

SOUTHEASTERN PUBLIC SERVICE AUTHORITY

Board of Directors ~ Regular Meeting*

Regional Board Room

723 Woodlake Drive, Chesapeake, Virginia



Wednesday, December 9, 2020 at 9:30 a.m.

*To encourage social distancing, members of the public may listen to and view presentations displayed at this meeting by registering at <https://attendee.gotowebinar.com/register/494062662473091088>. Members of the public may also listen to the SPSA Board Meeting via telephone by dialing toll-free to 1-877-309-2071 and entering access code 773-617-636. Additionally, members of the public are invited to speak electronically at the SPSA Board of Directors Meeting during the designated public comment period at the beginning of the meeting by registering in advance with the meeting organizer. All requests for registration to make an electronic public comment must be received by 3:00 p.m. on December 8, 2020.

Meeting Organizer: Tressa Preston ~ tpreston@spsa.com ~ 757.961.3486

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1. Call Meeting to Order

Roll Call

2. Public Comment Period

All speakers must register prior to call to order;
5-minute maximum per speaker unless advised by Chairman differently;
30-minute total maximum time.

3. Chairman's Comments**4. Approval of Minutes**

The minutes of the October 28, 2020 Board meeting are included below for your review and approval.

RECOMMENDED ACTION: Approve the minutes as presented.

MOTION: Do I hear a motion that the October 28, 2020 minutes of the SPSA Board of Directors meeting be approved as presented?

MINUTES OF THE BOARD OF DIRECTORS OF THE SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA

October 28, 2020

The Regular Meeting of the Board of Directors of the Southeastern Public Service Authority (SPSA) was held at 9:30 a.m. in the Regional Board Room at the Regional Building, 723 Woodlake Drive, Chesapeake, Virginia. The following members were in attendance or as noted:

Mr. John Maxwell	(CH)	Mr. Earl Sorey	(CH)
Ms. Sheryl Raulston	(FR)	Ms. Amanda Jarratt (<i>absent</i>)	(FR)
Mr. Dale Baugh	(IW)	Mr. Randy Keaton	(IW)
Mr. John Keifer	(NO)	Mr. Richard Broad	(NO)
Mr. C.W. "Luke" McCoy	(PO)	Mr. Burle Stromberg	(PO)
Mr. Mark Hodges (<i>absent</i>)	(SH)	Ms. Lynette Lowe	(SH)
Mr. David Arnold	(SU)	Mr. Albert Moor	(SU)
Mr. William Sorrentino (<i>absent</i>)	(VB)	Mr. John Barnes (<i>absent</i>)	(VB)

(CH) Chesapeake; (FR) Franklin; (IW) Isle of Wight; (NO) Norfolk; (PO) Portsmouth, (SH) Southampton County; (SU) Suffolk; (VB) Virginia Beach

Others present at the meeting included the Alternate Ex-Officio Members, Mr. Michael Etheridge (IW), Mr. L.J. Hansen (SU), Mr. Greg Martin (CH), Ms. Trista Pope* (NO), and Ms. Erin Trimyer (PO), SPSA executives, Ms. Liesl R. DeVary, Executive Director and Treasurer, Mr. Dennis Bagley, Deputy Executive Director, Ms. Tressa Preston, Secretary and Executive Administrator, and Mr. Brett Spain, General Counsel.

*Indicates early departure.

Also present at the meeting electronically via GoTo Webinar was Alternate Ex-Officio Member, Mr. Chad Edwards (FR) who participated from his office in Franklin for medical reasons. There were no objections to Mr. Edwards' electronic attendance.

To encourage social distancing during the COVID-19 pandemic state of emergency, through the meeting notice, members of the public were also invited to listen to and view presentations displayed at the meeting by registering for attendance using a GoTo Webinar teleconferencing platform. Members of the public were also invited to speak at the SPSA Board of Directors Meeting during the designated public comment period at the beginning of the meeting by registering in advance with the Secretary though contact information published in the meeting notice. Members of the public were also invited to listen to the SPSA Board Meeting via toll-free telephone.

1. **CALL MEETING TO ORDER**

Mr. Keifer, Chairman of the Board, called the meeting to order at 9:30 a.m.

2. **PUBLIC COMMENT**

Ms. Preston reported that she received no requests to make a public comment.

3. CHAIRMAN'S COMMENTS

Chairman Keifer began the meeting by commenting that there are many important issues on the agenda, including the flyover access to the landfill and the landfill expansion process. He also reported that the Board will be presented with a clean audit, and though this has become a common occurrence at SPSA in recent years, the hard work that made it happen should not be taken for granted. Chairman Keifer thanked staff for their diligence in keeping SPSA in superb financial condition, which assures the member communities that funds are being properly managed with solid procedures.

4. APPROVAL OF MINUTES

The minutes of the September 23, 2020 Board Meeting have been distributed. Chairman Keifer asked if there were any additions or changes and there were none.

Mr. McCoy moved, seconded by Mr. Stromberg to approve the September 23, 2020 minutes of the SPSA Board of Directors as presented. The electronic participant was polled individually. The vote on the motion was unanimous.

5. ANNUAL AUDIT

Before Ms. Lauren Harden and Mr. Logan Booth of Cherry Bekaert presented the annual audit to the Board of Directors via the GoTo Webinar platform, Mr. Baugh, Chairman of the Audit Committee offered his comments at Chairman Keifer's request. Mr. Baugh reported that the Audit Committee met with Ms. Harden and Mr. Booth and fully interrogated, assessed, and evaluated the financial audit. The Committee was particularly impressed with the new auditors' abilities to conduct a detailed audit while accommodating COVID-19 restrictions, and also commented that Ms. DeVary and staff did an incredible job interfacing with the auditors. Mr. Baugh concluded that the Committee highly recommends that the Board accept the audit.

Ms. Harden and Mr. Booth provided a brief overview of their findings and offered an unmodified opinion of the fiscal year 2020 financial statements. They noted no material weakness in internal control and compliance with all laws and regulations and there were no disagreements or difficulties in performing the audit. For information purposes, the auditors also mentioned upcoming governmental accounting and financial reporting standards that will become effective in coming years. Ms. Harden and Mr. Booth concluded their presentation and offered to answer any questions that the Board might have. There were no questions, but Mr. Keaton asked if there would be coverage of details beyond the positive results of the audit. Ms. DeVary mentioned that the actual revenue and expenses as compared to the budget were covered at the previous meeting, but allowed that more detail could be presented at future meetings.

Mr. Maxwell moved, seconded by Mr. Arnold to accept the SPSA annual audit as presented. The electronic participant was polled individually. The vote on the motion was unanimous.

6. EXECUTIVE DIRECTOR UPDATES

Ms. DeVary informed the Board that there are no new updates regarding the Norfolk Naval Shipyard's proposed power plant and the Wheelabrator steam contract, as Wheelabrator is still waiting for the Navy to respond to their submitted extension proposal. As Ms. DeVary has mentioned at previous meetings, DEQ held a public hearing on the Navy's application for an air permit. A recent news article reports that DEQ has received over one hundred comments from environmentalists and others concerned about possible increases in pollution, which has the potential to further delay the Navy's permitting process. The Board will be kept informed of any new developments.

