



COMMONWEALTH OF KENTUCKY
TRANSPORTATION CABINET
Frankfort, Kentucky 40622
www.transportation.ky.gov/

Matthew G. Bevin
Governor

Greg Thomas
Secretary

OFFICE OF THE SECRETARY 111595
OFFICIAL ORDER _____


SUBJECT: *Purchases Guidance Manual*

This manual has been prepared to provide information and guidance to personnel of the Kentucky Transportation Cabinet. Its purpose is to establish uniformity in the interpretation and administration of laws, regulations, policies, and procedures applicable to the operations of the Division of Purchases and its relationship with other units of the Cabinet.

The policies and procedures set forth herein are hereby approved and declared effective unless officially changed.

All previous instructions, written and oral, relative to or in conflict with this manual are hereby superseded.

Signed and approved this 20th day of March, 2019.



Greg Thomas
Secretary

Approved as to Legal Form


Office of Legal Services



*P*URCHASES *G*UIDANCE *M*ANUAL



ISSUED BY

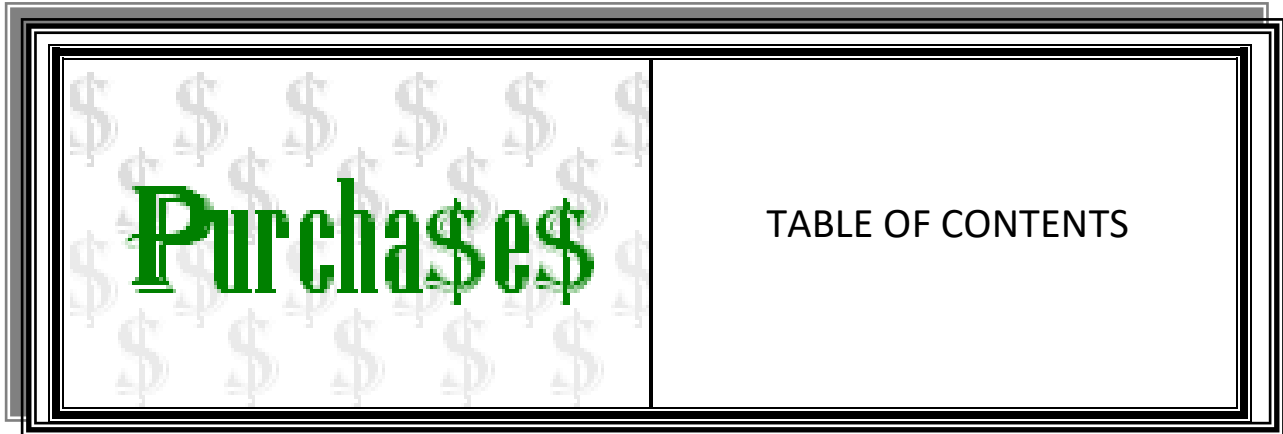
COMMONWEALTH OF KENTUCKY
TRANSPORTATION CABINET

March 2019



Produced by Organizational Management Branch
Office of Human Resource Management





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**ADDENDUM/****ADDENDA**

A written change or correction to a solicitation; often used to address technical questions received from interested vendors

ADMINISTRATIVE**CHANGE**

A minor change, such as change of address, correction of preparation, etc.

BEST VALUE**CRITERIA**

This method of scoring a bid emphasizes value over price by using objective and quantifiable criteria for scoring including price. The best evaluated bid may not be the lowest cost.

BID

(noun) A response submitted by a vendor to a request for bid (RFB)

(verb) To submit a response to a RFB; gives the buyer legal power to create a contract

BID BOND

An insurance agreement accompanied by a monetary commitment where a third party (surety) accepts liability and guarantees the bidder will not withdraw the bid; accompanies the bid response

BID TABULATION

A spreadsheet listing all vendors who submitted bids and their unit prices; may also include total prices, delivery terms, etc.; includes best value criteria scoring and Determination and Findings

BIENNIUM

A period of 2 fiscal years, beginning in an even year, for example, July 1, 2008 – June 30, 2010

BREACH OF CONTRACT

Failure by the vendor to carry out a contract per the terms and conditions without legal reason for the failure

BUYER

KYTC or Finance and Administration Cabinet employee who issues solicitation documents and created contracts and agreements in eMARS

CANCELLATION OF A SOLICITATION	A solicitation may be cancelled or all bids rejected if it is determined to be in the best interest of the Commonwealth.
CLARIFICATION	Written communication with a bidder during the evaluation process, for the sole purpose of eliminating minor irregularities or apparent clerical mistakes
COLLUSION	When two or more parties secretly work together in an attempt to win a contract; an unlawful practice in regards to competitive sealed bidding procedures
COMMODITY	A product or good that is being purchased
COMMODITY CODE	A number assigned to a commodity or service that is organized by classes and subclasses; necessary to complete a RQS
COMPETITIVE SEALED BIDDING	Preferred method for acquiring commodities or services in which award is made to responsible, responsive bidder with highest evaluated score
CONFLICT OF INTEREST	A situation where public officials may obtain a benefit from a public contract potentially resulting in breach of ethics
CONSTRUCTION	Building, altering, repairing, improving, or demolishing any public structures, buildings, or any real property. Vendor is required to include labor and materials.
CONTRACT	A legal agreement between parties to exchange goods or services for payment
CONTRACT (CT)	eMARS document used for a one-time purchase of goods or services
CONTRACT MANAGEMENT	The management of all actions, after the award of a contract, that must be taken to assure compliance with the contract, such as timely delivery, acceptance of goods received, inspection of services performed, payment, closing contract, etc.
CONTRACT MANAGER	An employee from the program agency responsible for the performance to be achieved through the contract; responsible for enforcing performance of the contract terms and conditions and serving as a liaison with the contractor

CONTRACTOR	An individual or business that holds a contract for commodities or services
CONVENIENCE OF THE COMMONWEALTH	The Commonwealth's ability to terminate a contract if it is in its best interest
COST PROPOSAL	Response to a solicitation that outlines a vendor's cost
DEBARMENT	An action taken by Finance and Administration Cabinet to prohibit a vendor or contractor from bidding for a certain period of time
DEFAULT BY VENDOR	Failure by the vendor to fulfill a contract per the terms and conditions
DELEGATED	Commodities and services assigned to KYTC Division of Purchases by the Finance and Administration Cabinet
DELIVERY ORDER (DO)	An eMARS document (detailing commodity, quantity, ship/bill to addresses, etc.) used to place an order against an existing master agreement
DETERMINATION & FINDINGS	Documentation made by buyer of record justifying decisions made during evaluation process
eMARS	The Commonwealth's electronic procurement system
EMERGENCY PURCHASE	A purchase created due to a threat or impending threat to public health, welfare, or safety
EPROCUREMENT	The website portion of eMARS where vendors can register as a vendor, download bids, and see award information
EVALUATION	Process of reviewing bids, creating bid tabulation, and making an award
EVALUATION COMMITTEE	Committee formed to evaluate technical proposals submitted by vendors in response to a request for proposal (RFP); composed of members with advanced knowledge of the technical requirements of the commodity or service being requested
EVALUATION CRITERIA	Criteria used to score a bid; most often includes price and delivery (or completion); can include references, years in business, and others; in RFP, based on technical criteria

FISCAL YEAR	12-month period used for accounting purposes; for Kentucky state government, July 1–June 30
FREE ON BOARD (FOB) DESTINATION	The vendor or shipper owns all goods in transit and is liable for delivery to the point of destination. They are responsible for filing any claims with the deliver carrier for breakage or other losses, and for any damage resulting from said transportation.
INVOICE	Document submitted by the vendor requesting payment for a commodity or service
IRREGULARITY	An easily correctable defect in a bid response—a matter of form and not of substance—that has no effect on price, quantity, delivery or terms and conditions
LIQUIDATED DAMAGES	Damages agreed to by both parties and are due by party who breaches contract; typically used when delivery exceeds guaranteed time
MASTER AGREEMENT (MA)	An eMARS document that is a term contract; established with vendors for supplying specific items at a specific unit price for a definite period; also called a price contract
MAY VS. SHALL	<i>May</i> denotes the permissive in a contract clause or specification. <i>Shall</i> denotes the imperative in a contract clause or specification.
MEMORANDUM OF AGREEMENT (MOA)	Any agreement or contract relating to services between a state agency and any other governmental body or political subdivision of the Commonwealth that involves an exchange of resources or responsibilities to carry out a governmental function
METHOD OF AWARD	Solicitation clause that details how an award will be made; includes evaluation criteria, calculation formula, and any information regarding vendor’s eligibility for award
MISTAKE	This is a minor error in the bid. Clerical mistakes may be corrected with verification from the bidder.
MODIFICATION	A written alteration to a document; on contracts, can only be done with mutual agreement by all parties

MULTI-STEP COMPETITIVE SEALED BIDDING	A competitive sealed bidding method for acquiring commodities or services using a two-part process. The first phase consists of submission of an unpriced technical offer. The second phase consists of submission of pricing. This method is also referred to as a reverse auction.
NONPROFESSIONAL SERVICE	Any service that does not require a professional skill, judgment, license, or certification
NOTICE OF AWARD	Email notification sent to the successful bidder
NOT PRACTICAL TO BID (NPTB)	A letter written by unit to give justification for not competitively bidding
OFFEROR	Person submitting a proposal in response to a RFP
PAYMENT REQUEST (PRC)	eMARS document used to pay a vendor's invoice; can reference a delivery order, contract, or can be created as a stand-alone document; authorizes the Division of Accounts to issue a check or electronic transfer of funds
PERFORMANCE BOND	An insurance agreement accompanied by a monetary commitment where a third party (surety) accepts liability and guarantees the vendor will complete the contract as agreed; requested after evaluation process, before award of contract; returned upon successful completion of contract
PERSONAL SERVICE CONTRACT (PSC)	An agreement whereby an individual, firm, partnership, or corporation is to perform certain services requiring professional skill or professional judgment for a specified period of time at a price agreed upon
POLITICAL SUBDIVISIONS	Political entities within a state which have been delegated certain functions of a local government; may include counties, cities, towns, etc.
PROOF OF NECESSITY (PON2)	A contract type in eMARS used for personal service contracts or MOAs; requires legislative review and approval
PREVAILING WAGE RATE	The rate of wages, including fringe benefits, paid to workers in a geographic area for the same type of work; required on contracts using federal funds.

PROCUREMENT	Purchasing or otherwise acquiring commodities and services; includes all parts of the process from requisition to payment
PROCUREMENT CARD	A payment method using a credit card; administered through the Division of Accounts
PROFESSIONAL SERVICE	Any service that requires a professional skill, judgment, license, or certification
PROOF OF NECESSITY	A form that must be completed by requesting unit for a PON2 document
PROTEST	An objection to a solicitation or award; filed to the Secretary of the Finance and Administration Cabinet
PUBLIC BID OPENING	Public opening and reading of bids received at a time and place specified in the solicitation
PURCHASE ORDER (PO)	An eMARS document used after obtaining 3 quotes under small purchase authority
PURCHASE ORDER FOR REAL PROPERTY (CTRP1)	An eMARS document used for the rental or lease of real property
QUOTE	An informal process of soliciting pricing from several vendors
RECYCLED CONTENT	Portion of a product made from post-consumer waste or recovered material; required on certain commodities purchased by the state
REQUEST FOR BID (RFB)	A document used to solicit bids for commodities and nonprofessional services; also called solicitation
REQUEST FOR INFORMATION (RFI)	A document used to ascertain interest in a particular professional or personal service; also called solicitation
REQUEST FOR PROPOSAL (RFP)	A document used to solicit proposals for professional services; also called solicitation
REQUEST FOR QUOTE (RFQ)	A document used to informally solicit quotes for commodities and nonprofessional services; can be done through eMARS or using TC 73-102 form, <i>Agency Request for Quotation</i>


REQUESTING UNIT	Any KYTC entity requesting a purchase of a commodity or service
REQUISITION (RQS)	A document created to outline the needs of a unit; a RQS in eMARS; sent to Division of Purchases for approval and processing
RESPONSIBLE BIDDER	A vendor who is financially and technically able to complete the contract as required
RESPONSIVE BIDDER	A vendor who conforms to all material and substance requirements of the RFB
SALIENT QUESTION	Question of notable significance, whose answer would have a bearing on the interpretation of the specifications or terms and conditions of a solicitation or contract
SCOPE OF WORK	A written description of the contractual requirements for materials and services contained within a request for proposal (RFP)
SERVICE	Labor, time, or effort required on the part of the vendor; service contracts focus more on labor than on delivery or supply of products
SERVICE CONTRACT (SC)	A contract type in eMARS used for MOA and PSC exceptions and grants; does not require legislative review and approval
SMALL PURCHASE AUTHORITY	A delegation from the Finance and Administration Cabinet or KYTC Division of Purchases authorizing requesting units to procure any good or nonprofessional service up to a specified dollar amount without going through a formal competitive process; some exceptions may apply
SOLE BRAND	A commercial product or service described by a brand name, make, or model number; may be offered for sale by more than one source (such as manufacturer, producer, or distributor)
SOLE SOURCE	Only one known capable supplier of a commodity or service
SOLICITATION	Document used to solicit bids, proposals, and quotes to provide a commodity or service; also known as request for bids (RFB), request for proposals (RFP), and request for quote (RFQ)
SPECIFICATIONS	Listing of requirements for goods and services that details dimensions, types of materials, performance, functions, minimum and basic requirements, functional features and variables, and measurable performance criteria

SPLIT PURCHASE	Occurs when an individual or single buying entity intentionally divides or appears to divide a single purchase requirement into two or more separate purchases to avoid exceeding their Procard limit, small purchase limit, and/or the competitive bid process requirements, for example splitting requirements among merchants, splitting requirements among cardholders, or splitting requirements over time
STRATEGIC PROCUREMENT REQUEST (SPR1)	The eMARS document used to request permission to make a purchase considered strategic in nature or will have enterprise impact that exceeds \$1,000
STANDARDS	An established measure of extent, quality, or value; examples include Kentucky Department of Highway's standard specifications and drawings, ASTM standards, and AASHTO requirements
TECHNICAL PROPOSAL	Response to a solicitation outlining what the vendor intends to furnish
TERM CONTRACT	Established with vendors for supplying specific items at a specific unit price for a definite period; also called price contracts or master agreements
TERMINATION	When a contract is cancelled for breach of contract by vendor, convenience of the Commonwealth, or if funds are no longer available
TERMS & CONDITIONS	Standard language attached to solicitations and contracts; includes all standard clauses and rules for competitive bidding process
TIE BIDS	Bids from two or more vendors with identical pricing
UNIT OF MEASURE	Unit assigned to each commodity line used to determine unit pricing; examples include, each (EA), linear feet (LFT), lump sum (LMP), hour (HR)
UNIT PRICE	Price assigned to one unit of a commodity line; governs over extended price in the event of a discrepancy on a bid
VENDOR	A supplier or seller of goods or services; also called a contractor
VENDOR COMPLAINT	Documentation of performance issues with a contracted vendor; includes complaint documentation from the requesting agency, cure notices sent from the Division of Purchases, show cause letters, and any vendor responses to Division of Purchases correspondence; used in conjunction with performance evaluations (PE) to document vendor's performance history which aids in determining vendor responsibility

**VENDOR/CUSTOMER
NUMBER**

A number assigned to a vendor by eMARS based on the vendor's federal identification (FEIN) number or social security number



	<i>Chapter</i> INTRODUCTION
	<i>Subject</i> Design of This Manual

ORGANIZATION & NUMBERING

Chapters—The subject matter in the manual is divided into chapters. The chapter title appears in the upper right-hand corner of the first page of a subject and in the upper left-hand corner of any subsequent page.

Sections—Some chapters may be divided into sections. Each section title, instead of chapter title, appears in the upper right-hand corner of the first page of a subject and in the upper left-hand corner of any subsequent page.

Subjects—Chapters and sections are arranged by subjects.

Subject Number—Each subject is assigned a number, which appears in the upper right-hand corner of each page of the subject. For example, Chapter 300 includes subject 303 followed by subject 304.

“PUR” Prefix—Preceding each subject number, this prefix stands for the manual title *Purchases*.

Subject Title—The title of a subject appears in the upper right-hand corner of the first page of a subject and in the upper left-hand corner of any subsequent page.

Date—The latest issuance date of a subject appears at the bottom of each page of the subject. This date agrees with the latest issuance date shown for the subject in the Table of Contents (**PUR-01**).

Page Numbering—Each subject has its own page numbering, which appears at the bottom of each page.

LOCATING INFORMATION

Indexes—One index appears at the front of the manual, and two indexes appear at the back:

- **Table of Contents (**PUR-01**)**—This index at the front lists the titles of the manual’s chapters and sections and their subjects, as well as other information, in numerical order. It includes the latest issuance dates of all the subjects. As the manual matures, these dates change.

LOCATING

INFORMATION (CONT.)

- **Glossary (PUR-02)**—This index at the back gives a brief but detailed description of commonly used terms and subjects pertaining to the Cabinet’s procurement process to obtain goods and services.
- **Table of Exhibits (PUR-9000)**—This index at the back lists the manual’s exhibits.


QUESTIONS

Whom to Contact—For answers to questions about the contents of the manual, please contact the Division of Purchases at (502) 564-4630.

For copies of the manual, please contact:

Organizational Management Branch
Transportation Cabinet Office Building
6th Floor West
200 Mero Street
Frankfort, KY 40622



	<i>Chapter</i> INTRODUCTION
	<i>Subject</i> Manual Objective & Purpose

OBJECTIVE The primary objective of the Transportation Cabinet’s (KYTC’s) procurement policy is to meet KYTC needs at the best value possible through efficient planning, standard specifications, purchasing in large quantities, and open competition.

PURPOSE The KYTC procurement policy has been established to obtain:

- Availability of commodities and services to fulfill KYTC’s mission
- Uniform enforcement of contractual obligations of persons or firms contracting with KYTC
- Opportunities for fair and open competition for all responsible vendors who can furnish commodities and services meeting stated specifications
- An understanding of procurement policies and procedures by both KYTC personnel and prospective vendors

MANUAL AUDIENCE This manual is written for KYTC personnel directly responsible for processing procurement documents in eMARS, and their management. In addition to this manual, these employees shall also be familiar with:

➤ KRS 45A, The Kentucky Model Procurement Code, located at:

<https://apps.legislature.ky.gov/law/statutes/chapter.aspx?id=37250>

➤ *Finance and Administration Cabinet Manual of Policies and Procedures (FAP)*, located at:


<http://finance.ky.gov/services/policies/Pages/default.aspx>

MANUAL

AUDIENCE (CONT.)

Division of Purchases' personnel shall have an intermediate-to-advanced level of understanding of [KRS 45A](#) and [FAP](#) requirements. All other KYTC personnel with procurement duties shall have at least a basic level of understanding of KRS 45A and FAP requirements.



	<i>Chapter</i> INTRODUCTION
	<i>Subject</i> Statutory & Regulatory Authority

MODEL PROCUREMENT**CODE**

Statutory authority governing Kentucky procurement and contracting is established by the Kentucky Model Procurement Code, [KRS Chapter 45](#) and [45A](#), as further implemented by [200 KAR 5](#) (Purchasing) and [KRS 57](#) (Public Printing and Distribution of Public Documents).

The policies and procedures of this manual are an expanded implementation of these authorities to assist units in meeting their purchasing requirements by the most economical and effective means.

The Kentucky Model Procurement Code is located at:

<https://apps.legislature.ky.gov/law/statutes/chapter.aspx?id=37250>

FINANCE**ADMINISTRATIVE
POLICY (FAP)**

Policies and procedures detailed in the *Finance and Administration Cabinet Manual of Policies and Procedures (FAPs)* were developed in accordance with KRS 45A.045 and are incorporated by reference as an administrative regulation pursuant to [200 KAR 5:021](#). FAPs are located at:

<http://finance.ky.gov/services/policies/Pages/default.aspx>

**KENTUCKY SALES
& USAGE TAX**


[KRS 139.470 \(7\)](#) provides that the sales and use tax does not apply to purchases of tangible personal property or services made by KYTC. KYTC procurement staff shall supply a copy of the *State of Kentucky Exemption from Kentucky Sales & Use Tax Letter (Exhibit 9010)* to vendors to be retained in their records as evidence of nontaxable sales.

KYTC's exemption number is ST-37-107.

**FEDERAL
EXCISE TAX**

KYTC is exempt from federal excise tax. States and local governments do not have federal excise tax exemption numbers. See [FAP 110-10-00 \(4\)\(i\)](#).



	<i>Chapter</i> INTRODUCTION
	<i>Subject</i> Division of Purchases' Delegation

**STATUTORY &
REGULATORY
AUTHORITY**

[KRS 45A.035](#), [KRS 45 A.045 \(3\)](#), [200 KAR 5:302](#)

DELEGATION

The Finance and Administration Cabinet (FAC) is charged by statute with the general responsibility and authority for procurement of items for all state agencies. A provision within the statute allows delegation of purchasing authority to other state agencies.

The authority and responsibility for the procurement function in KYTC is assigned to the Division of Purchases. These responsibilities include:

- Enforcing purchase regulations
- Acting as liaison for KYTC with FAC's Office of Procurement Services
- Advising and assisting all KYTC organizational units on matters of procurement

This delegation includes the authority to advertise for bids, open bids, and award contracts.

The FAC has granted the KYTC Division of Purchases a \$20,000 delegated authority on all commodity and nonprofessional service purchases and a \$40,000 delegated authority for small construction procurements. An additional unlimited dollar delegation has been granted for various commodities and services unique to KYTC. The FAC has also delegated the authority for KYTC to permit political subdivisions to use our Master Agreements if the vendors agree. (See [Exhibit 9012](#), "KYTC Division of Purchases Small Purchase Authority," [Exhibit 9011](#), "KYTC Revised Purchasing Delegation," and [Exhibit 9018](#), "KYTC Supplemental Revised Purchasing Delegation.")

DELEGATION (CONT.)

Note: Commodities and services outside this delegation route to the FAC for processing. Examples include small construction projects with an estimated cost over \$40,000, hand-held radios, and IT commodities and services over \$20,000.


**IMPROPER
TRANSACTIONS**

Improper or irregular transactions are not valid or binding on the state. **Any person making such a purchase can be held personally liable for the amount of the transaction.** For example, if a requestor authorizes a vendor to send goods and the Cabinet has no legal method (such as a contract) to pay for the items, the requestor could be forced to pay for those goods.

A legislative claim may be required if goods or services were obtained without following proper procurement procedures. The *Accounts Guidance Manual* ([ACC-608](#)) details the procedures to process a legislative claim.

Efficient communications can prevent most irregularities and reduce misunderstanding. The Division of Purchases invites inquiries concerning doubtful transactions.



	<i>Chapter</i> INTRODUCTION
	<i>Subject</i> Division of Purchases' Structure & Responsibilities

GENERAL

The Division of Purchases (composed of the Procurement Branch and the Contract Oversight Branch) provides guidance, support, and uniformity in the interpretation and administration of purchasing laws, policies, procedures, and regulations for KYTC.

**PROCUREMENT
BRANCH**

The Procurement Branch is responsible for procuring commodities and nonprofessional services and:

- Assisting KYTC units in preparing bid specifications and the proper method of procurement for each need or request
- Implementing programs and practices for purchases of supplies, equipment, materials, and services
- Reviewing bid specifications, preparing solicitation terms and conditions, issuing requests for bid (RFBs), and creating contracts for all delegated items
- Assisting KYTC units in processing emergency and special authority purchases
- Advising KYTC units of current market trends and product availability
- Notifying requesting units of contract expiration and renewal deadlines
- Processing performance evaluations (PE) documents throughout the contract period and at expiration (including responding to vendor complaints)
- Modifying existing contracts as necessary

CONTRACT**OVERSIGHT BRANCH**

The Contract Oversight Branch is responsible for all memoranda of agreement (MOAs), memoranda of understanding (MOUs), and personal service contracts (PSCs).


The Contract Oversight Branch also:

- Completes the request for proposal (RFP) process for establishment of PSCs, excluding those for professional engineering and related services

Note: The [Professional Services Guidance Manual](#) details contracting policies and procedures for professional engineering and engineering-related services.

- Facilitates proposal evaluation committees
- Acts as negotiator for the evaluation committee
- Awards contracts based on the evaluation committee's recommendation
- Provides oversight of MOAs and MOUs between KYTC and other governmental entities and political subdivisions
- Acts as a resource during Government Contract Review Committee meetings when requested
- Modifies contracts as necessary



	<i>Chapter</i> <p style="text-align: center;">INTRODUCTION</p>
	<i>Subject</i> <p style="text-align: center;">Responsibilities of KYTC Requesting Units</p>

**REQUESTING UNIT
RESPONSIBILITIES**

The requesting units shall:

- Require eMARS and procurement training for all employees that process procurement documents (RQS, PO, DO, PRC, etc.) in eMARS

The Finance and Administration Cabinet has established the Kentucky Procurement Institute (KPI) to:

- ◆ Provide procurement training specific to Kentucky statute, regulation, and policies for all individuals performing procurement actions on behalf of a state agency.
- ◆ Offer a certificate program that will certify basic levels of training accomplished by an agency procurement professional
- ◆ Create a clear framework to delegate small purchase authority to agencies in a meaningful way

Details about KPI, including descriptions of the requirements, a class schedule, and other related information, can be found at:

<http://finance.ky.gov/services/eprocurement/Pages/Kentucky-Procurement-Institute-Training-and-Certificate-Program.aspx>

- Maintain strict ethical standards
 - ◆ Never accept gifts from vendors that have an annual value in excess of \$25.
 - ◆ Refrain from communicating with vendors during the formal procurement process (from the time the RQS is submitted until an official award of contract is made). During this time the buyer of record is the sole point of contact for both the vendor and the requesting unit.

**REQUESTING UNIT
RESPONSIBILITIES
(CONT.)**

- ◆ Do not allow vendors to write specifications for commodities or services. Specifications shall always be written to encourage maximum competition. ([PUR-302](#))
- ◆ When administering a request for quote, ensure all vendors receive the same information. ([PUR-201](#))

The *General Administration and Personnel Manual* ([GAP-808](#)) details the KYTC code of ethics and conflict of interest policies. For answers to specific ethics questions or for additional training to ensure professional ethics standards are met, contact the Division of Professional Development and Organizational Management.

- Ensure adequate funding for all requested procurements
- Work with the Division of Purchases to administer all requested contracts and shall also:
 - ◆ Monitor contract usage to ensure SPR1 (if required) and prevailing wage rate compliance.
 - ◆ Submit a new RQS at least 45 days prior to master agreement contract expiration and 4 months prior to personal service contract expiration. Failure to do so may create a lapse in contract service.

Note: Failure to submit a new RQS in a timely manner is not a valid reason to extend an expiring contract.
 - ◆ Monitor contract compliance and verify that goods and services received meet specifications and that all delivery and completion times are achieved.
 - ◆ Make all payments according to [FAP 111-45-00](#).
 - ◆ Communicate all vendor performance-related issues to the Division of Purchases buyer of record as issues arise. [PUR-504](#) discusses vendor performance policies and procedures. **Do not** wait until the end of the contract period to submit a complaint.

**REQUESTING UNIT
RESPONSIBILITIES
(CONT.)**


Communication shall include all relevant documentation (such as, letters and emails to the vendor, dates and times of meetings and phone conversations with the vendor, vendor responses to letters and emails, etc.).

Note: Vendor performance will not be held against a vendor in future procurements without adequate documentation.

- Maintain records according to the *General Administration and Personnel Manual (GAP-1002)*
- Prior to any procurement, check eMARS for master agreements issued by the Transportation Cabinet, Division of Purchases, and the Finance and Administration Cabinet, Office of Procurement Services

Note: Requesting units shall purchase items covered by master agreements from the contract, unless the vendor cannot supply the items and the Division of Purchases grants approval, or unless otherwise specified by the contract terms and conditions (for example, minimum order). [PUR-502](#) provides information regarding delivery orders.



	Section GENERAL PROCUREMENT REQUIREMENTS & RESTRICTIONS
	Subject SPR1 Document

**PURCHASES
REQUIRING AN
SPR1 DOCUMENT**

All procurements considered strategic in nature or that have an enterprise impact exceeding \$1,000 require an approved SPR1 document in eMARS. All SPR1 documents are reviewed by the business expertise agency. An SPR1 document must receive approval before proceeding with any applicable purchase in excess of \$1,000. The approved SPR1 shall be attached to the associated requisition, purchase order, and all payments.

**REQUIRED CATEGORIES/
REVIEWING AGENCY**

Architecture & Engineering (A&E) – only Not Practical to Bid and Sole Source	Finance Division of Engineering and Contract Administration (DECA)
IT Hardware, IT Maintenance, IT Services, IT Software, and IT Task Orders	Commonwealth Office of Technology (COT)
Postal Services and Equipment	Finance Division of Postal Services
Printing	Kentucky Design & Print Services
Personal Service Contracts - Only Not Practical to Bid, Sole Source, Start Date Requests, or Contracts with Individuals	Finance Office of Procurement Services (OPS)
Vehicles and Vehicle Parts	Finance Division of Fleet Management

**REQUESTING AN
SPR1**

The requesting unit must fully complete the following fields in eMARS for an **SPR1** to receive FAC approval:

- **Requesting Department**
- **Requestor ID**
- **Category/Sub-Category**—Pick list allows the following choices:
 - ◆ Architectural and Engineering
 - A&E PSC Not Practical to Bid
 - A&E PSC Sole Source
 - ◆ IT
 - IT Hardware
 - IT Maintenance
 - IT Services
 - IT Software
 - IT Task Orders
 - ◆ Personal Service Contracts
 - PSC – Start Date
 - PSC – Sole Source
 - PSC – Not Practical to Bid
 - PSC – Contract with Individual
 - ◆ Postal
 - Postal
 - ◆ Printing
 - Printing
 - ◆ Vehicles
 - Vehicle Repairs and Parts
 - Vehicles
- **Document Name** (of goods and services to be purchased)
- **Vendor Name**
- **Cost**—Enter one of the following:
 - ◆ Estimated cost for purchase
 - ◆ Estimated annual cost if establishing a new master agreement

**REQUESTING AN
SPR1 (CONT.)**

- **Purpose & Justification**—Requesting unit needs to provide full, but concise information on the exact nature of the purchase or contract, its relation to specific program requirements, and its impact on providing delivery of services or necessary ongoing operations. The requesting unit also needs to detail any impacts on their requirements if the purchase is not made. Requests for Sole Source or Not Practical to Bid Personal Service contracts should include appropriate justification in this section.

**SPR1 APPROVAL
PROCESS**

The following details the SPR1 approval process:

1. The requesting unit prepares the SPR1 document in eMARS and submits it for approval.
2. The requesting unit's office head applies first-level approval in eMARS.

Note: If the office head does not apply approval in eMARS, an original hard copy with approval signature must be retained in the requesting office.

3. The Division of Purchases reviews the SPR1 for compliance ensuring:
 - All necessary information is included
 - Signatures are attached
4. Division of Purchases prints the SPR1 and routes to Office of Budget and Fiscal Management and the Office of the Secretary for signatures.
5. Division of Purchases applies final approval in eMARS.
6. Depending on the type of request, the SPR1 will route to the appropriate agency for final approval.
7. Once the SPR1 document is "FINAL" the requesting unit may proceed with the purchase following proper procurement rules.


**MODIFYING AN
SPR1**

Requesting units shall complete the following steps to modify an existing SPR1:

1. Open the SPR1 in eMARS and click "Edit."
2. At the beginning of the "Purpose and Justification" field, enter "MODIFICATION" and the current date. Explain the reason for the modification, including a reason for additional funds if applicable.
3. Revise applicable fields.
4. Submit the SPR1 for review and approvals.

The SPR1 will be reviewed and approved as explained above.



	Section GENERAL PROCUREMENT REQUIREMENTS & RESTRICTIONS
	Subject Required Affidavit for Bidders, Offerors, & Contractors

AUTHORITY KRS 45A.110

**PURCHASES REQUIRING
AN AFFIDAVIT**

The following purchases require submittal of the *Annual Affidavit for Bidders, Offerors, and Contractors* ([Exhibit 9015](#)):

- Competitive bids for goods, commodities, nonprofessional services, or professional services (signed by all bidders and notarized)
- Noncompetitively negotiated contracts (such as any sole source, not practical or feasible to bid, or emergency contracts) (signed by contractor, since no bid, and notarized)
- Small purchase awards, to include transactions without a written contract (over \$1,000) (if taking quotes, signed by awarded contractor only and notarized)
- Stand-alone payments (PRCs) (signed by the authorized company representative and notarized)

All affidavits shall be notarized in all circumstances, as the notary is witnessing the signature of the individual who is swearing under penalty of perjury.

**PURCHASES NOT
REQUIRING AN
AFFIDAVIT**

The following purchases do not require an affidavit from bidders, offerors, or contractors:

- Stand-alone payments for GAX, such as utilities, court-ordered payments, or postage
- Procard payments
- Agreements between governmental agencies
- Payments for dues and subscriptions
- TPs for reimbursements to employees

**PURCHASES NOT
REQUIRING AN
AFFIDAVIT (CONT.)**

- Purchases off master agreements (MAs)

Note: MAs require an affidavit when they are established; therefore, agencies do not need to obtain affidavits for each individual purchase off an existing MA.

- Purchases or stand-alone payments in amounts less than or equal to \$1,000

Note: Procurement requirements shall not be parceled, split, divided, or scheduled over a period of time in order to subvert the intent of this procedure.

See [Exhibit 9004](#) for *Frequently Asked Questions for Affidavit for Bidders, Offerors, and Contractors*.

**ACCEPTABLE
SUBMITTAL FORMATS**

The Cabinet will accept **signed** affidavits from in-state vendors by fax or email; however, affidavits from out-of-state vendors require an original notary seal.

ANNUAL AFFIDAVIT

Effective March 1, 2018 – A signed and notarized *Annual Affidavit for Bidders, Offerors, and Contractors* ([Exhibit 9015](#)) is valid for one year from signature date.

To locate a valid vendor affidavit using eMARS:


1. Go to the VCUST page.
2. Enter the Vendor/Customer Number or search by name.
3. Look under Business Type.
4. If the Business Type AFF is listed, a valid annual affidavit is on file and there is no need to request another one.

KYTC Central Offices can file annual affidavits to the following shared network drive for other offices to use:

N:\Annual Affidavit for Bidders and Contractors

If a valid affidavit is required but not located, the requesting office shall obtain one from the vendor before proceeding with the procurement.



	<i>Section</i> GENERAL PROCUREMENT REQUIREMENTS & RESTRICTIONS
	<i>Subject</i> Bonding & Insurance

**STATUTORY &
REGULATORY
AUTHORITY**

[KRS 45A.185–KRS 45A.195](#), [200 KAR 5:305](#), [FAP 111-27-00](#)

BID BONDS

The Division of Purchases **may** require a bid bond when advertising for bids as surety that a bidder will hold his or her offer firm for a specified period of time. The bid bond must be received with the bid or prior to the bid opening or the bid will not be considered. The following also apply to bid bonds:

- The amount of the bond must be specified in the solicitation.
- In addition to signing the bid bond as principal, the bidder must have the bond signed by a surety company licensed in the Commonwealth of Kentucky. A list of such companies may be obtained from the Kentucky Department of Insurance. If the surety on a bond has its authority to do business in Kentucky revoked, or if for any reason it ceases to do business in this state, the bidder must promptly obtain another surety on the bond.
- The bond must be conditioned on full performance of all obligations imposed on the bidder by the solicitation. This includes the obligation to keep the bid price firm for as long as specified in the solicitation, and the obligation to file a “performance bond” when required by contract. The bid bond shall provide that upon failure to perform any such obligations, the Commonwealth of Kentucky may recover from the bidder and the surety, or either, any and all damages suffered because of such failure.
- If a bidder is not the successful bidder, the bond will be returned promptly after the award is made. The successful bidder’s bond shall be returned after the contract is awarded or as soon as such bidder has filed a performance bond, provided one is required.

