COMMONWEALTH OF PENNSYLVANIA
Department of Conservation and Natural Resources
Revised: 12/16/11 8:30 A.M.

Bureau of Recreation and Conservation (BRC) Administrative Policy/Grant Guidelines

SUBJECT: Competitive Bidding Procedures

EFFECTIVE DATE: 10/5/09

REVISED: 12/16/11

BACKGROUND: DCNR grantees are responsible for following the competitive bidding requirements that apply to their organization. These vary based on the type of organization. Grantees not familiar with the applicable bidding requirements are strongly advised to consult with their solicitor/attorney.

POLICY:

Competitive Bidding Procedures for Development Projects:

For **Development** projects, in most cases, grantees will be required to publicly advertise, bid and award construction contracts, material and equipment purchases. The Department may require the grantee to submit proof of compliance with these procedures.

If the grantee is a political subdivision or other entity for which open and competitive bidding procedures have been established by law, the Grantee shall comply with those procedures if they are applicable to the project being funded with grant funds. Grantees who are not political subdivisions must use open and competitive bidding procedures in awarding any and all grants, sub-grants, contracts, subcontracts or other agreements for construction, reconstruction, demolition, alteration and/or repair, or acquisition of machinery and equipment where the total project cost is in excess of $18,500. Written Price Quotations from at least three qualified and responsible contractors shall be requested for all contracts in excess of the base amount of $10,000. The Department of Labor and Industry shall determine the percentage change to the base amounts ending September 30, 2012 and for each successive twelve-month period thereafter.

The Department may require the grantee to submit proof of compliance with said procedures. Upon written request and for good cause shown, the Department may, at the Department's sole discretion, permit the grantee to use an alternative procedure for solicitation of bids not inconsistent with law.

Subject to analysis of an applicant's capability and approval on a case-by-case basis, the Bureau may permit some or all of the project work to be completed by force account rather than by competitive bidding and contracting out. If approved, grantee's work crews and construction equipment may be used, and are eligibile as a match for the project. Donated labor and equipment may also be used and may be eligible match for the project, if approved by the Department.

Bonding Requirements:

Bid Bond (or certified check, bank cashier's check or treasurer's check) is to be provided with the bid proposal to ensure the bidders financial responsibility for all bids over $18,500 as applicable.

Performance Bond and Labor and Material Payment Bonds - The Public Works Contractors' Bond Law of 1967, as amended, 8 P.S. §§ 191-202, requires that all construction contracts in excess of $10,000 be accompanied by a Performance Bond and a Labor and Material Payment Bond, unless current municipal codes are more restrictive. Each bond must be in the amount of 100% of the contract award price. These bonds must be secured from an agency or firm approved by the Commonwealth's Department of Insurance to do business in Pennsylvania. These bonds may be substituted with other acceptable forms of security by Municipal Grantee (Act 171 of 1991, 8 P.S. 193, 1967, P.L. 869 No. 385).

Maintenance Bond is also required to protect Municipal Grantee/Non-Profit from faulty or defective work by the contractor. This bond should cover a period of one year following the completion of the project and should be ina an amount of at least 10% of contract price.

Prevailing Wage Rates – Pennsylvania prevailing wage rates are required if the total project costs is estimated to be in excess of twenty-five thousand dollars ($25,000). If the Municipal Grantee/Non-Profit will be using Federal Funds as a part of the local match, and the contract(s) or subcontract(s) exceed two thousand dollars ($2,000), compliance with Davis-Bacon Federal Wage Rates may be required. In all cases, the appropriate wage rates must be incorporated into the specifications and the bidding documents prior to advertising.

Competitive Bidding for Planning Projects:

For **planning** projects, project consultants must be selected using a competitive Request for Proposals (RFP) process. The RFP process, while competitive, is not a formal process required by state law such as the law governing construction work or purchase of materials and equipment. As a more informal process, it can be molded by the Grantee to best meet the project needs.

The RFP lets consulting firms know the availability of a project. It provides a detailed Project Scope of Work and related requirements so that all firms are competing on the same basis and with the same information. Proposals from more than one consulting firm provide an opportunity to compare different approaches to the work, various cost proposals and the level of expertise of more than one firm. The RFP provides structure to the consultant selection process to ensure that the project work is well understood, work requirements and contracting details are not overlooked, and the most cost-effective professional services contract is achieved.

The Bureau requires that the Grantee prepare the RFP and that the RFP be approved by the Bureau *before* the grantee seeks a consultant. The Bureau requires that copies of the approved RFP be sent to at least five (5) consulting firms if possible. The Bureau may be able to assist in finding potential firms; however, the Bureau does not endorse any consulting firms. The Grantee is encouraged to contact other previously funded agencies to solicit contact information for qualified consulting firms.

The firm selected through an RFP process does not have to be the one submitting the lowest cost proposal. The selected proposal must be cost-effective and responsive to the community and project needs.

Once the Grantee has made a preliminary selection from the consultants who responded to the RFP, the following items must be submitted to the Bureau for review and approval:

- list of proposals received and the cost of each proposal (bid tab)
- the name of the firm the Grantee would like to hire
- the rationale for selection and copy of the selected firm's proposal
- copy of the selected proposal and draft of the consultant contract

Bureau staff will review this material and respond in writing. The Grantee may not proceed without our written authorization to execute the consultant contract.

Upon written request, the Bureau may, at the Bureau's sole discretion, waive the required RFP process. Waivers may be considered for requests that meet the following conditions:

(1) The consulting firm must meet the DCNR Consultant Qualifications for planning grant projects. Specifically, at least one member of the consulting team must have documented, prior experience conducting studies of the project type being undertaken.

(2) The consulting firm must have documented prior experience with completion of other related recreation and conservation planning projects within the study area.

(3) The consulting firm must propose a project cost that is realistic and competitive for the project type being undertaken.

This policy remains in effect until revised or rescinded.