The wetlands permitting process required for expansion at the Regional Landfill is taking much longer than originally expected, and subsequently additional funding will be required to complete the project. The original contract with VHB did not include funds for looking at alternatives to the landfill, because at that time the Corp had not fully defined the scope of work and level of detail that would be required. As mentioned at previous meetings, six potential alternative sites have been identified and VHB is still in the process of requesting permission from those landowners to examine the property more closely for the identification of any wetlands. So far there has been only one response allowing access. Also, the public scoping process yielded ten comments with significant responses from the Southern Environmental Law Center and the EPA, which will have to be addressed in the draft EIS. Each of these developments will require additional time and funding. VHB is working with the Corp on a cost to complete along with a revised schedule, which will be reviewed with the Board at the December Meeting. While roughly 50% of the funds from the original contract are still available, it is important to plan to accommodate the latest developments in the process.

Staff is still in the process of reviewing Mas Energy's request to make changes to the Landfill Gas Agreement. As they outlined in their July Board presentation, Mas Energy plans to install a system to convert methane to renewable natural gas to sell through the pipeline. Due to the substantial changes, Ms. DeVary will have a recommendation during the contract portion of the meeting.

Regarding the Flyover, there will be a presentation later in the meeting which is based on the Executive Committee's extensive discussions of the alternative landfill entrance project. When Ms. DeVary informed the Board that SPSA was not successful in their BUILD Grant application, it was requested by Mr. Maxwell that more information be gathered. A debriefing with the grant administrators informed SPSA that roughly 700 qualifying applications were received, with requests totaling \$9.2 billion, and only \$1 billion was allocated for awards. The process was highly competitive, but SPSA was given helpful information for possible future applications. Unfortunately, the RSTP funding award allocation has been delayed, but there should certainly be information to bring to the Board at the January Meeting.

DEQ regulations require financial assurance for the closure and post-closure of the landfill and transfer stations, which must be certified at the closing of each fiscal year. As of June 30, 2020, the total projected costs are \$24.6 million, with \$24.3 allocated for the landfill and \$286,000 for the transfer stations. Ms. DeVary is pleased to report that DEQ has once again approved the cost estimate through use of the corporate financial test, which is a mechanism defined in the Code of Virginia to demonstrate financial surety.

Mr. Bagley delivered the operations report, stating that 29,834 tons of material were landfilled in the reporting period, which is a decrease of about 2,000 tons from the previous month. 1,223,229 gallons of leachate were sent to HRSD, with 641,093 gallons pumped and 582,136 gallons hauled. 90% of the ash received from Wheelabrator qualified for use as daily cover, which Mr. Bagley noted was an excellent number and that staff continues to be pleased with the quality of ash. There were no odor complaints for the reporting period. Mr. Bagley ended his report by making the Board aware that PFAS (polyfluoroalkyl substances), a manmade chemical carcinogen which can be found in a wide variety of types of municipal waste, is increasingly becoming an environmental concern for landfilling. SPSA is working to understand the full impact of PFAS so that operations can remain on the cutting edge of best practices. He plans to go over this issue more thoroughly at the December Board Meeting. Mr. Bagley asked if there were any questions he could answer, but there were none.

Ms. DeVary brought to the Board's attention Section 15.2-5102.1 of the Virginia Code, amended in 2009, which is commonly known as House Bill 1872 or the Cosgrove Bill. This piece of legislation was the first step in transforming SPSA into the organization it is today. As it has been ten years since this legislation was passed, Ms. DeVary, under the advisement of General Counsel and the Executive Committee, has some humble suggestions for updates to strengthen and clarify the requirements. Board members were provided full strike-through versions of the suggested modifications to the document, as Ms. DeVary reviewed each item. Included in the suggestions are correcting Suffolk's designation as a city, rather than a county, modifying the option to nominate and the number of required nominees, codifying a 5-year financial plan, clarifying outsourcing policies, adding compliance with the Virginia Public Records Act, correcting references to debt and accounting certifications, and altering authority for the Executive Director to commit the authority in matters with a value less than \$100,000 and that are consistent with the authority's Board approved budget and purchasing policy.

Mr. Arnold asked about the process moving forward with these suggestions. Ms. DeVary confirmed that she and Chairman Keifer will be sending the suggestions to Senator Cosgrove with a letter requesting his support in bringing the changes before the legislature, as well as asking to meet with him for his suggestions. The Board will be copied on that correspondence.

Also, regarding the suggested modification on number of nominees, Mr. Arnold suggested that while the change may seem minimal, it could inadvertently put the Governor in the unfortunate position to appoint a Director he or she may deem unfit due to lack of presented options. Ms. DeVary, Chairman Keifer, and Mr. Spain agreed that this was an important point, and the language "up to" was removed from the suggested changes in section 1.

Chairman Keifer mentioned that if someone on the Board would like to make a phone call to Senator Cosgrove, that would be welcome. He also added that although the suggested changes would allow the Executive Director purchasing authorities up to \$100,000, if the Board chooses, they could adopt a purchasing policy with further restrictions. Ms. DeVary added that she is in the process of updating the authority's purchasing policies and will be bringing a draft of those updates to the Board at the December Meeting. Mr. McCoy spoke about the positive changes that SPSA has seen since the adoption of this legislation and that these suggestions will be beneficial to bringing House Bill 1872 up to date.

Moving on to her presentation on the flyover and alternate landfill entrance options, Ms. DeVary reminded the Board of the July meeting where HRPDC made a presentation on the funding options available for the flyover. At that meeting an idea for a back entrance that was raised in the past was brought up again. Those conversations lead the Executive Committee to an extensive exploration of all of the possible options and their individual considerations. Ms. DeVary took the Board through the below presentation which serves as a final summation of the Committee's investigative efforts. Ms. DeVary covered the background of the situation, including SPSA's Conditional Use Permit (CUP), which requires the flyover to be in operation before accepting waste in Cell VII. Any alternative to the flyover would require renegotiating the CUP. Currently projected to cost \$23 million, the flyover will eliminate left-hand turns and U-turns at the landfill entrance, which are a major safety concern. As mentioned earlier, the question was raised if there was a less costly alternative, such as a back entrance or a new transfer station for Suffolk.

Ms. DeVary supplied a view of the corridor which illustrated the challenging traffic pattern and reviewed a chart indicating that annually there are approximately 130,000 left-hand and U-turns at the SPSA entrance. The total project goals of cost-effectiveness, safety, meeting CUP requirements, operational efficiency, and timely execution were outlined and the individual options were reviewed. While a back entrance would have lower up-front costs than the flyover, it would require rezoning land and renegotiating the CUP, along with issues around property acquisition, environmental justice, and operational concerns, in addition to presenting an untenable timeline for completion. A new transfer station would also have fewer upfront costs, but, like the back entrance, does not meet CUP requirements or address the safety issue at the landfill entrance, and would increase annual operating costs. Additionally, siting a new transfer station is a challenging matter and is unlikely to have a positive result. The flyover, though costly at the outset, will require no additional operating costs for SPSA. More importantly, it is the preferred solution for the CUP and entirely eliminates the safety issue at the entrance to the landfill. Even if alternate funding is not attained and the project must be funded through the municipal tipping fee, staff and the Executive Committee agree that the flyover is the only option that fulfills the project goals.