PERFORMANCE**BONDS**

The Division of Purchases may require the successful bidder to file a performance bond in a designated amount with the Division of Purchases or requesting unit when it appears to be in the best interest of the Commonwealth. The bond, if required, shall be submitted prior to the award of the contract. Failure to submit a bond when required shall result in rejection of the bid. The following apply to performance bonds:

- The performance bond may be required up to 100 percent of the amount of the contract, depending upon the nature of the transaction.
- The successful bidder must have the bond signed by a surety company licensed in the Commonwealth of Kentucky. A list of such companies may be obtained from the Kentucky Department of Insurance. If the surety's license in Kentucky is revoked, the bidder must promptly obtain another surety on the bond.
- The bond shall be conditioned on the bidder's complete performance of all obligations imposed by the contract. The bond shall provide that if the bidder fails to perform any such obligations, the Commonwealth may hold the bidder and his or her surety jointly and severally liable for any and all damages resulting from the breach of contract.
- If the bidder does not have stock of the commodity or equipment to be purchased in the amount sought, nor the facilities to produce the item in such an amount, to guarantee satisfactory service, the Division of Purchases or requesting unit may require the bidder's source of supply to file a performance bond with surety, conditioned on such source supplying the bidder as stated in the bid.

INSURANCE**REQUIREMENTS**

All service procurements, including memoranda of agreements with other governmental entities providing a service to KYTC, require the following language in the solicitation and/or contract:

The successful bidder shall be responsible for maintaining this coverage through the entire contract term:

1. Contractor's General Liability Insurance with limits of liability of \$1,000,000.00 per occurrence.

2. Kentucky worker's compensation insurance in accordance with the requirements of KRS 45A.480 and KRS Chapter 342.

**INSURANCE
REQUIREMENTS (CONT.)**

The successful bidder shall furnish an ACORD Certificate within ten (10) days of notice of intent to award with:

A. The certificate holder listed as:

*Kentucky Transportation Cabinet
Division of Purchases 4th Floor East
200 Mero Street
Frankfort, KY 40622*

B. The Endorsement indicating the Commonwealth and its agents as an Additional Insured for the contract resulting from this solicitation.

C. The contract number in the Description of Operations box.

Failure to furnish said certificates or to indicate the contract number shall be grounds for cancellation of the contract.


The successful bidder shall provide an up-to-date copy of the certificate upon renewal of the policy. Failure to do so shall result in cancellation of the contract.

The insurance shall be endorsed to state that coverage shall not be suspended, voided, cancelled by either party, reduced in coverage limits, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the agencies.

The insurance coverage shall be in compliance with the laws of the Commonwealth of Kentucky and shall be placed with a licensed resident or non-resident agent who represents insurance companies authorized to do business in Kentucky. A list of authorized companies can be found at <http://insurance.ky.gov/company>. Failure to meet this requirement may result in the bid being deemed non-responsive.

The insurer shall have an AM Best rating of B+ or higher. Visit www.ambest.com for verification. Failure to meet this requirement may result in the bid being deemed non-responsive.



	<i>Section</i> GENERAL PROCUREMENT REQUIREMENTS & RESTRICTIONS
	<i>Subject</i> EEO

STATUTORY

AUTHORITY [KRS 45.550-640](#), Kentucky Equal Employment Opportunity Act of 1978


DOCUMENTS

REQUIRING VENDOR

EEO CERTIFICATION

All contracts using general funds and exceeding \$500,000, over the life of the contract, require the vendor to be EEO certified through the Finance and Administration Cabinet, Office of Equal Employment Opportunity and Contract Compliance (EEOCC).



	Section GENERAL PROCUREMENT REQUIREMENTS & RESTRICTIONS
	Subject Requirements for Federally Funded Projects

**STATUTORY &
REGULATORY
AUTHORITY**

Title 23 of the United States Code (USC) and Code of Federal Regulations 23 CFR, 26 CFR, 29 CFR, and 49 CFR.


POLICY

The Division of Purchases buyer shall evaluate all procurements and consult with the requesting office to determine if federal funds may be used. If federal funds may be used, the buyer shall attach FHWA 1273 (**Exhibit 9006**) and Buy America (**Exhibit 9008**) to the solicitation and shall advertise for a minimum of 21 days.

If the procurement is for a service, the buyer shall include applicable Davis Bacon wage rates. Davis Bacon wage rates are based on current industry wages within specific geographic localities. Current rates can be found online at:

<https://www.wdol.gov/dba.aspx>



	<i>Section</i> GENERAL PROCUREMENT REQUIREMENTS & RESTRICTIONS
	<i>Subject</i> Recycled Content

**STATUTORY &
REGULATORY
AUTHORITY**

[200 KAR 5:330](#)

- Section 1–Definitions
- Section 2–Goods, supplies, equipment, materials, or printing
- Section 3–Construction, repair, renovation, and demolition of public facilities
- Section 4–Projects financed with Commonwealth bond proceeds


POLICY

Any entity entering into a contract for one of the above referenced commodities or services shall consult 200 KAR 5:330.

For goods, supplies, equipment, materials, or printing, requesting units shall determine if there is a minimum recycled content required for the item being purchased. If the list in Section 2 includes the commodity being purchased, the requesting units shall attempt to obtain a product meeting the recycled content requirement. ([Exhibit 9001](#))

If some suppliers are able to provide the required recycled content and others are not, the requesting unit shall only evaluate the complying vendors’ quotes or bids. If none of the vendors can comply, the requesting unit shall document the attempt and continue with evaluation of all vendors’ quotes or bids.



	<i>Section</i> GENERAL PROCUREMENT REQUIREMENTS & RESTRICTIONS
	<i>Subject</i> Standards


GENERAL

Requesting units shall include any standard requirements in their specifications for any and all purchases.

Examples of common standards include, but are not limited to:

- AASHTO—American Association of State Highway and Transportation Officials
- ANSI—American National Standards Institute
- ASTM—American Society for Testing and Materials
- FHWA—Federal Highway Administration
- Kentucky Standard Specifications
- Kentucky Standard Drawings
- Kentucky Approved Materials List
- [*Manual on Uniform Traffic Control Devices*](#) (MUTCD)



	Section GENERAL PROCUREMENT REQUIREMENTS & RESTRICTIONS
	Subject Preference Laws

**STATUTORY &
REGULATORY
AUTHORITY**

[KRS 45A.465\(3\)](#), [KRS 45A.470\(1\)](#), [KRS 45A.490-494](#), [200 KAR 5:400](#), [200 KAR 5:410](#)

OVERVIEW

Effective February 4, 2011, all requests for bid (RFBs) and requests for proposal (RFPs) using best-value scoring criteria are subject to the reciprocal preference of Kentucky resident bidders and preferences for Kentucky Correctional Industries; Kentucky Industries of the Blind, Incorporated; and any other “qualified” bidder.

**RECIPROCAL
PREFERENCE**

Any individual, partnership, association, corporation, or other business entity claiming resident bidder status shall submit along with its response the *Required Affidavit for Bidders, Offerors, and Contractors Claiming Resident Bidder Status* ([Exhibit 9020](#)). The bidding agency reserves the right to request documentation supporting a bidder’s claim of resident bidder status. Failure to provide such documentation upon request shall result in disqualification of the bidder or contract termination.

A nonresident bidder shall submit, along with its response, its certificate of authority to transact business in Kentucky as filed with the Kentucky Secretary of State. The location of the principal office identified therein shall be deemed the state of residency for that bidder. If the bidder is not required by law to obtain said certificate, the state of residency for that bidder shall be deemed to be that which is identified in its mailing address as provided in its bid.

**QUALIFIED BIDDER
PREFERENCE**

Pursuant to 200 KAR 5:410, and KRS 45A.470, Kentucky Correctional Industries will receive a preference equal to 20 percent of the maximum points awarded to a bidder in a solicitation.


QUALIFIED BIDDER**PREFERENCE (CONT.)**

In addition, the following “qualified bidders” will receive a preference equal to 15 percent of the maximum points awarded to a bidder in a solicitation:

- Kentucky Industries for the Blind, Incorporated
- Any nonprofit corporation that furthers the purposes of KRS 163
- Any qualified nonprofit agencies for individuals with severe disabilities as defined in KRS 45A.465(3)

Other than Kentucky Industries for the Blind, Incorporated, a bidder claiming “qualified bidder” status shall submit along with its response to the solicitation the *Required Affidavit for Bidders, Offerors, and Contractors Claiming Qualified Bidder Status* ([Exhibit 9021](#)) which affirms that it meets the requirements to be considered a qualified bidder. If requested, failure to provide documentation to a public agency proving qualified bidder status may result in disqualification of the bidder or contract termination.



	Section GENERAL PROCUREMENT REQUIREMENTS & RESTRICTIONS
	Subject Secretary of State Registration

STATUTORY AUTHORITY [KRS 45A.480](#); [KRS 14A](#)

OVERVIEW

Effective July 29, 2011, the Division of Purchases shall verify that any vendor considered for an award (contract) is registered and in good and active standing with the Secretary of State's office. Any vendor registered as a foreign entity shall submit a Certificate of Authorization ([Exhibit 9029](#)) before an award can be made. "Foreign entity" is defined as a business organized in a state outside of Kentucky.

Some types of vendors are exempt from registration by the Secretary of States' office including sole proprietorships and partnerships.

PROCEDURE

All requests for bid (RFBs) and requests for proposal (RFPs) shall include the following language:


"Pursuant to KRS 45A.480(1)(b), an agency, department, office, or political subdivision of the Commonwealth of Kentucky shall not award a state contract to a person that is a foreign entity unless that foreign entity, on the records of the Secretary of State, holds a certificate of authority or statement of foreign qualifications. If the foreign entity is not required to obtain a certificate as provided in KRS 14A.9-010, the foreign entity should identify the applicable exception in its solicitation response. Foreign entity is defined within KRS 14A.1-070."

**ONLINE
REGISTRATION**

Businesses may register with the Secretary of State online at:

<https://secure.kentucky.gov/sos/ftbr/welcome.aspx>



	Chapter SMALL & NONCOMPETITIVE PROCUREMENTS
	Subject Small Purchase Procedures

**STATUTORY &
REGULATORY
AUTHORITY**

[KRS 45A.100 \(2\)](#), [FAP 111-43-00](#), [FAP 111-55-00](#), [FAP 111-58-00](#)

GUIDELINES

Requesting units may use the small purchase procedure when the total procurement requirement for a good or **nonprofessional service** is estimated not to exceed \$10,000. Requesting units shall not use this procedure when restricted by other provisions of this manual, for example goods and services covered by Finance and Administration Cabinet (FAC) master agreements and KYTC master agreements.

Note: All professional services, regardless of dollar amount, are required to go through the competitive process unless an approved exemption has been received from FAC's Office of Procurement Services ([PUR-202](#)).

Note: Requesting units shall send all furniture requests to the Office of Support Services to procure the requested items. Office of Support Services is responsible for inventory of all furniture valued at \$500 or greater.

Note: Requesting units shall coordinate all equipment purchases with the Division of Equipment. All equipment \$500 or greater shall be inventoried by the Division of Equipment.

Procurement requirements shall not be parceled, split, divided, or scheduled over a period of time in order to subvert the intent of this procedure. Requesting units shall purchase goods and services based on sound business planning with the goals of economy and efficiency in mind and shall consider storage capacity and product shelf life when purchasing commodities. If a requesting unit's projected needs for **like items** will cost more than what it can purchase under its small purchase limit, the requesting unit shall submit a purchase requisition (RQS) to the Division of Purchases.

GUIDELINES (CONT.)

The Division of Purchases or Division of Accounts may conduct post audits at any time and without notice. Each buying entity is accountable and responsible for all their purchasing transactions ([PUR-106](#)).

Small Purchase Requirements		
Expected Total Cost	< \$5,000	\$5,000 - \$10,000
Required Quotes	1	3
Document Required	PRC	PO

Note: For purchases greater than \$10,000, requesting units shall submit a RQS ([PUR-301](#)).

**ETHNIC MINORITY
VENDOR/SDVOSB**

Effective February 1, 2013, requesting units utilizing their small purchase authority in excess of their one-quote limit will solicit **at least one quote** from an ethnic minority vendor. The term "ethnic minority" means African American, Hispanic American, Asian Pacific American, Subcontinent Asian American, or Native American.

Effective April 1, 2017, requesting units utilizing their small purchase authority in excess of their one-quote limit will solicit **at least one quote** from a service-disabled veteran owned small business. The term "service-disabled veteran owned small business" (SDVOSB) means a business owned by a service-disabled military veteran.

To find these vendors:

1. Go to VENDCMBT, a table in eMARS.
2. On the VENDCMBT table, search B060 for ethnic minority and B080 for SDVOSB in the Business Type ID field.
3. Enter a commodity code in the Commodity Code field.
4. A list of Vendor/Customer numbers for businesses that have registered for those business types and commodity will return.
5. Find the Vendor/Customer number in the VCUST table to access contact information.
6. Send the quote form to the identified vendors, if any.

**ETHNIC MINORITY
VENDOR/SDVOSB
(CONT.)**

Requesting units shall document the following information on the Excel spreadsheet, "RFQ Determination & Finding" (D&F) ([Exhibit 9026](#)):

- Quote issue date and quote due date
- Names, addresses, and contact information for solicited vendors
- Indication of which vendors are ethnic minority vendors
- All prices quoted
- A comment if no minority or SDVOSB vendors were available
- Justification for award

**PROCUREMENT
CARD**

KYTC employees may use a procurement card for both the purchase and payment of goods and services. The use of a procurement card is another authorized payment option to the one-price quotation procedure for small purchases.

KYTC Division of Accounts is responsible for administration of the procurement card program for KYTC.

The *Accounts Guidance Manual* ([ACC-604](#)) and the *KYTC Procurement Card User Guide* detail the policies and procedures for the procurement card program.

**STAND-ALONE
PAYMENT (PRC)
DOCUMENTS**

Authority to purchase goods or nonprofessional services on a single quote with an estimated total cost under \$5,000 is delegated to requesting unit office heads when goods or services are not available on a master agreement.

Requesting units may process these purchases with a procurement card or stand-alone payment request (PRC) referencing the appropriate cited authority.

Requesting units shall not use this purchasing method to procure any service defined as a professional service ([PUR-203](#)) or printing-related items ([PUR-307-2](#)).

Some frequently used cited authorities include:

- Subscriptions fees (paper or electronic format)—[FAP 111-08-00-06](#)

**STAND-ALONE
PAYMENT (PRC)
DOCUMENTS (CONT.)**

- Copyrighted material (reference books)—[FAP 111-08-00-07](#)
- Advertising fees—[FAP 111-09-00-03](#)
- Registration fees—[FAP 111-10-00-01](#)
- Dues and organization fees—[FAP 111-10-00-06](#)


Note: The *Annual Affidavit for Bidders, Offerors, and Contractors* ([Exhibit 9015](#)) is required for all purchases exceeding \$1,000, with the exception of dues and organization fees ([PUR-107-2](#)).

The Division of Purchases will assist requesting units with their questions regarding proper use of small purchase stand-alone payments.

**PURCHASE
ORDERS (PO)**

Requesting units shall create a purchase order (PO) document in eMARS for any purchase between \$5,000 and \$10,000. [PUR-403-1](#) details PO document components and procedure.



	<i>Chapter</i> SMALL & NONCOMPETITIVE PROCUREMENTS
	<i>Subject</i> Competitive Bidding Exceptions

AUTHORITY [KRS 45A.095, 200 KAR 5:309, FAP 111-08-00, FAP 111-09-00, FAP 111-10-00](#)

POLICY All special authority purchases shall require prior approval by the Division of Purchases and the Finance and Administration Cabinet's (FAC's) Office of Procurement Services before proceeding with the purchase.

AUTHORIZED EXCEPTIONS All procurements over an agency's small purchase authority shall be competitively bid, unless covered in the referenced FAC's policies and procedures listed below:

- Exceptions Specified by Law or Regulation, [FAP 111-08-00](#)

Note: Prior approval is not required.

- Not Practicable or Feasible, [FAP 111-09-00](#)

Note: Exemptions 1—11 under FAP 111-09-00 do not require prior approval. FAP 111-09-00-12 (other goods and services) requires prior approval if the total purchase is over \$5,000.

- Sole Source, FAP 111-10-00

Note: FAP 111-10-00 requires prior approval for any purchase over \$5,000. Dues and Organizational Fees only requires internal approval.

SHORT-TERM EQUIPMENT RENTAL Short-term equipment rental (**without an operator and for no more than 6 months**) falls under FAP 111-09-00(6). There is no threshold to the requirement; however, if the total amount is over \$5,000, a purchase order (PO) document should be processed in eMARS before equipment is picked up. Otherwise the requesting office can proceed with a stand-alone payment request (PRC). The Division of Purchases encourages the end user to obtain quotes on equipment before renting to ensure good stewardship of taxpayer money.

**SHORT-TERM
EQUIPMENT RENTAL
(CONT.)**

The requesting unit shall also complete a TC 74-552 form, *Equipment Rental Agreement Information* ([Exhibit 9025](#)), for every piece of rented equipment before the equipment is obtained from the vendor.

The Division of Equipment will coordinate with the FAC's Division of State Risk and Insurance Services to obtain all liability and physical damage coverage needed for rental equipment obtained by requesting units. When equipment is returned, the requesting unit shall notify the Division of Equipment in order for the insurance to be discontinued.

PROCEDURE

The following details the procedure to process procurement requests with competitive bidding exceptions:

1. The requesting unit's office head submits a set of memoranda requesting approval to the Division of Purchases. Both memoranda can contain the same information, but shall give a brief description of the item/services requested, cost, vendor, dates of service (if applicable), and specific justification as to why the procurement should be exempt from the competitive bidding process.

Each approval request shall include:

- a. Cover memorandum ([Exhibit 9007](#) or [Exhibit 9005](#))—Routed from the requesting unit's office head through the Division of Purchases' Director to the Transportation Cabinet Secretary
 - b. Official memorandum ([Exhibit 9007](#) or [Exhibit 9005](#))—Routed from the Transportation Cabinet Secretary to the FAC's Executive Director of the Office of Procurement Services
 - c. If applicable, sole source documentation provided by the vendor
2. The Division of Purchases' Director will evaluate the request for proper justification.

If information is missing or adequate justification is not given, the director will reject the request back to the requesting unit for correction.

If adequate justification is given, the director will then evaluate the request to ensure it meets the requirements of the appropriate FAP.

PROCEDURE (CONT.)


If the request appears to meet the requirements of the applicable FAP, the director will sign the cover memorandum and forward the packet to the Transportation Cabinet Secretary's Office for further approval.

3. The Transportation Cabinet Secretary's Office will evaluate the request for approval. Once approved, the Secretary's Office returns the request packet to the Division of Purchases.
4. The Division of Purchases emails the memoranda to the FAC's Office of Procurement Services for their review. The FAC's Office of Procurement Services will return approved memoranda to the Division of Purchases, who will forward them to the requesting office to be attached to a purchase order (**PUR-201 and 403-1**).
5. The requesting unit will submit the PO in eMARS. After review and approval of the Division of Purchases, the document will route to the FAC for approval in eMARS. After FAC approval, then and only then is the procurement authorized. The PO document status should read "FINAL."

Procurements requiring exemption from the competitive bidding process shall not be made prior to a complete and final contract document processed in eMARS, unless otherwise provided for in KRS 45A.095.

Note: The request can be rejected at any point in this process if it does not meet the requirements and or goals of the Commonwealth. If rejected, the Division of Purchases will suggest an alternative method of procurement.



	<i>Chapter</i> SMALL & NONCOMPETITIVE PROCUREMENTS
	<i>Subject</i> Memoranda of Agreement (MOA)

**STATUTORY &
REGULATORY
AUTHORITY**

[KRS 45A.300](#), [KRS 45A.660](#), [KRS 45A.690](#), [KRS 45A.695](#), [KRS 158.782](#), [KRS 174.058](#), [KRS 176.400](#), [KRS 176.410](#), [KRS 177.035](#), [KRS 177.106](#), [KRS 177.280](#), [KRS 179.265](#), [KRS 180.300](#), [KRS 277.065](#), [FAP 111-44-00](#)

POLICY

Memoranda of agreement (MOA) are any agreements or contracts relating to services between a state agency, any other governmental body or political subdivision of the Commonwealth, or 501(c)(3) nonprofit organization that involve an exchange of resources or responsibilities to carry out a governmental function.

Requesting units shall procure MOA in compliance with Finance and Administration Cabinet (FAC) policies. MOA procured under specific statutory authority procedures other than KRS 45A (see list below) are an exception to this policy. **MOA shall be created in eMARS per FAP 111-44-00 and, if required, are filed with the Legislative Research Commission’s (LRC) Government Contract Review Committee (GCRC). No work shall begin prior to final approval of the SC or PON2 document in eMARS.**

**TYPES OF
KYTC MOA**

KYTC utilizes the following types of MOA:

- PON2—Agreements that require GCRC approval. This includes all MOA that are not specifically listed as exempt per [KRS 45A.690 1 \(d\)](#) or one of the KRS that provides an exemption for certain KYTC agreements. See the definitions for “PON2” in [PUR-02](#).
- SC—The following agreements are exempt from approval by the GCRC per [KRS 45A.690 1 \(d\)](#) and therefore processed on a SC document:
 - ◆ Agreements between KYTC and any political subdivision of the Commonwealth for road and road-related projects

**TYPES OF KYTC
MOA (CONT.)**

- ◆ Agreements between the Auditor of Public Accounts and any other governmental agency or political subdivision of the Commonwealth for auditing services
- ◆ Agreements between state agencies as required by federal or state law
- ◆ Agreements between state agencies and state universities or colleges if the subject of the agreement does not result in the use of an employee or employees of a state university or college by a state agency to fill a position or perform a duty that an employee or employees of state government could perform if hired
- ◆ Agreements between state universities or colleges and employers of students in the Commonwealth work-study program sponsored by the Kentucky Higher Education Assistance Authority
- ◆ Agreements involving child support collections and enforcement
- ◆ Agreements with public utilities, providers of direct Medicaid health care to individuals except for any health maintenance organization or other entity primarily responsible for administration of any program or system of Medicaid-managed health care services established by law or by agreement with the Cabinet for Health and Family Services, and transit authorities
- ◆ Nonfinancial agreements
- ◆ Any obligation or payment for reimbursement of the cost of corrective action made pursuant to [KRS 224.60-140](#)
- ◆ Exchanges of confidential personal information between agencies
- ◆ Agreements between state agencies and rural-concentrated employment programs
- ◆ Any other agreement that the committee deems inappropriate for consideration

Agreements based on the following statutes are exempt from GCRC review and approval and therefore processed on a SC document:

- ◆ [KRS 174.058](#) – Shortline railroad assistance fund
- ◆ [KRS 176.400](#) – Covered wooden bridges
- ◆ [KRS 176.410](#) – County or multicounty covered wooden bridge authority

**TYPES OF KYTC
MOA (CONT.)**

- ◆ [KRS 177.035](#) – Cost of relocation of publicly and privately owned utility equipment and appliances to be borne by department
- ◆ [KRS 177.106](#) – Highway encroachment permit
- ◆ [KRS 177.280](#) – Agreements of local governmental units respecting facilities
- ◆ [KRS 179.265](#) – Cost of relocating utility facilities paid by public
- ◆ [KRS 180.300](#) – Contract with other governmental agencies for acquisition and maintenance of bridges and tunnels
- ◆ [KRS 277.065](#) – Allocation of costs of eliminating grade crossings between railroad and governmental unit

Note: SC documents using these cited authorities may be created in offices outside of the Division of Purchases; however, they must follow the same guidelines.

MAIN COMPONENTS

OF PON2 DOCUMENTS All memoranda of agreement (PON2) documents shall contain:

➤ **Header Section:**

- ◆ Document Description
- ◆ Procurement Type - 10
- ◆ Cited Authority, such as:
 - [FAP 111-44-00](#) Memorandum of Agreement
 - [FAP 111-44-00NP](#) Memorandum of Agreement—Non Profit 501(c)3
- ◆ Requesting Office Contact Information (requestor)
- ◆ Issuing Office Contact Information (buyer/issuer)

➤ **Vendor Section**—Select Vendor/Customer number for the governmental entity or nonprofit organization.

➤ **Terms and Conditions**

- ◆ Line 1 – Enter FREE. Attach any specific Terms and Conditions for the agreement
- ◆ Line 2 – Enter MOA. This will attach the required MOA clauses as outlined by the FAC's Office of Procurement Services.

➤ **Commodity/Service Line Item(s)**—This section provides the following for each requested item:

**MAIN COMPONENTS
OF PON2 DOCUMENTS
(CONT.)**

- ◆ Commodity Description and Code
- ◆ Line Item Description
- ◆ Line Type – Service
- ◆ Contract Amount
- ◆ Service From and To Dates
- ◆ Ship to/Bill to Addresses

- **Supporting Documents**
 - ◆ Blank Signature Page

- **Proof of Necessity**—This tab is used for reporting to the GCRC.
 - ◆ General Information
 - ◆ Source of Funds
 - ◆ Contract Cost Information
 - ◆ Justification
 - ◆ Contact Information

- **Forms/Attachments at the Header**—Examples of documents found in this section are:
 - ◆ Completed Signature Page
 - ◆ Annual Affidavit for Bidders, Offerors, and Contractors ([Exhibit 9015](#)); required only for 501(c)(3) nonprofit organizations
 - ◆ 501(c)(3) documentation, if applicable

**PON2
PROCEDURES**

The following details PON2 procedures:

1. A requesting unit submits a RQS to the Division of Purchases in eMARS that includes:
 - ◆ Funding information
 - ◆ Scope of Work (SOW) ([PUR-303](#))
 - ◆ Proof of Necessity ([Exhibit 9027](#))

Note: Requesting units shall not gather signatures from secondary parties (vendors).

2. A Division of Purchases' buyer prepares the PON2 document in eMARS and routes the original hard copy for signatures by all parties.

PON2**PROCEDURES (CONT.)**

- ◆ Office of Legal Services (3-5 working days)
 - ◆ Vendor/Other Party (2-3 weeks)
 - ◆ Cabinet Secretary (2-3 weeks)
3. PON2 document is submitted and routed for approvals in the eMARS system.
 4. Upon final approval the contract is automatically filed with GCRC.
 5. GCRC meets once a month to review contracts submitted during the previous month. GCRC has the authority to approve or deny the contract. If the contract is denied by GCRC, no payments can be processed unless FAC overrides the denial.
 6. The buyer emails the finalized contract to the requesting unit and mails a copy to the vendor.

The Division of Purchases maintains the original contract files (following records retention policies and procedures). The *General Administration and Personnel Manual* ([GAP-1002](#)) details Cabinet record retention policies and procedures.

**MAIN COMPONENTS
OF SC DOCUMENTS**

All MOA and PSC exceptions (SC) documents shall contain:

➤ **Header Section:**

- ◆ Document Description
- ◆ Procurement Type - 11
- ◆ Cited Authority – KRS reference giving authority; these statutes are listed above
- ◆ Requesting Office Contact Information (requestor)
- ◆ Issuing Office Contact Information (buyer/issuer)

➤ **Vendor Section**—Select Vendor/Customer number for the governmental entity

➤ **Terms and Conditions**

- ◆ Line 1 – Enter FREE. Attach any specific Terms and Conditions for the agreement.
- ◆ Line 2 – Enter MPEXC. This will attach the required MOA/PSC exception clauses as outlined by the FAC’s Office of Procurement Services.

**MAIN COMPONENTS
OF SC DOCUMENTS
(CONT.)**

- **Commodity/Service Line Item(s)**—This section provides the following for each requested item:
 - ◆ Commodity Description and Code
 - ◆ Line Item Description
 - ◆ Line Type – Service
 - ◆ Contract Amount
 - ◆ Service From and To Dates
 - ◆ Ship to/Bill to Addresses

- **Supporting Documents**
 - ◆ Blank Signature Page

- **Forms/Attachments at the Header**—Examples of documents found in this section are:
 - ◆ Completed Signature Page

SC PROCEDURES

The following details SC procedures:

1. A requesting unit submits a RQS to the Division of Purchases in eMARS that includes:
 - ◆ Funding information
 - ◆ Scope of Work (SOW) ([PUR-303](#))

Note: Requesting units shall not gather signatures from secondary parties (vendors).

2. A Division of Purchases buyer prepares the SC document in eMARS and routes the original hard copy for signatures by all parties.
 - ◆ Office of Legal Services (3-5 working days)
 - ◆ Vendor/Other Party (2-3 weeks)
 - ◆ Cabinet Secretary (2-3 weeks)

3. SC document is submitted and routed for approvals in the eMARS system.


4. The buyer emails the finalized contract to the requesting unit and mails a copy to the vendor.

SC PROCEDURES

(CONT.)

The Division of Purchases maintains the original contract files (following records retention policies and procedures). The *General Administration and Personnel Manual* ([GAP-1002](#)) details Cabinet record retention policies and procedures.



	<i>Chapter</i> SMALL & NONCOMPETITIVE PROCUREMENTS
	<i>Subject</i> Purchasing from the Department of Corrections & the Office for the Blind

**STATUTORY &
REGULATORY
AUTHORITY**

[KRS 45A.470](#), [KRS 197.210](#), [KRS 197.220](#)

POLICY

Requesting units shall give first preference to the Department of Corrections when purchasing commodities or services. Second preference shall be given to any products produced by Kentucky Industries for the Blind, Inc. or any other nonprofit corporation with which the Office for the Blind contracts under [KRS 163.480\(2\)](#).

Items may be purchased directly from such entities without competitive bids. There are no dollar limitations on these purchases.

Note: Requesting units shall send all furniture requests to the Office of Support Services to procure the requested items. Office of Support Services is responsible for inventory of all furniture valued at \$500 or greater.


Note: Requesting units shall coordinate all equipment purchases with the Division of Equipment. All equipment \$500 or greater shall be inventoried by the Division of Equipment.

PROCEDURES

When purchasing from the governmental agencies and organizations defined above, requesting units shall adhere to the following:

1. The requesting unit prepares a delivery order ([PUR-502](#)) against the current master agreement and submits to the vendor.
2. The vendor will ship goods as requested.
3. Upon receipt of a correct invoice, the requesting unit verifies receipt of material and submits a PRC or PRCI document in eMARS for payment. The [Accounts Guidance Manual](#) details invoice processing procedures.



	<i>Chapter</i> SMALL & NONCOMPETITIVE PROCUREMENTS
	<i>Subject</i> Purchase of Used Equipment & Products

**STATUTORY &
REGULATORY
AUTHORITY**

[KRS 45A.095, KRS 45A.380, 200 KAR 5:309](#)

POLICY

Pre-owned, reconditioned, and demonstrator-type equipment and products may meet the needs of an agency, when available at current fair market prices. Value analysis may determine that “factory-seconds” products are feasible.

Requesting units desiring to obtain such products or equipment shall comply with [FAP 111-53-00](#).

Requesting units shall coordinate all equipment purchases with the Division of Equipment. The Division of Equipment shall inventory all equipment costing \$500 or greater.

PROCEDURE


The following details the procurement procedure to obtain used equipment and products:

1. The requesting unit submits a purchase order (PO) document in eMARS.
2. The Division of Purchases and the Finance and Administration Cabinet, Office of Procurement Services reviews the PO for the following information:
 - Justification
 - Proven value to the requestor
 - Bona fide statement of the condition of the materials

PROCEDURE (CONT.)

- Data with descriptions, model numbers, serial numbers, brand names, accessories, and independent appraisals of all equipment and other materials attesting to current market values
 - Feasibility of purchase as compared to purchase of new or first-quality products
3. If these requests are determined to be in the best interest of the requesting unit with reasonable purchase costs, the Finance and Administration Cabinet, Office of Procurement Services' Director approves the PO.



	Chapter COMPETITIVE PROCUREMENTS
	Subject Purchase Requisition (RQS)

**STATUTORY &
REGULATORY
AUTHORITY**

[FAP 111-38-00](#)

LEAD-TIME

To obtain maximum competition and the subsequent lowest unit prices, agencies shall submit requisitions in a timely manner to allow the Division of Purchases sufficient time to process the requirement and award a contract. Lead time is normally 45 days for a delegated sealed bid (RFB); 60 days for a delegated sealed bid (RFB) if federal funds are being used; and 120 days for a request for proposal (RFP).

Procurements for non-delegated commodities and services require additional lead time to allow for processing by the Finance and Administration Cabinet (FAC).

The Division of Purchases does not assume responsibility for the time taken within a district, division, or office for preparing, processing, submitting, and applying the first-level approval of the requisition document (RQS) in eMARS.

**REQUIRED
INFORMATION**

After SPR1 approval (if required), the RQS is the first official step in the procurement process for the purchase of commodities or services, above a requesting unit's small purchase authority.

The RQS must provide complete information on the transaction and receive approval by the requesting unit's head, or their authorized representative, in eMARS.

Each RQS must include:

- Description
- Requestor information

**REQUIRED
INFORMATION (CONT.)**

- Type of procurement requested (one time, term)
- Delivery requirements—Vendors are generally given the opportunity to submit guaranteed delivery days as part of the best value evaluation criteria. If the requesting unit requires a specific delivery period, they should attach a document comment to the requisition stating the requirement.
- Commodity line (CL) information to include:
 - ◆ CL Description
 - ◆ Commodity Code—The following FAC website provides an Excel spreadsheet (via the link, “Commodity Class Codes and Descriptions”) that includes all possible commodity codes:

<http://finance.ky.gov/services/eprocurement/Pages/doingbusiness.aspx>
 - ◆ Estimated or Actual Quantity (Commodities)—If submitting a RQS for the establishment of a master agreement, enter an estimated annual amount for the quantity.
 - ◆ Estimated Contract Amount & Service Dates (Services)
 - ◆ Unit of Measure—Be specific and consider how the product is generally sold. If the industry usually sells an item by the square foot, do not ask for a lane-mile price.
 - ◆ Extended Description—Enter short specifications or specifications that only pertain to a particular line.
 - ◆ Ship To/Bill To Addresses
- Specification/scope of work (SOW)—See **PUR-302**, “Specifications,” or **PUR-303**, “Scope of Work,” for details.
- Accounting information
- Suggested vendors—Agencies are encouraged to recommend suggested vendors, including the firm’s name, address, phone number, and email as part of the request. This information can be supplied using the “Free Form Vendor” tab on the requisition document (RQS) or on an attached Word document.

REQUIRED**INFORMATION (CONT.)**

Since solicitations are sent via email, **requesting units are strongly encouraged to provide email addresses for all suggested vendors.**

Requesting units are encouraged to direct vendors to the Commonwealth's electronic procurement website to register any commodities and services that they wish to provide. [Exhibit 9017](#) details website instructions for vendors.

- Approved SPR1 (if required) (See [PUR-107-1](#) for details.)
- Proof of Necessity ([Exhibit 9027](#)) for all personal service contracts and memoranda of agreement
- Any other pertinent information regarding the procurement

Complete and accurate RQs allow the Division of Purchases to identify the best procurement method to meet requesting units' needs.

The Division of Purchases will return any RQS that discourages maximum competition or is inaccurate, unclear, or unnecessarily restrictive to the requesting unit for correction.

**PROCESSING THE
RQS DOCUMENT**

The RQS document is processed as follows:

1. The requesting unit prepares the RQS document in eMARS and submits it for approval.
2. The requesting unit's office or department head, or their designee, applies first-level approval in eMARS.

The first-line approver shall ensure the availability of funds and the accuracy of the funding codes for all lines submitted. The Division of Purchases is not responsible for funding information.

3. The Division of Purchases carefully reviews the RQS for compliance with the following:
 - Is an approved SPR1 attached to the header if required?
 - Is purchase in compliance with purchasing procedures?
 - Are the required fields accurately completed?

