

5.6.5 Administrative Bidding for Construction Work

Policy Tracking	Date
Approved	July 9, 2018
Revised	
Reviewed	

I. Standards for Participation in Construction Contracts

All contracts formally or informally bid will be awarded to the lowest responsible, responsive bidder specified in the bids for performance of the contract. Prior to bidding, contractors may be required to prequalify to be eligible to submit bids. For all contracts valued at \$1,000 or more, the Board will ensure that each bidder is not a restricted company identified on the state treasurer's list per N.C.G.S. § 147, Articles 6G and 6E (see [Policy 5.6.2](#) – Business Services Companies that Boycott Israel and Iran Divestment List).

The College Administration may request bids for contracts to build using the following construction delivery methods: single prime, multi-prime, construction management at-risk, dual bidding, design build, design-build bridging and public-private partnership methods permitted by law.

II. Bidding Methods

A. Formal Bidding Range (\$500,000 and greater)

All construction and repair work requiring the estimated expenditure of \$500,000 or more will be advertised for bid and awarded using the formal bidding requirements pursuant to N.C.G.S. 143-129. Dividing contracts to lower the expenditure amounts to evade formal bidding requirements is prohibited. The Board authorizes the use of newspaper advertisement, electronic advertisement or both for formal bids; however, the President is authorized to determine which method will be used for a specific purchase or categories of purchases. The President shall comply with all State Construction Office bidding requirements.

B. Informal Bidding Range (\$30,000 to \$500,000)

Informal bids will be obtained for construction and repair contracts below \$500,000. The College will make a reasonable effort to obtain three (3) quotes. Quotations from contractors may be solicited by email or fax. A record must be kept of all bids received.

C. Annual Service Agreement (Less than \$30,000)

The President may use the informal bidding method or solicit bid proposals and enter into Annual Service Agreements with contractors for a term of no more than two years in the following categories: a) roofing; b) HVAC; c) plumbing; and d) electrical. Annual Service Agreements are only applicable for projects costing less than \$30,000 and the College cannot divide projects to evade the bidding requirements. The total cost of the project may not exceed \$30,000 for one year.

The President is authorized by the Board to enter into such contracts within the price limitation. The contract must be reviewed by the Board's attorney and meet all applicable laws and Board policies.

III. Bonds for Construction Projects

A. Bid Bond

For all projects in the formal bidding range, no proposal for construction or repair work may be considered or accepted by the Board unless at the time of its filing, the bid is accompanied by a deposit with the Board of cash, a cashier's check or a certified check on some bank or trust company insured by the Federal Deposit Insurance Corporation in an amount equal to not less than five percent (5%) of the bid. In lieu of making the cash deposit, a bidder may file a bid bond executed by a corporate surety licensed under the laws of North Carolina to execute such bonds, conditioned that the surety will, upon demand, make payment to the obligee upon said bond if the bidder fails to execute the contract in accordance with the bid bond. This deposit shall be retained if the successful bidder fails to execute the contract within ten (10) days after the award or fails to give satisfactory surety.

B. Performance and Payment Bonds

For all construction and repair contracts within the financial limits specified in N.C.G.S. 44A-26(a), the Board requires from all contractors or construction manager at risk a performance and payment bond for the entire value of the project.

IV. Participation by Women and Minority-Owned Businesses

The College Administration will make a good faith effort to reach the State of North Carolina's verifiable percentage goal of ten percent (10%) participation in construction contracts by minority and female-owned businesses.

V. Authorization to Enter Construction Contracts

The Board hereby delegates to the President the authority to enter into all construction and repair contracts at a value of \$100,000 or less. At the next regularly scheduled Board meeting, the President will, as information items, update the Board regarding all contracts executed under this section. All State Construction documents and requirements will be used for informal contracts.

All construction and repair contracts above the President's authority must be approved by the Board. All State Construction documents and requirements will be used for formal contracts.

VI. Change Order Authorization

After a contract for construction or repair work has been awarded, the need may arise to amend the terms, conditions or specifications of the contract by a change order. Change orders may not be used or divided to evade bidding requirements.

A. Change Orders Approved by the President

Unless otherwise prohibited by statute or regulation, the President is authorized to approve change orders involving additive or deductive sums up to ten percent (10%) of the project budget so long as funding for the change order is available within the established project budget.

At the next regularly scheduled Board meeting, the President shall report to the Board all change orders that were approved by the President including those that do not impact the contract amount. The report will include the following information: (1) the contractor's name; (2) the project name; (3) a brief description of the change; (4) the contract amount, including amount(s) of any prior changes; and (5) the change order amount. The President is not required to report any proposed change order that was denied by the President.

B. Change Orders Approved by the Board

Change orders that involve a) amounts over ten percent (10%) of the project budget or b) are more than the remaining funds in the project budget require Board approval. The President shall present all such proposed change orders that are recommended for approval to the Board at a Board meeting. The President is not required to present to the Board any change order not recommended for approval.

If, in the President's opinion, a change order requires expedited review, the President shall notify the Board Chair who will decide whether a special meeting must be called to address the proposed change order before the next Board meeting.

Legal Reference: N.C.G.S. §§ 44A-26; 143-128, -128.3 and -128.3; -128.4, -129; -133.3, -135.26; 147- Articles 6C and 6G; State Construction Manual