Funding options and timing are being evaluated as staff awaits the announcement of RSTP grant awards. Ms. DeVary will be able to bring that information to the January Board Meeting. Her initial projections indicate that by funding the process over several years, the impact to the tipping fee will be minimal, especially if RSTP funding is secured. Due to the time required to complete a project like the flyover and the urgency of the safety concern, it is recommended that SPSA consider entering an agreement with VDOT to provide initial funding to begin environmental and engineering work on the flyover in January of 2021.

Chairman Keifer added that looking at all the options, there is a lot of money concerned, but SPSA made a long-term commitment to the City of Suffolk. Extensive discussions have been had with the staff at Suffolk, as well as staff at the HRTPO. In order to have this project operational before waste enters Cell VII, the design process needs to begin right away, as it is likely the project will take about five years to be complete. SPSA is committed to building the flyover and if grant funding is not secured, it will be financed through the tipping fee.

Mr. Arnold commented that as both a representative of Suffolk and as someone who regularly travels the corridor in discussion, he cannot overstate the public safety concern surrounding the existing traffic situation. In his opinion, the flyover is the only option that will address the issue properly and he thanked staff for their efforts. Mr. McCoy agreed with Mr.

Arnold, adding that safety is a paramount issue and that the project should move forward as quickly as possible.

Mr. Sorey mentioned that RSTP funding, like other grants, are in very high demand and that the allocations available are relatively modest. He encourages the Board to manage their expectations for funding, stating that partial funding may be available, but that total funding is unlikely. Mr. Sorey went on to ask the projected opening date for Cell VII. Ms. DeVary responded that the required date depends on several factors that are in flux. If operations at Wheelabrator continue as they are, SPSA could potentially not need Cell VII until 2029, but if operations change or waste streams increase, it could be needed as early as 2027. Ms. DeVary went on to say that the uncertainty about when Cell VII will be needed is further cause to focus on the urgency of the safety issue in the corridor, which should be corrected as soon as possible, regardless of landfill capacity. Staff is working to manage all of the variables.

Mr. Maxwell asked if all funding alternatives have been explored. Ms. DeVary replied that, as shown in HRPDC's July presentation, the BUILD grant and RSTP funding were the limited options for this project because SMART SCALE and CMAQ funding deal with congestion and the flyover doesn't qualify. Ms. DeVary continued that with the information received in the BUILD grant debriefing, SPSA will have a better chance at applying for funding in the future. Mr. Maxwell asked for confirmation that if SPSA does not receive grant funding that the flyover will be funded through the tipping fee, and if so, what that amount would be. Ms. DeVary replied that yes, funding may need to come from the tipping fee, but without more information, she is unable at this time to accurately and responsibly project the amount of impact. Ms. DeVary assured him that information would be presented at the January Meeting and that she is sensitive to the communities' need to plan for the future, noting that the sooner she can get the information to the Board the better.

Mr. Keifer asked for other comments or questions, but there were none.



**Flyover and Alternate
Landfill Entrance Options**

October 28, 2020



Background

- SPSA's CUP to construct cell 7 at the landfill requires a flyover must be completed and in operation prior to accepting waste in cell 7
- An alternative to the flyover, such as a back entrance or new transfer station would require renegotiation of the CUP
- Projected cost to build flyover is \$23 million
- The need for the flyover is to eliminate left hand turns (and u-turns) at the landfill entrance (heading east from Suffolk)
- Is there a less costly alternative?

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Left Hand Turns

2020	Annual	Daily	% of Total
SPSA From West	2,100	8	2%
Suffolk	6,700	26	5%
Residents	15,600	60	12%
Other Customers	2,500	10	2%
U-turns	103,100	397	79%
Total	130,000	500	100%

Source: HRPDC (existing traffic studies confirmed by VDOT StreetLights web based program)

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Project Goals

- **Cost-effective** Able to be funded through a reliable source; responsible use of funds; short-term and long-term costs taken into account.
- **Safety** Eliminates left hand turn at landfill entrance.
- **Meets Requirements of CUP with Suffolk**
- **Operationally Efficient**
- **Timely** Able to be accomplished before Cell VII would be required.

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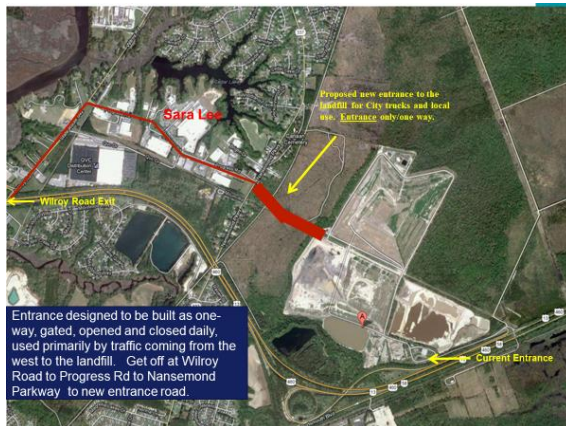


Landfill Entrance Options

- Back Entrance
- New Suffolk Transfer Station
- Flyover
 - Grant Funded
 - Tipping Fee Funded

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Projected cost
\$8.5 million

Back Entrance Pros and Cons

- PROS**
- Upfront costs lower than flyover
 - Minimal increase in travel miles for SPSA trucks
 - Likely would decrease travel miles overall for Suffolk trucks

- CONS**
- Must renegotiate Cell VII CUP with Suffolk
 - Requires acquisition of property
 - Suffolk is unlikely to approve re-zoning of acquired property
 - Environmental Justice issues
 - Increase in annual operating costs by a minimum of \$55,000 per year
 - Creates operational and security issues for the RLF and the Suffolk Transfer Station
 - If this option is taken and final approval is not obtained, it would be too late to start construction of the flyover
 - May hinder landfill expansion permitting process

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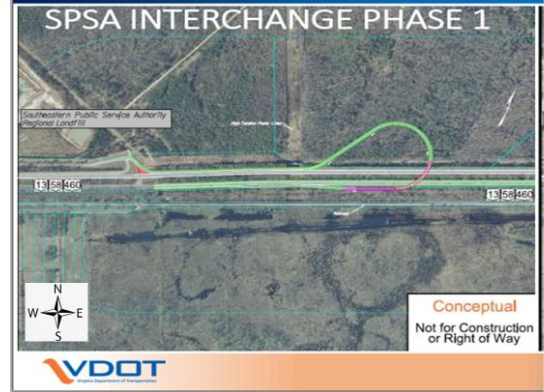
SPSA WASTE SOLUTIONS New Transfer Station in Suffolk Pros and Cons