**PROCESSING THE RQS
DOCUMENT (CONT.)**

4. If all required information is provided accurately, the Division of Purchases will apply approval to the RQS. If information is missing or incorrect, the Division of Purchases will reject the RQS. If rejected, the Division of Purchases will add an explanation as a document comment to the RQS.

Note: Failure by requesting units to regularly monitor their worklist for rejected documents may slow the procurement process considerably.

5. The RQS routes to FAC's Office of Procurement Services for final approval.
6. The Division of Purchases will review each RQS to determine if the commodity or service is delegated to the Transportation Cabinet, Division of Purchases. [Exhibit 9011](#) lists KYTC's delegated commodities. [PUR-104](#) provides more information concerning purchases delegation.


If the commodity or service **is delegated** to the Division of Purchases, the RQS will be assigned to the appropriate buyer for processing.

If the commodity or service **is not delegated** to the Division of Purchases, the RQS is assigned to FAC for processing.

7. The assigned buyer (for either delegated or non-delegated purchases) thoroughly reviews submitted information. If all information provided is correct, the buyer will proceed with the competitive bidding process. See [PUR-305](#), "Requests for Bid," or [PUR-306](#), "Requests for Proposal."

If additional information is needed, the buyer may require the requesting unit to process a requisition modification or supply additional documents directly to the buyer.



	<i>Chapter</i> COMPETITIVE PROCUREMENTS
	<i>Subject</i> Specifications

GENERAL**SPECIFICATIONS**

To meet the minimum requirements of the Commonwealth, requesting units shall address the following relevant characteristics when preparing extended descriptions and specifications:

- Common industry terminology
- Kind of material (such as type, grade, alternatives, etc.)
- Principles of operation
- Justifiable restrictive conditions (such as entrance clearance requirements, replacement parts for compatibility, etc.)
- Dimensions, minimum and maximum sizes, or capacity
- Intended use, including location and essential operating conditions
- Compatibility with existing equipment
- Acceptable brand name or an approved equal
- Other pertinent information that further describes the item, material, or service required (such as Standard Specifications or Standard Drawings, required inclusion on the Division of Materials' *List of Approved Materials*, etc.)
- Scope of work (for memoranda of agreement and personal service requests)

RESTRICTIVE**SPECIFICATIONS**


In most cases, the Division of Purchases will not approve procurement items with purchase descriptions written in a manner that specifies a product or a particular feature of a product specific to one manufacturer or vendor. Restrictive descriptions will only be accepted when it is determined that the particular feature is essential to the Commonwealth's requirements and other vendors lack the essential features necessary to meet the Commonwealth's need.

RESTRICTIVE**SPECIFICATIONS (CONT.)** Some examples of restrictive descriptions include:

- **Brand name or equal**—Generally, the minimum acceptable purchase description is the identification of a requirement by the use of a brand name followed by the words “or an approved equal.” Requesting units should only use this technique when they know of one brand that meets specifications and are unsure if any other brands can meet the required characteristics. Requesting units shall not model specifications after one product.
- **Use of “Or An Approved Equal”**—To receive approval for this option, requesting units must describe those characteristics of the referenced products essential to meet the needs of the agency (for example, “interchangeability of parts is required”). Purchase descriptions should contain the following information:
 - ◆ Complete common generic identification
 - ◆ Applicable model, make, or catalog number for each brand name product
 - ◆ Name of the manufacturer, producer, or distributor of each brand name product
 - ◆ An adequate commercial catalog description, or extracts thereof, to identify the item being required
- **Sole Brand**—Requesting units use this option for commercial products or services described by brand names, makes, or model numbers. These may be offered for sale by more than one source (such as manufacturer, producer, or distributors).

When selecting “no substitutions” or “commodities must be compatible and interchangeable with existing equipment” as a restrictive specification, the requesting unit must provide full explanations in a document comment or attachment to receive procurement approval.



	<i>Chapter</i> COMPETITIVE PROCUREMENTS
	<i>Subject</i> Scope of Work (SOW)

SCOPE OF WORK**CONTENTS**

Requesting units submitting requisitions for professional services shall attach a clear and comprehensive scope of work (SOW). The SOW is designed to promote full and open competition by clearly defining KYTC's expectations of the services to be provided and shall include (when applicable):


- Functions and responsibilities of the second party
- Performance requirements
- Any valid and reliable benchmarks or test methods for determining if the offered services meet the functional need
- Dates of service
- Language to exclude any and all services that cannot meet the functional need
- Description of costs that the vendor shall provide (What is included? Is anything excluded?)
- List of all information and data required to be included in the vendor's technical proposal (such as certifications, etc.)
- List of any mandatory requirements
- Renewal options
- KYTC's responsibilities and any invoice and payment requirements
- Evaluation factors with points assigned to each (as shown in the following example table) and an explanation detailing the scoring criteria for responsive proposals. Cost shall be the primary evaluation factor whenever appropriate.

Evaluation Factor	Points
Previous Experience	40
Qualifications and Experience	15
Sample Training Program	5
Cost	40

**REVIEWING THE
SCOPE OF WORK**

When reviewing a submitted SOW, the buyer shall ensure that the SOW fully details all factors of the service an effect on the technical or cost proposal. To ensure valid competition between vendors, no aspect of desired service should be assumed.



	Chapter COMPETITIVE PROCUREMENTS
	Subject Competitive Sealed Bidding

**STATUTORY &
REGULATORY
AUTHORITY**

[KRS 45A.080](#), [200 KAR 5:306](#), [200 KAR 5:375](#)

**COMPETITIVE BID
REQUIREMENTS**

Competitive sealed bids shall be solicited using the state's electronic procurement system. Competitive sealed bidding shall be required for all purchases except those made in accordance with [KRS 45A.100](#) or [KRS 45A.085](#).

**MULTI-STEP
COMPETITIVE SEALED
BIDDING**

Multi-step competitive sealed bidding is a method for acquiring commodities or services using a two-part process. The first phase consists of submission of an unpriced technical offer. The second phase consists of submission of pricing. This method is also referred to as a Reverse Auction.

**COMPETITION AMONG
VENDORS**

A solicitation shall be distributed to the vendor community by posting it to the Commonwealth's eProcurement website. [Exhibit 9017](#) provides website instructions for vendors and details how to access bids.

**BEST-VALUE
PROCUREMENT**

Contracts issued in response to competitive sealed bids shall be awarded on the basis of best-value criteria, as defined in [KRS 45A.070\(3\)](#). A solicitation shall clearly identify the procurement as a best-value award, shall contain the measurable best-value criteria, and shall clearly explain how the criteria shall be used in the evaluation and award process. Best value shall be based on objective and quantifiable criteria that includes price.

MINIMUM TIME

ALLOWED FOR

BID RESPONSES


Standard procedure is to advertise solicitations 14 days on the eProcurement website. When circumstances dictate a quicker response time, a minimum of 7 days to advertise solicitations is required by law. A minimum of 21 days is required when the awarded contract may use federal funding.

SOLICITATION

ADDENDUMS

If a solicitation addendum is needed, the solicitation closing date must be a minimum of 7 days after the posting of the final addendum.



	<i>Chapter</i> COMPETITIVE PROCUREMENTS
	<i>Subject</i> Requests for Bid (RFB)

**STATUTORY &
REGULATORY
AUTHORITY**

[FAP 110-10-00](#), [FAP 111-35-00](#)

GENERAL

The request for bid (RFB) is the document used to communicate between the buyer from the Division of Purchases and any prospective vendors. The information included in a RFB depends on the type of contract to be awarded, the commodity or service requested, and any other special requirements requested by the requesting unit.

**MAIN COMPONENTS
OF RFB DOCUMENTS**

All RFB (solicitation) documents shall include:

- **Signature Page**—This is an eMARS-generated page that contains:
 - ◆ RFB number
 - ◆ Document Description
 - ◆ Issued Date
 - ◆ Closing Date and Time
 - ◆ Buyer Name and Contact Information
 - ◆ Vendor Address and Contact field
 - ◆ Remit To Address and Contact field
 - ◆ Signature, Federal ID, and Date fields
- **Price Page(s)**—This section provides the following for each requested item:
 - ◆ Line Item Description
 - ◆ Unit of Measure (UOM)
 - ◆ Quantity (estimated or actual)
 - ◆ Unit Price Field
 - ◆ Extended Total Field
 - ◆ Extended Description (for information specific to that line item)
 - ◆ Ship to/Bill to Addresses

**MAIN COMPONENTS OF
RFB DOCUMENTS
(CONT.)**

- **Specifications**—The requesting unit submits this portion with the requisition document. [PUR-302](#) details specification requirements.
- **Terms and Conditions**—This is standard language incorporated into the contract and addresses:
 - ◆ Proposed Contract Effective and Expiration Dates
 - ◆ Renewal Period, if applicable
 - ◆ Authorized Division/District
 - ◆ Delivery or Completion Date
 - ◆ Invoice and Payment Requirements
 - ◆ Price Adjustments
 - ◆ Registration with Secretary of State by a Foreign Entity
- **General Information**—This section gives the vendor information on the solicitation process. Information found in this section may include but is not limited to:
 - ◆ Restriction on Communications
 - ◆ Tentative Schedule of RFB Activities
 - ◆ Instructions on Locating any Addenda
 - ◆ Instructions on Bid Submission
- **Rules of Procurement**—This section details some of the Commonwealth’s legal rights for both the vendor and the contracting agency pertaining to the bidding process. Reference is made to [FAP 110-10-00](#), “General Conditions and Instructions for Solicitation and Contracts.”
- **Method of Award**—This section explains how the bids will be evaluated. Examples include:
 - ◆ Price
 - ◆ Delivery
 - ◆ Warranty
 - ◆ References

**MAIN COMPONENTS OF
RFB DOCUMENTS
(CONT.)**

- **Supporting Documents**—Examples of documents found in this section include:
 - ◆ Annual Affidavit for Bidders, Offerors, and Contractors ([Exhibit 9015](#))
 - ◆ Recycled Content Certification Form ([Exhibit 9014](#))
 - ◆ Affidavit for Illegal Immigrants ([Exhibit 9023](#))
 - ◆ Affidavit for Subcontractors ([Exhibit 9024](#))
 - ◆ Required Affidavit for Bidders, Offerors, and Contractors Claiming Resident Bidder Status ([Exhibit 9020](#))
 - ◆ Required Affidavit for Bidders, Offerors, and Contractors Claiming Qualified Bidder Status ([Exhibit 9021](#))

- **Attachments**—Examples of documents found in this section include:
 - ◆ Prevailing Wage Rates
 - ◆ Plans and Drawings
 - ◆ Work Location Sheets
 - ◆ FHWA 1273
 - ◆ Buy American

PROCESSING THE RFB

The RFB is processed as follows:

1. The requesting unit submits all required information with the requisition document in eMARS to the Division of Purchases.
2. The Division of Purchases' assigned buyer reviews all information submitted with the requisition document for correctness and completeness.
3. If the submitted information complies with procurement requirements, the buyer will assemble the RFB and submit it in eMARS for approval by Division of Purchases' management.

If the submitted information is incomplete or incorrect, the buyer emails or calls the requesting unit for corrected information.
4. The Division of Purchases' Director, or designee, approves the RFB in eMARS.
5. RFB posts to the Commonwealth's Vendor Self Service website for public notification. ([Exhibit 9017](#))

**PROCESSING THE
RFB (CONT.)**

6. eMARS Vendor Self Service sends an email notification to all vendors registered for the commodity being solicited.

Note: The Division of Purchases' buyer may elect to send an email to suggested vendors and those vendors who have expressed an interest in bidding the commodity or service being solicited. Such an email is not required.

7. Generally, the RFB posts for 14 calendar days. However, with proper justification a requesting unit may request a 7- or 10-calendar-day posting. For federally funded contracts, the RFB must post for a minimum of 21 days. For complex procurements, longer postings can also be requested.
8. Vendors may submit written questions to the buyer of record prior to a deadline specified in the solicitation document. Salient questions will be addressed in the form of a solicitation addendum. The solicitation closing date shall be a minimum of 7 calendar days following the last addendum post date.
9. On the closing date, the Division of Purchases' bid clerk publicly opens and reads any bid responses received for the RFB at the Transportation Cabinet Office Building (TCOB). Information read at this time includes:
 - Vendor Name
 - Responses to any scored criteria (e.g. price, delivery, etc.)


Note: During Phase 1 of a multi-step competitive bid, only the vendor name is read publicly.

10. Following the bid opening, the Division of Purchases' bid clerk enters all solicitation responses into eMARS.
11. The bid clerk then gives the bid file to the assigned buyer for the solicitation to begin the evaluation process. [PUR-401](#) details the RFB evaluation process.

REFERENCES

[Exhibit 9017](#) provides instructions to access the Commonwealth's Vendor Self Service website which offers numerous examples of solicitations that requesting units can use as guidance.



	<i>Chapter</i> COMPETITIVE PROCUREMENTS
	<i>Subject</i> Requests for Proposal (RFP)

**STATUTORY &
REGULATORY
AUTHORITY**

[FAP 111-57-00](#)

GENERAL

The request for proposal (RFP) is the document used to communicate between the Division of Purchases' buyer and any prospective vendors for a professional service. The RFP contains information regarding the requested services along with the scope of work (SOW), the requesting unit's contact information, the buyer's contact information, the terms and conditions of the resulting contract, the evaluation criteria, and the instructions for submitting a proposal.

**MAIN COMPONENTS
OF RFP DOCUMENTS**

All RFP (solicitation) documents shall include:

- **RFP Cover Page with Signature**—This eMARS-generated page contains:
 - ◆ RFP number
 - ◆ Document Description
 - ◆ Issued Date
 - ◆ Closing Date and Time
 - ◆ Buyer Name and Contact Information
 - ◆ Vendor Address and Contact Field
 - ◆ Remit To Address and Contact Field
 - ◆ Signature, Federal ID, and Date Fields
- **Price Page or Bid Page**—This section may include but is not limited to:
 - ◆ Line Item Description
 - ◆ Unit of Measure (UOM)
 - ◆ Quantity (estimated or actual)
 - ◆ Unit Price Field
 - ◆ Extended Total Field
 - ◆ Extended Description (for information specific to that line item)
 - ◆ Ship to/Bill to Addresses

**MAIN COMPONENTS OF
RFP DOCUMENTS
(CONT.)**

- **Purpose and Background**—The requesting unit provides explanation of the RFP’s purpose and a description of the current solution.
- **Scope of Work**—The requesting unit submits this portion with the requisition document as detailed in [PUR-303](#).
- **General Information**—This section gives the vendor information on the solicitation process. Information in this section may include, but is not limited to:
 - ◆ **Evaluation Criteria**—This section explains the technical and cost proposal scoring criteria.
 - ◆ **Schedule of RFP Activities**—This section provides dates for RFP distribution, written questions, and proposal submission.
 - ◆ **Proposal Submission**—This section explains what the vendor shall provide in their responses.
 - **Signed** original proposal by mail or hand delivery
 - Signed addenda (if applicable)
 - Name, Social Security or FEIN number, address, email address, and telephone number
 - Any mandatory requirements

Note: These requirements differ on each RFP depending on the requesting unit’s needs.

 - Technical Proposal
 - Cost Proposal
 - Annual Affidavit for Bidders, Offerors, and Contractors (KRS 45A.485 Certification Form) ([Exhibit 9015](#))
 - *Required Affidavit for Bidders, Offerors, and Contractors Claiming Resident Bidder Status* (if applicable) ([Exhibit 9020](#))
 - *Required Affidavit for Bidders, Offerors, and Contractors Claiming Qualified Bidder Status* (if applicable) ([Exhibit 9021](#))
- ◆ **Evaluation Process**
- **Contract Terms and Conditions**—This is standard boilerplate language incorporated in the contract and addresses:

**MAIN COMPONENTS OF
RFP DOCUMENTS (CONT.)**

- ◆ Proposed Contract Term
- ◆ Renewal Period (if applicable)
- ◆ Contract Modifications

- **Personal Service Contract Standard Terms and Conditions**—The FAC provides the following required clauses:
 - ◆ Social Security and Violation of Tax and Employment Laws
 - ◆ Protest Information
 - ◆ Cancellation Clause
 - ◆ LRC Policies
 - ◆ Campaign Finance
 - ◆ Funding Out Provision
 - ◆ Discrimination

- **Attachments**—Examples of documents found in this section include:
 - ◆ Required Affidavit for Bidders or Offerors
 - ◆ Cost Proposal form (if applicable)

RFP PROCESS

Requests for proposal shall be processed as follows:

1. The requesting unit submits all required information with the requisition document in eMARS to the Division of Purchases.
2. The Division of Purchases' assigned buyer reviews all information submitted with the requisition document for correctness and completeness.
3. If the submitted information complies with procurement requirements, the buyer will assemble the RFP and submit it in eMARS for approval by Division of Purchases' management.
4. The Division of Purchases' Director, or designee, approves the RFP in eMARS.
5. RFP posts to the Commonwealth's Vendor Self Service website for public notification. ([Exhibit 9017](#))
6. eMARS Vendor Self Service sends a system-generated email notification to all vendors registered for the commodity or service being solicited.

RFP PROCESS (CONT.)

Note: The Division of Purchases' buyer may elect to send a courtesy email to suggested vendors and those vendors who have expressed an interest in bidding the solicited commodity or service. This email is not required.

7. Generally, the RFP posts for a period of 14 calendar days. However, with proper justification a requesting unit may request a shorter 7- or 10-calendar-day posting. For complex procurements, longer postings can also be requested.


Note: Procurements utilizing federal funds require posting for a minimum of 21 calendar days.

8. Vendors may submit written questions to the buyer of record prior to a deadline specified in the solicitation document. The Division of Purchases will address salient questions in the form of a solicitation addendum. The solicitation closing date shall be a minimum of 7 calendar days following the last addendum post date.
9. Following the closing time, the buyer reviews any responses received for the RFP. Proposals that are deemed responsive will be further evaluated by the Evaluation Committee.

Note: RFPs are not opened and read publicly.

[PUR-402](#) details the RFP evaluation process. [PUR-403-3](#) details RFP final processing.



	<i>Section</i> SPECIALIZED PROCUREMENTS
	<i>Subject</i> Air Charters

**STATUTORY &
REGULATORY
AUTHORITY**

[KRS 174.504](#), [KRS 174.506](#)


AIR CHARTERS

As provided in KRS 174.504, the Capital City Airport Division is the **only agency in state government authorized to procure and arrange for air charters.**

If another agency has a need for an air charter, that agency shall email the Capital City Airport Division Assistant Director a request that includes:

- Description of the need for the air charter
- Dates of service
- Funding strip to which the interaccount should be charged
- Other pertinent information



	Section SPECIALIZED PROCUREMENTS
	Subject Printing Procurement

**STATUTORY &
REGULATORY
AUTHORITY**

[FAP 111-12-00](#), [KRS 57.011](#), [KRS 57.091](#)


PRINTING

All printing requests shall follow the following procedure:

1. The requesting unit submits a completed *Design/Print Request* to Kentucky Design and Print Services (KDPS) for all printing services. KDPS either processes the request or sends an email denying the request as a service not provided by their division ([GAP-1006](#)).
2. The requesting unit completes an SPR1 ([PUR-107-1](#)) for the printing service. The requesting unit selects "Printing" in the "Type of Request" field, notes whether or not KDPS is able to provide the requested services in the "Purpose and Justification" section of the SPR1 document. The submitted SPR1 routes to KDPS for approval.
3. If KDPS can perform the requested service in their office, they approve the SPR1 and process the request. If the SPR1 is denied, KDPS adds a document comment that provides additional information and instructions to the requesting unit.
4. If KDPS cannot perform the requested printing service, they approve the SPR1 for outside printing. The requesting unit then proceeds with the purchase either by using the small purchase authority or by submitting a purchase requisition (RQS) for the requested services and attaches the approved SPR1.

Requesting units shall not procure printing services, for any amount, with an external vendor without approval from Kentucky Design and Print Services.



	<i>Section</i> SPECIALIZED PROCUREMENTS
	<i>Subject</i> Lease or Rental of Equipment

**STATUTORY &
REGULATORY
AUTHORITY**

[FAP 111-52-00](#), [FAP 111-09-00 \(6\)](#), [FAP 111-35-00](#)

**SHORT-TERM
LEASE OR RENTAL**

Short-term equipment rental or lease of nonproprietary equipment **without operator** for no more than 6 months is a standing determination of not practicable or feasible to bid as defined in [FAP 111-09-00 \(6\)](#). Although short-term equipment meets the procurement requirement as a “standing determination of not practical or feasible to bid,” the Cabinet strongly encourages requesting units to follow sound procurement practices when making these purchases, including:

- Taking quotes if the needed equipment is available from more than one vendor in the local area
- Basing the decision to purchase on lowest prices and availability of equipment

For these purchases, the requesting unit prepares a purchase order document per [PUR-403-1](#).

**LONG-TERM
LEASE OR RENTAL**

Any requirement for equipment rental greater than 6 months shall be competitively bid, unless otherwise directed by the Division of Purchases’ Director.


COPIER LEASES

Copier leases are based on all state agency master agreements established by the Finance and Administration Cabinet, Office of Procurement Services. These leases may contain a buy option at the end of the lease. Copier leases are generally for a 5-year term and can include maintenance and other supplies, such as toner. Paper and staples would not be included in the lease agreement. **All copier leases are procured through Kentucky Design and Print Services.**

REFERENCES

[FAP 111-52-00](#) further details policies and procedures for the lease and rental of equipment and services. For short-term equipment rental, see [FAP 111-09-00 \(6\)](#).



	Section SPECIALIZED PROCUREMENTS
	Subject Meeting- & Travel-Related Expenses

**STATUTORY &
REGULATORY
AUTHORITY**

[200 KAR 2:006 Section 6](#)

**MEETING- &
TRAVEL-RELATED
EXPENSES**

Procurements for meeting rooms and group lodging for official Cabinet business may be made through the authority provided within 200 KAR 2:006, Section 6.


Prior to the procurement of meeting rooms and group lodging, employees shall obtain approval in accordance with the *Accounts Guidance Manual*, [ACC-402](#), "Authorization to Travel" and [ACC-408](#), "Meeting-Related Expenses."

KYTC employees may independently contract with hotels, motels, and other establishments for the occupancy and use of one or more rooms by a group of four or more state employees engaged in official business away from their official workstations. However, regardless of the amount, **all group lodging requires prior approval from KYTC Office of Budget and Fiscal Management.**

If the total cost of the group lodging or meeting rooms exceeds \$5,000, three price quotes must be obtained in advance of the meeting. The requesting unit shall create a PO ([PUR-201](#)) with travel approval and quotes attached. If less than three quotes are obtained, justification documentation shall be attached. Hotels and motels generally require a PO (regardless of the amount of purchase) to hold the reservation.

The *Accounts Guidance Manual* ([ACC-400](#), "Travel") details KYTC travel policies.



	<i>Section</i> SPECIALIZED PROCUREMENTS
	<i>Subject</i> Copier Procurement & Disposal


STATUTORY &
REGULATORY
AUTHORITY

[FAP 111-13-00](#)

COPIER
PROCUREMENT
& DISPOSAL

Kentucky Design and Print Services coordinates any additions or reductions in the number of copy machines. Refer to the *General Administration and Personnel Manual* ([GAP-1305](#)).



	Section SPECIALIZED PROCUREMENTS
	Subject Small Construction

**STATUTORY &
REGULATORY
AUTHORITY**

[KRS 45A.030 \(4\)](#), [KRS 45A.035](#)

POLICY

Small purchases for construction, as defined under [KRS 45A.030 \(4\)](#), may be made in accordance with these procedures without prior approval of the Finance and Administration Cabinet.

Procurements under the small construction purchase procedures must include both labor and materials.

All small construction, excluding rest area construction projects, must be coordinated through the Division of Facilities Support, as detailed in the *General Administration & Personnel Manual* ([GAP-1211](#), “New Cabinet Facilities Construction”).


Rest area construction projects must be submitted through the Division of Maintenance, as detailed in the *Maintenance Guidance Manual* ([MAIN-603](#), “Rest Areas, Truck Rest Havens, & Weigh Stations”).

[Exhibit 9012](#) shows KYTC Division of Purchases’ dollar limitations for small construction purchases. [PUR-107-3](#) details bonding requirements.

For small construction purchases, requesting units shall:

- Follow the procedures outlined in [PUR-201](#) if the request amount is less than \$10,000
- Follow the procedures outlined in [PUR-301](#), if the request exceeds \$10,000



	Section SPECIALIZED PROCUREMENTS
	Subject Technology

**STATUTORY &
REGULATORY
AUTHORITY**

[FAP 111-10-00 \(7\)](#), [FAP 111-15-00](#)

PURCHASE APPROVAL

A SPR1 document is required for all Information Technology purchases exceeding \$1,000. ([PUR 107-1](#))

**PROCURING SOFTWARE
AND HARDWARE- &
SOFTWARE-RELATED
SERVICES**

All procurement requests for the purchase, lease, licensing, or rental of the following, **regardless of cost**, must be reviewed and approved by the KYTC Office of Information Technology prior to purchase:

- Software
- Computer hardware- and software-related services as defined in [FAP 111-15-00](#) (such as training, programming support service, maintenance agreements, etc.)

**PROCURING
TECHNOLOGY-RELATED
EQUIPMENT**

All procurement requests for the purchase, lease, licensing, or rental of computers, computer-related equipment, and office automation equipment **greater than \$500** must be reviewed and approved by the KYTC Office of Information Technology (OIT) prior to purchase.

Requesting units shall follow the procurement procedures in [PUR-201](#) to obtain the above equipment procurements for amounts **less than \$500**.

Due to security implications, all procurement requests for thumb drives and external storage devices, **regardless of cost**, must be reviewed and approved by OIT prior to purchase. In addition to procurement, OIT is responsible for the maintenance, distribution, inventory, and disposal of these devices.


IT REQUESTS

Each division has an assigned IT requestor, through which all IT requests shall be made.

1. The IT requestor shall submit a request via the Heat Request System for review and approval. Each request should include proper justification and technical specifications for items and services requested and funding if applicable.
2. Upon approval, OIT will prepare the necessary procurement documents in eMARS following the procedures detailed in [PUR-201](#) (for amounts less than \$5,000) or in [PUR-301](#) (for amounts greater than \$5,000). OIT then forwards the documents to the Division of Purchases.
3. The Division of Purchases will forward the documents to the Finance and Administration Cabinet, Office of Procurement Services, as appropriate for review and processing.
4. OIT will notify the requesting office of a request's approval or denial.

[FAP 111-15-00](#) provides further details for technology procurements.



	Chapter COMPETITIVE PROCUREMENTS
	Subject Emergency Purchases

**STATUTORY &
REGULATORY
AUTHORITY**

[KRS 45A.095](#), [200 KAR 5:309](#), [FAP 111-39-00](#)

DEFINITION

Emergency Purchase per 45A.095—A situation which creates a threat or impending threat to public health, welfare, or safety such as may arise by reason of fires, floods, tornadoes, other natural or man-caused disasters, epidemics, riots, enemy attack, sabotage, explosion, power failure, energy shortages, transportation emergencies, equipment failures, state or federal legislative mandates, or similar events.

Poor planning does not constitute an emergency.

PROCESS

The following details emergency purchases procedures:

1. When an emergency occurs per FAP 111-39-00, the requesting unit contacts the Division of Purchases immediately or on the next business day if the emergency occurs on a weekend or holiday. The requesting unit documents the pertinent facts concerning the emergency, including but not limited to:
 - ◆ Description of emergency
 - ◆ When did the situation become an emergency
 - ◆ Specific location (including road or route number, name, milepoint, etc.)
 - ◆ Digital pictures, when possible
2. When feasible, the requesting unit keeps the Division of Purchases informed throughout the process.
3. Per [FAP 111-39-00](#), the requesting unit gets quotes to the extent practical (depending upon the impending threat to the public) and uses the TC 73-102 form, “Agency Request for Quotation” ([Exhibit 9002](#)) to enable the Division of Purchases to have all the necessary information from the vendor (including their quote and signature).

PROCESS (CONT.)

The quote form shall state all requirements specific to the quote including, but not limited to:

- ◆ *Certificate of General Liability and Worker's Compensation Insurance*
- ◆ *Required Affidavit for Bidders, Offerors, or Contractors*
- ◆ Note that the successful vendor will be contacted and may be required to provide a performance bond and payment bond in the amount of the contract prior to performing any work
- ◆ Note that the vendor may be required to pay employees prevailing wage rates ([PUR-107-5](#))

4. The requesting unit shall send quotes and certificates of insurance to the Division of Purchases for review prior to notifying the contractor to begin work, if possible.
5. If the emergency occurs during the work week, the Division of Purchases reviews the quotes and authorizes the requesting unit to contact the successful vendor. If required, the vendor provides performance and payment bonds at that time. Following receipt of the appropriate bonds, the vendor can be authorized to begin work.

If the emergency occurs during nonworking hours, the requesting unit's office or department head (or their designee) reviews the quotes and authorizes work.


6. Per [FAP 111-39-00\(4\)](#), the requesting unit's office or department head sends a letter to the Division of Purchases' Director that includes ([Exhibit 9003](#)):
 - ◆ An explanation of the emergency condition (with specifics included, such as name of road, etc.)
 - ◆ All documentation gathered in Step 1 above
 - ◆ Name of vendor selected
 - ◆ Estimated cost of total purchase
 - ◆ Other price quotes that were obtained
 - ◆ Basis for selection of vendor
7. Using the information provided in the letter, the Division of Purchases drafts a memorandum to the Finance and Administration Cabinet (FAC) Secretary from the Transportation Cabinet Secretary requesting permission to process the purchase as an emergency purchase. After obtaining the Transportation Cabinet Secretary's signature, the Division of Purchases sends the memorandum to the FAC Secretary for review and approval.

Note: The requesting unit's office or department head forwards their signed memorandum to the Division of Purchases and emails the original word document to the Division of Purchases' Director.

PROCESS (CONT.)

8. After receiving approval from FAC, the Division of Purchases notifies the requesting unit to prepare a purchase order (PO) document in eMARS (using [FAP 111-39-00](#) as the cited authority for the PO) with approval letters, and required affidavit scanned and attached at the header.
9. When the PO is in final status, the requesting unit mails or emails a copy of the PO to the vendor.
10. After all work is completed and the vendor submits a proper invoice, the requesting unit makes payments against that PO contract.



	<i>Chapter</i> CONTRACT AWARDS
	<i>Subject</i> Request for Bid (RFB) Evaluation Process

**STATUTORY &
REGULATORY
AUTHORITY**

[KRS 45A.325](#), [KRS 45A.340](#), [KRS 45A:345](#), [KRS 45A.455](#), [KRS 11A.040 \(4\)](#),
[200 KAR 5:306](#), [FAP 111-35-00](#)

GENERAL

Contracts shall be awarded to the qualified responsible, responsive bidder whose bid is the best-evaluated bid as designated in the solicitation as the basis for award. The objective, measurable criteria to be utilized shall be set forth in the solicitation.

RESPONSIBLE BIDDER

As defined by [KRS 45A:345 \(19\)](#) "Responsible bidder or offeror" means a person who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.

RESPONSIVE BIDDER

As defined by [KRS 45A:345 \(20\)](#) "Responsive bidder" means a person who has submitted a bid under [KRS 45A.365](#) which conforms in all material respects to the invitation for bids, so that all bidders may stand on equal footing with respect to the method and timeliness of submission and as to the substance of any resulting contract.

REJECTION OF BIDS

The buyer of record responsible for the procurement shall examine bids for any clerical or technical errors, review them for technical compliance with the terms of the solicitation, and evaluate the supplies or services bid for conformity with the specifications in the solicitation.

Any questions the buyer of record may have about any matter shall be clarified in writing by the bidder. Any bidder who fails or refuses to give a written clarification or explanation shall not be considered for award on that solicitation. The written clarification or explanation of a bid, or a part of a bid, shall become part of the bid file and any contract awarded from that bid.

**REJECTION OF BIDS
(CONT.)**

The following items are cause for immediate rejection of a bid:

- **Conflict of interest**—Contracts with the Commonwealth, in which members of the General Assembly, certain state officers, or state employees have interests, are limited by the state constitution and statutes governing conflict of interest.

No vendor or anyone who submits or intends to submit a bid shall give or offer to give, directly or indirectly, any money, article, or other things of value to any officer or employee of the Commonwealth involved in the procurement process.

- **Collusive bids**—As defined by [KRS 45A.325](#), “any agreement or collusion among bidders or prospective bidders which restrains, tends to restrain, or is reasonably calculated to restrain competition by agreement to bid at a fixed price, or to refrain from bidding, or otherwise, is prohibited.”
- **Other causes for rejection**—A bid **shall be rejected** for any of the following reasons:
 - ◆ A bid fails to conform to the essential requirements of a solicitation.
 - ◆ A bid does not conform to the specifications contained or referenced in a solicitation, unless the solicitation authorized the submission of alternative bids and the items offered as alternatives meet the requirements specified in the solicitation.
 - ◆ A bid fails to conform to a delivery schedule established in a solicitation.
 - ◆ A bid imposes conditions that modify the terms and conditions of the solicitation or limit the bidder’s liability to the Cabinet on the contract awarded on the basis of such solicitation.
 - ◆ A bidder fails to furnish guarantees or warranties as required by the solicitation.

CURABLE**DEFICIENCIES**

The following items are deficiencies that would not necessarily cause a bid to be rejected:

- **Technicalities or irregularities in bids**—Technicalities, minor irregularities, or immaterial deviations or variations in the precise requirements of the solicitation that have trivial, negligible, or no effect on price, quality, quantity, or delivery of supplies or performance of the service being performed may be waived by the purchasing official if it is determined to be in the Cabinet’s best interest. This waiver may be permitted only if it does not affect the material substance of a bid and is not prejudicial to other bidders. The buyer of record may give a bidder an opportunity to cure any deficiency resulting from a technicality or minor irregularity in the bid.
- **Mistakes**—Per [200 KAR 5:306](#), if a mistake in a bid is claimed, and the buyer of record determines that a material mistake was made in the bid and that due to this mistake, the bid submitted was not the bid intended, the bidder shall be permitted to withdraw the bid.

If a mistake in a bid is claimed after the award and execution of a contract, the contractor shall be required to perform according to the terms and conditions of the contract, unless it is determined in writing by the Finance and Administration Cabinet that a material mistake had been made in the original bid and the contractor will sustain a financial loss if required to perform the contract according to its terms.

RFBs RECEIVING**NO BIDS**

When an RFB receives no bids, the bid clerk gives the file to the assigned buyer. The buyer then contacts the requesting unit to notify them no bids were received. The requesting unit can then check their specifications for accuracy, verify vendor selection, and submit a new RQS. Each situation is different and the Division of Purchases will work with the requesting unit to determine the best method of procurement.

EVALUATION PROCESS

Once the buyer receives the bid file back from the bid clerk following the public bid opening, the following procedure occurs:

1. The buyer creates an evaluation document in eMARS.
2. The buyer evaluates each bid for vendor responsibility and bid responsiveness.

EVALUATION PROCESS**(CONT.)**

Note: Prior to contract award for any federally funded procurement of \$100,000 or more, the buyer of record ensures that the successful vendor is not debarred from doing business with federal agencies. An agency may access the *List of Parties Excluded from Federal Procurement and Nonprocurement Programs* on the United States General Services Administration (GSA) website (<https://www.epls.gov>) to verify that the vendor is not debarred. See [FAP 111-59-00](#).

3. The buyer generates a bid tabulation and scores each bid based on the evaluation criteria established in the RFB document.
4. The buyer contacts the requesting unit with the highest evaluated bidder's information.
5. The requesting unit reviews the product or service information provided to ensure the bid conforms to the solicitation specifications.
6. The buyer creates a Determination and Finding (D&F) to document decisions and findings made during the evaluation process.
7. If the bid is accepted, the buyer creates the contract or master agreement and submits it for approval. If the bid is not accepted due to failure to meet specifications, the next highest evaluated bidder's information is sent for approval. If no responsible, responsive bids are received, all bids may be rejected.


