
PROCUREMENT and CONTRACTING PROCEDURES for the ENERGY RESOURCE CENTER

I. General Procedures

- A. Responsible Parties - The Procurement Specialists and Management of the Energy Resource Center (Agency) (ERC) shall be responsible for writing the Request for Proposals, Invitations for Bids, and Material and Labor Price Specifications for the Weatherization/Furnace Program. The Procurement Specialist will utilize information prepared by the Colorado Energy Office, will review data from the prior year's program, and will seek input from key staff, Production Coordinator, Furnace Contractor, etc., in preparing these documents. The Procurement Specialist of the Energy Resource Center shall be responsible for coordinating all aspects of the procurement and contracting procedures including
 - 1. Writing specifications, developing invitation to bid and ensuring that all reviews and approvals of the information take place
 - 2. Posting notice of solicitations
 - 3. Receiving and reviewing solicitations
 - 4. Recommending successful bidders to ERC management
- B. Conflicts of Interest - No employee, officer, or agent of the Energy Resource Center shall participate in the selection or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. The Executive Director in conjunction with the Board Chairman shall rule on questions pertaining to conflicts of interest in the Weatherization/Furnace program.
- C. Reviews / Approvals - The Request for Proposals (RFP), Invitation for Bids (IFB), Specification Contracts, etc., shall be reviewed or approved as appropriate, prior to implementation.
 - 1. CEO/Deputy Director - Review and approve all Request for Proposals and Invitation for Bid documents.
 - 2. CEO/Deputy Director - Review and approve contracts.
 - 3. Colorado Energy Office Staff - Review all documents.

II. Procurement Procedures

- A. ERC shall ensure that its procedures follow those outlined in 2 CFR 200, as evidenced by thorough and written documentation. Colorado Energy Office Weatherization policies and procedures shall also be followed.
- B. It is the policy of ERC to maximize open and free competition in its procurement procedures. All federal, state, and local laws shall be adhered to in administering the Agency's policies and procedures dealing with procurement.
- C. It is also the policy of ERC that minority business enterprises shall have maximum practicable opportunity to participate in the performance of its contracts. ERC may rely on written representations by bidders, contractors, and sub-contractors regarding their status as minority business enterprises, or it may conduct an independent investigation.
- D. Procurement Methods - It shall be the responsibility of the Procurement Specialist to determine which method or methods will be used each year to implement the Weatherization/Furnace Program. Procurement under the Weatherization/Furnace Program shall be made by one or more of the following methods, as described below:
 - 1. Micro purchase (< \$3,000)

2. Small purchase procedures(> \$30,000, < \$150,000) ERC will comply with Colorado state statutes and its local purchasing dollar limits. If small purchase procedures are used for a procurement under a grant, price, or rate, then quotations shall be obtained from at least two qualified sources.
3. Sealed formal bids (> \$150,000) In competitive sealed bids, sealed bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming the closest with all the material specifications, terms, and conditions of the Invitation for Bids, meets material terms and conditions of the Invitation for Bids, and is lowest in price. In order for formal advertising to be feasible, appropriate conditions must be present, including, as a minimum, the following:
 - a. A complete, adequate, and realistic specification of purchase description must be available.
 - b. Two or more responsible suppliers are willing and able to compete effectively for the Agency's business.
 - c. The procurement lends itself to a firm-fixed-price contractor and selection of the successful bidder can appropriately be made.
4. If sealed bids are used for a procurement under a grant, the following requirements shall apply:
 - a. Invitation for solicitations shall be sent to all interested suppliers/vendors. Sufficient time will be allowed to receive an adequate number of bids from suppliers/vendors prior to the date set for opening of bids.
 - b. The Invitation for Bids, including specifications and pertinent attachments, shall clearly define the items or services needed in order for the bidders to properly respond to the invitation.
 - c. All bids shall be opened publicly at the time and place stated in the invitation.
 - d. A firm-fixed-price contract award shall be made by written notice to that responsible bidder whose bid conformed to the Invitation for Bids. Where specified in the bidding documents, factors such as discounts, transportation costs and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may only be used to determine low bid when prior experience of the Agency indicates that such discounts are generally taken.
 - e. Any or all bids may be rejected when there are sound documented business reasons for doing so, that are in the best interest of the program.
5. In competitive negotiation, proposals are requested from a number of sources and the Request for Proposal is solicited. Negotiations are normally conducted with more than one of the sources submitting offers; either a fixed-price or cost-reimbursable type contract is awarded, as appropriate. Competitive negotiation may be used if conditions are not appropriate for the use of competitive sealed bids. If competitive negotiation is used for a procurement under a grant, the following requirements shall apply:
 - a. Proposals shall be solicited from an adequate number of qualified sources to permit reasonable competition consistent with the nature and requirements of the procurement. The Request for Proposal shall be solicited and reasonable requests by other sources to compete shall be honored to the maximum extent practicable.
 - b. The Request for Proposal shall identify all significant evaluation factors, including price or cost where required and their relative importance.
 - c. The Agency shall provide mechanisms for technical evaluation of proposals received, determinations of responsible offeror(s) for the purpose of written or oral discussions, and selection for contract award.
 - d. Award(s) may be made to the responsible offeror(s) whose proposal will be most advantageous to the procuring party, price, and other factors considered. Unsuccessful offeror(s) will be notified promptly.
6. Noncompetitive negotiation is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Noncompetitive negotiation may be used when the award of a contract is not feasible under small purchase, competitive bidding (formal advertising) or competitive negotiation procedures. Circumstances under which a

contract may be awarded by noncompetitive negotiation are limited to the following upon written authorization of the Colorado Energy Office:

- a. The item is available only from a single source; or
 - b. Public emergency when the urgency for the requirement will not permit a delay incident to competitive solicitation; or
 - c. After solicitation of a number of sources, competition is determined inadequate.
- E. Evaluation of Proposal/Bids - The minimum qualifications and criteria for evaluating proposals and bids shall be clearly described in the RFP and IFB bid packages. Basically, contracts for Weatherization and Furnace materials shall be awarded on best price and other pertinent factors, while contracts for certain plumbing services, electrical and glazing services shall be awarded on ability to meet production quotas, best price, and other relevant factors. Negotiation with offeror(s) is allowed under the RFP process. Lastly, references, valid insurance, and licenses will be checked. In terms of evaluating the proposals for price, each bid will be "cost out" against ten (10) previously selected work order estimates to determine material and labor estimates and averages.
- F. Insurance - The supplier shall maintain current liability insurance, in effect bodily injury and property damage, current Workman's Compensation insurance, and current licenses as applicable. Proof of such insurance coverage and licensing shall be provided to the Energy Resource Center upon request and in such form as is determined by the Agency within ten (10) working days of such request. If the supplier fails to maintain in effect the insurance above described or if any said policy or policies are not maintained in a manner acceptable to the Energy Resource Center then, in that event, the Agency shall cancel and terminate this contract without penalty to the Energy Resource Center.
- G. Compensation -
1. Upon receipt of an itemized invoice for materials, the Agency shall compensate supplier for approved costs in accordance with the supplier's bid proposal. In no event shall said compensation for materials exceed supplier's quotations.
 2. Supplier shall submit an itemized statement with copies of invoices for all materials supplied to the Agency on a monthly basis. Said invoices shall specify the quantity and type of materials provided. Said invoices shall detail the materials provided to the extent acceptable by the Energy Resource Center. The Energy Resource Center shall process payment to the supplier within thirty (30) days.
 3. It is understood by the parties that the prices listed for the specified materials in the supplier's proposal are good for one (1) year. However, the parties agree to negotiate if needed, one time only during the program year, any price changes appropriate because of market changes and/or cost-of-living increases. Once negotiations are completed, the negotiated prices shall be reduced to writing in the form of an amendment to the letter of award and signed by all parties. However, the Agency specifically reserves the right at the time of negotiation to compare the negotiated prices to those then available on the open market. If the Agency determines that the market prices are more favorable to it, the Agency may immediately terminate the present letter of award, this pursuant to paragraph III herein.
- H. Term/Termination -
1. Unless sooner terminated as provided herein, the Letter of Award shall commence on July 1 of the applicable program/fiscal year and terminate the following June 30.
 2. The Energy Resource Center may, when the interests of the Agency so require, terminate the Letter of Award, in whole or in part, for the convenience of the Agency. The Energy Resource Center shall give written notice of its intention to so terminate the Letter of Award to the supplier, which notice shall specify the part of the Letter of Award to be terminated and the effective date of the termination. By exercising this termination for convenience clause, the Agency in no way implies that it has, nor has it ever, breached the Letter of Award.
 3. By giving written notice to the supplier, specifying the effective date of termination, the Agency may terminate the Letter of Award, in whole or in part for cause, for any or all of the following reasons:
 - a. Failure, for any reason, of the supplier to fulfill, in a timely and proper manner, its obligations under the Letter of Award; or
 - b. Billing statements that are incorrect or incomplete in any material respect; or

- c. Inappropriate use of Agency material directives.
 - 4. The parties hereto understand and agree that the Letter of Award is subject to, and contingent upon, the continuing availability and receipt by the Energy Resource Center of weatherization and furnace funds from the Colorado Energy Office. Suspension, reduction, or termination in any manner by the Colorado Energy Office, the Federal Department of Health and Human Services, or the Federal Department of Energy of the grant and funds to the Energy Resource Center under which the Letter of Award is made, or the portion thereof delegated under the Letter of Award, shall result in the automatic termination of the Letter of Award.
 - 5. All written notices to be given under this Section shall be given within a reasonable period before the effective date of termination.
 - I. Protest Procedures - If a proposer/bidder is not satisfied with the results of his/her proposal/bid evaluation, he/she must submit a protest in writing within ten (10) calendar days following notification of the decision. The protest must include specific areas of concern that the proposer/bidder feels was incorrectly evaluated. The protest will be evaluated within five (5) working days by the Executive Director. A decision will be made to either correct/amend the award or deny the protest. If the proposer/bidder is not satisfied with the decision, he/she may appeal it to the Executive Board who will consider the protest appeal within ten (10) calendar days. The decision of the Board at that meeting shall be final. The proposer/bidder shall be invited to participate in all levels of the protest process.
 - J. Other -
 - 1. Supplier shall be bound by the terms, conditions, and requirements of all agreements between the State of Colorado and the Energy Resource Center under which the funds used to compensate supplier under the Letter of Award are derived. Supplier will be supplied with a copy of such agreements upon request. However, neither this paragraph nor any other provision contained in the Letter of Award shall imply a contractual relationship between the supplier and the State of Colorado
 - 2. The parties hereto understand and agree that a copy of the Letter of Award, once executed, shall be submitted to the State of Colorado, Colorado Energy Office for filing.
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