Projected cost \$7.5 million

- | PROS | CONS |
|--|--|
| <ul style="list-style-type: none"> Upfront costs lower than flyover Minimizes left turns into the RLF for Suffolk trucks and residents | <ul style="list-style-type: none"> Must renegotiate Cell VII CUP with Suffolk Does not completely resolve safety concerns at RLF entrance Siting a transfer station in any location is difficult Increase in annual operating costs by a minimum of \$540,000 per year |

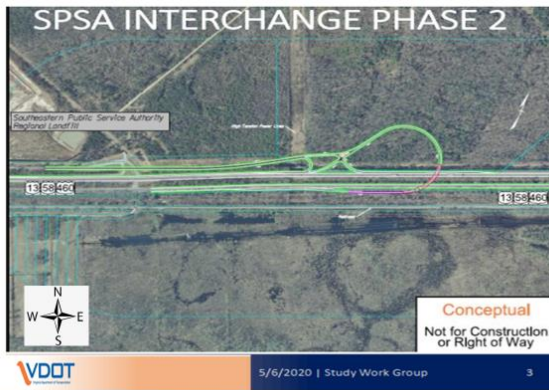
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SPSA WASTE SOLUTIONS

Projected cost \$23 million**

Flyover Pros and Cons

- | PROS | CONS |
|--|--|
| <ul style="list-style-type: none"> CUP preferred solution Resolves all safety concerns Closes median at entrance to RLF VDOT would manage design and construction and maintain the flyover No additional operating costs for SPSA | <ul style="list-style-type: none"> Upfront costs of approximately \$23 million Funding Challenges <ul style="list-style-type: none"> RSTP funds would require the project be funded over multiple years due to project costs RSTP funds are allocated through FY 2026 If approved, RSTP funds would require another locality in the region to swap funding years for design and construction to begin prior to FY 2027 Increase in MSW tip fee if grants are not approved |

**Cost Estimate provided by Michael Baker Int'l, consultant for VDOT. A copy is attached for your reference

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SPSA WASTE SOLUTIONS

Summary

	Cost-effective	Improves Safety	Meets CUP Requirements	Operationally Efficient	Timely
Flyover	Y <small>(if grant funded)</small>	Y	Y	Y	Y
Back Entrance	N	Y	N	N	N
New Transfer Station	N	Y	N	N	N

- Cost-effective** Able to be funded through a reliable source; responsible use of funds; short-term and long-term costs taken into account.
- Safety** Eliminates left hand turn at landfill entrance.
- Meets Requirements of CUP with Suffolk**
- Operationally Efficient**
- Timely** Able to be accomplished before Cell VII would be required.

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SPSA WASTE SOLUTIONS

Next Steps

- Evaluate funding options and timing
- Await funding decision on RSTP grant
- Recommend SPSA consider an agreement with VDOT and provide "seed" money so they can begin environmental and engineering work in January 2021

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7. WHEELABRATOR PORTSMOUTH MONTHLY REPORT

Mr. Clint Stratton presented the report from Wheelabrator electronically.

Wheelabrator Portsmouth

October 2020 Report to SPSA Board



Meeting SPSA's mission to provide safe and environmentally sound disposal of regional solid waste



Wheelabrator Portsmouth September 2020



Actual Operational Data

Net Refuse Received			Total Refuse Processed			Total NP Diverted			Ash Shipped		
Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan
50,905	47,676	3,229	60,967	51,404	(436)	5,459	5,297	(162)	12,811	14,134	1,322
Volumes in region continues to be favorable			Driven by unfavorable boiler USDOT			High volumes of NP remain in system			Mixture of timing and shipping 1-2 day old ash		

Steam Sales			Boilers Unscheduled Downtime			TO's Unscheduled Downtime			Net MWH Sold		
Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan	Actual	Plan	Act-Plan
45,637	25,589	20,048	203	128	(75)	15	24	9	17,412	16,871	(1,459)
NNDY continues to take large volumes of steam			Driven by tube failure on #3 boiler Superheater						Driven by favorable steam sales		

- Includes 1,267 tons of non-qualifying residue delivered to landfill; qualifying residue 90.1% for Sept.
- Waste delivered by SPSA to RDF- 52,039 tons
- Boiler availability - 88%; Turbine generator availability- 99%; Ash screen availability - 98%
- Boiler 1 scheduled outage completed this period to include grate cleaning, pressure part repairs, flue gas, SDA and baghouse repairs, RDF feed system screw repairs, ash removal system repairs.
- 0 OSHA Recordable accidents this period, 4 for the YTD, 0 Environmental Incidents and Citizen Complaints this period

Tim West

Maintenance Manager for RDF and Energy Plant

- VMI Graduate (1988)
- 20 Year Navy Veteran
 - Exec. Officer on USS Coronado
 - Exec. Officer at Naval Reserve Center in NY
- Maintenance Director at Corning Int'l Hqtrs.
- Returned to Hampton Roads to be near family in Petersburg
- Brother of Mark West, ODU and NBA Standout (1983-2000)



Questions?



Mr. Stratton asked if there were any questions, but there were none.

8. **FINANCIAL REPORT**

Ms. DeVary reported that, as of September 30, 2020, total revenues exceeded total expenses by approximately \$2.6 million as compared to \$2.4 million in the previous fiscal year. Tipping fees year-to-date reflect an increase of 6.1% or approximately \$701,000 as compared to FY 2020. As the Member Communities are aware, municipal waste tons are up approximately 17% or 20,517 tons as compared to last fiscal year. However, commercial tons are down 14% or 7,300 tons as compared to last year.

Ms. DeVary reported that total expenses for the month ending September 30th were approximately \$10.3 million, compared to \$9.9 million in the prior fiscal year. Cash balances are at \$44.3 million, currently designated as \$3.2 million in operating, \$5.9 million, the equivalent of 2 months' operating expenses, in undesignated fund balance, \$94,176 in FY 2020 rolled purchase orders, \$314,757 for unencumbered capital budget, \$2.5 million for the proposed HRSD force main, \$400,973 for landfill expansion purchase orders, and \$31.8 million in the landfill expansion and closure fund.

Ms. Raulston moved, seconded by Mr. Broad to approve the SPSA financial report as presented. The electronic participant was polled individually. The vote on the motion was unanimous.

9. CONTRACTS

The first contract for consideration was for the purchase of five replacement yard spotters (also known as yard dogs or yard jockeys). Having this equipment to move trailers into place greatly improves the efficiency of operations. \$650,000 has been allocated in the FY 2021 capital replacement budget for these yard spotters. Three bids were received, but only two met the specified requirements of the bid. Staff's recommendation is to award the contract to Southeast Industrial Equipment, the lowest responsible and responsive bidder, in the amount of \$597,500.

Mr. Keaton moved, seconded by Mr. McCoy to award the contract for the Yard Spotters to Southeast Industrial Equipment, as presented. The electronic participant was polled individually. The vote on the motion was unanimous.

The second contract for consideration was for HDR Engineering. As Ms. DeVary mentioned earlier in the meeting the Environment Impact Statement (EIS) for the wetlands permitting process is requiring additional time and effort. HDR provides technical assistance to the Corp and VHB regarding all aspects of the landfill, in addition to assessing alternatives. Ms. DeVary is requesting to add an additional \$29,830 to the original \$30,000 HDR task order, which should be sufficient to cover their work from November 2020 to June 30, 2021. This addition would come from landfill expansion reserve funds.