[PUR-403-1](#) details completion procedures for one-time contracts.

[PUR-403-2](#) details completion procedures for master agreements.

A solicitation may be cancelled if determined to be in the Commonwealth's best interest by the buyer of record. If cancelled, a new solicitation may be issued containing the same or revised specifications.

Note: The buyer may request written clarification regarding any part of the bid, if at any time during the evaluation process it is determined necessary.



	<i>Chapter</i> CONTRACT AWARDS
	<i>Subject</i> Request for Proposal (RFP) Evaluation Process

**STATUTORY &
REGULATORY
AUTHORITY**

[KRS 45A.085](#), [KRS 45A.340](#), [KRS 45A.345](#), [KRS 45A.370](#), [KRS 45A.375](#) [KRS 45A.455](#), [KRS 11A.040 \(4\)](#), [200 KAR 5:307](#), [FAP 111-57-00](#), [FAP 111-43-00](#)

GENERAL

Contracts shall be awarded to the responsible offeror whose proposal is determined in writing to be the most advantageous to the Commonwealth, taking into consideration price and the evaluation factors set forth in the requests for proposals (RFPs).

RESPONSIBLE OFFEROR

As defined by [KRS 45A:345 \(19\)](#), "Responsible bidder or offeror" means a person who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.

**REJECTION OF
PROPOSALS**

The buyer of record responsible for the procurement shall examine proposals for any clerical or technical errors and ensures all necessary components were included.

Any questions the buyer of record may have about any matter shall be clarified in writing by the offeror. Any offeror who fails or refuses to give, within a reasonable time, a written clarification or explanation of the proposal, shall not be considered for further award on the basis of that solicitation. The written clarification or explanation of a proposal, or a part of a proposal, shall become part of any contract awarded on the basis of that proposal.

The following items are cause for immediate rejection of a proposal:

- **Conflict of interest**—Contracts with the Commonwealth, in which members of the General Assembly, certain state officers, or state employees have interests, are limited by the state constitution and statutes governing conflict of interest.

**REJECTION OF
PROPOSALS (CONT.)**

No vendor or anyone who submits or intends to submit a proposal shall give or offer to give (directly or indirectly) any money, article, or other things of value to any officer or employee of the Commonwealth involved in the procurement process.

- **Other causes for rejection**—A proposal **shall be rejected** for any of the following reasons:
 - ◆ A proposal fails to conform to the essential requirements of a solicitation.
 - ◆ A proposal imposes conditions that modify the terms and conditions of the solicitation or limit the offeror's liability to the Cabinet on the contract awarded on the basis of such solicitation.

EVALUATION PROCESS

After the closing date and time, proposals are opened by the buyer of record.

1. When required, the buyer of record verifies that offerors are on a prequalification list supplied by the requesting unit.
2. The buyer of record verifies that the submitted proposal includes a cost proposal (if required), a technical proposal, and all other required information. Proposals that are deemed responsive will be further evaluated by the Evaluation Committee.
3. The requesting unit shall provide a technical evaluation committee comprised of at least 2 subject matter experts (SMEs); however, the Division of Purchases recommends 3—5 SMEs.
4. The buyer of record has each evaluation committee member sign a TC 73-138 form, *Solicitation Evaluation Procedure and Confidentiality Statement* (**Exhibit 9013**), and TC 73-137 form, *RFP Evaluator Acknowledgment* (**Exhibit 9028**), and then distributes copies of each technical proposal received and an evaluation score sheet to each member.
5. Prior to the evaluation committee meeting, the buyer of record completes the cost proposal evaluation.
6. A meeting of the evaluation committee is held to reach a consensus score for all evaluation criteria for each offeror and to provide comments to support scores. The buyer of record compiles the scores and comments on a spreadsheet. Each evaluator shall sign the printed evaluation sheet.

**EVALUATION PROCESS
(CONT.)**

7. The buyer of record reveals the cost evaluation to the committee after determining the technical consensus scores.
8. If the cost is acceptable and the head of the requesting unit is in agreement, an award is made to the offeror with the highest evaluated score.
9. If the cost is unacceptable, negotiations may take place.

Note: Negotiations shall begin with the highest evaluated vendor first. Negotiations do not have to be face to face. For price negotiations, it is best to have the vendor propose a lower price rather than asking for a certain price. If the vendor does not wish to negotiate or if the parties cannot reach an agreeable price, negotiations discontinue, and buyer of record moves to the next highest scoring vendor.


10. The buyer of record gives the proposals to the bid clerk to enter into eMARS.
11. The buyer creates a Determination and Finding (D&F) to document decisions and findings made during the evaluation process.
12. The buyer of record creates an EV document in eMARS and attaches the signed evaluation documents, the determination and findings, and the cost proposal score sheet.
13. Then the buyer of record creates a personal service contract (a PON2 document in eMARS) and routes for appropriate signatures and approvals.

PUR-403-3 details the components of PON2 documents and the process completion.

A solicitation may be cancelled if determined to be in the Commonwealth's best interest by the buyer of record. If cancelled, a new solicitation may be issued containing the same or revised scope of work.

Note: The buyer of record may request written clarification regarding any part of the proposal, if at any time during the evaluation process it is determined necessary.



	<i>Section</i> CONTRACT TYPES
	<i>Subject</i> One-Time Contracts

**STATUTORY &
REGULATORY
AUTHORITY**

[KRS 45A.135](#)

ONE-TIME PURCHASE

Requesting units develop one-time contracts to obtain commodities and nonprofessional services ordered on a one-time basis. Purchase contracts are originated when the Cabinet obligates itself to purchase a specific quantity or amount at a specific price. All references to a specific purchase contract shall include the applicable contract number. These contracts may begin with the letters PO or CT.

Requesting units create purchase order (PO) documents following the official quote process and review by the Division of Purchases for final approval. [PUR-201](#) provides more information on POs.

Following the submittal of a purchase requisition (RQS) from a requesting agency, the Finance and Administration Cabinet's (FAC's) Office of Procurement Services (OPS) or Division of Engineering and Contract Administration (DECA) creates contract documents (CT) for **non-delegated** commodities and services over KYTC's small purchase authority.

Following the submittal of a RQS from a requesting agency, the Division of Purchases creates contract documents (CT) for **delegated** commodities and services. ([PUR-104](#))

PURCHASE ORDER

The purchase order (PO) is the contract document used to award from quote following the small purchase procedure for procurements between \$5,000.00 and \$10,000.00, as detailed in [PUR-201](#).

Requesting units shall not use a PO to obtain goods or nonprofessional services covered by an existing contract.

**PURCHASE ORDER
(CONT.)**

Requesting units also use POs for competitive bidding exceptions, as detailed in [PUR-202](#):

- FAP 111-08-00 Specified by Law or Regulation
- FAP 111-09-00 Standing Determination of Not Practicable or Feasible
- FAP 111-10-00 Sole Source

Completing the TC 73-102 form, *Agency Request for Quotation* ([Exhibit 9002](#)) is the first step in the procurement process to purchase those commodities or services exceeding a requesting unit's **single quote** small purchase authority.

Usage of the TC 73-102 ensures consistency in all the quotes and guarantees all vendors are given the same information. It also requires vendors to abide by KYTC's terms and conditions and clearly instructs potential vendors to include delivery charges in their unit price.

After receiving the quotes, the requesting unit evaluates the quotes and then prepares a PO document in eMARS.

**MAIN COMPONENTS
OF PO DOCUMENTS**

All PO documents shall contain:

- **Header Section:**
 - ◆ Document Description
 - ◆ Procurement Type (see [Exhibit 9019](#) for list)
 - ◆ Cited Authority, such as:
 - [FAP 111-55-00-S](#) for small purchase for services
 - [FAP 111-55-00-G](#) for small purchase for goods
 - [FAP 111-08-00](#) thru [FAP 111-10-00](#) for noncompetitive procurements
 - [KRS 45A.100-RFQ\(M\)-G](#) (goods)
 - [KRS 45A.100-RFQ\(M\)-S](#) (services)
 - ◆ Agency Contact Information (requesting unit)
- **Vendor Section**—Vendor field is populated with the vendor from which the requesting unit wishes to make the purchase. This is generally the vendor that submitted the lowest price unless other factors were identified on the quote form for determining the award.

**MAIN COMPONENTS OF
PO DOCUMENTS (CONT.)**

- **Terms and Conditions**—Enter SMAWRD in the T&C field. This is standard boilerplate language incorporated into the contract in full text.
- **Commodity/Service Line Item(s)**—This section provides the following for each requested item:
 - ◆ Line Item Description
 - ◆ Commodity Code

Note: The following FAC website provides an Excel spreadsheet (via the link, “Commodity Class Codes and Descriptions”) that includes all possible commodity codes:

<http://finance.ky.gov/services/eprocurement/Pages/doingbusiness.aspx>

- ◆ Unit of Measure (UOM) (Commodity)
 - ◆ Quantity – actual (Commodity) or Service Dates (Service)
 - ◆ Unit Price Field (Commodities) or Contract Amount (Service)
 - ◆ Extended Total Field
 - ◆ Extended Description for information specific to that line item
 - ◆ Ship to/Bill to Addresses
- **Accounting Information**—This section requires the valid and accurate accounting string for the requesting office.
 - **Forms/Attachments at the Header**—Examples of documents found in this section are:
 - ◆ All quotes received
 - ◆ Determination & Finding for Small Purchase Spreadsheet (Service Disabled Veterans & Ethic Minority Business Process) (**PUR-201**) (**Exhibit 9026**)
 - ◆ Annual Affidavit for Bidders, Offerors, and Contractors (**Exhibit 9015**)
 - ◆ Approved SPR1 (**PUR-107-1**), if required
 - ◆ Recycled Content Form (**Exhibit 9014**), if required per 200 KAR 5:330 (**PUR-107-6**)

Note: The requesting unit shall attach all received quotes to the header when submitting the PO document for approval. If there are fewer than three quotes, the requesting unit shall add a document comment justifying the reason for fewer than three quotes.

PROCEDURE

Once it is determined that a PO needs to be created, the following procedure applies:

1. The requesting unit prepares the PO document in eMARS and submits it for approval.
2. The requesting unit's office head or designee applies first-level approval in eMARS.

Note: The first-line approver shall ensure accurate funding codes for all lines submitted and the availability of funds. The Division of Purchases is not responsible for funding information.

3. The Division of Purchases reviews the PO and ensures:
 - An approved and current SPR1 is attached to the header if required.
 - The purchase complies with purchasing procedures.
 - The requesting unit obtained a minimum of three quotes or attached a document comment with justification for fewer than three quotes.
 - The required fields are accurately completed.
 - Appropriate documentation is attached to header.
4. If all the required information is provided accurately, final approval will be applied to the PO. If information is missing or incorrect, the PO will be rejected to the requesting unit.

Note: Some PO documents for noncompetitive procurements require final approval by the FAC's Office of Procurement Services.

Note: It is the requesting unit's responsibility to regularly monitor their work list for any documents that may have been rejected. Failure to do so may slow the procurement process considerably.

5. Once the PO is in "final" status, the requesting unit is responsible for getting the contract or order to the vendor (by email, fax, regular mail, etc.).

The PO is the "official" contract document.

**MAIN COMPONENTS OF
CT DOCUMENTS**

All CT documents shall contain:

➤ **Header Section:**

- ◆ Document Description
- ◆ Procurement Type (see [Exhibit 9019](#) for list)
- ◆ Cited Authority, such as:
 - [FAP 111-35-00-G](#) Competitive Sealed Bids – Goods
 - [FAP 111-35-00-S](#) Competitive Sealed Bids – Services
- ◆ Requesting Office Contact Information (requestor)
- ◆ Issuing Office Contact Information (buyer/issuer)

➤ **Vendor Section**—Vendor field is populated with the vendor selected on the evaluation (EV) document with the best evaluated score for that RFB.

➤ **Terms and Conditions**—This is standard language incorporated into the contract in full text.

➤ **Commodity/Service Line Item(s)**—This section provides the following for each requested item:

- ◆ Line Item Description
- ◆ Commodity Code

Note: The following FAC website provides an Excel spreadsheet (via the link, “Commodity Class Codes and Descriptions”) that includes all possible commodity codes:

<http://finance.ky.gov/services/eprocurement/Pages/doingbusiness.aspx>

- ◆ Unit of Measure (UOM) (Commodity)
- ◆ Quantity –actual (Commodity) or Service Dates (Service)
- ◆ Unit Price Field (Commodities) or Contract Amount (Service)
- ◆ Extended Total Field
- ◆ Extended Description for information specific to that line item
- ◆ Ship to/Bill to Addresses

➤ **Accounting Information**—This section requires the valid and accurate accounting string for the requesting office.

**MAIN COMPONENTS OF
CT DOCUMENTS (CONT.)**


- **Forms/Attachments at the Header**—Examples of documents found in this section are plans, drawings, or photos.

PROCEDURE

After the evaluation of a RFB for a one-time contract has been finalized, the following procedure applies:

1. The buyer copies information from the evaluation (EV) document to create a CT using the requesting office's department and unit codes.
2. The buyer prepares the CT in eMARS and submits it for approval.
3. The buyer applies first-level approval in eMARS.
4. A manager from the Division of Purchases checks the document for accuracy and applies final approval.
5. Once the CT is in "final" status, the buyer is responsible for sending a copy to the vendor, the requesting office, and printing a copy for the bid file.
6. The buyer should also attach the bid tabulation and determination and findings documents to the header of the EV document and submit to final.
7. Upon receipt of a CT, the vendor is authorized to ship any commodities or begin work.



	<i>Section</i> CONTRACT TYPES
	<i>Subject</i> Master Agreements

STATUTORY**AUTHORITY** [KRS 45A.135](#)**TERM CONTRACTS**

Master agreements (MAs) are a type of term contract in eMARS.

Following a requesting unit's submittal of a purchase requisition (RQS), the Finance and Administration Cabinet's (FAC's) Office of Procurement Services or the KYTC Division of Purchases establishes term contracts (price agreements) with vendors for supplying specific items or services at a definite price for a definite period, but normally without a guarantee of specific quantity.

The following requirements and restrictions apply to term contracts:

- The basic reason for the issuance of a term contract is the continuing need by any unit or units for a specific service or commodity over a fixed period. It is **mandatory** upon **all** state units to buy from a term contract unless exemption is made optional in the contract.
- A single-agency term contract may be issued by either FAC's Office of Procurement Services or KYTC's Division of Purchases for a specific commodity or service if the **annual** estimated expenditure justifies establishing a term contract.
- Requesting units shall purchase items covered by term contracts only from the contract, unless the vendor cannot supply the items and the Division of Purchases grants approval, or unless otherwise specified by the contract terms and conditions (such as minimum order required, etc.).
- Procurement requirements shall not be parceled (split) over a period of time in order to avoid the dollar limitations of this policy.

**TERM CONTRACTS
(CONT.)**

- Requesting units shall issue a delivery order before a delivery can be made against a master agreement. **Requesting units shall not add additional items to the delivery order that are not listed on a specific master agreement.**
- Master agreements shall be written by and obtained from FAC's Office of Procurement Services or the KYTC Division of Purchases.

**MAIN COMPONENTS
OF MA DOCUMENTS**

All master agreement (MA) documents shall contain:

- **Header Section:**
 - ◆ Document Description
 - ◆ Procurement Type
 - ◆ Cited Authority, such as:
 - [FAP 111-35-00-G](#) Competitive Sealed Bids – Goods
 - [FAP 111-35-00-S](#) Competitive Sealed Bids – Services
 - ◆ Requesting Office Contact Information (requestor)
 - ◆ Issuing Office Contact Information (buyer/issuer)
- **Renewal Period**—This section shows how many renewal options are available and the dates for each period.
- **Authorized Department**—This tab allows the Division of Purchases to enter the departments allowed to use this contract.
- **Authorized Unit**—This tab is used when the Division of Purchases needs to limit use of a contract to a district or division.
- **Vendor Section**—Vendor field is populated with the vendor selected on the evaluation (EV) document with the best evaluated score for that RFB.
- **Terms and Conditions**—This is standard language incorporated into the contract in full text.

**MAIN COMPONENTS
OF MA DOCUMENTS
(CONT.)**

- **Commodity/Service Line Item(s)**—This section provides the following for each requested item:

- ◆ Line Item Description
- ◆ Commodity Code

Note: The following FAC website provides an Excel spreadsheet (via the link, “Commodity Class Codes and Descriptions”) that includes all possible commodity codes:

<http://finance.ky.gov/services/eprocurement/Pages/doingbusiness.aspx>

- ◆ Unit of Measure (UOM) (Commodity)
- ◆ Quantity

Note: Quantity will be zero, as there is no guaranteed quantity on MAs.

- ◆ Unit Price Field
- ◆ Extended Total Field
- ◆ Extended Description for information specific to that line item
- ◆ Ship to/Bill to Addresses
- ◆ Delivery Days

Note: Some MAs with large numbers of items are created as catalog master agreements. These documents will not have individual commodity lines, but instead a catalog will be attached to one of the commodity lines. This catalog is an Excel spreadsheet with the list of all available items, unit prices, and delivery days.

- **Forms/Attachments at the Header**—Examples of documents found in this section are:


- ◆ Plans, Drawings, or Photos
- ◆ Prevailing Wage Rates (if applicable)

PROCEDURE

After the evaluation of a RFB for an MA has been finalized, the following procedure applies:

1. The buyer copies information from the evaluation (EV) document to create an MA document using Division of Purchases' department and unit codes.
2. The buyer prepares the MA document in eMARS and submits it for approval.
3. The buyer applies first-level approval in eMARS.
4. A manager from Division of Purchases checks the document for accuracy and applies final approval.
5. Once the MA is in "final" status, the buyer is responsible for sending a copy to the vendor and the requesting office and for printing a copy for the bid file.
6. The buyer should also attach the bid tabulation and determination and findings documents to the header of the EV document and submit to final.
7. The vendor should not deliver any goods or perform any services until issuance of a delivery order. ([PUR-502](#))



	<i>Section</i> CONTRACT TYPES
	<i>Subject</i> Personal Service Contracts

**STATUTORY &
REGULATORY
AUTHORITY**

[KRS 45A.690](#), [KRS 45A.695](#), [KRS 45A.700](#), [KRS 45A.705](#), [KRS 45A.725](#), [200 KAR 5:307](#), [200 KAR 5:309](#), [FAP 111-43-00](#)

**PERSONAL SERVICE
CONTRACTS**

"Personal service contract" means an agreement whereby an individual, firm, partnership, or corporation is to perform certain services requiring professional skill or professional judgment for a specified period of time at a price agreed upon. It includes all price contracts for personal services between a governmental body or political subdivision of the Commonwealth and any other entity in **any** amount. Small purchase authority does not apply to professional services.

Personal service contracts (PSCs) are a type of term contract; they are processed as PON2 documents in eMARS. These documents are subject to review by the Legislative Government Contract Review Committee (GCRC).

Most PSCs are competitively negotiated through the request for proposal (RFP) process ([PUR-306](#)). Other PSCs may be processed as "sole source" or "not practicable or feasible to bid." These exemptions are requested through the SPR1 process described in [PUR-107-1](#).

**MAIN COMPONENTS
OF PON2 DOCUMENTS**

All personal service contract (PON2) documents shall contain:

➤ **Header Section:**

- ◆ Document Description
- ◆ Procurement Type (see [Exhibit 9019](#) for list)
- ◆ Cited Authority, such as:
 - [FAP 111-43-00-STD](#) Personal Service Contracts Standard
 - [FAP 111-43-00-L](#) Personal Service Contracts Legal

**MAIN COMPONENTS OF
PON2 DOCUMENTS (CONT.)**

- [FAP 111-43-00-03-STD](#) PSC Sole Source or Emergency Exemption Standard
- [FAP 111-43-00-03-L](#) PSC Sole Source or Emergency Exemption Legal
- [FAP 111-09-00-12](#) PSC Not feasible to bid
- [FAP 111-09-00-12-L](#) PSC Legal Not feasible to bid

- ◆ Requesting Office Contact Information (requestor)
- ◆ Issuing Office Contact Information (buyer/issuer)

- **Vendor Section**—Vendor field is populated with the vendor selected on the evaluation (EV) document with the best evaluated RFP.

- **Terms and Conditions**
 - ◆ Line 1 – Enter FREE. Attach any specific Terms and Conditions for the agreement.
 - ◆ Line 2 – Enter PSC. This will attach the required PSC clauses as outlined by the Finance and Administration Cabinet’s (FAC’s) Office of Procurement Services.

- **Commodity/Service Line Item(s)**—This section provides the following for each requested item:
 - ◆ Commodity Description and Code
 - ◆ Line Item Description
 - ◆ Line Type – Service
 - ◆ Contract Amount
 - ◆ Service From and To Dates
 - ◆ Ship to/Bill to Addresses

- **Supporting Documents**
 - ◆ Annual Affidavit for Bidders, Offerors, and Contractors ([Exhibit 9015](#))
 - ◆ Signature Page

- **Proof of Necessity**—This tab is used for reporting to the GCRC.
 - ◆ General Information
 - ◆ Source of Funds
 - ◆ Contract Cost Information

**MAIN COMPONENTS
OF PON2 DOCUMENTS
(CONT.)**

- ◆ Justification
- ◆ Contact Information
- **Forms/Attachments at the Header**—Examples of documents found in this section are:
 - ◆ Completed Signature Page
 - ◆ Annual Affidavit for Bidders, Offerors, and Contractors ([Exhibit 9015](#))
 - ◆ Determination and Findings, if a RFP process was conducted
 - ◆ Approved SPR1, if required

**PON2
PROCEDURES**

The following details PON2 procedures:

1. A requesting unit submits to the Division of Purchases a RQS in eMARS that includes:
 - ◆ Funding Information
 - ◆ Scope of Work (SOW) ([PUR-303](#))
 - ◆ Approved SPR1, if required ([PUR-107-1](#))
 - ◆ Proof of Necessity ([Exhibit 9027](#))

Note: Requesting units shall not gather signatures from secondary parties (vendors).
2. A buyer issues the RFP and evaluates the proposals, if needed. [PUR-306](#) and [PUR-402](#) provide further details on this process.
3. A Division of Purchases' buyer prepares the PON2 document in eMARS either from the evaluation (EV) document if RFP was issued or directly from RQS if sole source or not practicable to bid.
4. The buyer routes the original hard copy for signatures by all parties.
 - ◆ Office of Legal Services (3-5 working days)
 - ◆ Vendor/Other Party (2-3 weeks)
 - ◆ Cabinet Secretary (2-3 weeks)
5. PON2 document is submitted and routed for approvals in the eMARS system.


**PON2 PROCEDURES
(CONT.)**

6. Upon final approval, the contract is automatically filed with GCRC.

Note: Work shall not begin until the contract is fully approved, unless the contract amount is less than \$10,000, which allows KYTC 30 days to finalize and file the contract with GCRC.

7. GCRC meets once a month to review contracts submitted during the previous month. GCRC has the authority to approve or deny the contract. If the contract is denied by GCRC, no payments can be processed unless FAC overrides the denial.
8. The buyer emails the finalized contract to the requesting unit, mails a copy to the vendor, and files the signed copy and finalized copy in the bid file.



	<i>Chapter</i> POST AWARD
	<i>Subject</i> Contract Administration

DEFINITION Contract administration is the management of all actions after the award of a contract that must be taken to assure compliance with the contract, such as timely delivery, acceptance of goods received, inspection of services performed, payment, contract closing, etc.

CONTRACT MANAGER Every requesting unit should designate a programmatic contract manager for each contract. The contract manager is responsible for:

- The performance to be achieved through the contract
- Enforcing adherence to the contract terms and conditions
- Serving as a liaison with the contractor

The contract manager is the agency's front-line resource to ensure proper performance and that the Cabinet is paying for what was required in the contract.

BUYER The buyer is the point of contact within the Division of Purchases for all communications related to the contract. Renewals, modifications, or terminations must come through the buyer to be valid and enforceable.


PROCEDURE For all types of contracts, the contract manager shall:

1. **Read and understand the contract**, including but not limited to:
 - KYTC's responsibilities for that contract
 - All applicable delivery and service requirements and any penalty clauses

PROCEDURE (CONT.)

2. Ensure proper documentation is collected and maintained, including but not limited to:
 - Emails and letters
 - Notes of telephone conversations that include date, time, vendor representative's name, and brief summary of call
 - Notes and minutes for any meetings with the vendor
3. Initially communicate with the vendor to clearly establish expectations and reiterate expectations and requirements throughout the life of the contract to the vendor as applicable
4. Communicate any problems or any need for a modification with the buyer ([PUR-507](#))
5. Issue delivery orders and inspect deliveries received or services performed ([PUR-502](#) and [PUR-503](#))
6. Measure performance as detailed in [PUR-504](#)
7. Review vendor invoices and issue payment ([PUR-505](#) and [PUR-508](#))



	<p><i>Chapter</i></p> <p style="text-align: center;">POST AWARD</p>
	<p><i>Subject</i></p> <p style="text-align: center;">Purchases against Master Agreements</p>

POLICY

Procurements against term contracts can be made using the following methods:

- **Delivery Order (DO)**—Delivery orders are the recommended method to order commodities or services from a master agreement (MA). A delivery order is an official order and encumbers funds to ensure available funds for the payment. It authorizes the vendor to deliver and invoice the specified commodity or service.

Key components of a delivery order include:

- ◆ Quantity
 - ◆ Referenced MA Commodity Line
 - ◆ Ship To/Bill To Addresses
- **Procurement Card**—A procurement card (Pro-Card) allows immediate payment to a vendor for a commodity or service (for example, office supplies ordered and paid through Cardinal Office Supplies’ website).

The *Accounts Guidance Manual* ([ACC-604](#)) and the *KYTC Procurement Card User Guide* detail the policies and procedures for the procurement card program.

- **Payment Request (PRC)**—This method is used for some service master agreements when services are provided without a delivery order. For example, janitorial services MAs clearly outline the services to be performed and their frequency. The vendor performs the service and submits invoices as outlined in the MA terms.

**FINAL PAYMENT ON
SERVICE MASTER
AGREEMENTS**

To make final payment on a service MA, the requesting unit creates a DO and ensures all approvals are applied and the DO is in “Final Status” **prior to the MA expiration.**

**FINAL PAYMENT ON
SERVICE MASTER
AGREEMENTS (CONT.)**


Additionally, for all service MAs where services are provided without a delivery order (such as janitorial services, dumpster services, pest control, liquid waste disposal, and scrap metal removal), the requesting unit notifies the vendor of the final service date **at least one month prior to the MA expiration date.**

If a requesting unit fails to create a DO prior to the MA expiration date and a payment must be made, the requesting unit performs one of the following:

- If remaining invoices are less than the small purchase authority, payment can be made on stand-alone PRC.
- If remaining invoices exceed the small purchase limit, the requesting office must draft Not Practical to Bid memos and issue a Purchase Order as explained in [PUR 202](#).

[ACC-603-1](#) details KYTC's stand-alone PRC guidelines.



	<i>Chapter</i> POST AWARD
	<i>Subject</i> Delivery & Receiving

**STATUTORY &
REGULATORY
AUTHORITY**

[FAP 111-41-00](#)

GENERAL

Delivery shall follow all guidelines established by FAP 111-41-00. The contract document shall clearly indicate how and when a delivery shall be made.

POLICY


The requesting agency shall be responsible for monitoring the delivery schedule, receipt, and verification of all requested products and services.

PROCEDURE

The requesting unit shall:

1. Check the condition of the commodity and explain exposed or apparent damage on the freight bill before accepting delivery
2. Ensure that the commodity is the same as specified in the order
3. Verify that the quantity received corresponds with the quantity ordered
4. Notify the common carrier and vendor of any concealed damage within 15 days after receipt of delivery
5. Notify the vendor of any other problems concerning the shipment
6. Care for the commodity until delivery is made to the end user
7. Prepare the proper records of receipt ([ACC-603-1](#))



	<i>Chapter</i> POST AWARD
	<i>Subject</i> Vendor Performance

**STATUTORY &
REGULATORY
AUTHORITY**

[KRS 45A.110, 200 KAR 5:315](#)

DOCUMENT TYPE

The Division of Purchases and the Finance and Administration Cabinet use the eMARS-generated Performance Evaluation (PE) document to evaluate the performance of vendors.

WHEN TO USE

Renewal—The Division of Purchases sends requesting units a standard Vendor Performance Survey ([Exhibit 9016](#)) at the time of renewal for all master agreements and catalog master agreements. The Division of Purchases use responses to the Vendor Performance Survey to process a Performance Evaluation (PE) in eMARS.

Vendor Complaint—Requesting units experiencing problems with vendor performance during any given contract period may submit a vendor complaint TC 73-139 ([Exhibit 9009](#)) to the buyer of record on the contract via email.

**COMPLAINT
RESOLUTION PROCESS**

The following details vendor complaint resolution procedures:

1. When a requesting unit first experiences a minor problem with a vendor, they should contact the vendor directly and attempt to resolve the problem.
2. If the vendor does not act promptly and satisfactorily, the requesting unit should immediately contact the buyer of record with the complaint form.

Requesting units should immediately submit the Vendor Complaint Form for all **major problems** to the Division of Purchases via email and attach any existing written documentation.

COMPLAINT RESOLUTION**PROCESS (CONT.)**

It is important that requesting units report issues and problems on a timely basis and with full documentation as to the nature of the problems. **Do not allow vendor problems to accumulate or go unreported until a crisis exists.**

3. Upon receipt of the Vendor Complaint Form, the buyer of record drafts a letter detailing the complaint, the unit's desired outcome, and a deadline for compliance or submittal of a plan of action. (The requesting unit may be asked for further clarification or supporting documentation.) The Division of Purchases then sends the letter (cure notice) to the vendor.

The Division of Purchases copies the requesting unit on all communications between the Division of Purchases and the vendor.

4. Upon receipt of the vendor response, the Division of Purchases will consult with the requesting unit to determine if the proposed corrective action is satisfactory or if alternatives offered by the vendor are acceptable.
5. If a vendor fails to comply with mandatory deadlines or has documented persistent or chronic problems, the Division of Purchases may issue a show cause letter to the vendor and pursue cancellation of the contract.
6. The buyer of record creates a PE in eMARS and attaches all documentation and outcomes of the submitted complaint.

RECORDS**RETENTION**


All PE documents, supporting documentation, and subsequent communications for each vendor are permanently filed and maintained in eMARS.

**COMPLAINT
RESOLUTION****AUTHORITY**

The Division of Purchases resolves complaints involving delegated commodities.

The Division of Purchases refers complaints involving nondelegated commodities to the Finance and Administration Cabinet, Office of Procurement Services for resolution.




	<i>Chapter</i> POST AWARD
	<i>Subject</i> Payment Requests against a Contract

POLICY

The requesting unit originating a purchase, by a requisition (RQS), Delivery Order (DO), or purchase order (PO) is responsible for payment of that purchase. The [Accounts Guidance Manual](#) details the Cabinet’s policies and procedures concerning payments.

Prior to payment, the originating unit shall ensure procedures under [PUR-503](#) have been followed.



	<i>Chapter</i> POST AWARD
	<i>Subject</i> Contract Renewals

**STATUTORY &
REGULATORY
AUTHORITY**

[FAP 111-43-00](#); [FAP 111-44-00](#)

POLICY

Requesting unit may request renewal periods when submitting a requisition (RQS) for commodities or services where the solicitation will result in the award of a **term agreement**. The Cabinet's buyer of record will determine whether or not renewals are applicable based on the nature of the request and statutory and regulatory authority.

Note: One-time contracts cannot be renewed. As the name suggests, they are for one individual purchase.

If renewals are included in the contract, they are optional and in no way binding to the Commonwealth or the vendor.

**MASTER AGREEMENT
RENEWAL**

The following details the renewal procedure for master agreements (MAs):

1. Approximately **three** months prior to contract expiration, the Division of Purchases will notify the requesting unit of any contracts that expire, with or without renewal, by sending an email with a performance evaluation questionnaire ([Exhibit 9016](#)) for each contract. The questionnaire indicates whether or not the contract has a renewal option available.
2. The requesting unit shall complete the questionnaire, which includes indicating whether or not the renewal option will be utilized, and return to the buyer of record by the deadline stipulated in the email.
3. If the requesting unit chooses to utilize the renewal option, the Division of Purchases will notify the vendor that a renewal option is available. The vendor will be given the option to renew or let the contract lapse and given a deadline to respond.

**MASTER AGREEMENT
RENEWAL (CONT.)**

4. If the vendor opts to renew the contract and returns all required documentation, the Division of Purchases will process a renewal document (RN) in eMARS and the contract will be extended for the next available contract period.
5. If either the requesting unit or the vendor does not wish to renew, the contract will lapse. If the requesting unit determines the commodity or service necessary, the requesting unit needs to submit a new RQS document as soon as possible to avoid or minimize a lapse in service or contract availability.

**PERSONAL SERVICE
CONTRACT RENEWAL**

Most personal service contracts (PSCs) are set up to expire at the end of a biennium (June 30 of even-numbered years). PSCs shall not cross the biennium per Government Contract Review Committee Policy 99-4.

Most PSCs awarded from a request for proposal (RFP) contain one of the following clauses:

- If the RFP is for the Office of Legal Services, the following renewal option is suggested:

“This contract may be renewed at the discretion of the agency for as many additional two-year terms as needed for the purpose of and to the extent that said renewals are necessary to permit the Contractor to conclude any work on any cases in progress pursuant to the RFP.”

- If the RFP is not for legal services, the agency may include one of the following renewal options:

- ◆ “The Commonwealth reserves the right to renew this contract for up to one (1) additional two- (2-) year period.”
- ◆ “The Commonwealth reserves the right to renew this contract for up to two (2) additional two- (2-) year periods.”
- ◆ “The Commonwealth reserves the right to renew this contract for up to two (2) additional one- (1-) year periods.”
- ◆ “The Commonwealth reserves the right to renew this contract for up to one (1) additional one- (1-) year period.”

**PERSONAL SERVICE
CONTRACT RENEWAL
(CONT.)**

The Division of Purchases notifies requesting units by email of their existing contracts 4–6 months in advance of the contracts' expiration dates.

- A. If clause exists, the requesting unit is asked if they wish to exercise this optional renewal.

The purchasing officer creates a new PON2 document in eMARS and routes for appropriate signatures and approvals.

Lead Time Required – 60 calendar days

- B. If this clause does not exist in the RFP from which a PSC was awarded, all work has been completed, and the requesting unit still needs the service, a new competitive RFP is needed.

1. The requesting unit submits a RQS scope of work, proof of necessity, and any other applicable information attached. See [PUR-301](#).
2. A buyer in the Contract Oversight Branch completes the RFP process to establish a new contract. See [PUR-306](#) and [PUR-402](#).

Lead Time Required – 90 calendar days

- C. If this clause does not exist in the RFP from which a PSC was awarded, all work has **not** been completed, and the requesting unit still needs the service, the contract may be extended for time and balance only.

1. The requesting unit shall submit a SPR1 for the balance of the contract and request permission to extend.
2. If the SPR1 is approved, The buyer modifies the current PON2 document in eMARS to extend the service to date and routes for appropriate signatures and approvals.

Note: If the contract is extended for time and balance, **funds may not be added at a later date**. If the requesting unit expects more funds may be needed, **the contract should be replaced with a new contract under “Not Practicable to Bid” rules**, instead of being extended.

Lead Time Required – 60 calendar days

**MEMORANDUM OF
AGREEMENT RENEWAL**

Most memoranda of agreement (MOAs) are set up to expire at the end of a biennium (June 30 of even-numbered years). MOAs can only cross the biennium if wholly funded by federal road fund monies.

MOAs do not have “renewal” clauses. Since MOAs are exempt from competitive bidding, they may be recreated for as many terms as needed.

