfer In" top portion of the form and submitting it with that department's monthly report.

Transfer Out: If a department is giving (transferring out) an asset to another department, the department transferring the asset is responsible for filling out the "Transfer Out" bottom portion of the form and submitting it with that department's monthly report.

15.6.3 Disposal of Assets (Form 3):

Disposals are defined as all items sold (either at auction or bid), traded-in, scrapped, abandoned, or in any way removed from service during the current fiscal reporting period. Items for disposal shall be taken before the City Commission for approval.

Explanation of the Form

Asset Number, Detailed Description of the Item, Serial Number, Manufacturer, Model Number, Date Disposed, are self-explanatory.

Reason for Disposal: Be specific. Examples include: obsolete, item is being replaced; item no longer can perform job, etc.

Method of Disposal: Be specific. Examples include: sold at auction, competitively bid, etc.
Location of Disposal: Be specific. If at auction list 317 E. Veterans Blvd., if competitively bid list the address of the person or business buying the item.

Price Sold: If sold at auction, purchasing will insert the amount received for the item. If competitively bid, provide the amount.

Unit Number: If the item was assigned a unit number by Fleet Maintenance, list the number.

Lot Number: Lot number will be provided by Purchasing.

Notes: Any additional information (date taken to City Commission) that would aid in the proper reporting of the disposition of the asset.

15.6.4 Summary Sheet Form:

Every month, regardless if no activity, the summary sheet shall be sent to purchasing. Fill out entirely. The "pages included" column represents the total number of new acquisitions, transfers or disposals you have for the reporting month. The "no activity" column lists that you have no new acquisitions, transfers or disposals for the reporting month. "Total Pages" is the number of all forms attached to the Summary Sheet.

15.7 General Asset Information:

Assets are separated into the following categories identifiable by both number and name. Assets are depreciated in months, each category is defined below:

101040 Land – 999 mos.

101050 Building – 600 mos.

101060 Computers/Electronics – 84 mos.

101065 Furniture/Fixtures – 84 mos.

101070 Machinery/Equipment – 84 mos.

101080 Infrastructure -120 mos.

101090 Accumulated Depreciation/Reserve Depreciation