Mr. Broad moved, seconded by Mr. Sorey to amend the existing task order for an additional \$29,830, as presented. The electronic participant was polled individually. The vote on the motion was unanimous.

The third item for consideration was the lease for the Hampton Roads Transportation Accountability Commission (HRTAC), which leases space from SPSA at the Regional Office Building. Their original five-year lease is set to expire on November 30, 2020, but Ms. DeVary has worked with counsel to amend the lease so that it renews annually for successive one-year periods, unless either party gives 180 days' notice. The current annual rent is \$15,504 and will be adjusted annually by year over year change in the Consumer Price Index for all Urban Consumers (CPI-U). A copy of the proposed lease is in the Board Agenda.

Mr. Arnold moved, seconded by Mr. Maxwell to approve the First Amendment to the lease agreement between SPSA and HRTAC, as presented. The electronic participant was polled individually. The vote on the motion was unanimous.

The fourth item for consideration was regarding the Landfill Gas Rights, Easement, and Lease Agreement. As Ms. DeVary mentioned earlier, Mas Energy, the new owners of Suffolk Energy Partners, would like to move away from converting methane to electricity to sell to the grid, and instead install a system to convert methane to renewable natural gas to be sold through the pipeline. As Mas Energy presented to the Board, these changes are expected to result in \$600,000 in royalties paid to SPSA each year, which is double the current amount. This major change to operations requires that the contract be amended and restated, which is essentially an entirely new agreement. SPSA plans to engage Mr. Brad Nowak, who worked on several of the Wheelabrator agreements, to assist with the negotiation and draft of the amended and restated agreement. Mr. Brett Spain will also consult on changes and HDR will serve as engineering consultant. The projected total costs

for legal and engineering are \$162,000, of which, Mas Energy has agreed to reimburse SPSA 50%.

Mr. Arnold voiced concerns about the high legal costs, but deferred to Ms. DeVary and the Board's judgment.

Mr. McCoy moved, seconded by Mr. Keaton to authorize the Executive Director to negotiate a proposed amendment and to engage the services of Brad Nowak with William Mullens to assist with the negotiation and to prepare a draft proposed amendment and to engage the services of HDR Engineering as a consultant in the total amount not to exceed \$162,000 and to invoice Suffolk Energy Partners for fifty percent (50%) reimbursement as presented. The electronic participant was polled individually. The vote on the motion was unanimous.

10. OTHER BUSINESS

Earlier in the meeting, Chairman Keifer welcomed Mr. Al Moor to the Board of Directors as the new Ex-Officio representative from the City of Suffolk. Chairman Keifer reminded the Board that the next, and final, meeting of 2020 will take place on December 9th.

11. ADJOURN MEETING

There being no further business to come before the Board of Directors the regular meeting was adjourned at 11:06 a.m.

Liesl R. DeVary
Executive Director

Submitted by: Tressa Preston, Secretary, SPSA Board of Directors

5. Executive Director Updates

Presentation on Facility Condition Assessment

Attachments:

- Landfill Operational Summary
- Executive Committee Minutes – September 16, 2020

Landfill Operational Summary

SPSA Regional Landfill Operational Summary		KEY:			
Period	October 1st to October 31st, 2020		Change Since Last Report		
			All Is Well		
			Working On		
			Noted Issue		
Item	Metric Item	Metric	Performance/Comment	Status Code	Comments/Corrective Actions
1	Regulatory Compliance				
1.1	Notice of Violations	None	In Compliance		No issues during the reporting period.
1.2	Environmental compliance and reporting	Compliance	All submissions made.		
1.2.1	Solid waste operations	Compliance	In Compliance		No issues during the reporting period.
1.2.2	Title V	Compliance	In Compliance		New EPA regulations have been issued. Still awaiting VDEQ's final decision on whether they will accept those regulations as written or enforce more stringent limits as allowed by the new EPA rules.
1.2.3	VPDES	Compliance	In Compliance		New Permit was issued as of October 1st 2020
1.2.4	Financial Assurance	Compliance	In compliance		
1.2.5	Wetlands	Compliance	In Compliance		
1.2.6	Groundwater	Compliance	In Compliance		4th Quarter Groundwater sampling completed and sent to lab on 10/22/2020
1.2.7	Storm water system operating and in compliance with VPDES permit	Systems operational and in good order	In Compliance		In compliance.
2	Landfilling Operations				
2.1	Tonnage Landfilled	Actual Tons	32,934		
2.2	No. staff	15.5	12.5		2 vacancies: 2-HEO, 1- Env Tech
2.2	Equipment Utilization	Key equipment fully operational and deployed	All equipment operating and deployed with appropriate spares		
3	Cover Operations				
3.1	Total Cover Material Received	Actual Tons	16,403		
3.2	Date of last aerial survey	12/12/2019			
3.3	December 2018 Operational In-Place Density (lbs./cy)	1,600-1,800lbs/cy	1,788 lbs./cy or AUF =0.894		
3.4	December 2018 Effective In-Place Density (lbs./cy)	1,600 lbs./cy	2005 lbs./cy or AUF = 1.00		Still well above targeted long term airspace utilization.

4	Leachate Management				
4.1	Pump stations operational during period	100 % Operational	All pump stations are operational, pump performance is being monitored, and repairs/replacements made as necessary.		All vaults are operational.
4.2	SCADA system operational during period	100 % Operational	Fully operational		SCADA is fully operational. Brian updated system/made modifications on 10/30/2020
4.3	Flow meter system functional during period	100 % Operational	All 8 Cell V/VI Pump Stations are now operational		Flow Meters can now be logged to history in Scada system and reviewed as needed.
4.4	Leachate Levels	In compliance	In compliance.		1. In compliance at all 8 pump station locations. 2. Flow generation remain < 40,000 GPD typically.
4.5	Leachate Disposal	In compliance			Capital Project for dredging of the Leachate Ponds is complete.
4.5.1	Quantity of leachate pumped to HRSD during period	x gallons	848,279		From 10/01 to 10/31
4.5.1.1	Cell V, Sumps 1-4	x gallons	262,172		From 10/01 to 10/31
4.5.1.2	Cell VI, Sumps 5-8	x gallons	309,663		From 10/01 to 10/31
4.5.2	Quantity of leachate hauled for disposal during period	x gallons	271,130		From 10/01 to 10/31
4.5.3	Disposal costs in period: \$		\$ 20,680		From 10/01 to 10/31
4.5.4	Any issues relative to leachate quality and acceptance at WWTPs?	No constraints	No constraints		
5	Landfill Gas Management	Compliance	In compliance		4th monthly event with gas probes in compliance was completed; returned to Quarterly monitoring per HDR.
6	Odor Complaints	No complaints	No complaints		From 10/01 to 10/31
7	HRSD Force Main	Contract Schedule	None provided to date.		HRSD has reported that the project is delayed two years.