If the requesting unit needs a MOA for an additional biennium, the following steps shall be taken:

1. The requesting unit submits a RQS scope of work, proof of necessity, and any other applicable information attached. See [PUR-301](#).
2. The buyer creates a new PON2 document in eMARS and routes for appropriate signatures and approvals.

Lead Time Required – 60 calendar days

**MOA/PSC
EXCEPTION
PROCEDURE**

MOA/PSC exceptions are processed as SC documents. See [PUR-203](#).

Most of these contracts are set up to expire at the end of a biennium (June 30 of even-numbered years). While these contracts are exempt from LRC review, the FAC Office of Procurement Services recommends consistency between all SCs and PON2s.

MOA/PSCs exceptions also do not have “renewal” clauses. Since these contracts are exempt from competitive bidding, they may be recreated for as many terms as needed.

- A. If all work has been completed, and the requesting unit still needs the service, a new contract is required.
 1. The requesting unit submits a RQS scope of work, and any other applicable information attached. See [PUR-301](#).
 2. The purchasing officer creates a new SC document in eMARS and routes for appropriate signatures and approvals.

Lead Time Required – 60 calendar days

MOA/PSC

EXCEPTION

PROCEDURE (CONT.)

- B. If all work has **not** been completed, and the requesting unit still needs the service, the contract can be modified to extend for time and balance.


The purchasing officer modifies the current SC document in eMARS and routes for appropriate signatures and approvals.

Note: If the contract is extended for time and balance, **funds may not be added at a later date.** If the requesting unit expects more funds may be needed, **the contract should be replaced with a new contract,** instead of being extended.

Lead Time Required – 60 calendar days

Note: SC and PON2 documents shall be created and submitted in accordance with the FAC’s Closing Year Schedule. Submittal of contracts that encumber funds may be delayed depending on the passage of a budget bill by the state legislature.



	<i>Chapter</i> POST AWARD
	<i>Subject</i> Contract Modifications & Cancellations

**STATUTORY &
REGULATORY
AUTHORITY**

[200 KAR 5:312](#), [FAP 110-10-00](#), [FAP 111-11-00](#)

MODIFICATIONS

Any required corrections or changes (including renewals) to a contract shall be issued as a modification to the contract in eMARS. All modifications require written agreement by both parties (the vendor and requesting unit), with the exception of administrative changes ([PUR-02](#)).

A modification shall not be used to:


- Initiate a major change outside the original scope of the contract
- Effect a new buy that normally would be placed by competitive bid
- Increase the quantity in excess of 10 percent, unless authorized in the solicitation

CANCELLATIONS

FAP 110-10-00 allows three types of contract cancellations:

- **Default by Vendor**—This requires sufficient documentation regarding the default, to be submitted to and processed by the Division of Purchases as an official vendor complaint ([PUR-504](#)). Termination by default will be determined by the Division of Purchases and the Office of Legal Services.
- **Convenience of the Commonwealth**—This requires notification be sent to the vendor at least 30 calendar days in advance of the cancellation date.
- **Lack of Appropriation**—This requires notification be sent to the vendor at least 30 calendar days in advance of the cancellation date.



	Chapter POST AWARD
	Subject Payments against Personal Service Contracts (PSCs)

STATUTORY**AUTHORITY** [KRS 45A.695](#)**POLICY**

KRS 45A.695 requires that **“no payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the committee.”** To comply with this, the Legislative Research Commission’s Government Contract Review Committee (GCRC) established the *Personal Service Contract Invoice Form* ([Exhibit 9022](#)).

Information on House Bill 387 (which provided the above amendment to KRS 45A.695) may be found at:

<https://apps.legislature.ky.gov/Record/10RS/HB387.HTM>

Information on the GCRC form may be found at:

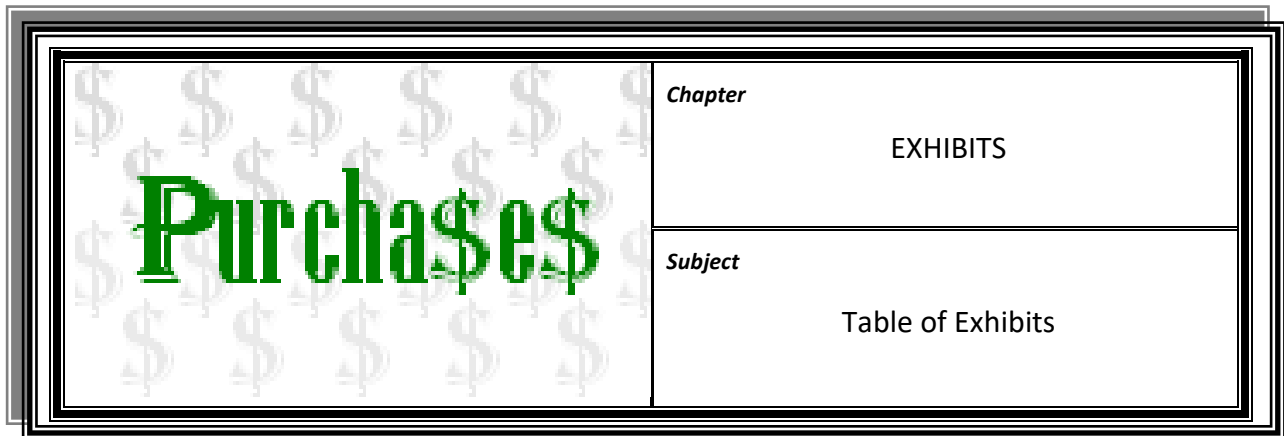
<https://legislature.ky.gov/Committees/statutory-committee>

PROCEDURE

When making a payment against a PSC, a PON2 document with a Procurement Type ID of 3 or 14, the unit initiating payment shall submit a signed copy of this invoice form with the PRC document.

The [Accounts Guidance Manual](#) details the Cabinet’s policies and procedures concerning payments.





<u>EXHIBIT NUMBER</u>	<u>EXHIBIT TITLE</u>	<u>MANUAL REFERENCE</u>
9002	Agency Request for Quotation, TC 73-102	201, 308, 403-1
9015	Annual Affidavit for Bidders, Offerors, and Contractors	107-2, 201, 203, 305, 306, 403-1, 403-3
9008	Buy America Clause.....	107-5
9026	Determination & Finding for Small Purchase (Service Disabled Veterans & Ethnic Minority Business Process)	201, 403-1
9003	Emergency Purchase Request Letter Example	308
9025	Equipment Rental Agreement Information, TC 74-552.....	202
9004	FAQ About Affidavit for Bidders, Offerors, & Contractors	107-2
9006	FHWA 1273	107-5
9010	Kentucky Sales & Use Tax Letter.....	103
9012	KYTC Division of Purchases Small Purchase Authority	104, 307-6
9011	KYTC Revised Purchasing Delegation.....	104, 301
9018	KYTC Supplemental Revised Purchasing Delegation	104
9005	Not Practical to Bid Example.....	202
9022	Personal Service Contract Invoice Form.....	508

<u>EXHIBIT NUMBER</u>	<u>EXHIBIT TITLE</u>	<u>MANUAL REFERENCE</u>
9019	Procurement Types List	403-1, 403-3
9027	Proof of Necessity (PON)	203, 301, 403-3
9014	Recycled Content Form.....	305, 403-1
9001	Recycled Content List, 200 KAR 5:330	107-6
9021	Required Affidavit for Bidders, Offerors, & Contractors Claiming Qualified Bidder Status	107-8, 305, 306
9020	Required Affidavit for Bidders, Offerors, & Contractors Claiming Resident Bidder Status.....	107-8, 305, 306
9023	Required Affidavit Regarding Contractor Employees: Illegal Immigrants, Attachment B.....	305
9024	Required Affidavit Regarding Subcontractors, Attachment C	305
9028	RFP Evaluator Acknowledgment, TC 73-137	402
9029	Secretary of State Certificate of Authorization	107-9
9007	Sole Source Request Documentation Example	202
9013	Solicitation Evaluation Procedure & Confidentiality Statement, TC 73-138	402
9009	Vendor Complaint, TC 73-139.....	504
9016	Vendor Performance Survey.....	504, 506
9017	Vendor Website Instructions	301, 304, 305, 306



200 KAR 5:330. Purchase of goods, supplies, equipment, materials and printing with minimum recycled content.

RELATES TO: KRS 45A.500-45A.540

STATUTORY AUTHORITY: KRS 45A.520

NECESSITY, FUNCTION, AND CONFORMITY: KRS 45A.520 requires the Finance and Administration Cabinet to promulgate administrative regulations establishing a minimum recycled material content to be used by every state agency when purchasing goods, supplies, equipment, materials, and printing. KRS 45A.520 further provides that if the United States Environmental Protection Agency has established a minimum recycled content for certain products, then the Finance and Administration Cabinet shall adopt at a minimum, those standards established by the United States Environmental Protection Agency pursuant to the Resource Conservation and Recovery Act of 1976, as amended. This administrative regulation establishes requirements concerning recycled material content.

Section 1. Definitions. (1) "Mill broke" means any paper generated in a paper mill prior to completion of the paper manufacturing process which is unsuitable for end use applications and is subsequently reused in the paper manufacturing process.

(2) "Postconsumer waste" means products or materials which have been discarded by a consumer.

(3) "Recovered fly ash" means the component of coal which results from the combustion of coal, and is the finely divided mineral residue which is typically collected from boiler stack gases by electrostatic precipitator or mechanical collection devices.

(4) "Recovered material" means those materials which have been separated, diverted or removed from the solid waste stream after a manufacturing process.

(5) "Recovered paper material" means paper products and paper byproducts which, if not recovered, would otherwise be solid waste, and which are intended for sale, use, reuse, or recycling, whether such materials or byproducts require subsequent separation and processing, excluding the virgin content of mill broke and sawdust.

(6) "Re-refined oil" means used oils from which the physical and chemical contaminants acquired through previous use have been removed through a refining process.

(7) "Solid waste stream" means a path of discarded material from point of origin to ultimate disposition.

(8) "State agency" is defined by KRS 45A.505.

Section 2. Minimum Recycled Content for State Agency Purchases. Except as provided under KRS 45A.510, any goods, supplies, equipment, materials and printing purchased by a state agency shall contain the following minimum recycled content:

(1) Xerographic paper (all sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(2) Carbonless printing paper (all sizes and colors) shall contain thirty (30) percent recovered paper material.

(3) Flat sheet printing papers.

(a) Paper, offset and opaque (all sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(b) Paper, text (all sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(c) Paper, parchtex (all sizes and colors) shall contain fifty (50) percent recovered paper material of which fifteen (15) percent shall be postconsumer waste.

(d) Paper, cover, antique or wove or text (all sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(e) Paper, index (all sizes and colors) shall contain fifty (50) percent recovered paper material of which twenty (20) percent shall be postconsumer waste.

(4) Business papers.

(a) Paper, mimeographic (all sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(b) Paper, spirit process (all sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(c) Paper, rag bond (all sizes) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(d) Paper, sulfite bond (all sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be

postconsumer waste.

(5) Computer paper.

(a) Continuous stock paper, carbon interleaved (all sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent is postconsumer waste.

(b) Continuous stock paper, plain (all sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(6) Miscellaneous office supplies.

(a) Blotters, desk (all sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(b) Calendars (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(c) File pockets (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(d) Notebook filler (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(e) Angular heavy celluloid tab folder (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which thirty (30) percent shall be postconsumer waste.

(f) File folder (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which thirty (30) percent shall be postconsumer waste.

(g) Hanging folder (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which thirty (30) percent shall be postconsumer waste.

(h) Open shelf file folder (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which thirty (30) percent shall be postconsumer waste.

(i) Top tab folder (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which thirty (30) percent shall be postconsumer waste.

(j) Two (2) inch expansion bottom gusset folder (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which thirty (30) percent shall be postconsumer waste.

(k) Twenty-five (25) point classification folder (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which thirty (30) percent shall be postconsumer waste.

(l) Guides, index monthly (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(m) Indexes, alphabetical (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which twenty (20) percent shall be postconsumer waste.

(n) Mailing tubes (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent is postconsumer waste.

(o) Memo books (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(p) Memo case (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent is postconsumer waste.

(q) Memo sheets (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(r) Notebooks, three (3) hole punched (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(s) Notebooks, stenographic (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(t) Fan folded notes (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(u) Columnar green pads (all types and sizes) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(v) Desk pads (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be

postconsumer waste.

(w) Scratch pads (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer material.

(x) Adding machine paper (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(y) Tablets (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(z) Tags, shipping (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(aa) Wallet, elastic cord (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(bb) Wallet, expanding, string tie (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(cc) Legal pads, legal (all types, all sizes, all colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(dd) Telephone message pads (all types, sizes and colors) shall contain fifty (50) percent recovered paper material of which ten (10) percent shall be postconsumer waste.

(7) Toilet tissue shall contain fifty (50) percent recovered paper material of which twenty (20) percent shall be postconsumer waste.

(8) Paper towels shall contain fifty (50) percent recovered paper material of which forty (40) percent shall be postconsumer waste.

(9) Napkins shall contain fifty (50) percent recovered paper material of which thirty (30) percent shall be postconsumer waste.

(10) Industrial wipes shall contain fifty (50) percent recovered paper material of which forty (40) percent shall be postconsumer waste.

(11) Building insulation.

(a) Cellulose loose-fill and spray-on shall contain seventy-five (75) percent postconsumer waste.

(b) Product shall contain Perlite composite board twenty-three (23) percent postconsumer waste.

(c) Plastic rigid foam.

1. Polyisocyanurate/polyurethane shall contain the following:

a. Rigid foam: nine (9) percent recovered material.

b. Foam-in-place: five (5) percent recovered material.

c. Glass fiber reinforcer: six (6) percent recovered material.

2. Phenolic rigid foam shall contain five (5) percent recovered material.

(d) Rock wool shall contain seventy-five (75) percent recovered material.

(12) Engine lubricating oils shall contain twenty-five (25) percent re-refined oil.

(13) Hydraulic fluid shall contain twenty-five (25) percent re-refined oil.

(14) Gear oils shall contain twenty-five (25) percent re-refined oil.

(15) Plastic sign blanks shall contain 100 percent postconsumer waste.

(16) Envelopes (all types, sizes and colors) shall contain fifty (50) percent recovered material.

(17) Doilies (all types, sizes and colors) shall contain fifty (50) percent postconsumer waste.

(18) Corrugated boxes (all types and sizes) shall contain thirty-five (35) percent postconsumer waste.

(19) Fiber boxes (all types and sizes) shall contain forty (40) percent postconsumer waste.

(20) Recycled paperboard (all types and sizes) shall contain eighty (80) percent postconsumer waste.

(21) Brown papers (all types and sizes) shall contain five (5) percent postconsumer waste.

(22) Pad backing (all types and sizes) shall contain ninety (90) percent postconsumer waste.

(23) Aluminum bars shall contain twelve (12) percent recovered material.

(24) Aluminum bolts and nuts shall contain twelve (12) percent recovered material.

(25) Aluminum channels shall contain twelve (12) percent recovered material.

(26) Aluminum handrail post shall contain twelve (12) percent recovered material.

(27) Aluminum sign blanks shall contain twelve (12) percent recovered material.

(28) Aluminum sign panels shall contain twelve (12) percent recovered material.


(29) Aluminum pipe shall contain twelve (12) percent recovered material.


(30) Hot-mix asphalt shall contain ten (10) percent postconsumer waste or recovered material.

- (31) Cement shall contain five (5) percent replacement of cement by weight with recovered fly ash.
- (32) Concrete cribbing shall contain five (5) percent replacement of cement by weight with recovered fly ash.
- (33) Gabionss shall contain ten (10) percent postconsumer waste or recovered material.
- (34) Glass beads shall contain fifty (50) percent postconsumer waste.
- (35) Guardrail, guardrail post, and component parts shall contain twenty (20) percent postconsumer waste or recovered material.
- (36) Metal bridge planks shall contain ten (10) percent postconsumer waste or recovered material.
- (37) Metal pipe shall contain ten (10) percent postconsumer waste or recovered material.
- (38) Ready-mix concrete shall contain five (5) percent replacement of cement by weight with recovered fly ash.
- (39) Reflective powder shall contain fifty (50) percent postconsumer waste.
- (40) Slag (boiler) shall contain 100 percent postconsumer waste or recovered material.
- (41) Sign brackets shall contain ten (10) percent postconsumer waste or recovered material.
- (42) Steel cribbing shall contain ten (10) percent postconsumer waste or recovered material.
- (43) Steel piling shall contain ten (10) percent postconsumer waste or recovered material.
- (44) Steel post, sign and delineator shall contain ten (10) percent postconsumer waste or recovered material.
- (45) Steel, open grid flooring shall contain ten (10) percent postconsumer waste or recovered material.
- (46) Railroad rails shall contain 100 percent postconsumer waste or recovered material.

Section 3. State Agency Contracts for Construction, Repair, Renovation, and Demolition of Public Facilities and Improvements to Public Real Properties. In accordance with KRS 45A.525, every state agency shall require, to the extent practicable, that every person, corporation, or other entity with whom it enters into a contract for building, altering, repairing, improving or demolishing any public structures or buildings or other improvements to any public real property, shall use goods, supplies, equipment, materials, and printing to fulfill the contract, which meet the requirements for minimum recycled content established in Section 2 of this administrative regulation.

Section 4. Projects Financed with Commonwealth Bond Proceeds. In accordance with KRS 45A.530, every state agency authorized to issue bonds shall require, to the extent practicable, that every project within the Commonwealth, fifty (50) percent or more of the cost of which is financed with the proceeds of bonds issued by the agency, be undertaken with goods, supplies, equipment, materials and printing which meet the requirements for minimum recycled material content established in Section 2 of this administrative regulation. (18 Ky.R. 1255; Am. 1894; eff. 1-10-92; 30 Ky.R. 687; 1471; eff. 1-5-2004.)

	KENTUCKY TRANSPORTATION CABINET Office of Budget & Fiscal Management DIVISION OF PURCHASES	TC 73-102 Rev. 02/2019 Page 1 of 2		
AGENCY REQUEST FOR QUOTATION				
Quote #:	Title:	Issue Date:	Closing Date:	Closing Time (Requesting Office location): <input type="checkbox"/> CST <input type="checkbox"/> CDT <input type="checkbox"/> EST <input type="checkbox"/> EDT
INSTRUCTIONS: All blanks on this form shall be completed. Return completed form by fax or email to the person listed below by the closing date and time listed. <u>Please check the below boxes to indicate documents being submitted with your quote:</u>				
<input type="checkbox"/> "Annual Affidavit for Bidders, Offerors, and Contractors" (<i>Affidavit is required to be completed and submitted by ALL BIDDERS.</i>)				
<input type="checkbox"/> "Affidavit for Qualified Bidder Status" (<i>Affidavit should be reviewed by all bidders and submitted only by those bidders who qualify for this status. This affidavit would be in addition to the "Annual Affidavit for Bidders, Offerors, and Contractors," above.</i>)				
<input type="checkbox"/> "Affidavit for Claiming Resident Bidder Status" (<i>Affidavit should be reviewed by all bidders and submitted only by those bidders who qualify for this status. This affidavit would be in addition to the "Annual Affidavit for Bidders, Offerors, and Contractors," above.</i>)				
Any order from this quotation shall be issued by a purchase order. No delivery or billable work is authorized until a valid Purchase Order has been fully executed.				
For a complete list of solicitation instructions and conditions, see TC 73-102 Vendor Instructions (attachment).				
SECTION 1: REQUESTING OFFICE INFORMATION				
DISTRICT/DIVISION			CONTACT PERSON	
ADDRESS (<i>street</i>)	CITY	STATE	ZIP	
PHONE	FAX	EMAIL		
SECTION 2: VENDOR INFORMATION				
NAME			REPRESENTATIVE	
MAILING ADDRESS	CITY	STATE	ZIP	
PHONE	FAX	EMAIL		
CUSTOMER NUMBER:			FEIN:	
The vendor agrees that when delivery is not made within the contracted due date, one percent (1%) per day will be deducted from the vendor's invoice for each day the vendor fails to meet the contracted delivery date.				
_____ SIGNATURE			_____ DATE	
DELIVERY After Receipt of Order (ARO) _____ calendar days				

	KENTUCKY TRANSPORTATION CABINET Office of Budget & Fiscal Management DIVISION OF PURCHASES	TC 73-102 Rev. 02/2019 Page 2 of 2
AGENCY REQUEST FOR QUOTATION		

SECTION 3: PRICING

LINE #	COMMODITY CODE	QUANTITY	UNIT OF MEASURE	UNIT PRICE	EXTENDED PRICE
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Item Description:

Extended Description:

LINE #	COMMODITY CODE	QUANTITY	UNIT OF MEASURE	UNIT PRICE	EXTENDED PRICE
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Item Description:

Extended Description:

LINE #	COMMODITY CODE	QUANTITY	UNIT OF MEASURE	UNIT PRICE	EXTENDED PRICE
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Item Description:

Extended Description:

LINE #	COMMODITY CODE	QUANTITY	UNIT OF MEASURE	UNIT PRICE	EXTENDED PRICE
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Item Description:

Extended Description:

(Attach additional copies of Page 2 as needed.)

	Subtotal	\$ _____
	Total from additional page(s)	\$ _____
	Grand Total	\$ _____

RFQ Instructions for KYTC Users

KYTC Districts and Divisions may use their Small Purchase Authority when the **total expenditure** for the item(s) or non-professional service does not exceed \$10,000.

- Not to be used if item/service is on an existing MA.
- Not to be used for professional services.
- All furniture requests shall be sent to Facilities Support.
- All equipment purchases shall be coordinated with Div. of Equipment

For purchases up to \$5,000, only one (1) quote is required and the purchase can be made via PRC document.

For purchases between \$5,000 and \$10,000, three (3) quotes are required. The purchase is made via Purchase Order document.

To solicit quotes from vendor, KYTC requesting office shall use TC 73-102.

KYTC employee shall complete the following sections of the form:

Header:

- Quote # - Assign a number.
- Title – General description of item/service for which you are requesting quotes
 - Ex: Repair Parts for Mower
- Issue Date – the date you are sending the form to vendors
- Closing Date/Time – the date and time by which vendors should submit the completed form

Section 1 – Requesting Office Information

- Information for the office requesting the quotes. (Include email and fax number for vendors to use when submitting return quote.)

Section 2 – Vendor Information – to be completed by the vendor

Section 3 – Pricing

- Requesting office should enter line item details, including:
 - Commodity code
 - Quantity
 - Unit of measure
 - Item description
 - Extended description – any additional information
- Vendor will enter unit price and extended price.

Revised 11/2018

RFQ Instructions for KYTC Users

Once the form is complete, KYTC employee will email the form and the Instructions file to selected vendors.

When utilizing the three (3) quote limit, KYTC is required to contact an Ethnic Minority Vendor and a Service Disabled Veteran Owned Business. To find these vendors, please perform the following steps:

1. Go to VENDCMBT, a table in eMARS
2. On the VENDCMBT table, search enter B060 for ethnic minority and B080 for SDVOSB in the Business Type ID field.
3. Enter a commodity code in the Commodity Code field. (A list of Vendor/Customer numbers for businesses that have registered for those business types and commodity will appear.)
4. Find the Vendor/Customer number in the VCUST table to access contact information.
5. Send the quote form to the identified vendors, if any.

Once all quotes have been received, complete the Determination and Finding spreadsheet. A copy is available here <http://finance.ky.gov/offices/controller/Pages/ops.aspx>

Complete Purchase Order document in eMARS. For detailed instructions, see the Purchases Policy Manual PUR-201.

TC 73-102 VENDOR INSTRUCTIONS

Page 1 of 11

**REQUEST FOR QUOTATION
SOLICITATION INSTRUCTIONS AND CONDITIONS**

- I. **DEFINITIONS:** As used herein:
- The term "solicitation" means Request for Quotations.
 - The term "offer" means a response to the Request for Quotations.
 - If stated as a number of days, "time" means Saturdays, Sundays, and Holidays are included.
- II. **OFFER PREPARATION:**
- Review the entire solicitation, including specifications, instructions, attachments incorporated by reference, and any drawings.
 - Provide all information requested in the solicitation.
 - The solicitation specifies the acceptable terms and conditions. No others shall be proposed.
 - Sign your offer in ink, initial in ink any erasures or other changes, and type or print all other information.
 - Quote unit pricing after deducting trade discounts and calculating quantity discounts, and then extend totals to the amount column for each item offered. In case of discrepancy between a unit price and extended price, the unit price shall govern.
 - Cash discounts are not considered in the selection of the winning quote and should not be offered.
 - Prompt payment terms offered may be considered in the selection of the winning quote, if so stated in the solicitation.
 - Offer items or services specified only, unless other options are requested in the solicitation.
 - Offer a definite time for delivery** of supplies or performance of services unless otherwise specified in the solicitation. When delivery is not made as required by the contract resulting from this solicitation, the Kentucky Transportation Cabinet reserves the right to make the purchase on the open market, with any cost in excess of the contract price payable by the defaulting contractor. Failure to meet contract delivery dates may also be cause for contract cancellation, bidder suspension, or both, pursuant to 200 KAR 5:315.
 - Offer firm pricing.**
 - Any equipment offered shall be new and current model unless otherwise specified. Any equipment delivered that does not meet this requirement shall be returned and replaced with the required equipment by the vendor at vendor expense.
 - The manufacturer's most favorable warranty offered to preferred customers shall apply to all items. **A copy of such warranty shall be furnished to the agency upon delivery of goods.**
 - Freight terms offered shall be "F.O.B. Destination Freight Prepaid and Allowed"** to the ordering agency's designated receiving location, all freight prepaid, unless otherwise specified in this solicitation.

III. SPECIFIED BRAND, ALTERNATE BRANDS

Unless otherwise specified, brands and specifications referenced in a Request for Quotation are intended to establish a minimum standard of quality only. Bidders may bid brands they consider to be equal by marking through the specified brand and inserting the brand name, model number, etc. which they are offering. Bids offering "equal" product will be considered for award if such product is clearly identified in the bid and is determined by the State to fully meet or exceed the minimum essential specifications and salient characteristics referenced in the Request for Quotation. Product not meeting the minimum essential requirements will be rejected.

A bidder proposing alternate brands should enclose descriptive literature with the offer so that the above can be verified. Failure to submit sufficient literature may result in rejection of the offer.

Revised 01/2019

TC 73-102 VENDOR INSTRUCTIONS

Page 2 of 11

III. SPECIFIED BRAND, ALTERNATE BRANDS (cont.)

If a brand or trade name product is not referenced in the Request for Quotation, bidder should provide sufficient descriptive literature with the offer so that compliance with specifications can be verified. Failure to provide said literature and specification data with the offer may result in rejection of the offer.

When specified brand names are not changed, it will be assumed that the bidder is proposing to supply the specified brand, the contract will be written accordingly, and delivery of that brand will be required.

IV. REQUESTS FOR CLARIFICATION OF SOLICITATION:

If you have any questions or complaints about this solicitation you should submit them in writing at least one (1) day prior to the closing date to the named buyer. This is required so that the Commonwealth can provide the response to each prospective offeror. Oral explanations or instructions given before the award of the contract shall not be binding.

V. ACKNOWLEDGMENT OF ADDENDA TO SOLICITATIONS:

Receipt of an addendum to a solicitation shall be acknowledged by the offeror. Such acknowledgment shall be received prior to the hour and date specified for receipt of offers. Verbal acknowledgment shall not be accepted. Failure to acknowledge addenda may cause the offer to be considered non-responsive.

VI. OFFER SUBMISSION:

- a. Offers and modifications thereof shall be addressed to the office specified in the solicitation.
- b. **Offers may be submitted by mail, email, fax, or hand delivery.** Offers may be modified by any of those means if such modification is received prior to the specified closing hour and date. Modifications submitted by fax shall not mention unit prices or total price; but shall only refer to percentage change or numerical change (e.g., reduce unit price of item 1 by \$1.00).
- c. When samples are required, they shall be submitted within the time specified, and unless otherwise specified, at no expense to the Commonwealth of Kentucky. If not destroyed by testing, samples shall be returned at offeror's request and expense, unless otherwise specified by the solicitation. Unless a request for their return is made within thirty (30) days of award of contract, all samples shall become property of the State.

VII. MODIFICATION OR WITHDRAWAL OF OFFERS:

Offers may be modified or withdrawn as stated in VI. (b) above. An offer may be withdrawn in person by an offeror or his authorized representative, if his identity is made known and he signs a receipt for the offer, but only if the withdrawal is made prior to the specified closing hour and date.

VIII. LATE OFFERS AND MODIFICATIONS:

Offers and modifications of offers received after the specified closing hour and date shall not be considered for an award of contract, UNLESS:

- a. No offer other than the late offer is received
- b. The offer is postmarked on a date prior to the closing date stated in the solicitation
- c. The immediate needs of an agency preclude the re-solicitation of quotes
- d. The KYTC Division of Purchases determines that the specifications and the selection of bidders by the buyer were not the cause for the late offer being the only offer available for consideration
- e. The offer is evaluated and found to serve the best interest of the Commonwealth of Kentucky.

IX. MULTIPLE AND ALTERNATE BIDS:

Bidders shall submit one response only to the solicitation and shall not propose more than one price, model, and brand for each bid item. Multiple or alternate bids offering more than one bid price in total (or by line-item) shall be cause for rejection unless specifically called for in special conditions provided elsewhere in the solicitation.

X. AWARD OF CONTRACT:

- a. The contract shall be awarded to that responsible offeror whose offer conforming to the solicitation provides the best value.
- b. The state reserves the right to reject any offers and to waive informalities and minor irregularities in offers received.

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X. AWARD OF CONTRACT: (cont.)

A written notice of award (or acceptance of offer) mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer shall be deemed to result in a binding contract without further action by either party.

XI. KENTUCKY SALES AND USE TAXES:

Sales to the State of Kentucky and its agencies are not subject to state sales or use taxes.

XII. COMPLIANCE WITH STATE LAWS:

Contracts and orders shall be governed by the laws of the Commonwealth of Kentucky.

XIII. CONTRACT MODIFICATIONS:

No modification to a contract shall be permitted unless the contractor receives written approval from the Kentucky Transportation Cabinet. If the contractor believes modifications are necessary, he or she may request approval of the Kentucky Transportation Cabinet. All contract modifications shall be subject to the provisions of 200 KAR 5:311.

XIV. SELLER'S INVOICES:

Invoices, if required, shall be prepared and transmitted to the agency receiving the goods or services. One copy shall be marked "original" unless otherwise specified. Invoices shall contain, at a minimum, the following information: Contract and order number (if any), item numbers, description of supplies or services, sizes, quantities, unit prices, and extended totals.

XV. PRECEDENCE OF PROVISIONS:

In the event of an inconsistency between provisions of the solicitation the inconsistency shall be resolved by giving precedence in the following order: (a) Special Conditions; (b) Solicitation Instructions and Conditions; (c) General Conditions; (d) other provisions of the contract, whether incorporated by reference or otherwise and (e) the specifications.

Method of Award

Best Value – Ranking Approach

The Commonwealth intends to award a contract to the Vendor, whose offer, conforming to the Solicitation, is the most advantageous on the basis of "best value" for all products, services, and requirements contained herein.

An evaluation committee, or a designated individual, will evaluate the information provided by the Vendor in response to the established measurable criteria contained in the Solicitation.

With the ranking approach, price is one of the measurable criteria components of the Solicitation. The measurable criteria are added together to determine the Vendor's total score. The Vendor with the highest score has the highest ranking. Award is made to the Vendor with the highest ranking. If there is only one best value response to the Solicitation, the evaluation process may be waived and award may be made to the only responsive, responsible Vendor.

For example, if Vendor "A" is evaluated by one evaluator and received a total score of 95 points then that Vendor would have a 95 ranking. And if Vendor "B" (responding to the same Solicitation) received a total score of 90 points then he or she would have a 90 ranking. If more than one evaluator is used, then the combined score of all evaluators for each Vendor is the score to be used to determine the ranking for the

Vendor. Again, award will be made to the Vendor with the highest ranking. If award is by line item(s) or subtotal(s), the line item(s) or subtotal(s) will be ranked instead of the total bid amount.

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Measurable Criteria for this procurement:

Price _____ Points

Delivery _____ Points

TOTAL POINTS _____ Points

Each Vendor is responsible for submitting all relevant, factual, and correct information with their offer to enable the evaluator(s) to afford each Vendor the maximum score based on the available data submitted by the Vendor. Please list prices on the unit price block for the line item. If adequate space is not available, the Vendor must attach additional information that clearly cross-references the appropriate location in the solicitation (i.e. page number, paragraph, subject, etc.).

Price (_____ points) - The bidder with the lowest Price receives the maximum score. The bidder with the next lowest Price receives points by dividing the lowest Price by the next lowest price and multiplying that percentage by the available points. For example, if 90 points are allocated to the lowest Price criteria for this procurement, Bidder "A" bids \$3.00 as the lowest bidder and receives the maximum of 90 points ($\$3.00 / \$3.00 = 1.00 \times 90 = 90$). Assume Vendor "B" is the next lowest bidder at \$4.00, then "B" receives 67.5 points ($\$3.00 / \$4.00 = .75 \times 90 = 67.5$).

Delivery in Calendar Days (_____ points) – The bidder with the lowest amount of delivery days (calendar days) receives the maximum score. The bidder with the next lowest amount of delivery days receives points by dividing the lowest amount of delivery days by the next lowest amount of delivery days and multiplying that percentage by the available points. For example, if 10 points are allocated to the lowest amount of delivery days criteria for this procurement, Bidder "A" bids 10 calendar days as the lowest bidder and receives the maximum 10 points ($10 / 10 = 1.00 \times 10 = 10$). Assume Vendor "B" is the next lowest bidder at 20 calendar days, then "B" receives 5 points ($10 / 20 = .5 \times 10 = 5$).

The Vendor agrees that when delivery is not made within the contracted due date, _____percent (____%) per day will be deducted from the Vendor's invoice for each day the Vendor fails to meet the contracted delivery date.

Best Value scoring is subject to **Reciprocal preference for Kentucky resident bidders and Preferences for a Qualified Bidder or the Department of Corrections, Division of Prison Industries (KAR 200 5:410).**

KRS 45A.490 Definitions for KRS 45A.490 to 45A.494.

As used in KRS 45A.490 to 45A.494:

- (1) "Contract" means any agreement of a public agency, including grants and orders, for the purchase or disposal of supplies, services, construction, or any other item; and
- (2) "Public agency" has the same meaning as in KRS 61.805.

KRS 45A.492 Legislative declarations.

The General Assembly declares:

- (1) A public purpose of the Commonwealth is served by providing preference to Kentucky residents in contracts by public agencies; and
- (2) Providing preference to Kentucky residents equalizes the competition with other states that provide preference to their residents.

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KRS 45A.494 Reciprocal preference to be given by public agencies to resident bidders -- List of states -- Administrative regulations.

(1) Prior to a contract being awarded to the lowest responsible and responsive bidder on a contract by a public agency, a resident bidder of the Commonwealth shall be given a preference against a nonresident bidder registered in any state that gives or requires a preference to bidders from that state. The preference shall be equal to the preference given or required by the state of the nonresident bidder.

(2) A resident bidder is an individual, partnership, association, corporation, or other business entity that, on the date the contract is first advertised or announced as available for bidding:

(a) Is authorized to transact business in the Commonwealth; and

(b) Has for one (1) year prior to and through the date of the advertisement, filed Kentucky corporate income taxes, made payments to the Kentucky unemployment insurance fund established in KRS 341.490, and maintained a Kentucky workers' compensation policy in effect.

(3) A nonresident bidder is an individual, partnership, association, corporation, or other business entity that does not meet the requirements of subsection (2) of this section.

(4) If a procurement determination results in a tie between a resident bidder and a nonresident bidder, preference shall be given to the resident bidder.

(5) This section shall apply to all contracts funded or controlled in whole or in part by a public agency.

(6) The Finance and Administration Cabinet shall maintain a list of states that give to or require a preference for their own resident bidders, including details of the preference given to such bidders, to be used by public agencies in determining resident bidder preferences. The cabinet shall also promulgate administrative regulations in accordance with KRS Chapter 13A establishing the procedure by which the preferences required by this section shall be given.

(7) The preference for resident bidders shall not be given if the preference conflicts with federal law.

(8) Any public agency soliciting or advertising for bids for contracts shall make KRS 45A.490 to 45A.494 part of the solicitation or advertisement for bids.

The reciprocal preference as described in KRS 45A.490-494 above shall be applied in accordance with 200 KAR 5:400.

Determining the residency of a bidder for purposes of applying a reciprocal preference

Any individual, partnership, association, corporation, or other business entity claiming resident bidder status shall submit along with its response the attached Required Affidavit for Bidders, Offerors, and Contractors Claiming Resident Bidder Status. The BIDDING AGENCY reserves the right to request documentation supporting a bidder's claim of resident bidder status. Failure to provide such documentation upon request shall result in disqualification of the bidder or contract termination.

A nonresident bidder shall submit, along with its response, its certificate of authority to transact business in the Commonwealth as filed with the Commonwealth of Kentucky, Secretary of State. The location of the principal office identified therein shall be deemed the state of residency for that bidder. If the bidder is not required by law to obtain said certificate, the state of residency for that bidder shall be deemed to be that which is identified in its mailing address as provided in its bid.

Preferences for a Qualified Bidder or the Department of Corrections, Division of Prison Industries (KAR 200 5:410).

Pursuant to 200 KAR 5:410, and KRS 45A.470, Kentucky Correctional Industries will receive a preference equal to twenty (20) percent of the maximum points awarded to a bidder in a solicitation. In addition, the

following "qualified bidders" will receive a preference equal to fifteen (15) percent of the maximum points awarded to a bidder in a solicitation: Kentucky Industries for the Blind, any nonprofit corporation that furthers the purposes of KRS Chapter 163 and any qualified nonprofit agencies for individuals with severe disabilities as defined in KRS 45A.465(3). Other than Kentucky Industries for the Blind, a bidder claiming "qualified bidder" status shall submit along with its response to the solicitation a notarized affidavit which affirms that it meets the requirements to be considered a qualified bidder- affidavit form included. If requested, failure to provide documentation to a public agency proving qualified bidder status may result in disqualification of the bidder or contract termination.

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Registration with the Secretary of State by a Foreign Entity

Pursuant to KRS 45A.480(1)(b), an agency, department, office, or political subdivision of the Commonwealth of Kentucky shall not award a state contract to a person that is a foreign entity required by [KRS 14A.9-010](#) to obtain a certificate of authority to transact business in the Commonwealth ("certificate") from the Secretary of State under [KRS 14A.9-030](#) **therefore, foreign entities should submit a copy of their certificate with their solicitation response.** If the foreign entity is not required to obtain a certificate as provided in [KRS 14A.9-010](#), the foreign entity should identify the applicable exception in its solicitation response. Foreign entity is defined within [KRS 14A.1-070](#).

For all foreign entities required to obtain a certificate of authority to transact business in the Commonwealth, if a copy of the certificate is not received by the contracting agency within the time frame identified above, the foreign entity's solicitation response shall be deemed non-responsive or the awarded contract shall be cancelled.

Businesses can register with the Secretary of State at <https://secure.kentucky.gov/sos/ftbr/welcome.aspx>

Access to Records

The contractor, as defined in KRS 45A.030 (9) agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c). The contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884.

Discrimination

Discrimination (because of race, religion, color, national origin, sex, sexual orientation, gender identity, age, or disability) is prohibited. This section applies only to contracts utilizing federal funds, in whole or in part. During the performance of this contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity, or age. The contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The contractor agrees to provide, upon request, needed reasonable accommodations. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability. Such action shall include, but not be limited to the following; employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.
3. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

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4. The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965 as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.
5. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
6. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in or as otherwise provided by law.
7. The contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

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ANNUAL AFFIDAVIT FOR BIDDERS, OFFERORS, AND CONTRACTORS

PAGE 1 OF 2

FOR OFFICIAL USE ONLY:**Dates will be completed by Purchasing Staff Maximum Length One-Year****Affidavit Effective Date:** _____**Affidavit Expiration Date:** _____**FOR BIDS AND CONTRACTS IN GENERAL:**

- I. Each bidder or offeror swears and affirms under penalty of perjury, that to the best of their knowledge:
- a. In accordance with [KRS 45A.110](#) and [KRS 45A.115](#), neither the bidder or offeror as defined in [KRS 45A.070\(6\)](#), nor the entity which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth of Kentucky; and the award of a contract to the bidder or offeror or the entity which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.
 - b. The bidder or offeror swears and affirms under penalty of perjury that, to the extent required by Kentucky law, the entity bidding, and all subcontractors therein, are aware of the requirements and penalties outlined in [KRS 45A.485](#); have properly disclosed all information required by this statute; and will continue to comply with such requirements for the duration of any contract awarded.
 - c. The bidder or offeror swears and affirms under penalty of perjury that, to the extent required by Kentucky law, the entity bidding, and its affiliates, are duly registered with the Kentucky Department of Revenue to collect and remit the sales and use tax imposed by [KRS Chapter 139](#), and will remain registered for the duration of any contract awarded.
 - d. The bidder or offeror swears and affirms under penalty of perjury that the entity bidding is not delinquent on any state taxes or fees owed to the Commonwealth of Kentucky and will remain in good standing for the duration of any contract awarded.
 - e. The bidder or offeror swears and affirms under penalty of perjury that the entity bidding, is not currently engaged in, and will not for the duration of the contract engage in, the boycott of a person or entity based in or doing business with a jurisdiction with which Kentucky can enjoy open trade, as defined in Executive Order No. 2018-905.
 - f. The bidder or offeror swears and affirms that the entity bidding, and all subcontractors therein, have not violated any of the prohibitions set forth in KRS 11A.236 during the previous ten (10) year, and further pledge to abide by the restrictions set forth in such statute for the duration of the contract awarded.

FOR "NON-BID" CONTRACTS (I.E. SOLE-SOURCE; NOT-PRACTICAL OR FEASIBLE TO BID; OR EMERGENCY CONTRACTS, ETC):

- I. Each contractor further swears and affirms under penalty of perjury, that:
- a. In accordance with [KRS 121.056](#), and if this is a non-bid contract, neither the contractor, nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of any contract awarded, have contributed more than the amount specified in [KRS 121.150](#) to the campaign of the gubernatorial slate elected in the election last preceding the date of contract award.
 - b. In accordance with [KRS 121.330\(1\) and \(2\)](#), and if this is a non-bid contract, neither the contractor, nor officers or employees of the contractor or any entity affiliated with the contractor, nor the spouses of officers or employees of the contractor or any entity affiliated with the contractor, have knowingly contributed more than \$5,000 in aggregate to the campaign of a candidate elected in the election last preceding the date of contract award that has jurisdiction over this contract award.

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ANNUAL AFFIDAVIT FOR BIDDERS, OFFERORS, AND CONTRACTORS

PAGE 2 OF 2

- c. In accordance with [KRS 121.330\(3\) and \(4\)](#), and if this is a non-bid contract, to the best of his/her knowledge, neither the contractor, nor any member of his/her immediate family, his/her employer, or his/her employees, or any entity affiliated with any of these entities or individuals, have directly solicited contributions in excess of \$30,000 in the aggregate for the campaign of a candidate elected in the election last preceding the date of contract award that has jurisdiction over this contract.

As a duly authorized representative for the bidder, offeror, or contractor, I have fully informed myself regarding the accuracy of all statements made in this affidavit, and acknowledge that the Commonwealth is reasonably relying upon these statements, in making a decision for contract award and any failure to accurately disclose such information may result in contract termination, repayment of funds and other available remedies under law. If the bidder bidder, offeror, or contractor becomes non-compliant with any statement during the affidavit effective period, I will notify the Finance and Administration Cabinet, Office of Procurement Services immediately. I understand that the Commonwealth retains the right to request an updated affidavit at any time.

Signature Printed Name

Title Date

Company Name _____
Address _____

Subscribed and sworn to before me by _____
(Affiant) (Title)

of _____ this ____ day of _____, 20____.
(Company Name)

Notary Public
[seal of notary] My commission expires: _____

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TC 73-102 VENDOR INSTRUCTIONS

REQUIRED AFFIDAVIT FOR BIDDERS, OFFERORS AND CONTRACTORS CLAIMING QUALIFIED BIDDER STATUS

FOR BIDS AND CONTRACTS IN GENERAL:

I. The bidder or offeror swears and affirms under penalty of perjury that the entity bidding, and all subcontractors therein, meets the requirements to be considered a "qualified bidder" in accordance with [200 KAR 5:410\(3\)](#); and will continue to comply with such requirements for the duration of any contract awarded. Please identify below the particular "qualified bidder" status claimed by the bidding entity.

_____ A nonprofit corporation that furthers the purposes of KRS Chapter 163

_____ Per KRS 45A.465(3), a "Qualified nonprofit agency for individuals with severe disabilities" means an organization that:

- (a) Is organized and operated in the interest of individuals with severe disabilities; and
- (b) Complies with any applicable occupational health and safety law of the United States and the Commonwealth; and
- (c) In the manufacture or provision of products or services listed or purchased under KRS 45A.470, during the fiscal year employs individuals with severe disabilities for not less than seventy-five percent (75%) of the man hours of direct labor required for the manufacture or provision of the products or services; and
- (d) Is registered and in good standing as a nonprofit organization with the Secretary of State.

The BIDDING AGENCY reserves the right to request documentation supporting a bidder's claim of qualified bidder status. Failure to provide such documentation upon request may result in disqualification of the bidder or contract termination.

_____ Signature	_____ Printed Name
_____ Title	_____ Date
Company Name	_____
Address	_____

Subscribed and sworn to before me by _____
 (Affiant) (Title)

of _____ this ____ day of _____, 20__.
 (Company Name)

 Notary Public
 [seal of notary] My commission expires: _____



Commonwealth of Kentucky
FINANCE AND ADMINISTRATION CABINET
Office of the Controller
Office of Procurement Services
Room 096 Capitol Annex
Frankfort, Kentucky 40601
(502) 564-4510
(502) 564-1434 Facsimile


MATTHEW G. BEVIN
Governor

WILLIAM M. LANDRUM III
Secretary

ED ROSS
Controller

JOAN GRAHAM
Executive Director

TO: William M. Landrum III, Secretary
Finance and Administration Cabinet

FROM: Joan Graham, Executive Director 
Office of Procurement Services

DATE: January 18, 2017

SUBJECT: Emergency Purchase – Kentucky Transportation Cabinet – I-24 Bridge Repair - Marshall County

Attached for your review is a letter from the Kentucky Transportation Cabinet (KYTC) requesting approval of an emergency purchase contract for repair of the I-24 bridge over the Tennessee River in Marshall County. On November 15, 2016, the District 1 bridge crew discovered a broken finger dam expansion assembly in the right westbound lane. The crew has tried several options to repair the bridge unsuccessfully resulting in the decision to close the lane. The finger dam assembly in the left lane is also in poor condition and needs immediate replacement to avoid further damage.

An average of 15,000 vehicles per day use the bridge with approximately 29% truck traffic. The closed lane is causing traffic backups and will limit emergency medical response times and increase the risk of traffic accidents creating a potential public safety hazard.

KYTC has obtained five informal quotes for the repairs. They are requesting to proceed with the repair with Judy Harp Co. who provided the lowest quote. The cost of the repair is \$221,959 and will be funded from the Road Fund FE02 bridge maintenance account.

In accordance with KRS 45A.095, I recommend approval to exempt this purchase from competitive bid. Please contact me if you have any questions or wish to discuss this further.

Approved:


William M. Landrum III, Secretary




Commonwealth of Kentucky
TRANSPORTATION CABINET
Frankfort, KY 40622
www.transportation.ky.gov/

Matthew G. Bevin
Governor

Greg Thomas
Secretary

MEMORANDUM

TO: Joan Graham, Executive Director
Office of Procurement Services
Finance and Administration Cabinet

FROM: Greg Thomas, Secretary 
Kentucky Transportation Cabinet

DATE: January 11, 2017

SUBJECT: Emergency Purchase
I-24 Bridge Repair – Marshall County
Estimated Cost \$221,959.00

Per KRS 45A.095 and FAP111-39-00-S, the KYTC Division of Purchases requests permission to issue an emergency purchase contract to Judy C Harp Company Inc to make the required bridge repairs and replace the finger dam expansion joint assembly on the I-24 Bridge (079B001 18L) over the Tennessee River in Marshall County. The vendor is required to furnish all labor, materials, tools, equipment, and maintain all traffic control.

The broken finger dam expansion assembly was discovered on 11/15/2016. Since that date the KYTC District 1 bridge crew has tried several options to repair the issue. Their efforts have failed and now the right (slow) lane carrying westbound traffic has been closed. The finger dam expansion assembly in the left lane/fast lane is in poor condition and is currently being held in place by ½" steel crane cable. If this steel cable breaks all of west bound I-24 will have to be closed. The high strength bolts that are intended to secure this finger dam have broken. The broken bolts have been replaced with new high strength bolts. However, the new high strength bolts are now also broken.

On average, the bridge carries approximately 15,000 vehicles per day; approximately 29% is truck traffic. With the bridge down to one lane traffic backups will be common with delays of more than an hour possible. This will severely limit emergency medical services (EMS) response times, and increase the risk for vehicular accidents which creates a threat to public health and safety thus creating a transportation emergency.

With the closing of the lane, motorists will be advised that road delays are possible and wide loads are to take alternate routes. We are proceeding expeditiously to detour traffic at all locations and repair those sections sufficiently to protect facilities from further damage.



A Request for Quote was issued on December 22, 2016 with responses due January 10, 2017 at 2:00pm. Five prequalified contractors supplied quotes to the department as follows:

Judy Harp Co – Frankfort, KY	\$221,959.00
American Contracting – Jeffersonville, IN	\$268,000.00
Intech Contracting – Lexington, KY	\$304,892.00
Hall Contracting – Louisville, KY	\$320,000.00
M & M Services - Mt. Sterling, KY	\$348,499.00

This project will be funded out of the Road Fund FE02 bridge maintenance account. Performance and payment bonds will be secured and on file along with proof of liability insurance. The final repair costs could be higher if any unforeseen circumstances arise.

Attachments



Commonwealth of Kentucky
TRANSPORTATION CABINET
Frankfort, Kentucky 40622
www.transportation.ky.gov/

Matthew G. Bevin
Governor

Greg Thomas
Secretary

MEMORANDUM

TO: Greg Thomas, Secretary *GT*
Kentucky Transportation Cabinet

THROUGH: Robin Brewer, Executive Director *R.B.*
Office of Budget & Fiscal Management

THROUGH: Laura Hagan, Acting Director *L. Hagan*
Division of Purchases

FROM: Jon Wilcoxson, Director *J. Wilcoxson*
Division of Maintenance

DATE: January 11, 2017

SUBJECT: Emergency Purchase
I-24 Bridge Repair – Marshall County
Estimated Cost \$221,959.00

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Attachments

Frequently Asked Questions about the Required Affidavit for Bidders, Offerors, and Contractors

What must the affidavit be executed for?

- Competitive bids for goods, commodities, non-professional services, or professional services (signed by all bidders, and notarized).
- Noncompetitively negotiated contracts (i.e. any sole source, not practical or feasible to bid, or emergency contracts) (signed by contractor, since no bid, and notarized)
- Small purchase awards, to include transactions without a written contract (over \$1000). (If taking quotes, must be signed by awarded contractor only, and notarized).
- Stand alone payments (PRCs). (Must be signed by the authorized company representative, and notarized.)

All Affidavits must be notarized in all circumstances, as the notary is witnessing the signature of the individual who is swearing under penalty of perjury.

What does the affidavit not have to be executed for?

- Stand-alone payments for GAX, such as utilities, court-ordered payments, postage.
- Procard payments.
- Purchases off Master Agreements (The affidavit will be obtained when MA is established and the agencies do not need to obtain affidavits for each individual purchase off an existing Master Agreement).
- Agreements between governmental agencies.
- Payments for dues, subscriptions.
- TPs for reimbursements to employees.
- Purchases or stand alone payments in amounts less than or equal to \$1000. Procurement requirements can not be parceled, split, divided, or scheduled over a period of time in order to subvert the intent of this procedure.
- Agreement for the acquisition of real property.

Why is FAC making this change?

- The Campaign Finance Sworn Statement requirement is statutory under KRS 45A.110. The Finance and Administration Cabinet already requires that this form be signed and notarized for FAC contracts, and our legal office has advised that the form should also be executed for other agency contracts and small purchases as a matter of law.

What is the Annual Affidavit?

- The annual affidavit is revised Affidavit for Bidders, Contractors and Offerors that covers a one-year period and may be used by multiple agencies for multiple purchases/payments within the designated one-year period. The following is a link to the annual affidavit process: <https://finance.ky.gov/services/eprocurement/Documents/ANNUAL%20AFFIDAVIT%20PROCESS%202018.ppt>

Does this apply to renewals?

- Yes. When a contract (competitive or non-competitive) is renewed for another term, the affidavit should be re-executed as of the date of renewal unless an annual affidavit is on file and covers that time period.

Does this apply to contract modifications?

- No. The affidavit does not need to be re-executed each time a contract modification is done.

Do we have to modify existing contracts, which do not have the affidavit, just to add the affidavit?

- No. However, as existing contracts are modified for other reasons, have the vendor execute the affidavit at the same time.

Does the executed affidavit need to be attached to the contract in eMARS?

- Yes

Can we accept an email and/or faxed copy of the affidavit or does it have to be an *original*?

- We can accept faxes or scanned and emailed affidavits, as long as they have been signed and notarized and as long as it is not for an out-of-state vendor (which requires an actual notary seal). Have the vendor mail in the original.

Are prior arrangements exempt from the affidavit process?

- No- these would not be exempt.

We have been asked by several vendors if the cost of getting the affidavits notarized can be passed along to the state?

- No- it is part of them doing business with the Commonwealth.

If a vendor violates a part of the Affidavit, what action can be taken?

- Action could be taken against a vendor as indicated at the bottom of the affidavit: "failure to accurately disclose such information may result in contract termination, repayment of funds and other available remedies under law."

If we pay a vendor on an as needed basis, do we need to get an affidavit each time we make a payment or is the affidavit valid for a period of time?

- The annual affidavit covers a one-year period and may cover multiple agencies and multiple purchases/payments. The original affidavit does not cover a period of time, does the original affidavit be kept on file to cover multiple purchases/ payments or multiple agencies within a cabinet.

What if we encounter a vendor that refuses to provide the completed form?

- We cannot contract with them.

Can agency personnel that are Notaries notarize these affidavits?

- Yes, the notary is supposed to witness the signature, and there is no objection to a state employee performing those duties for a vendor. The agency could have some employees who have jobs that require them to make frequent purchases – like maintenance workers- become notaries so they can notarize the signatures.

Can we pay the cost of an employee to become a notary?

- The agency can reimburse an employee the cost of becoming a notary on a TP. Information on how to apply to become a notary is available on the Secretary of State's website. The application fee is \$10. A notary public's term of office is for four years.

Instead of having the vendor execute an affidavit for each purchase made, could we create a standing order in the form of a PO or PO2 and make payments against it?

- Yes, a "standing order" is a purchase order that has been issued to a vendor, against which purchases may be made. When repeated purchases of the same type of supply item are expected, multiple orders may be eliminated. Per the affidavit: "the award of a contract to the bidder or offeror or the entity which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth." If the vendor executes the affidavit for the standing order, this is sufficient.

The standing order can not exceed an agency's small purchase authority or single quote limit, nor can procurement requirements be parceled, split, divided, or scheduled over a period of time in order to subvert the intent of this procedure. If an agency's projected needs for like items will cost more than what it can purchase under its small purchase limit, the agency shall submit a Requisition to the Finance and Administration Cabinet, Office of Procurement Services for commodities and services.

New standing purchase orders must be issued each fiscal year.

Please use the template which has been set up in eMARS called **SOPO** - Standing/Open Purchase Order. It contains clauses that cover:

QUANTITY BASIS OF CONTRACT – ESTIMATED QUANTITIES

Any and all quantities mentioned in this Contract are purely estimates, and are not to be implied nor inferred as being guarantees. The State is obligated to buy only that quantity needed during the term of the contract.

FUNDING-OUT PROVISION

The Vendor agrees that if funds are not appropriated to the agency or are not otherwise available for the purpose of making payments, the agency shall be authorized, upon thirty (30) days written notice to the Vendor, to terminate this contract. The termination shall be without any other obligation or liability of any cancellation or termination charges.

CANCELLATION CLAUSE – 30 DAYS NOTICE

The Commonwealth may cancel the contract by giving written notice thirty (30) days prior to effective cancellation date. In the event such action is taken, the contract shall be null and void upon receipt of a Modification canceling the contract.

Make sure to incorporate your clauses by full text so they are included in the printed contract.

Where can I get a copy of the Affidavit?

- The annual affidavit can be accessed directly from this link: <https://finance.ky.gov/services/eprocurement/Documents/Annual%20Required%20Affidavit%20for%20Bidders%20Offerors%20and%20Contractors.pdf>
- The affidavit can be accessed directly from this link: http://finance.ky.gov/services/eprocurement/Documents/Attachment_2.pdf



Matthew G. Bevin
Governor

**COMMONWEALTH OF KENTUCKY
TRANSPORTATION CABINET**
Frankfort, Kentucky 40622
www.transportation.ky.gov/

Greg Thomas
Secretary

MEMORANDUM

TO: Greg Thomas, Secretary
Transportation Cabinet

THRU: Robin Brewer, Executive Director
Office of Budget & Fiscal Management

Jan for Robin Brewer

THRU: Jody Hall, CPPO, CPPB, Director
Division of Purchases

J Hall

THRU: Steve Parker, Commissioner
Department of Aviation

Steve Parker

FROM: Scott Shannon, Assistant Director
Capital City Airport Division

Scott Shannon

DATE: May 16, 2017

SUBJECT: Aircraft Inspection – Not Practical or Feasible to Bid – FAP 111-09-00-12

The Capital City Airport Division (CCAD) is currently coordinating unplanned maintenance on Bombardier Learjet N36SP. The aircraft is owned and operated by the Kentucky State Police (KSP) and maintained by the CCAD aircraft maintenance section. This aircraft is used primarily to transport the Governor and other state officials when traveling outside of Kentucky.

The Learjet had to land at Kansas City International Airport (KMCI) on Tuesday, May 9th at approximately 3:48 PM EST due to an issue with the flight controls. The aircraft landed safely without incident.

After consulting with several aircraft maintenance shops, including the aircraft manufacturer Tech Reps from Bombardier, Steve Seger, Aircraft Maintenance Supervisor for CCAD, contacted the nearest Bombardier Service Center, located in Wichita, KS, who dispatched a crew to Kansas City to repair the aircraft. They have been on site the last few days to assess the problem. Because of the unknown timeline, the two aircraft crewmembers returned home but the aircraft is still in Kansas City, MO being evaluated.



An Equal Opportunity Employer M/F/D

May 16, 2017

SUBJECT: Aircraft Inspection – Not Practical or Feasible to Bid

It was not feasible to fly the aircraft anywhere else until the problem is resolved due to the requirements of both the aircraft manufacturer and Federal Aviation Administration (FAA). Aircraft components have been removed and after disassembly, it is not feasible to reassemble the aircraft and fly it to another vendor for them to evaluate the problem. In addition, aircraft maintenance facilities are regulated by Federal Aviation Regulations and are prohibited from reinstalling a component knowing it not to be airworthy.

The cost of the ongoing evaluation is currently at \$15,190.00. The current vendor, Bombardier, is continuing to evaluate the aircraft, so I request approval not to exceed a total of \$50,000.

This evaluation is required to make this aircraft airworthy; therefore, I request approval to complete the aircraft evaluation and work pursuant to FAP111-09-00-12. I would conclude this not practical to bid since we do not know what discrepancies may be found during the inspection/evaluation process.

Thank you for your consideration of this request. If you have any questions, please contact Scott Shannon at telephone 502-564-0520.



Matthew G. Bevin
Governor

COMMONWEALTH OF KENTUCKY
TRANSPORTATION CABINET
Frankfort, Kentucky 40622
www.transportation.ky.gov/

Greg Thomas
Secretary

MEMORANDUM

TO: Joan Graham, Executive Director
Office of Procurement Services

FROM: Greg Thomas, Secretary
Transportation Cabinet 

DATE: May 16, 2017

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Finance and Administration
Office of Procurement Services
APPROVED
Jan Graham

**REQUIRED CONTRACT PROVISIONS
FEDERAL-AID CONSTRUCTION CONTRACTS**

- I. General
- II. Nondiscrimination
- III. Nonsegregated Facilities
- IV. Davis-Bacon and Related Act Provisions
- V. Contract Work Hours and Safety Standards Act Provisions
- VI. Subletting or Assigning the Contract
- VII. Safety: Accident Prevention
- VIII. False Statements Concerning Highway Projects
- IX. Implementation of Clean Air Act and Federal Water Pollution Control Act
- X. Compliance with Governmentwide Suspension and Debarment Requirements
- XI. Certification Regarding Use of Contract Funds for Lobbying

ATTACHMENTS

A. Employment and Materials Preference for Appalachian Development Highway System or Appalachian Local Access Road Contracts (included in Appalachian contracts only)

I. GENERAL

1. Form FHWA-1273 must be physically incorporated in each construction contract funded under Title 23 (excluding emergency contracts solely intended for debris removal). The contractor (or subcontractor) must insert this form in each subcontract and further require its inclusion in all lower tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services).

The applicable requirements of Form FHWA-1273 are incorporated by reference for work done under any purchase order, rental agreement or agreement for other services. The prime contractor shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Form FHWA-1273 must be included in all Federal-aid design-build contracts, in all subcontracts and in lower tier subcontracts (excluding subcontracts for design services, purchase orders, rental agreements and other agreements for supplies or services). The design-builder shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Contracting agencies may reference Form FHWA-1273 in bid proposal or request for proposal documents, however, the Form FHWA-1273 must be physically incorporated (not referenced) in all contracts, subcontracts and lower-tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services related to a construction contract).

2. Subject to the applicability criteria noted in the following sections, these contract provisions shall apply to all work performed on the contract by the contractor's own organization and with the assistance of workers under the contractor's immediate superintendence and to all work performed on the contract by piecework, station work, or by subcontract.

3. A breach of any of the stipulations contained in these Required Contract Provisions may be sufficient grounds for withholding of progress payments, withholding of final payment, termination of the contract, suspension / debarment or any other action determined to be appropriate by the contracting agency and FHWA.

4. Selection of Labor: During the performance of this contract, the contractor shall not use convict labor for any purpose within the limits of a construction project on a Federal-aid highway unless it is labor performed by convicts who are on parole, supervised release, or probation. The term Federal-aid highway does not include roadways functionally classified as local roads or rural minor collectors.

II. NONDISCRIMINATION

The provisions of this section related to 23 CFR Part 230 are applicable to all Federal-aid construction contracts and to all related construction subcontracts of \$10,000 or more. The provisions of 23 CFR Part 230 are not applicable to material supply, engineering, or architectural service contracts.

In addition, the contractor and all subcontractors must comply with the following policies: Executive Order 11246, 41 CFR 60, 29 CFR 1625-1627, Title 23 USC Section 140, the Rehabilitation Act of 1973, as amended (29 USC 794), Title VI of the Civil Rights Act of 1964, as amended, and related regulations including 49 CFR Parts 21, 26 and 27; and 23 CFR Parts 200, 230, and 633.

The contractor and all subcontractors must comply with: the requirements of the Equal Opportunity Clause in 41 CFR 60-1.4(b) and, for all construction contracts exceeding \$10,000, the Standard Federal Equal Employment Opportunity Construction Contract Specifications in 41 CFR 60-4.3.

Note: The U.S. Department of Labor has exclusive authority to determine compliance with Executive Order 11246 and the policies of the Secretary of Labor including 41 CFR 60, and 29 CFR 1625-1627. The contracting agency and the FHWA have the authority and the responsibility to ensure compliance with Title 23 USC Section 140, the Rehabilitation Act of 1973, as amended (29 USC 794), and Title VI of the Civil Rights Act of 1964, as amended, and related regulations including 49 CFR Parts 21, 26 and 27; and 23 CFR Parts 200, 230, and 633.

The following provision is adopted from 23 CFR 230, Appendix A, with appropriate revisions to conform to the U.S. Department of Labor (US DOL) and FHWA requirements.

1. Equal Employment Opportunity: Equal employment opportunity (EEO) requirements not to discriminate and to take affirmative action to assure equal opportunity as set forth under laws, executive orders, rules, regulations (28 CFR 35, 29 CFR 1630, 29 CFR 1625-1627, 41 CFR 60 and 49 CFR 27) and orders of the Secretary of Labor as modified by the provisions prescribed herein, and imposed pursuant to 23 U.S.C. 140 shall constitute the EEO and specific affirmative action standards for the contractor's project activities under

this contract. The provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) set forth under 28 CFR 35 and 29 CFR 1630 are incorporated by reference in this contract. In the execution of this contract, the contractor agrees to comply with the following minimum specific requirement activities of EEO:

a. The contractor will work with the contracting agency and the Federal Government to ensure that it has made every good faith effort to provide equal opportunity with respect to all of its terms and conditions of employment and in their review of activities under the contract.

b. The contractor will accept as its operating policy the following statement:

"It is the policy of this Company to assure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, color, national origin, age or disability. Such action shall include: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship, pre-apprenticeship, and/or on-the-job training."

2. EEO Officer: The contractor will designate and make known to the contracting officers an EEO Officer who will have the responsibility for and must be capable of effectively administering and promoting an active EEO program and who must be assigned adequate authority and responsibility to do so.

3. Dissemination of Policy: All members of the contractor's staff who are authorized to hire, supervise, promote, and discharge employees, or who recommend such action, or who are substantially involved in such action, will be made fully cognizant of, and will implement, the contractor's EEO policy and contractual responsibilities to provide EEO in each grade and classification of employment. To ensure that the above agreement will be met, the following actions will be taken as a minimum:

a. Periodic meetings of supervisory and personnel office employees will be conducted before the start of work and then not less often than once every six months, at which time the contractor's EEO policy and its implementation will be reviewed and explained. The meetings will be conducted by the EEO Officer.

b. All new supervisory or personnel office employees will be given a thorough indoctrination by the EEO Officer, covering all major aspects of the contractor's EEO obligations within thirty days following their reporting for duty with the contractor.

c. All personnel who are engaged in direct recruitment for the project will be instructed by the EEO Officer in the contractor's procedures for locating and hiring minorities and women.

d. Notices and posters setting forth the contractor's EEO policy will be placed in areas readily accessible to employees, applicants for employment and potential employees.

e. The contractor's EEO policy and the procedures to implement such policy will be brought to the attention of employees by means of meetings, employee handbooks, or other appropriate means.

4. Recruitment: When advertising for employees, the contractor will include in all advertisements for employees the notation: "An Equal Opportunity Employer." All such advertisements will be placed in publications having a large circulation among minorities and women in the area from which the project work force would normally be derived.

a. The contractor will, unless precluded by a valid bargaining agreement, conduct systematic and direct recruitment through public and private employee referral sources likely to yield qualified minorities and women. To meet this requirement, the contractor will identify sources of potential minority group employees, and establish with such identified sources procedures whereby minority and women applicants may be referred to the contractor for employment consideration.

b. In the event the contractor has a valid bargaining agreement providing for exclusive hiring hall referrals, the contractor is expected to observe the provisions of that agreement to the extent that the system meets the contractor's compliance with EEO contract provisions. Where implementation of such an agreement has the effect of discriminating against minorities or women, or obligates the contractor to do the same, such implementation violates Federal nondiscrimination provisions.

c. The contractor will encourage its present employees to refer minorities and women as applicants for employment. Information and procedures with regard to referring such applicants will be discussed with employees.

5. Personnel Actions: Wages, working conditions, and employee benefits shall be established and administered, and personnel actions of every type, including hiring, upgrading, promotion, transfer, demotion, layoff, and termination, shall be taken without regard to race, color, religion, sex, national origin, age or disability. The following procedures shall be followed:

a. The contractor will conduct periodic inspections of project sites to insure that working conditions and employee facilities do not indicate discriminatory treatment of project site personnel.

b. The contractor will periodically evaluate the spread of wages paid within each classification to determine any evidence of discriminatory wage practices.

c. The contractor will periodically review selected personnel actions in depth to determine whether there is evidence of discrimination. Where evidence is found, the contractor will promptly take corrective action. If the review indicates that the discrimination may extend beyond the actions reviewed, such corrective action shall include all affected persons.

d. The contractor will promptly investigate all complaints of alleged discrimination made to the contractor in connection with its obligations under this contract, will attempt to resolve such complaints, and will take appropriate corrective action within a reasonable time. If the investigation indicates that the discrimination may affect persons other than the complainant, such corrective action shall include such other persons. Upon completion of each investigation, the contractor will inform every complainant of all of their avenues of appeal.

6. Training and Promotion:

a. The contractor will assist in locating, qualifying, and increasing the skills of minorities and women who are

applicants for employment or current employees. Such efforts should be aimed at developing full journey level status employees in the type of trade or job classification involved.

b. Consistent with the contractor's work force requirements and as permissible under Federal and State regulations, the contractor shall make full use of training programs, i.e., apprenticeship, and on-the-job training programs for the geographical area of contract performance. In the event a special provision for training is provided under this contract, this subparagraph will be superseded as indicated in the special provision. The contracting agency may reserve training positions for persons who receive welfare assistance in accordance with 23 U.S.C. 140(a).

c. The contractor will advise employees and applicants for employment of available training programs and entrance requirements for each.

d. The contractor will periodically review the training and promotion potential of employees who are minorities and women and will encourage eligible employees to apply for such training and promotion.

7. Unions: If the contractor relies in whole or in part upon unions as a source of employees, the contractor will use good faith efforts to obtain the cooperation of such unions to increase opportunities for minorities and women. Actions by the contractor, either directly or through a contractor's association acting as agent, will include the procedures set forth below:

a. The contractor will use good faith efforts to develop, in cooperation with the unions, joint training programs aimed toward qualifying more minorities and women for membership in the unions and increasing the skills of minorities and women so that they may qualify for higher paying employment.

b. The contractor will use good faith efforts to incorporate an EEO clause into each union agreement to the end that such union will be contractually bound to refer applicants without regard to their race, color, religion, sex, national origin, age or disability.

c. The contractor is to obtain information as to the referral practices and policies of the labor union except that to the extent such information is within the exclusive possession of the labor union and such labor union refuses to furnish such information to the contractor, the contractor shall so certify to the contracting agency and shall set forth what efforts have been made to obtain such information.

d. In the event the union is unable to provide the contractor with a reasonable flow of referrals within the time limit set forth in the collective bargaining agreement, the contractor will, through independent recruitment efforts, fill the employment vacancies without regard to race, color, religion, sex, national origin, age or disability; making full efforts to obtain qualified and/or qualifiable minorities and women. The failure of a union to provide sufficient referrals (even though it is obligated to provide exclusive referrals under the terms of a collective bargaining agreement) does not relieve the contractor from the requirements of this paragraph. In the event the union referral practice prevents the contractor from meeting the obligations pursuant to Executive Order 11246, as amended, and these special provisions, such contractor shall immediately notify the contracting agency.

8. Reasonable Accommodation for Applicants / Employees with Disabilities: The contractor must be familiar

with the requirements for and comply with the Americans with Disabilities Act and all rules and regulations established there under. Employers must provide reasonable accommodation in all employment activities unless to do so would cause an undue hardship.