Acronym Definitions

ACOE- Army Core Of Engineers **AUF**- Airspace Utilization Factor **BOD**- Biological Oxygen Demand **CAP**- Corrective Action Plan
COD- Chemical Oxygen Demand **CSC**E- Comprehensive Site Compliance Evaluation **DMR**- Discharge Monitoring Report
GPS- Groundwater Protection Standards **LCL**- Lower Confidence Limit **NOV**- Notice Of Violation **SCADA**- Supervisory Control And Data Acquisition
SWIFT- Sustainable Water Initiative For Tomorrow **SWPPP**- Storm Water Pollution Prevention Plan **VPDES**- Va. Pollution Discharge Elimination System
WWTP- Waste Water Treatment Plant **PLC**- Programmable Logic Controller **GPM**- Gallons Per Minute **GPD**- Gallons Per Day

Executive Committee Minutes – September 16, 2020

Executive Committee Minutes
Southeastern Public Service Authority of Virginia
September 16, 2020

A meeting of the Executive Committee was held at 1:00 p.m. in the second-floor conference room of the SPSA Regional Office Building in Chesapeake, Virginia and was called to order by Chairman John Keifer. The other Committee Members present at this meeting were Vice Chairman Luke McCoy, Mr. Randy Keaton, and Ms. Sheryl Raulston. Also in attendance were Executive Director, Liesl R. DeVary, Deputy Executive Director, Dennis Bagley, Executive Administrator, Tressa Preston, and Brett Spain, General Counsel. Mr. Keaton left the meeting at 3:09 p.m.

Items for Discussion:

1. Review and approve Executive Committee Minutes of August 19, 2020

Mr. Keaton moved, seconded by Ms. Raulston, to approve the minutes of August 19, 2020. All were in favor.

2. Executive Director Reports / September Board Meeting Agenda

- a) HRIBC

Ms. DeVary informed the Committee that she was invited by Ray Crabbs, of Hampton Roads Integrated BioEnergy Complex (HRIBC), to attend a luncheon at the Chesapeake Conference Center with other stakeholders in the project. HRIBC has been granted a conditional use permit (CUP) from the city of Chesapeake and they plan to have building permits by the end of the year so that they may break ground in the first quarter of calendar year 2021. While SPSA is hopeful that Mr. Crabbs will be successful in his plans, as of yet, there is no concrete information to pass on to the Board at this time. Ms. DeVary will continue to remain in contact with Mr. Crabbs and will be a happy to invite him to present information about his facility to the Board at an appropriate future date.

- b) Wheelabrator and the Navy

There are no new updates on the NNSY Proposed Power Plant and the Wheelabrator Steam contract. The Navy and Wheelabrator are still in negotiations for a possible 18-month extension to the steam contract, along with additional 6-month options for extension. Ms. DeVary will reach out to Mr. Bruce Stanas of Wheelabrator before the September Board Meeting for any new information that she may pass on to the Board. In other Wheelabrator business, Mr. Pete DiCecco will present an update on the Capital Plan at the September Board Meeting.

- c) Wetlands Permitting

There are no new updates on the Wetlands Permitting process. Virtual public scoping and work to narrow down onsite and offsite alternatives continue.

d) Request from Tidewater Fibre Corp

Ms. DeVary distributed a document outlining information on comparative TFC waste deliveries to SPSA Transfer Stations and the Wheelabrator RDF plant during the months of March—June in FY 2019 and FY 2020, as requested by the Committee. Sources indicate that while there was a 27% decrease in tonnages delivered to SPSA from March—June 2019 compared to March—June 2020, there was an 8.1% increase in tonnage delivery to the RDF plant. The numbers indicate that TFC would have been able to fulfill their contractual agreement with SPSA had tonnages been rerouted.

However, due to SPSA's long-standing relationship with TFC, Ms. DeVary recommends waiving the shortfall fee for FY 2020 under the condition that TFC delivers their minimum requirement of 50,000 tons, plus the 1,490.93-ton shortfall, in FY 2021. If the condition is met, a credit for the already-paid shortfall fee would be applied to the June 2021 TFC invoice.

The Committee was in agreement that Ms. DeVary move forward with suggesting her recommended proposal to TFC.

e) Mas Energy

Ms. DeVary informed the Committee that staff has received Mas Energy's suggested changes to the current Landfill Gas Agreement. The changes largely consist of adding in another royalty category for revenue from synthetic gas and language for a Title V update and new permits.

Since Mas Energy took over, there have been challenges with Suffolk Energy Partners' performance, including a lack of condensate samples and long periods of outages during which gas has been flared, rather than captured for energy sales. This has resulted in significant decreases in landfill gas revenue. Mas Energy has been notified of the situation and staff has received their responses and plans to remedy the situation.

Chairman Keifer inquired and Ms. DeVary confirmed that all the issues with Mas Energy and Suffolk Energy Partners are revenue related, not environmental safety and compliance issues. All environmental needs are being met, but the plant is not currently operating with enough efficiency to produce the returns that SPSA is accustomed to seeing. Mr. Bagley has been assured that the current plant will be up and running as usual shortly.

Task orders for HDR Engineering and legal work related to amending the Landfill Gas Agreement and the design and construction of the new plant to process renewable natural gas (RNG) will be brought to the Board for consideration in the coming months. While SPSA will provide the initial outlay, Mas Energy will be reimbursing SPSA for the total costs of the task orders.

f) FY 2020 Surplus

Ms. DeVary reported to the Committee on the final numbers for the FY 2020 budget surplus and made her recommendations for allocation. Among her recommendations is a one-time payment to SPSA staff hired before June 30, 2020 in lieu of a merit increase and

in recognition of their outstanding service. Full-time employees would be issued a net check of \$1000 and part-time employees would receive a net \$500. Mr. Keaton informed the Committee that he would not be able to support a one-time payment to SPSA staff in an amount larger than what has been distributed to Isle of Wight employees.

Ms. DeVary initially requested \$90,000 to paint 20 tractors white as the final step in SPSA's rebranding process, but ultimately decided that she will bring that recommendation to the Board following the formal bidding process.

Ms. DeVary recommends that the remainder of the surplus be transferred to the landfill expansion and closure fund.

g) Flyover / Back Entrance at the Regional Landfill

Ms. DeVary went through a presentation discussing alternate landfill entrance options. As requested, she included information on the number of left-hand turns made, the types of vehicles making the turn, and compared the cost-per-turn for each of the alternatives. Also reviewed were the pros and cons of each option, as well as the overall goals of the project. The presentation ended with a comparison of option favorability by goal. In the discussion that followed, the Committee concluded that installing the flyover would be the option that serves the region as a whole and meets all of the goals of the project. A similar presentation will be made to the full Board at the October meeting.

h) Annual Audit

The Audit Committee will be meeting in late September and the audit is on schedule to be presented at the October Board Meeting.

Chairman Keifer and Ms. DeVary spoke of updating the purchasing policies and procedures in the near future.

i) Board Meeting – September 23, 2020

At the September Meeting, Ms. DeVary will present two contracts for consideration. The first is for a renewal of Pollution Legal Liability Insurance. SPSA's current 3-year policy for \$5 million of coverage expires October 1, 2020. The policy covers 3rd party claims and was brokered by VRSA on SPSA's behalf. Five companies were solicited, but the only bid received was from Great American E&S Insurance Company, the current provider. There is no change in cost for the new contract.