9. Selection of Subcontractors, Procurement of Materials and Leasing of Equipment: The contractor shall not discriminate on the grounds of race, color, religion, sex, national origin, age or disability in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor shall take all necessary and reasonable steps to ensure nondiscrimination in the administration of this contract.

a. The contractor shall notify all potential subcontractors and suppliers and lessors of their EEO obligations under this contract.

b. The contractor will use good faith efforts to ensure subcontractor compliance with their EEO obligations.

10. Assurance Required by 49 CFR 26.13(b):

a. The requirements of 49 CFR Part 26 and the State DOT's U.S. DOT-approved DBE program are incorporated by reference.

b. The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the contracting agency deems appropriate.

11. Records and Reports: The contractor shall keep such records as necessary to document compliance with the EEO requirements. Such records shall be retained for a period of three years following the date of the final payment to the contractor for all contract work and shall be available at reasonable times and places for inspection by authorized representatives of the contracting agency and the FHWA.

a. The records kept by the contractor shall document the following:

(1) The number and work hours of minority and non-minority group members and women employed in each work classification on the project;

(2) The progress and efforts being made in cooperation with unions, when applicable, to increase employment opportunities for minorities and women; and

(3) The progress and efforts being made in locating, hiring, training, qualifying, and upgrading minorities and women;

b. The contractors and subcontractors will submit an annual report to the contracting agency each July for the duration of the project, indicating the number of minority, women, and non-minority group employees currently engaged in each work classification required by the contract work. This information is to be reported on [Form FHWA-1391](#). The staffing data should represent the project work force on board in all or any part of the last payroll period preceding the end of July. If on-the-job training is being required by special provision, the contractor

will be required to collect and report training data. The employment data should reflect the work force on board during all or any part of the last payroll period preceding the end of July.

III. NONSEGREGATED FACILITIES

This provision is applicable to all Federal-aid construction contracts and to all related construction subcontracts of \$10,000 or more.

The contractor must ensure that facilities provided for employees are provided in such a manner that segregation on the basis of race, color, religion, sex, or national origin cannot result. The contractor may neither require such segregated use by written or oral policies nor tolerate such use by employee custom. The contractor's obligation extends further to ensure that its employees are not assigned to perform their services at any location, under the contractor's control, where the facilities are segregated. The term "facilities" includes waiting rooms, work areas, restaurants and other eating areas, time clocks, restrooms, washrooms, locker rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees. The contractor shall provide separate or single-user restrooms and necessary dressing or sleeping areas to assure privacy between sexes.

IV. DAVIS-BACON AND RELATED ACT PROVISIONS

This section is applicable to all Federal-aid construction projects exceeding \$2,000 and to all related subcontracts and lower-tier subcontracts (regardless of subcontract size). The requirements apply to all projects located within the right-of-way of a roadway that is functionally classified as Federal-aid highway. This excludes roadways functionally classified as local roads or rural minor collectors, which are exempt. Contracting agencies may elect to apply these requirements to other projects.

The following provisions are from the U.S. Department of Labor regulations in 29 CFR 5.5 "Contract provisions and related matters" with minor revisions to conform to the FHWA-1273 format and FHWA program requirements.

1. Minimum wages

a. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions

of paragraph 1.d. of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph 1.b. of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

b.(1) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(i) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(ii) The classification is utilized in the area by the construction industry; and

(iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(2) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(3) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Wage and Hour Administrator for determination. The Wage and Hour Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or

will notify the contracting officer within the 30-day period that additional time is necessary.

(4) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs 1.b.(2) or 1.b.(3) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

c. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

d. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

2. Withholding

The contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract, or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the contracting agency may, after written notice to the contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

3. Payrolls and basic records

a. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-

Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

b. (1) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the contracting agency. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the contracting agency for transmission to the State DOT, the FHWA or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the contracting agency..

(2) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(i) That the payroll for the payroll period contains the information required to be provided under §5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under §5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(3) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph 3.b.(2) of this section.

(4) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

c. The contractor or subcontractor shall make the records required under paragraph 3.a. of this section available for inspection, copying, or transcription by authorized representatives of the contracting agency, the State DOT, the FHWA, or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the FHWA may, after written notice to the contractor, the contracting agency or the State DOT, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and trainees

a. Apprentices (programs of the USDOL).

Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice.

The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed.

Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly

rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination.

In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

b. Trainees (programs of the USDOL).

Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration.

The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration.

Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed.

In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

c. Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

- d. Apprentices and Trainees (programs of the U.S. DOT).

Apprentices and trainees working under apprenticeship and skill training programs which have been certified by the Secretary of Transportation as promoting EEO in connection with Federal-aid highway construction programs are not subject to the requirements of paragraph 4 of this Section IV. The straight time hourly wage rates for apprentices and trainees under such programs will be established by the particular programs. The ratio of apprentices and trainees to journeymen shall not be greater than permitted by the terms of the particular program.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

6. Subcontracts. The contractor or subcontractor shall insert Form FHWA-1273 in any subcontracts and also require the subcontractors to include Form FHWA-1273 in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of eligibility.

a. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

b. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

c. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

V. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

The following clauses apply to any Federal-aid construction contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by 29 CFR 5.5(a) or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1.) of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1.) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1.) of this section.

3. Withholding for unpaid wages and liquidated damages. The FHWA or the contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2.) of this section.

4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1.) through (4.) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1.) through (4.) of this section.

VI. SUBLETTING OR ASSIGNING THE CONTRACT

This provision is applicable to all Federal-aid construction contracts on the National Highway System.

1. The contractor shall perform with its own organization contract work amounting to not less than 30 percent (or a greater percentage if specified elsewhere in the contract) of the total original contract price, excluding any specialty items designated by the contracting agency. Specialty items may be performed by subcontract and the amount of any such specialty items performed may be deducted from the total original contract price before computing the amount of work required to be performed by the contractor's own organization (23 CFR 635.116).

a. The term "perform work with its own organization" refers to workers employed or leased by the prime contractor, and equipment owned or rented by the prime contractor, with or without operators. Such term does not include employees or equipment of a subcontractor or lower tier subcontractor, agents of the prime contractor, or any other assignees. The term may include payments for the costs of hiring leased employees from an employee leasing firm meeting all relevant Federal and State regulatory requirements. Leased employees may only be included in this term if the prime contractor meets all of the following conditions:

(1) the prime contractor maintains control over the supervision of the day-to-day activities of the leased employees;

(2) the prime contractor remains responsible for the quality of the work of the leased employees;

(3) the prime contractor retains all power to accept or exclude individual employees from work on the project; and

(4) the prime contractor remains ultimately responsible for the payment of predetermined minimum wages, the submission of payrolls, statements of compliance and all other Federal regulatory requirements.

b. "Specialty Items" shall be construed to be limited to work that requires highly specialized knowledge, abilities, or equipment not ordinarily available in the type of contracting organizations qualified and expected to bid or propose on the contract as a whole and in general are to be limited to minor components of the overall contract.

2. The contract amount upon which the requirements set forth in paragraph (1) of Section VI is computed includes the cost of material and manufactured products which are to be purchased or produced by the contractor under the contract provisions.

3. The contractor shall furnish (a) a competent superintendent or supervisor who is employed by the firm, has full authority to direct performance of the work in accordance with the contract requirements, and is in charge of all construction operations (regardless of who performs the work) and (b) such other of its own organizational resources (supervision, management, and engineering services) as the contracting officer determines is necessary to assure the performance of the contract.

4. No portion of the contract shall be sublet, assigned or otherwise disposed of except with the written consent of the contracting officer, or authorized representative, and such consent when given shall not be construed to relieve the contractor of any responsibility for the fulfillment of the contract. Written consent will be given only after the contracting agency has assured that each subcontract is

evidenced in writing and that it contains all pertinent provisions and requirements of the prime contract.

5. The 30% self-performance requirement of paragraph (1) is not applicable to design-build contracts; however, contracting agencies may establish their own self-performance requirements.

VII. SAFETY: ACCIDENT PREVENTION

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

1. In the performance of this contract the contractor shall comply with all applicable Federal, State, and local laws governing safety, health, and sanitation (23 CFR 635). The contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions as it determines, or as the contracting officer may determine, to be reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work covered by the contract.

2. It is a condition of this contract, and shall be made a condition of each subcontract, which the contractor enters into pursuant to this contract, that the contractor and any subcontractor shall not permit any employee, in performance of the contract, to work in surroundings or under conditions which are unsanitary, hazardous or dangerous to his/her health or safety, as determined under construction safety and health standards (29 CFR 1926) promulgated by the Secretary of Labor, in accordance with Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704).

3. Pursuant to 29 CFR 1926.3, it is a condition of this contract that the Secretary of Labor or authorized representative thereof, shall have right of entry to any site of contract performance to inspect or investigate the matter of compliance with the construction safety and health standards and to carry out the duties of the Secretary under Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C.3704).

VIII. FALSE STATEMENTS CONCERNING HIGHWAY PROJECTS

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

In order to assure high quality and durable construction in conformity with approved plans and specifications and a high degree of reliability on statements and representations made by engineers, contractors, suppliers, and workers on Federal-aid highway projects, it is essential that all persons concerned with the project perform their functions as carefully, thoroughly, and honestly as possible. Willful falsification, distortion, or misrepresentation with respect to any facts related to the project is a violation of Federal law. To prevent any misunderstanding regarding the seriousness of these and similar acts, Form FHWA-1022 shall be posted on each Federal-aid highway project (23 CFR 635) in one or more places where it is readily available to all persons concerned with the project:

18 U.S.C. 1020 reads as follows:

"Whoever, being an officer, agent, or employee of the United States, or of any State or Territory, or whoever, whether a person, association, firm, or corporation, knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the cost thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction on any highway or related project submitted for approval to the Secretary of Transportation; or

Whoever knowingly makes any false statement, false representation, false report or false claim with respect to the character, quality, quantity, or cost of any work performed or to be performed, or materials furnished or to be furnished, in connection with the construction of any highway or related project approved by the Secretary of Transportation; or

Whoever knowingly makes any false statement or false representation as to material fact in any statement, certificate, or report submitted pursuant to provisions of the Federal-aid Roads Act approved July 1, 1916, (39 Stat. 355), as amended and supplemented;

Shall be fined under this title or imprisoned not more than 5 years or both."

IX. IMPLEMENTATION OF CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

By submission of this bid/proposal or the execution of this contract, or subcontract, as appropriate, the bidder, proposer, Federal-aid construction contractor, or subcontractor, as appropriate, will be deemed to have stipulated as follows:

1. That any person who is or will be utilized in the performance of this contract is not prohibited from receiving an award due to a violation of Section 508 of the Clean Water Act or Section 306 of the Clean Air Act.
2. That the contractor agrees to include or cause to be included the requirements of paragraph (1) of this Section X in every subcontract, and further agrees to take such action as the contracting agency may direct as a means of enforcing such requirements.

X. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost \$25,000 or more – as defined in 2 CFR Parts 180 and 1200.

1. Instructions for Certification – First Tier Participants:

- a. By signing and submitting this proposal, the prospective first tier participant is providing the certification set out below.
- b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this

covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default.

d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

e. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contract). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (<https://www.epls.gov/>), which is compiled by the General Services Administration.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

2. Instructions for Certification - Lower Tier Participants:

(Applicable to all subcontracts, purchase orders and other lower tier transactions requiring prior FHWA approval or estimated to cost \$25,000 or more - 2 CFR Parts 180 and 1200)

a. By signing and submitting this proposal, the prospective lower tier is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which

this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances.

d. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (<https://www.epls.gov/>), which is compiled by the General Services Administration.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the

department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

* * * * *

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Participants:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

* * * * *

XI. CERTIFICATION REGARDING USE OF CONTRACT FUNDS FOR LOBBYING

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts which exceed \$100,000 (49 CFR 20).

1. The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

3. The prospective participant also agrees by submitting its bid or proposal that the participant shall require that the language of this certification be included in all lower tier subcontracts, which exceed \$100,000 and that all such recipients shall certify and disclose accordingly.

**ATTACHMENT A - EMPLOYMENT AND MATERIALS
PREFERENCE FOR APPALACHIAN DEVELOPMENT
HIGHWAY SYSTEM OR APPALACHIAN LOCAL ACCESS
ROAD CONTRACTS**

This provision is applicable to all Federal-aid projects funded under the Appalachian Regional Development Act of 1965.

1. During the performance of this contract, the contractor undertaking to do work which is, or reasonably may be, done as on-site work, shall give preference to qualified persons who regularly reside in the labor area as designated by the DOL wherein the contract work is situated, or the subregion, or the Appalachian counties of the State wherein the contract work is situated, except:

a. To the extent that qualified persons regularly residing in the area are not available.

b. For the reasonable needs of the contractor to employ supervisory or specially experienced personnel necessary to assure an efficient execution of the contract work.

c. For the obligation of the contractor to offer employment to present or former employees as the result of a lawful collective bargaining contract, provided that the number of nonresident persons employed under this subparagraph (1c) shall not exceed 20 percent of the total number of employees employed by the contractor on the contract work, except as provided in subparagraph (4) below.

2. The contractor shall place a job order with the State Employment Service indicating (a) the classifications of the laborers, mechanics and other employees required to perform the contract work, (b) the number of employees required in each classification, (c) the date on which the participant estimates such employees will be required, and (d) any other pertinent information required by the State Employment Service to complete the job order form. The job order may be placed with the State Employment Service in writing or by telephone. If during the course of the contract work, the information submitted by the contractor in the original job order is substantially modified, the participant shall promptly notify the State Employment Service.

3. The contractor shall give full consideration to all qualified job applicants referred to him by the State Employment Service. The contractor is not required to grant employment to any job applicants who, in his opinion, are not qualified to perform the classification of work required.

4. If, within one week following the placing of a job order by the contractor with the State Employment Service, the State Employment Service is unable to refer any qualified job applicants to the contractor, or less than the number requested, the State Employment Service will forward a certificate to the contractor indicating the unavailability of applicants. Such certificate shall be made a part of the contractor's permanent project records. Upon receipt of this certificate, the contractor may employ persons who do not normally reside in the labor area to fill positions covered by the certificate, notwithstanding the provisions of subparagraph (1c) above.

5. The provisions of 23 CFR 633.207(e) allow the contracting agency to provide a contractual preference for the use of mineral resource materials native to the Appalachian region.

6. The contractor shall include the provisions of Sections 1 through 4 of this Attachment A in every subcontract for work which is, or reasonably may be, done as on-site work.

AMERICAN ASSOCIATION
OF STATE HIGHWAY AND
TRANSPORTATION OFFICIALS

AASHTO

DAVID BERNHARDT, P.E., PRESIDENT
COMMISSIONER, MAINE DEPARTMENT OF TRANSPORTATION

BUD WRIGHT, EXECUTIVE DIRECTOR

444 NORTH CAPITOL STREET NW, SUITE 249, WASHINGTON, DC 20001
(202) 624-5800 • FAX: (202) 624-5806 • WWW.TRANSPORTATION.ORG

May 3, 2017

Dennis Flygstad
Office of Information Technology
Kentucky Transportation Cabinet
200 Mero Street
Frankfort, KY 40601

Dear Mr. Flygstad:

This letter is to confirm that the American Association of State Highway and Transportation Officials (AASHTO) is the sole source provider of the software products collectively referred to as "AASHTOWare". AASHTO holds all intellectual property rights including all copyright and trademarks to these software products on behalf of its member departments of transportation, and is the only supplier of licenses and provides support, maintenance and enhancements to valid licensees.

Regards,


Angelique B. Williams
AASHTOWare Business Manager



COMMONWEALTH OF KENTUCKY
TRANSPORTATION CABINET

www.transportation.ky.gov/

Matthew G. Bevin
Governor

Greg Thomas
Secretary

MEMORANDUM

TO: Greg Thomas, Secretary
Transportation Cabinet *GT*

THROUGH: Robin Brewer, Director *R.B.*
Office of Budget and Fiscal Management

THROUGH: Jodyi Hall, Director
Division of Purchases *JHall*

FROM: Heather Stout, Executive Director *HS*
Office of Information Technology

DATE: May 3, 2017

SUBJECT: Sole Source Request Based on FAP-111-10-00 *-05*
95H

The Office of Information Technology requests permission to renew a master agreement, 06*631, for software maintenance and licensing fees with AASHTO (American Association of State Highway and Transportation Officials). The vendor provided a letter stating their eligibility.

This contract renewal is essential to continue using the following software modules: BAM/DSS, Expedite, Site Manager, SiteXChange, Pre-Construction, Civil Rights labor management, Bids, Estimator, SYNC Service, Bridge Management Super Site License, Safety Analyst, Pavement ME Design, Project Service Units, and BrM Service Units.

These modules are currently in production and require a maintenance agreement to provide software licensing and updates from AASHTO. Failure to continue this support agreement would jeopardize critical Transportation technology systems that support our business processes.

Funding-Capital Project C5P3 and or C781 SPR 17*1901
The coverage period is from June 15, 2017 to June 14, 2018

Thank you for your consideration of this request and if you have any question please contact Dennis Flygstad at 782-3743.



An Equal Opportunity Employer M/F/D




Matthew G. Bevin
Governor

COMMONWEALTH OF KENTUCKY
TRANSPORTATION CABINET
www.transportation.ky.gov/

Greg Thomas
Secretary

MEMORANDUM

TO: Joan Graham, Executive Director
Office of Procurement Services
Finance and Administration Cabinet

FROM: Greg Thomas, Secretary 
Transportation Cabinet

DATE: May 3, 2017

SUBJECT: Sole Source Request Based on FAP-111-10-00

The Office of Information Technology requests permission to renew a master agreement, 06*631, for software maintenance and licensing fees with AASHTO (American Association of State Highway and Transportation Officials). The vendor provided a letter stating their eligibility.

This contract renewal is essential to continue using the following software modules: BAM/DSS, Expedite, Site Manager, SiteXChange, Pre-Construction, Civil Rights labor management, Bids, Estimator, SYNC Service, Bridge Management Super Site License, Safety Analyst, Pavement ME Design, Project Service Units, and BrM Service Units.

These modules are currently in production and require a maintenance agreement to provide software licensing and updates from AASHTO. Failure to continue this support agreement would jeopardize critical Transportation technology systems that support our business processes.

Funding-Capital Project C5P3 and or C781 SPR 17*1901
The coverage period is from June 15, 2017 to June 14, 2018

Thank you for your consideration of this request and if you have any question please contact Dennis Flygstad at 782-3743.

Finance and Administration
Office of Procurement Services
APPROVED




An Equal Opportunity Employer M/F/D

Solicitation/Contract #: _____

REQUIRED AFFIDAVIT FOR BIDDERS, OFFERORS AND CONTRACTORS

PAGE 1 OF 2

FOR BIDS AND CONTRACTS IN GENERAL:

- I. Each bidder or offeror swears and affirms under penalty of perjury, that:
- a. In accordance with KRS 45A.110 and KRS 45A.115, neither the bidder or offeror as defined in KRS 45A.070(6), nor the entity which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth of Kentucky; and the award of a contract to the bidder or offeror or the entity which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.
 - b. The bidder or offeror swears and affirms under penalty of perjury that, to the extent required by Kentucky law, the entity bidding, and all subcontractors therein, are aware of the requirements and penalties outlined in KRS 45A.485; have properly disclosed all information required by this statute; and will continue to comply with such requirements for the duration of any contract awarded.
 - c. The bidder or offeror swears and affirms under penalty of perjury that, to the extent required by Kentucky law, the entity bidding, and its affiliates, are duly registered with the Kentucky Department of Revenue to collect and remit the sales and use tax imposed by KRS Chapter 139, and will remain registered for the duration of any contract awarded.
 - d. The bidder or offeror swears and affirms under penalty of perjury that the entity bidding is not delinquent on any state taxes or fees owed to the Commonwealth of Kentucky and will remain in good standing for the duration of any contract awarded.

FOR "NON-BID" CONTRACTS (I.E. SOLE-SOURCE; NOT-PRACTICAL OR FEASIBLE TO BID; OR EMERGENCY CONTRACTS, ETC):

- II. Each contractor further swears and affirms under penalty of perjury, that:
- a. In accordance with KRS 121.056, and if this is a non-bid contract, neither the contractor, nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of any contract awarded, have contributed more than the amount specified in KRS 121.150 to the campaign of the gubernatorial slate elected in the election last preceding the date of contract award.
 - b. In accordance with KRS 121.330(1) and (2), and if this is a non-bid contract, neither the contractor, nor officers or employees of the contractor or any entity affiliated with the contractor, nor the spouses of officers or employees of the contractor or any entity affiliated with the contractor, have knowingly contributed more than \$5,000 in aggregate to the campaign of a candidate elected in the election last preceding the date of contract award that has jurisdiction over this contract award.

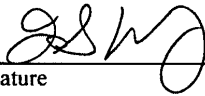
Solicitation/Contract #: _____

REQUIRED AFFIDAVIT FOR BIDDERS, OFFERORS AND CONTRACTORS

PAGE 2 OF 2

- c. In accordance with KRS 121.330(3) and (4), and if this is a non-bid contract, to the best of his/her knowledge, neither the contractor, nor any member of his/her immediate family, his/her employer, or his/her employees, or any entity affiliated with any of these entities or individuals, have directly solicited contributions in excess of \$30,000 in the aggregate for the campaign of a candidate elected in the election last preceding the date of contract award that has jurisdiction over this contract.

As a duly authorized representative for the bidder, offeror, or contractor, I have fully informed myself regarding the accuracy of all statements made in this affidavit, and acknowledge that the Commonwealth is reasonably relying upon these statements, in making a decision for contract award and any failure to accurately disclose such information may result in contract termination, repayment of funds and other available remedies under law.

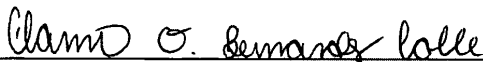

 Signature
 Executive Director
 Title

Frederick G. Wright
 Printed Name
4/4/17
 Date

Company Name American Association of State Highway and Transportation Officials (
AASHTO)
 Address 444 N Capitol Street, NW, Suite 249
Washington, DC 20001

Subscribed and sworn to before me by _____
 (Affiant) (Title)

of AASHTO this 4 day of April, 2017.
 (Company Name)


 Notary Public
 [seal of notary]

CLARISSE O. BERNARDES COBLE
 NOTARY PUBLIC DISTRICT OF COLUMBIA
 My Commission Expires April 14, 2019

My commission expires: _____



2012 Standard Specifications for Road and Bridge Construction

106.04 BUY AMERICA REQUIREMENT. Follow the "Buy America" provisions as required by Title 23 Code of Federal Regulations § 635.410. Except as expressly provided herein all manufacturing processes of steel or iron materials including but not limited to structural steel, guardrail materials, corrugated steel, culvert pipe, structural plate, prestressing strands, and steel reinforcing bars shall occur in the United States of America, including the application of:

- Coating,
- Galvanizing,
- Painting, and
- Other coating that protects or enhances the value of steel or iron products.

The following are exempt, unless processed or refined to include substantial amounts of steel or iron material, and may be used regardless of source in the domestic manufacturing process for steel or iron material:

- Pig iron,
- Processed, pelletized, and reduced iron ore material, or
- Processed alloys.

The Contractor shall submit a certification stating that all manufacturing processes involved with the production of steel or iron materials occurred in the United States.

Produce, mill, fabricate, and manufacture in the United States of America all aluminum components of bridges, tunnels, and large sign support systems, for which either shop fabrication, shop inspection, or certified mill test reports are required as the basis of acceptance by the Department.

Use foreign materials only under the following conditions:

- 1) When the materials are not permanently incorporated into the project; or
- 2) When the delivered cost of such materials used does not exceed 0.1 percent of the total Contract amount or \$2,500.00, whichever is greater.

The Contractor shall submit to the Engineer the origin and value of any foreign material used.

	KENTUCKY TRANSPORTATION CABINET Office of Budget & Fiscal Management DIVISION OF PURCHASES	TC 73-139 Rev. 07/2017 Page 1 of 1
VENDOR COMPLAINT		

Instructions: All blanks on this form must be completed. Return completed form by fax or email to the buyer of record.

SECTION 1: COMPLAINT INFORMATION

DISTRICT/DIVISION	CONTACT PERSON	PHONE	EMAIL
-------------------	----------------	-------	-------

(Check all that apply.)

- | | |
|---|---|
| <input type="checkbox"/> Late delivery | <input type="checkbox"/> Services fail to meet specifications |
| <input type="checkbox"/> Failure to meet response time | <input type="checkbox"/> Failure to respond to calls/emails |
| <input type="checkbox"/> Missed completion deadline | <input type="checkbox"/> Incorrect invoices |
| <input type="checkbox"/> Products fail to meet specifications | <input type="checkbox"/> Other _____ |

Details of complaint: (Attach additional pages if necessary.)

SECTION 2: CONTRACT INFORMATION

CONTRACT #	DESCRIPTION	VENDOR	BUYER
------------	-------------	--------	-------

SECTION 3: ACTIONS

Has the vendor been contacted? Yes No

If yes, provide the date(s) and method of contact.

	Date of contact	Method of contact	Comments
1.		<input type="checkbox"/> Phone <input type="checkbox"/> Email <input type="checkbox"/> Other _____	
2.		<input type="checkbox"/> Phone <input type="checkbox"/> Email <input type="checkbox"/> Other _____	
3.		<input type="checkbox"/> Phone <input type="checkbox"/> Email <input type="checkbox"/> Other _____	

Has the problem been resolved? Yes No

If yes, what action was taken by the vendor to resolve?

SECTION 4: SIGNATURE (name of person completing form)

_____	_____	_____
NAME (print)	SIGNATURE	DATE

For Division of Purchases use only

Complaint Letter Sent	Response Received	PE Completed
<input type="checkbox"/> Yes <input type="checkbox"/> No Date: _____	<input type="checkbox"/> Yes <input type="checkbox"/> No Date: _____	<input type="checkbox"/> Yes <input type="checkbox"/> No Date: _____

Buyer:

_____	_____	_____
NAME (print)	SIGNATURE	DATE

51F009 (08-14)

COMMONWEALTH OF KENTUCKY
FINANCE AND ADMINISTRATION CABINET
DEPARTMENT OF REVENUE
FRANKFORT
40601-2103

August 22, 2016

KY FINANCE AND ADMN CABINET
ATTN: ED ROSS
702 CAPITAL ANNEX ROOM 484
FRANKFORT, KY 40601

LOCATION ADDRESS
702 CAPITOL AVE RM 484 CAPITAL
FRANKFORT, KY 40601-

PURCHASE EXEMPTION NUMBER: ST037187

EFFECTIVE DATE: 07/29/1985

SUBJECT: STATE OF KENTUCKY EXEMPTION FROM KENTUCKY SALES AND USE TAX

Based on information submitted in your Application for Purchase Exemption – Sales and Use Tax, you are hereby authorized to purchase tangible personal property, or services, including utilities, without paying or reimbursing the vendor for the sales or use tax with respect to such purchases. A copy of this letter should be presented to the vendor to be retained as authorization to make such exempt sales.

Every vendor making such sales must require an official or an employee exercising comparable authority within the state government agency listed above to sign and acknowledge in writing on a copy of the invoice that the sale and delivery of the property was actually made to a unit of the state government. The invoice shall be retained by the vendor as documentary evidence in support of the deduction of the sale from gross receipts on the vendor's sales and use tax return. For proper reporting, the vendor must deduct receipts from these exempt sales on Line 6 of the sales and use tax return.

If any of the property or service is not used for an exempt purpose, the purchaser will be required to pay any tax due on purchases made tax-free under this exemption.

Any official or employee of a unit of federal, state, or local government who uses their position to make tax-free purchases for their own personal use, or for that of any other person, will be subject to the penalties provided in KRS 139.990 and other applicable laws.

In the event there is a change in your name, address, or operations from the information submitted in your application, you must notify the Department of Revenue in writing of the change immediately.

If you require additional information or assistance in this matter, please contact the undersigned at: Department of Revenue, Division of Sales and Use Tax, Station 67, PO Box 181, Frankfort, KY 40602-0181, or call 502-564-5170.



Connie Rodgers, Supervisor
Certification Section
Division of Sales and Use Tax

Enclosure

AN EQUAL OPPORTUNITY EMPLOYER M/F/D



Matthew G. Bevin
Governor

Commonwealth of Kentucky
Finance and Administration Cabinet
OFFICE OF THE SECRETARY
Room 383, Capitol Annex
702 Capital Avenue
Frankfort, KY 40601-3462
(502) 564-4240
Fax (502) 564-6785

William M. Landrum III
Secretary

SECRETARY'S ORDER NO. 18-002

**KENTUCKY TRANSPORTATION CABINET
REVISED PURCHASING DELEGATION**

WHEREAS, pursuant to the authority of KRS 45.301, KRS 45A.045 and KRS 42, 45, and Chapter 45A generally the Finance and Administration Cabinet, acting under the direction and control of the Secretary of Finance and Administration Cabinet is charged with the responsibility and authority for purchasing, or delegating and controlling the purchase of, the combined requirements of all spending agencies of the State for contractual services, interests in real estate, leases, rentals, supplies, materials, equipment, services of all kinds, and contractual services related to real property and capital construction projects; and,

WHEREAS, pursuant to the authority of KRS 45A.100 and administrative regulation 200 KAR 5:302 the Secretary of the Finance and Administration Cabinet may grant a delegated purchasing authority to any state agency requesting an increase and demonstrating a justifiable need for such increase; and

WHEREAS, the Secretary of the Kentucky Transportation Cabinet has requested that the Transportation Cabinet be delegated a revised purchasing delegation by the Finance and Administration Cabinet; and

WHEREAS, the Commissioner of the Department for Facilities and Support Services, the Executive Director of the Office of Facility Development and Efficiency and the Executive Director of the Office of Procurement Services have reviewed said request and are satisfied that the Transportation Cabinet possesses adequate facilities and competent staff to handle procurement at these higher small purchase limits as required under 200 KAR 5:302 and have recommended that purchasing authority hereinafter outlined be granted to this Cabinet;

NOW, THEREFORE, I, William M. Landrum III, Secretary of the Finance and Administration Cabinet, pursuant to the authority vested in me by KRS Chapters 42, 45, and 45A, and more specifically KRS 45A.100 and administrative regulation 200 KAR 5:302, do

Secretary's Order No. 2018-002

Page 2 of 6

hereby authorize and approve a revised purchasing delegation to the Transportation Cabinet as follows:

1. The revised purchasing delegation to the Transportation Cabinet is outlined in Attachment A hereto.
2. As part of this revision, prior delegations under Secretary's Order 06-003 and Secretary's Order 02-004 are rescinded herewith and, to the extent determined necessary, specific items from those prior orders are specifically incorporated into the revised purchasing delegation in Attachment A.
3. The purchasing authority hereby delegated shall be exercised in the manner specified by the law governing state purchases and shall be consistent with directives issued by the Finance and Administration Cabinet. The Transportation Cabinet is required to fully comply with Chapters 45 and 45A of the Kentucky Revised Statutes and all applicable Finance and Administration Cabinet regulations, policies, procedures and directives and will be subject to compliance or special audits by the Finance and Administration Cabinet.
4. The delegations of purchasing authority made herein shall be for the use of the Transportation Cabinet only unless otherwise stated herein or approved by the Finance and Administration Cabinet. To the extent Transportation Cabinet contracts provide that other agencies may use their contracts, such use shall henceforth be conditioned upon prior approval by the Finance and Administration Cabinet, and all Transportation Cabinet contracts entered into after the effective date of this Order shall set forth this condition in writing. Any such use of Transportation Cabinet contracts by other agencies shall follow the procedures as set forth in the attached Exhibit B to this Order.
5. The delegations of purchasing authority made herein shall be effective immediately and remain in effect until modified or rescinded by the Secretary of the Finance and Administration Cabinet.
6. This Order is effective upon execution. Any prior order or portion thereof that conflicts with this Order is hereby rescinded and held for naught.

Approved and granted this 8th day of February, 2018.



William M. Landrum III, Secretary
Finance and Administration Cabinet

Secretary's Order No. 2018-002
Page 3 of 6

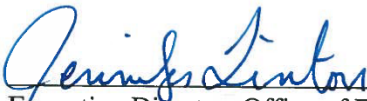
RECOMMENDED BY:



Executive Director,
Office of Procurement Services



Commissioner, Department for
Facilities and Support Services



Executive Director, Office of Facility
Development and Efficiency

Reviewed for Form and Legality



Attorney, Office of General Counsel

Secretary's Order No. 2018-002

Page 4 of 6

Attachment A

Pursuant to the foregoing order, purchasing authority is hereby delegated to the Kentucky Transportation Cabinet to purchase and make payment for the following items.

1. Aggregate
2. Aluminum Bars
3. Aluminum Bolts and Nuts
4. Aluminum Channels
5. Aluminum Handrails Posts
6. Aluminum Sign Blanks
7. Aluminum Sign Panels
8. Aluminum Pipe
9. Agronomy Commodities including but not limited to the following: 2-4D Amine, Amizine, Asulox, Borate, Chlorate, Diazinon, Fertilizers, Grass Seeds, Embark, Moleic Hydrazine, Krenite, MSMA, Liquid Drift Control, Roundup and Sufflan.
10. Auto Accessories
11. Bailey Bridges and Parts
12. Bituminous Hot and Cold Mix
13. Bituminous Materials (Liquid Asphalt)
14. Blasting Sand
15. Brass Sieves
16. Business Logos
17. Calcium Chloride
18. Cement
19. Cinders
20. Concrete Cylinder Molds
21. Concrete Cribbing
22. Concrete Pipe
23. Custodial Services (Rest Areas and KYTC operated facilities)
24. Debris Disposal and Site Reclamation Services – to dispose of disaster event debris removed from the public right-of-way and reclaim disposal sites used to store debris.
25. Debris Removal – to remove disaster event debris from the public right-of-way and transport it to staging or disposal sites. This service would include the cutting and removal of trees and limbs posing a safety hazard to the traveling public.
26. Demolition and removal of structures from right-of-way acquisitions
27. Disaster Monitoring Services – to support efforts in pre-event planning and training, post-disaster project management, debris removal contract monitoring, including documentation and data management, invoicing review and reconciliation, technical assistance with state and federal funding programs, temporary disposal site selection and monitoring, program management and administration, payment monitoring and reconciliation process, disaster relief coordination with federal agencies, and event closure.
28. Electrical Supplies and Products

Secretary's Order No. 2018-002

Page 5 of 6

29. Electrical Blasting Caps
30. Epoxy for Roadway Markers
31. Epoxy Resin
32. Equipment Rentals
33. Equipment repairs and/or repair parts
34. Explosives, Two Component
35. Expansion Joint Fillers
36. Fencing Material and Posts
37. Gabions
38. Garbage/Dumpster Service for KYTC facilities only
39. Gelatin or Ammonia Dynamite, Ammonium Nitrate, Perimacord and Instant Caps
40. Glass Beads
41. Geo-technical Drilling Service for roads only
42. Grave relocation from right-of-way. This delegation is subject to the Transportation Cabinet addressing any historical and environmental concerns and complying with all legal requirements related to grave relocation.
43. Guard Rail, Guard Rail Posts and Component Parts
44. Guardrail Erection
45. Intentionally omitted
46. Hand Held Radios (KYTC single frequency)
47. Heavy Roadway Construction Equipment and Vehicle purchases and rentals where the purchase/rental
48. Highway project identification signs
49. Hydraulic Fittings for equipment and garage lifts
50. Hydraulic Repairs for equipment and garage lifts
51. ITS Traffic Control Services - Intelligent Transportation System program - traffic cameras and Dynamic Message signs along the interstates statewide; road weather stations along the roads to monitor road conditions
52. Laboratory Supplies
53. Landscape Maintenance (over 1,200 buildings statewide)
54. Linseed Oil
55. Liquid Waste Disposal (Rest Areas)
56. Maintenance Paint
57. Maintenance Tools
58. Manufacture Highway Signs
59. Metal Bridge Planks
60. Metal Pipe
61. Mineral Spirits
62. Mower Parts
63. Non-Reflective Black (Opaque) Sheeting
64. Oil/Water Separators
65. One-Step System for Suppression of Reflective Cracking
66. Reinforcement Fibers for Bituminous Mixtures
67. Overhead doors (installation and maintenance)

Secretary's Order No. 2018-002

Page 6 of 6

68. Padlocks
69. Panel Signs
70. Paving Cement (Resinous)
71. Paint Stripper
72. Perforated Pipe
73. Plastic Drums for Traffic Control
74. Plastic Tubing
75. Plotter Supplies
76. Post Pullers and Drivers
77. Precast Concrete Bridges
78. Precast Concrete Buffer, Curbs and Headwalls
79. Pressure Washers
80. Intentionally omitted
81. Quick Setting Concrete Patching Materials
82. Raised Pavement Markers
83. Ready Mix Concrete
84. Reflective Delineators
85. Reflective Powder
86. Reflective Tape
87. Reflex/Reflective Sheeting
88. Refurbished Guard Rail and Posts
89. Right-of-Way and Facilities Mowing Services
90. Roadway Clearing – to clear vegetation and other disaster events debris from the roadway driving lanes order to reopen roads until such time as the debris can be removed permanently. This service would be proved during the first 72 hours after any disaster event. Vendors would be required to cut/remove debris from driving lanes and leave it at the edge of the roadway for later removal.
91. Safety related apparel of high visibility fluorescent material typically with reflective striping. To include but not limited to jackets, sweatshirts, t-shirts, polo shirts, vests, bard hats, hats, coveralls, and rain gear. Items that are colored in such a way as to enhance employee visibility in work zones.
92. Sand
93. Scrap Metal Disposal
94. Slag
95. Sign Brackets
96. Sign Stands
97. Snow and Ice Removal Equipment
98. Sodium Chloride
99. Specialized Traffic Items (Crash Cushions and Traffic Systems Maintenance Agreements)
100. Spray Head Cleaner
101. Steel Cribbing
102. Steel Measuring Tapes
103. Steel Piling

Secretary's Order No. 2018-002

Page 7 of 6

104. Steel Post, Sign and Delineator
105. Steel Open Grid Flooring
106. Stakes and Hubs
107. Stop-Slow Sign Paddles
108. Straw
109. Steel Measuring Tapes
110. Structural and Reinforcing Steel Products
111. Sulfur
112. Surveying Instruments, Equipment and Supplies
113. Tank Car Shells
114. Thinwall Sampling Tubes
115. Tire Tubes
116. Tuluol
117. Treated Lumber
118. Traffic Cones
119. Traffic Controllers, Cabinet, Signals and Test Equipment
120. Traffic Counters
121. Traffic Loop Encapsulant
122. Traffic Paint
123. Tree and Brush Removal
124. Truck Tire Chains
125. Truck Toolboxes
126. Untreated Lumber
127. Used Railroad Rails
128. Vehicle Repairs and Repair Parts for trucks one-ton or larger, trailers, generators, and excavating equipment
129. Waste Tire Removal Services
130. Water Treatment Service
131. Weather Remote Station and Weather Reporting Services
132. Welding Gases (Oxygen and Acetylene)
133. Weld Test Plates
134. Wood Piling
135. Wreck Repairs (All wrecks will be evaluated based on actual mileage, age of vehicle, maintenance history, and estimated cost of repairs versus replacement cost before any repairs are approved. Approval of repairs will require the signature of the Director of Transportation Purchases or their designee).

EXHIBIT B**Finance & Administration Cabinet**

Subject:	KYTC Master Agreement Usage Procedure		
Effective Date:	February 1, 2018	Revision No:	1

Approval Process for Non-Transportation Cabinet Government Agency to Purchase Items using a Transportation Cabinet Master Agreement

The Finance and Administration Cabinet through Secretary Order authorizes the Transportation Cabinet to purchase specific items as outlined in their purchasing delegation in Attachment A (see attached). Upon approval by the Finance and Administration Cabinet, other agencies may use the Transportation Cabinet contracts to purchase items for their own use.

The approval process is as follows:

From February 1, 2018 – July 5, 2018

1. Agencies desiring to use a Transportation Cabinet master agreement shall email their request containing the following information to OPS.reporting@ky.gov.
 - Agency Name and Department Number
 - Master Agreement ID
 - Name of Vendor
 - Item(s) to be purchased
 - Cost
2. The Office of Procurement Services and the Office of Facility Development and Efficiency will review the request.
3. Agency will provide the approved request to the Transportation Cabinet.
4. The Transportation Cabinet will attach the approved request to the header of their Master Agreement.

Beginning July 5, 2018

1. Agencies desiring to use a Transportation Cabinet master agreement shall create a SPR1 in eMARS.
2. The SPR1 - **Type of Request** should be **KYTC MA Authorization**. The SPR1 – **Sub-Category** should be either **Construction Items** or **Other Goods and Services**. The SPR1 should contain the following information:
 - Agency Name and Department Number
 - Master Agreement ID
 - Name of Vendor
 - Item(s) to be purchased
 - Cost
3. The Office of Procurement Services and the Office of Facility Development and Efficiency will review the request.
4. Agency will provide the approved SPR1 to the Transportation Cabinet.
5. The Transportation Cabinet will attach the approved request to the header of their Master Agreement.

Finance and Administration Cabinet			
Office of Procurement Services			
SMALL PURCHASE AUTHORITY DELEGATIONS AND QUOTATION LIMITS			
Revised 7/1/2017	Commodities & Services		
AGENCY NAME	LIMIT	1 quote if < than	3 quotes if > than
Attorney General	\$10,000	\$5,000	\$5,000
Council On Postsecondary Education	\$10,000	\$5,000	\$5,000
Department For Public Advocacy	\$10,000	\$5,000	\$5,000
Department For Workforce Investment	\$10,000	\$5,000	\$5,000
Department Of Agriculture	\$10,000	\$5,000	\$5,000
Department Of Corrections	\$20,000	\$5,000	\$5,000
Department Of Education	\$20,000	\$5,000	\$5,000
Department Of Juvenile Justice	\$10,000	\$5,000	\$5,000
Department Of Military Affairs	\$20,000	\$5,000	\$5,000
Department Of Veterans Affairs	\$20,000	\$5,000	\$5,000
Economic Development - Office of the Secretary	\$10,000	\$5,000	\$5,000
Education - Office Of The Secretary	\$10,000	\$5,000	\$5,000
Energy & Environment, Cabinet	\$10,000	\$5,000	\$5,000
Finance, Cabinet	\$20,000	\$5,000	\$5,000
Health & Family Services, Cabinet	\$20,000	\$5,000	\$5,000
Justice - Office Of The Secretary	\$10,000	\$5,000	\$5,000
Kentucky Department Of Parks	\$20,000	\$5,000	\$5,000
Kentucky Educational Television	\$20,000	\$5,000	\$5,000
Kentucky Environmental Education Council	\$10,000	\$5,000	\$5,000
Kentucky Fish And Wildlife Resources	\$10,000	\$5,000	\$5,000
Kentucky Higher Education Assistance Authority	\$20,000	\$5,000	\$5,000
Kentucky Horse Park	\$10,000	\$5,000	\$5,000
Kentucky State Fair Board	\$20,000	\$5,000	\$5,000
Kentucky State Police	\$10,000	\$5,000	\$5,000
Labor, Cabinet	\$10,000	\$5,000	\$5,000
Office Of State Budget Director	\$10,000	\$5,000	\$5,000
Public Protection, Cabinet	\$10,000	\$5,000	\$5,000
Secretary Of State	\$10,000	\$5,000	\$5,000
Transportation, Cabinet	\$20,000	\$5,000	\$5,000
Unified Prosecutorial System	\$10,000	\$5,000	\$5,000
Those not listed above	\$1,000	\$1,000	N/A



KENTUCKY TRANSPORTATION CABINET
Office of Budget & Fiscal Management
DIVISION OF PURCHASES

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SOLICITATION EVALUATION PROCEDURE AND CONFIDENTIALITY STATEMENT

PROCUREMENT TITLE _____

RFP # _____

INSTRUCTIONS:

All persons having access to technical, cost, and/or reference data provided by offerors to this Solicitation are required to read and sign this document, including, but not limited to, evaluators, technical advisors, and staff confirming references. The document is to be signed and returned to the Division of Purchases before any technical, cost, and/or reference information can be reviewed, and it shall become a part of the permanent bid file.

All information obtained and reviewed is confidential and shall not be discussed outside the evaluation team, which may include, as applicable, technical advisors and/or staff confirming references, or disclosed to participating offerors, competitors, supervisors, co-workers, media, or any other individuals. Release of unauthorized information during the evaluation process or period before a contract(s) is officially awarded may void the efforts of the evaluation committee and Commonwealth officials assigned to this procurement, and could require the cancellation of the Solicitation in its entirety. The confidentiality of proposals, including all related technical, cost, and reference data, is required by law. All information remains confidential until the Division of Purchases issues a contract(s).

All persons signing this document must disclose to the Division of Purchases any potential conflict of interest, actual or perceived, that arises as a result of reviewing technical, cost, and/or reference data for this Solicitation immediately upon becoming aware of such potential conflict.

All records pertaining to the Solicitation are maintained by the Division of Purchases in official files and are subject to provisions of the Kentucky Open Records statutes.

It is understood that an evaluator, advisor, or staff member may have an existing work relationship with persons/companies who may have an interest in this procurement or even some of the proposed vendors. If so, please continue that relationship, with the exception of lunch engagements or private meetings, but this procurement shall not be discussed in any way.

CERTIFICATION:

I, the undersigned, hereby certify that the following statements are true and correct and that I understand and agree to be bound by the commitments contained herein.

I certify that I am acting at the approval of the Division of Purchases as a participant in the evaluation of proposals received pursuant to the above-stated Solicitation.

I certify that I am acting of my own accord and am not acting under duress.

I agree to perform any and all evaluations of said bids or proposals in an unbiased manner, to the best of my ability, and with the best interest of the Commonwealth of Kentucky paramount in all decisions.

I certify I will have no contact with any respondent to this Solicitation except through the Division of Purchases.

I certify that I will maintain the confidentiality of all information reviewed or revealed to me in connection with this Solicitation.



KENTUCKY TRANSPORTATION CABINET
Office of Budget & Fiscal Management
DIVISION OF PURCHASES

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SOLICITATION EVALUATION PROCEDURE AND CONFIDENTIALITY STATEMENT

In accordance with KRS 45A.340, I certify that I am not currently employed by, nor am I receiving any compensation from, nor have I been the recipient of any past, present, or future economic opportunity, employment, gift, loan gratuity, special discount, trip, favor, or service in connection with any proposal or involved vendor in return for favorable consideration.

I certify that I have no preconceived position on the relative merits of any of the proposals, nor have I established a personal preference or position on the worth or standing of any vendor participating in this action.

I certify I have read and am acting in compliance with the requirements and prohibitions of the Executive Branch Code of Ethics, including, but not limited to, KRS 11A.020 and KRS 11A.030.

Name (print)

Signature

Title/Agency

Date

Attachment B REQUIRED AFFIDAVIT FOR CERTIFICATION OF RECYCLED CONTENT

KRS 45A.520 mandates that all state agencies when purchasing designated commodities require that product to contain a minimum percent of “recovered material” or “post consumer waste.”

“Recovered materials” are those materials, which have been separated, diverted or removed from the solid waste stream after a manufacturing process.

“Post consumer waste” are those materials which have been discarded by the consumer.

I certify that the items offered in this Invitation to Bid contain the required _____% “recovered material” or “post consumer waste.”

I have fully informed myself regarding the accuracy of the statements made above.

SIGNATURE

Printed Name

Title

Date

Company Name _____

Address _____

Phone Number _____

Email Address _____

Subscribed and sworn to before me by _____, _____
(Affiant) (Title)

of _____ this ____ day of _____, 20____.
(Company Name)

Notary Public

[*seal of notary*]

My commission expires: _____

ANNUAL AFFIDAVIT FOR BIDDERS, OFFERORS, AND CONTRACTORS**FOR OFFICIAL USE ONLY:****Dates will be completed by Purchasing Staff Maximum Length One-Year****Affidavit Effective Date:** _____**Affidavit Expiration Date:** _____**FOR BIDS AND CONTRACTS IN GENERAL:**

I. Each bidder or offeror swears and affirms under penalty of perjury, that to the best of their knowledge:

- a. In accordance with [KRS 45A.110](#) and [KRS 45A.115](#), neither the bidder or offeror as defined in [KRS 45A.070\(6\)](#), nor the entity which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth of Kentucky; and the award of a contract to the bidder or offeror or the entity which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.
- b. The bidder or offeror swears and affirms under penalty of perjury that, to the extent required by Kentucky law, the entity bidding, and all subcontractors therein, are aware of the requirements and penalties outlined in [KRS 45A.485](#); have properly disclosed all information required by this statute; and will continue to comply with such requirements for the duration of any contract awarded.
- c. The bidder or offeror swears and affirms under penalty of perjury that, to the extent required by Kentucky law, the entity bidding, and its affiliates, are duly registered with the Kentucky Department of Revenue to collect and remit the sales and use tax imposed by [KRS Chapter 139](#), and will remain registered for the duration of any contract awarded.
- d. The bidder or offeror swears and affirms under penalty of perjury that the entity bidding is not delinquent on any state taxes or fees owed to the Commonwealth of Kentucky and will remain in good standing for the duration of any contract awarded.
- e. The bidder or offeror swears and affirms under penalty of perjury that the entity bidding, is not currently engaged in, and will not for the duration of the contract engage in, the boycott of a person or entity based in or doing business with a jurisdiction with which Kentucky can enjoy open trade, as defined in Executive Order No. 2018-905.
- f. The bidder or offeror swears and affirms that the entity bidding, and all subcontractors therein, have not violated any of the prohibitions set forth in KRS 11A.236 during the previous ten (10) year, and further pledge to abide by the restrictions set forth in such statute for the duration of the contract awarded.

FOR "NON-BID" CONTRACTS (I.E. SOLE-SOURCE; NOT-PRACTICAL OR FEASIBLE TO BID; OR EMERGENCY CONTRACTS, ETC):

II. Each contractor further swears and affirms under penalty of perjury, that to the best of their knowledge:

- a. In accordance with [KRS 121.056](#), and if this is a non-bid contract, neither the contractor, nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of any contract awarded, have contributed more than the amount specified in [KRS 121.150](#) to the campaign of the gubernatorial slate elected in the election last preceding the date of contract award.
- b. In accordance with [KRS 121.330\(1\) and \(2\)](#), and if this is a non-bid contract, neither the contractor, nor officers or employees of the contractor or any entity affiliated with the contractor, nor the spouses of officers or employees of the contractor or any entity affiliated with the contractor, have knowingly

contributed more than \$5,000 in aggregate to the campaign of a candidate elected in the election last preceding the date of contract award that has jurisdiction over this contract award.

- c. In accordance with [KRS 121.330\(3\) and \(4\)](#), and if this is a non-bid contract, to the best of his/her knowledge, neither the contractor, nor any member of his/her immediate family, his/her employer, or his/her employees, or any entity affiliated with any of these entities or individuals, have directly solicited contributions in excess of \$30,000 in the aggregate for the campaign of a candidate elected in the election last preceding the date of contract award that has jurisdiction over this contract.

As a duly authorized representative for the bidder, offeror, or contractor, I have fully informed myself regarding the accuracy of all statements made in this affidavit, and acknowledge that the Commonwealth is reasonably relying upon these statements, in making a decision for contract award and any failure to accurately disclose such information may result in contract termination, repayment of funds and other available remedies under law. If the bidder bidder, offeror, or contractor becomes non-compliant with any statement during the affidavit effective period, I will notify the Finance and Administration Cabinet, Office of Procurement Services immediately. I understand that the Commonwealth retains the right to request an updated affidavit at any time.

Signature Printed Name

Title Date

Company Name _____

Address _____

Commonwealth of Kentucky Vendor Code (if known) _____

Subscribed and sworn to before me by _____
(Affiant) (Title)

of _____ this _____ day of _____, 20____.
(Company Name)

Notary Public

[seal of notary] My commission expires: _____

Contract Number:
Expiration Date:
Vendor:
Commodity:
Buyer:

To Be Completed by KYTC Buyer PE Number: _____ Initials: _____ Date: _____

PERFORMANCE EVALUATION QUESTIONNAIRE (Renewal)

- 1) Do you wish to renew this contract? Yes No
- 2) Would you recommend this vendor for future awards? Yes No
- 3) Did the vendor ship commodities or provide services on time? Yes No
 Rate performance below. If less than Good, provide details.
 Unsatisfactory Poor Fair Good Excellent
- 4) Did the vendor deliver the product as specified on the contract? Yes No NA
 Rate performance below. If less than Good, provide details.
 Unsatisfactory Poor Fair Good Excellent
- 5) Did the vendor perform contract services as specified? Yes No NA
 Rate performance below. If less than Good, provide details.
 Unsatisfactory Poor Fair Good Excellent
- 6) Did the vendor invoice properly? Yes No
 Rate performance below. If less than Good, provide details.
 Unsatisfactory Poor Fair Good Excellent
- 7) Was the vendor receptive to agency requests? Yes No If no, describe below.
- 8) Rate the overall contract performance and provide details below.
 Unsatisfactory Poor Fair Good Excellent
- 9) Provide details below on any problems or issues you have had with this contract not provided above.

Please provide additional comments in MS Word attachment, if necessary.

Questionnaire completed by:

Signature

Title

Date

To view/download Solicitation documents from the Kentucky Vendor Self Service site

New link to website: <https://emars311.ky.gov>

Please note: It is not necessary to register to access the solicitations. Unregistered vendors can access the solicitations by clicking on guest access.

Step 1 - Click Guest Access- located on the left of the screen, you will be taken directly to a list of solicitations.

Step 2 – Keyword Search - Vendors can use the keyword field search to narrow your search. Type in a keyword (solicitation name or number) and click the advanced search button, select status open then click the go button or click the next button to page through all the open solicitations.

Step 3 - Click the details button under the RFB/RFP document number.

Step 4 - Click the Attachments tab to see all attachments related to that particular solicitation document

Step 5 - Click the link for each file name, a new window will appear, click open to open/view the file. Once the file opens, click the print icon to print that file attachment. Close that file attachment then repeat steps to open and print each different file attachment. It is the vendor's responsibility to view and/or print all file attachments for a solicitation document.

Please note: some solicitations may have multiple file attachments.

To view the Award of Contract(s) and the Contractor(s) receiving the Award(s) for a Solicitation, access the Kentucky Vendor Self Service site at <https://emars.ky.gov/webapp/vsonline/AltSelfService>

Step 1 - Click Guest Access- located on the left of the screen. You will be taken directly to list of solicitations.

Step 2 - Vendors can search for the solicitation title or number in the keyword search field, or can filter their search by only awarded solicitations by clicking on Advanced Search and **changing the Status to Awarded.**

Step 3 - The Award(s) information can be accessed by clicking on the Details button of the solicitation and clicking the Notice of Award tab. To see all bidders' pricing click on the Public Bid Reading tab. The Public Bid Reading Tab will not be visible until the buyer has finalized the evaluation and an award has been made.



Matthew G. Bevin
Governor

Commonwealth of Kentucky
Finance and Administration Cabinet
OFFICE OF THE SECRETARY
Room 383, Capitol Annex
702 Capital Avenue
Frankfort, KY 40601-3462
(502) 564-4240
Fax (502) 564-6785

William M. Landrum III
Secretary

SECRETARY'S ORDER NO. 18-003

**KENTUCKY TRANSPORTATION CABINET
SUPPLEMENTAL REVISED PURCHASING
DELEGATION**

WHEREAS, pursuant to the authority of KRS 45.301, KRS 45A.045 and KRS 42, 45, and Chapter 45A generally, the Finance and Administration Cabinet, acting under the direction and control of the Secretary of Finance and Administration Cabinet, is charged with the responsibility and authority for purchasing, or delegating and controlling the purchase of, the combined requirements of all spending agencies of the State for contractual services, interests in real estate, leases, rentals, supplies, materials, equipment, services of all kinds, and contractual services related to real property and capital construction projects; and,

WHEREAS, pursuant to the authority of KRS 45A.100 and administrative regulation 200 KAR 5:302 the Secretary of the Finance and Administration Cabinet may grant a delegated purchasing authority to any state agency requesting same and demonstrating a justifiable need for authority; and

WHEREAS, the Secretary of the Kentucky Transportation Cabinet requested that the Transportation Cabinet be delegated a revised purchasing delegation by the Finance and Administration Cabinet; and

WHEREAS, in response to the request submitted by the Transportation Cabinet, the Secretary of the Finance and Administration Cabinet issued Secretary's Order No. 18-002 granting the Transportation Cabinet certain purchasing authority as set forth in that Order; and

WHEREAS, the Transportation Cabinet and Finance and Administration Cabinet both wish to permit political subdivisions of the Commonwealth of Kentucky, and other local governmental entities within the state, to purchase products off master agreements entered into by the Transportation Cabinet, Division of Purchases, and vendors; and

Secretary's Order No. 2018-003

Page 2 of 2

NOW, THEREFORE, I, William M. Landrum III, Secretary of the Finance and Administration Cabinet, pursuant to the authority vested in me by KRS Chapters 42, 45, and 45A, and more specifically KRS 45A.100 and administrative regulation 200 KAR 5:302, do hereby authorize and approve this supplemental revised purchasing delegation to the Transportation Cabinet as follows:

1. The Transportation Cabinet, Division of Purchases, shall have the right, with the consent of affected vendors, to offer master agreements to political subdivisions of the Commonwealth of Kentucky and other local governmental entities within the state to purchase products off the master agreements made and entered into by the Transportation Cabinet and its vendors.

2. The authority granted herein shall be in addition to the authority granted to the Transportation Cabinet in Secretary's Order No. 18-002, and nothing herein shall be construed to limit, amend or repeal any part of Secretary's Order No. 18-002.

3. The delegations of purchasing authority made herein shall be effective immediately and remain in effect until modified or rescinded by the Secretary of the Finance and Administration Cabinet.

4. This Order is effective upon execution.

Approved and granted this 26 day of June, 2018.



William M. Landrum III, Secretary
Finance and Administration Cabinet

Approved as to Form and Legality:



Patrick W. McGee
Assistant General Counsel
Finance and Administration Cabinet

Procurement Type Number	Procurement Type Name
1	Unclassified
2	Delivery Order
3	Architecture & Eng PSC
4	Computer Equipment or Software
5	Computer Maintenance
6	Computer Services
7	Construction
8	Grant
9	Micrographic
10	Memorandum of Agreement
11	MOA/PSC Exception
12	Motor Vehicle
13	Non-Professional Service
14	Personal Service Contract
15	Real Property
16	Revenue Generating
17	Shredding and Bailing Equip.
18	Special Authority Goods and Services
19	Standard Goods and Services
20	P3

Solicitation/Contract #: _____

**REQUIRED AFFIDAVIT FOR BIDDERS, OFFERORS AND CONTRACTORS
CLAIMING RESIDENT BIDDER STATUS**

FOR BIDS AND CONTRACTS IN GENERAL:

The bidder or offeror hereby swears and affirms under penalty of perjury that, in accordance with KRS 45A.494(2), the entity bidding is an individual, partnership, association, corporation, or other business entity that, on the date the contract is first advertised or announced as available for bidding:

1. Is authorized to transact business in the Commonwealth;
2. Has for one year prior to and through the date of advertisement
 - a. Filed Kentucky income taxes;
 - b. Made payments to the Kentucky unemployment insurance fund established in KRS 341.49; and
 - c. Maintained a Kentucky workers' compensation policy in effect.

The BIDDING AGENCY reserves the right to request documentation supporting a bidder's claim of resident bidder status. Failure to provide such documentation upon request shall result in disqualification of the bidder or contract termination.

Signature Printed Name

Title Date

Company Name _____
Address _____

Subscribed and sworn to before me by _____
(Affiant) (Title)

of _____ this ____ day of _____, 20__.
(Company Name)

Notary Public
[seal of notary] My commission expires: _____

Affidavit E Qualified Bidder Status Solicitation/Contract #: _____

**REQUIRED AFFIDAVIT FOR BIDDERS, OFFERORS AND CONTRACTORS
CLAIMING QUALIFIED BIDDER STATUS**

FOR BIDS AND CONTRACTS IN GENERAL:

I. The bidder or offeror swears and affirms under penalty of perjury that the entity bidding, and all subcontractors therein, meets the requirements to be considered a “qualified bidder” in accordance with [200 KAR 5:410\(3\)](#); and will continue to comply with such requirements for the duration of any contract awarded. Please identify below the particular “qualified bidder” status claimed by the bidding entity.

_____ A nonprofit corporation that furthers the purposes of KRS Chapter 163

_____ Per KRS 45A.465(3), a "Qualified nonprofit agency for individuals with severe disabilities" means an organization that:

- (a) Is organized and operated in the interest of individuals with severe disabilities; and
- (b) Complies with any applicable occupational health and safety law of the United States and the Commonwealth; and
- (c) In the manufacture or provision of products or services listed or purchased under KRS 45A.470, during the fiscal year employs individuals with severe disabilities for not less than seventy-five percent (75%) of the man hours of direct labor required for the manufacture or provision of the products or services; and
- (d) Is registered and in good standing as a nonprofit organization with the Secretary of State.

The BIDDING AGENCY reserves the right to request documentation supporting a bidder’s claim of qualified bidder status. Failure to provide such documentation upon request may result in disqualification of the bidder or contract termination.

Signature

Printed Name

Title

Date

Company Name _____

Address _____

Subscribed and sworn to before me by _____
(Affiant) (Title)

of _____ this _____ day of _____, 20____.
(Company Name)

Notary Public
[seal of notary]

My commission expires: _____

**PERSONAL SERVICE CONTRACT INVOICE FORM
GOVERNMENT CONTRACT REVIEW COMMITTEE
LEGISLATIVE RESEARCH COMMISSION**

Pursuant to KRS 45A.695, **no payment shall be made on any personal service contract** unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the committee.

Invoices shall be submitted every ninety (90) days, unless the personal service contract specifies a different submission time period.

Separate invoices shall be submitted for each distinct matter covered by the personal service contract, and shall be signed by the individual responsible for that matter

The issuance of an invoice to the Commonwealth constitutes an affirmation by the individual, firm, partnership, or corporation awarded the personal service contract that the invoice truly and accurately represents work actually performed, and the expenses actually incurred.

The head of the contracting body shall approve the invoice, indicating that the charges in the invoice reflect the value of the work performed, and all recorded costs and disbursements were reasonably and necessarily incurred in connection with the matter invoiced.

NOTE: All questions must be answered fully. If the space provided is insufficient, additional pages should be attached referencing the specifically numbered item. Any questions regarding the invoice requirements should be directed to the contracting agency.

Contract Number: _____ Date of Invoice: _____

Contracting Body Division, Branch, etc.

1. Name & Address of Contractor:

2. Contractor's Tax I.D. Number: _____

3. Effective Period of Contract:
Starting Date: _____
Ending Date: _____

4. Combined Total Amount Charged in this Invoice for Services and Reimbursable Disbursements: _____

5. Dates of Service Covered under this invoice:
Starting Date: _____
Ending Date: _____

6. Is this the FINAL invoice for services performed under this contract:
_____ Yes _____ No

- 7. Date of most recent invoice submitted prior to this invoice: _____

- 8. How often is the contractor required to submit invoices under the terms of the personal service contract:

- 9. Provide a description of the matter covered by this invoice:

- 10. Provide a full description of each service provided, including the date each service was performed, the name and title of each individual who worked on the matter, and the time the individual spent on the matter:

- 11. Provide the hourly rate for each individual working on the matter and the total charge for that individual for each matter involved:

- 12. Provide the subject matter and recipient of any correspondence:

- 13. Provide a full description of any work product produced, designating the way in which the work product is associated with the matter being invoiced. (Attorneys Billing for Legal Services: If you contend that any information is subject to privilege, please identify the privileged item, and provide sufficient information to evaluate the claim of privilege):

- 14. Provide an itemized list of all disbursements to be reimbursed by the state for each matter invoiced and the total charge for that matter:

SIGNATURES:

Contractor: _____ Date: _____

Title: _____

Contracting Body

Approved by: _____ Date: _____

Title: _____

Attachment C REQUIRED AFFIDAVIT REGARDING SUBCONTRACTORS

I agree to fully provide any and all subcontracts used throughout the duration of any resulting contract a full copy of applicable prevailing wage rates and a copy of the contract terms and conditions. Furthermore, I understand that as the primary contractor I am fully responsible for any and all actions taken by my subcontractors.

_____	_____
SIGNATURE	Printed Name
_____	_____
Title	Date
Company Name	_____
Address	_____
Phone Number	_____ Email Address _____

List planned subcontractors and their contact information below. If more space is needed you may provide the information on a separate sheet. If subcontractors are not known prior to bid closing, but are utilized after award, the contractor shall provide the subcontractor's information to the contract's buyer of record prior to use of the subcontractor. Failure to do so may result in cancellation of the contract.

Subcontractor 1:

Company Name	_____
Address	_____
Phone Number	_____ Email Address _____

Subcontractor 2:

Company Name	_____
Address	_____
Phone Number	_____ Email Address _____

Subscribed and sworn to before me by _____, _____
(Affiant) (Title)
of _____ this ____ day of _____, 20____.
(Company Name)

Notary Public
[seal of notary] My commission expires: _____



Kentucky Transportation Cabinet
Division of Equipment

TC 74-552
06/2015

EQUIPMENT RENTAL AGREEMENT INFORMATION

District Renting Equipment _____	Date _____
Type of Equipment _____	
Make _____	Model _____
Year _____	Vin # or Serial # _____
New Purchase Price _____	Daily Rental Cost _____
Date Equipment to be Picked Up _____	Time _____
Unit Inspected Prior to Rental <input type="checkbox"/>	Contract # _____
Damages Found: _____	
Purpose of Rental _____	
Equipment Owner _____	
Owner Address _____	
Owner Telephone _____	
KYTC Representative _____	
<small>Please Print</small>	<small>Signature</small>
Rental Agency Rep. _____	
<small>Please Print</small>	<small>Signature</small>
<p>Once this form is completed, hand deliver, e-mail or fax to the District Insurance Liasion</p> <p>Equipment is not covered by insurance until this form is complete and submitted to KYTC Division of Equipment</p> <p><u>The rental equipment should not be used until you receive verification from the Division of Equipment that insurance is on the unit.</u></p>	
<p><i>In the case where there is an emergency and equipment is needed to be rented after hours,</i> this form must be completed prior to rental and emailed to: Rick Durham (rick.durham@ky.gov)</p>	
Please complete section below when project is complete and rental is returned	
Date Equipment Returned _____	Time _____
Damages found upon inspection _____	
<p>Any damage reported after this form has been signed will not be subject to claim. Damages must be reported on eForm TC 11-208 upon return of equipment.</p> <p>Insurance remains on equipment until the Stop Rent Section of this form is complete and returned to the Division of Equipment</p>	



Kentucky Transportation Cabinet
Division of Equipment

TC 74-552
06/2015

EQUIPMENT RENTAL AGREEMENT INFORMATION

CONTINUATION PAGE

Damages Found Upon Inspection of Rental **PICK-UP:** _____

Damages Found Upon Inspection of Rental **RETURN:** _____

DETERMINATION AND FINDING FOR SMALL PURCHASE						
VENDOR LEGAL NAME	ALIAS/DBA	BUSINESS TYPE (Ethnic Minority or SDVOSB)	CONTACT NAME	CONTACT TYPE (VSS, Phone, Fax, Email)	CONTACT TYPE INFORMATION (VSS, Phone Number, Fax Number, Email Address)	ENTER VENDOR PRICE OR NO RESPONSE
IF NO ETHNIC MINORITY OR SDVOSB VENDORS WERE FOUND ENTER EXPLANATION HERE:						
JUSTIFICATION FOR AWARD:						
SUCCESSFUL VENDOR & PRICE:						

PROOF OF NECESSITY (PON)

This information is required for any Personal Service Contract or Memorandum of Agreement that goes before the Legislative Research Commission Government Contract Review Committee

General Information

Type of Award: New _____ Renewal _____ Amendment _____

Description of Work to Be Performed:

Planned Performance Monitoring Activities:

Source of Funds

Total Amount of Contract - _____

Federal - _____

General - _____

Agency - _____

Capital Construction - _____

Other - _____ (If other explain _____)

If federal, is there an associated grant: Yes _____ No _____

Contract Cost Information

Method of Payment: Defaults from vendor information

Frequency of payment: Options Bi-monthly, Bi-weekly, Completion of Milestones, Lump Sum, Lump Sum Monthly, Monthly, Monthly Expenditure Report, Other, Upon Completion, Upon Invoice, Weekly, Quarterly: _____

Agency Paying FICA: Yes _____ No _____

Award cost included as a line item in the most recent budget bill for the Commonwealth: Yes _____ No _____

If the award cost is not included as a line item in the most recent budget bill for the Commonwealth, is the cost included in the current agency budget: Yes _____
No _____ Not Applicable _____

If award cost is not included as a line item and not included in the current agency budget explain the source of funds:

Detailed Description of Projected Cost:

Basis for Payment:

Justification

Work could or should be performed by state personnel: Yes _____ No _____

Justification to use outside provider:

Name/Address of Other Providers Considered: [To be filled out by the Division of Purchases](#)

Basis for Selection [(PSC) [to be filled out by the Division of Purchases](#)] or Reason for Exchange [MOA) [to be filled out by requestor](#)]



KENTUCKY TRANSPORTATION CABINET
Office of Budget and Fiscal Management
DIVISION OF PURCHASES

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RFP EVALUATOR ACKNOWLEDGMENT

Members of an RFP Evaluation Committee shall:

- Read and sign the Review Procedure and Confidentiality statement.
- Maintain confidentiality and professional conduct throughout the evaluation process.
- Read and review each proposal **individually**.
- Make preliminary notes and scores on the Technical Evaluation Notes Document provided by the buyer. Preliminary notes should **NOT** be written on the vendor’s proposals, or on a computer or tablet.
- Conduct fair and equitable review/evaluation of proposals based on RFP criteria.
- Make the evaluation meetings top priority.
- Discuss proposals with the evaluation team at the meeting and come to an agreement on scores to be assigned (consensus scoring).
- Provide adequate justification supporting the scores for each criterion.
 - ◆ Remarks should indicate any risks to the Commonwealth.
 - ◆ Remarks should include strengths, weaknesses, and deficiencies to support the scores given.
 - ◆ Specific comments should reference sections in the proposal that generated the comment or pertinent requirements in the Scope of Work.
 - ◆ Build a solid case for selecting one offeror over another.
 - ◆ Provide clear, complete comments with enough detail that someone not associated with the procurement can understand the committee’s intent.
 - ◆ Be fair and consistent.
 - ◆ Avoid using jargon-laden language that may cause confusion or misinterpretation.
- Obtain any necessary clarifications through the buyer.
- Participate in oral presentation (if applicable).
- Apply scores and rank proposals
- Select an offeror for award

Please sign this form stating you understand the procurement rules.

Reviewer’s signature _____ Date _____

Reviewer’s printed name _____

Reviewer’s title/agency _____

Commonwealth of Kentucky
Alison Lundergan Grimes, Secretary of State

Alison Lundergan Grimes
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
<http://www.sos.ky.gov>

Certificate of Authorization

Authentication number: 149458
Visit <https://app.sos.ky.gov/ftshow/certvalidate.aspx> to authenticate this certificate.

I, Alison Lundergan Grimes, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

J. H. RUDOLPH & CO., INC.

, a corporation organized under the laws of the state of Indiana, is authorized to transact business in the Commonwealth of Kentucky, and received the authority to transact business in Kentucky on October 29, 1958.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that an application for certificate of withdrawal has not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 31st day of March, 2014, in the 222nd year of the Commonwealth.



Alison Lundergan Grimes
Alison Lundergan Grimes
Secretary of State
Commonwealth of Kentucky
149458/0066143