The second contract award is for the replacement Tire Shredder that is already allocated in the FY 2021 Capital Replacement Budget. The low-bidder, BESA Equipment, was determined non-responsive due to their inability to provide evidence of a proven track record demonstrating the ability of the proposed tire shredder to process OTR tires. Or provide three (3) references where proposed equipment is being used. Staff is recommending the contract be awarded to CM Shredders in the amount of \$621,000 pending the Intent to Award period.

3. Meeting Adjourned at 3:46 p.m.

6. Wheelabrator Portsmouth Monthly Report

November 15, 2020

Liesl R. DeVary
Southeastern Public Service Authority
723 Woodlake Drive
Chesapeake, VA 23320

Dear Ms. DeVary:

Please find attached the Monthly Report for Wheelabrator Portsmouth Inc. facility required by Schedule 15 of the Service Agreement. Should you have any questions on any of the items covered herein please do not hesitate to contact me.

Sincerely,

Clint Stratton
Plant Manager, Wheelabrator Portsmouth

enclosure

**WHEELABRATOR PORTSMOUTH INC
 TONNAGES REPORT
 CALENDAR YEAR 2020**

MONTH														
	SPSA ACCEPTABLE WASTE (TONS)	THIRD PARTY ACCEPTABLE WASTE (TONS)	OUT-OF-STATE WASTE (TONS) *	OUTSIDE-AREA WASTE (TONS)	TOTAL TONNAGE	NAVY STEAM DELIVERED (K-LBS)	ALL WASTE ACCEPTED AT RDF (TONS)	NP REMOVED FROM RDF (TONS)	PROHIBITED WASTE	RDF WASTE DIVERTED TO LANDFILLS (TONS)	PROCESSED WASTE (CALC)	PROCESSED FORMULA	RESIDUE DELIVERED TO LANDFILL (TONS)	MW SOLD TO THE GRID (MWhr)
JAN	43,504.60	11,225.45	1,638.94	-	56,368.99	94,652	56,368.99	3,770.70	-	1,600.61	52,598.29	50,885.77	12,468.65	15,292
FEB	36,957.70	14,096.57	1,487.88	-	52,542.15	86,407	52,542.15	4,401.87	-	-	48,140.28	46,936.88	13,940.40	13,820
MAR	43,377.21	10,247.57	1,538.33	-	55,163.11	78,725	55,163.11	4,498.44	-	1,366.78	50,664.67	50,829.17	12,554.31	15,692
APR	48,240.27	12,115.41	1,384.03	-	61,739.71	71,990	61,739.71	5,784.85	-	1,155.49	55,954.86	52,854.05	18,308.77	15,260
MAY	49,517.50	11,230.65	1,376.69	-	62,124.84	62,154	62,124.84	6,224.35	-	1,333.18	55,900.49	56,762.86	16,184.91	18,400
JUN	48,074.82	13,240.99	1,496.10	-	62,811.91	50,952	62,811.91	6,847.76	-	-	55,964.15	53,726.77	19,302.55	17,586
JUL	47,262.05	13,309.34	1,585.08	-	62,156.47	48,949	62,156.47	6,271.99	-	1,381.59	55,884.48	54,077.13	17,381.22	18,467
AUG	49,360.37	14,023.46	1,836.37	-	65,220.20	47,839	65,220.20	6,053.24	-	5,068.74	59,166.96	56,306.54	13,984.72	16,965
SEP	52,039.91	3,140.41	1,519.76	-	56,700.08	45,637	56,700.08	5,459.41	-	4,045.14	51,240.67	50,967.19	12,811.16	17,412
OCT	48,992.77	7,466.94	1,630.52	-	58,090.23	48,694	58,090.23	5,910.20	-	1,838.10	52,180.03	53,925.22	15,868.59	18,518
NOV	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
YTD TOTAL	467,327.20	110,096.79	15,493.70	-	592,917.69	635,998.00	592,917.69	55,222.81	-	17,789.63	537,694.88	527,271.58	152,805.28	167,412.00

* NOTE: This is material brought in from the nearby counties in NC provided for under the Service Agreement.

**WHEELABRATOR PORTSMOUTH INC
AVAILABILITY
CALENDAR YEAR 2020**

MONTH	BOILER AVAILABILITY (%)	BOILER PLANNED OUTAGES (HRS)	BOILER UNPLANNED OUTAGES (HRS)	TURBINE AVAILABILITY	TURBINE PLANNED OUTAGES (HRS)	TURBINE UNPLANNED OUTAGES (HRS)
JAN	89%	156.00	187.00	98%	45.00	1.00
FEB	94%	156.00	22.00	95%	96.00	1.00
MAR	95%	-	157.00	90%	-	223.00
APR	89%	152.00	163.00	95%	-	105.00
MAY	89%	156.00	168.00	89%	-	226.00
JUN	91%	156.00	111.00	99.5%	-	10.00
JUL	90%	156.00	133.00	91%	-	203.00
AUG	88%	132.00	226.00	99.9%	-	2.00
SEP	88%	156.00	203.00	99.3%	-	15.00
OCT	91%	137.00	139.00	98%	-	45.00
NOV						
DEC						
YTD TOTAL	90%	1,357.00	1,509.00	96%	141.00	831.00

WHEELBRATOR PORTSMOUTH INC

SUPPLEMENTAL INFORMATION

October 2020

Total Waste received by SPSA:	48,993 tons
Waste delivered to RDF:	58,090 tons
Total RDF processed:	53,925 tons
Residue sent to landfill:	15,869 tons*
Electric power sold:	18,518 MW
Steam sold to Navy:	48,694 K-LBS
Overall Boiler availability:	91%
Overall Generator availability:	98%
Environmental Incidents	0

OSHA Recordable Accidents this period:	0
OSHA Recordable Accidents YTD:	4

General Notes:

* This total includes 1,006.59 tons of non-qualifying residue delivered to the landfill this period, qualifying residue 93.66% for October.

Boiler 2 scheduled outage completed this period to include grate cleaning, pressure part repairs, flue gas, SDA and baghouse repairs, RDF feed system screw repairs, ash removal system repairs.

Wheelabrator Portsmouth Inc.

Monthly Report for the Month of October 2020

This report is submitted in accordance with the Waste Disposal & Services Agreement, section 3.17.1.

Environmental Issues:

Contractor has not received any notices in violation (NOVs) or orders, and no such NOVs, proceedings, orders or investigations are pending, for the subject period.

Tests Completed:

Monthly Industrial Discharge Samples
Fuel Oil Sample
Quarterly Ash Test

Tests Planned:

Monthly Industrial Discharge Samples
Fuel Oil Sample(s)
Storm Water Sample
Annual Stack Test
Quarterly GHG Test
Quarterly Ash Test

Inspections:

None

Air Quality Violations:

None

Safety Issues:


OSHA Recordable Accidents this period:	0
OSHA Recordable Accidents YTD:	4
Lost Time Accidents this period:	0
Lost Time Accidents YTD:	0

Op Stats: see attached spreadsheet

Upcoming Planned Outages:

2020 Outages

Jan 12-20	Boiler 2
Feb 2-8	Boiler 3
March 15-21	No outage
April 12-19	Boiler 4
May 10-18	Boiler 1
June 14-22	Boiler 2
July 19-27	Boiler 3
August 9-13	Boiler 4
September 20-26	Boiler 1
October 4-10	Boiler 2
November	No outage
December 13-18	Boiler 3

Wheelabrator RDF and WTE Operational Summary			KEY:		
Provided by Wheelabrator Portsmouth			Change Since Last Report		
Period	October 1 to October 31, 2020		All Is Well		
			Working On		
			Noted Issue		
Item	Metric Item	Metric	Performance	Status	Comments
1	Regulatory Compliance				
1.1	Notice of Violations	None	In Compliance		No issues during reporting period
1.2	VPDES	Compliance	In Compliance		No issues during reporting period
1.2.1	Solid waste operations	Compliance	In Compliance		No issues during reporting period
1.2.2	Title V	Compliance	In Compliance		No issues during reporting period
2	RDF Tipping Floor Operations				
2.1	Wait Times	<30 min			Wait times were less than 30 minutes during this period
2.2	Floor Volume	<1,000 Tons	Noted issue		Diverted tonnage through MBI and direct commercial during plant upset conditions to manage this
2.3	Equipment Utilization	Key equipment fully operational and deployed	All 3 lines shredder overhaul/minors are now completed		
3	Ash				
3.1	Ash Delivered to RLF	Actual Tons	15,868		
3.2	Percentage of Ash Re-classified	<20%	1,006		Reclassified was 6.34%
3.3	Percentage of Ash used as ADC	> 80%	14,862		ADC was 93.66%
3.4	Rejected Loads of Ash	0	0		
4	WTE				
4.1	Boiler Availability	> 90%	91.00%		
4.2	TG Availability	> 90%	98.00%		
4.3	Ash Screener Availability	> 95 %	99.00%		
5	Cleanliness/Litter Control				
5.1	Citizen Complaints	0			Overall cleanliness of the facility continues to improve.
5.2	Odor Complaints	0			No issues during reporting period

Acronym Definitions
RDF - Refuse Derived Fuel, **WTE** - Waste To Energy, **VPDES** - Virginia Pollution Discharge Elimination System, **ADC** - Alternative Daily Cover, **TG** - Turbine Generator

7. Procurement Policy Update

The SPSA Procurement Policy was last updated in 2012. For Board review and approval, the SPSA Procurement Policy has been redesigned and thoroughly reviewed with General Counsel to align with the Virginia Public Procurement Act.

Additionally, the policy has been amended to include procedures for use of construction management and design-build methods of construction contracting which requires adoption of a resolution authorizing this method of procurement.

Due to the length of the policy, the draft for review is only being included in the electronic version of the Board packet.

RECOMMENDATION: Approve the updated SPSA Procurement Policy as presented and adopt the attached resolution establishing procedures for use of the construction management and design-build methods of construction contracting.

MOTION: Do I hear a motion to approve the updated SPSA Procurement Policy as presented?

MOTION: Do I hear a motion approving the resolution as presented?



PROCUREMENT POLICY

Adopted December _____, 2020

Southeastern Public Service Authority (SPSA)
723 Woodlake Drive, Chesapeake, VA 23320
757.420.4700
www.spsa.com

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SOUTHEASTERN PUBLIC SERVICE AUTHORITY PROCUREMENT POLICY

PURPOSE

This Procurement Policy Manual, hereinafter referred to as the “Manual,” contains the policies and procedures by which departments within the Southeastern Public Service Authority (“SPSA” or the “Authority”) are to follow for the procurement of goods, services, insurance and construction unless inconsistent with or otherwise provided by law. The policy is designed to comply with the Virginia Public Procurement Act (VPPA). This Manual shall be used as a reference resource to maintain the conduct of procurement related activities within the realm of the law and comply with the stated purpose of SPSA’s procurement policy:

...to encourage competition among vendors and contractors, to provide for the fair and equitable treatment of all persons involved in public procurement by SPSA, to maximize the value of public funds in procurement so that high quality goods and services may be obtained at the lowest possible price, and to increase public confidence in procurement practices by providing safeguards for maintaining a procurement system of quality and integrity.

CHAPTER I - LEGAL ASPECTS OF THIS MANUAL

1. **Procurement contracts entered into by SPSA.** The policies and procedures of this Manual apply to all contracts for the procurement of goods, services, insurance and construction entered into by SPSA. The policy and procedures of this Manual shall apply whether the consideration is monetary or non-monetary and regardless of whether SPSA, a contractor, or some third party is providing the consideration. Policies and procedures of this Manual shall be followed without deviation unless authorized in writing by the Executive Director or his/her designee.
2. **Penalty for willful violations.** Willful violation of any provision of this Manual may constitute a Class I misdemeanor. Upon conviction, any public employee, in addition to any other fine or penalty provided by law, may be required to forfeit his/her employment.
3. **Severability.** If any provision of this Manual or any application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this Manual which can be given effect without the invalid provision or application, and to this end the provisions of this Manual are declared to be severable.

CHAPTER II – AUTHORITY, RESPONSIBILITY AND DUTIES

1. **Authority, Responsibilities and Duties.** In accordance with §15.2-5102.1 of the Code of Virginia, the Executive Director is not permitted to execute or commit the Authority to any contract, memorandum of agreement or memorandum of understanding without an informed vote of approval by the SPSA Board of Directors with the exception of (1) contracts for the purchase of goods and services for an aggregate sum of less than \$30,000 which are subject to the VPPA but exempted from competitive negotiation or competitive sealed bidding, and (2) sole source and emergency procurements in accordance with the policies set forth herein.

Except as specifically provided in the following sections of this Manual, the Executive Director shall, without the need for further or additional approval of the Board of Directors, have the authority and responsibility to:

- (a) Establish additional procedures, consistent with this Manual, governing the procurement, management, control, and disposal of any and all goods, services, and construction to be procured by SPSA;
- (b) Consider and decide matters of procedure within the provisions of this Manual and for complying with procurement law;
- (c) Execute contracts and agreements for procurements that fall within the Small Dollar Procedures set forth in this Manual;
- (d) Execute contract modifications up to \$30,000; provided, however, that no modifications that individually or cumulatively exceed the amount of \$30,000 shall be made without approval by the SPSA Board of Directors (Va. Code § 2.2-4309(A)).
- (e) Exercise authority over the award or administration of any particular contract, or over any dispute, claim, or litigation pertaining thereto, with appropriate consultation with SPSA's legal counsel as necessary.
- (f) In addition to the procurement methods in this Manual, utilize other procurement methods authorized by the VPPA, as amended, and adopt such procedures as may be necessary or advisable to comply with the requirements of the VPPA for use of such other procurement methods.
- (g) Determine the procurement method to be utilized for a procurement transaction and prepare any written determination or notice necessary or advisable to justify or explain why such method is being used.
- (h) If not already within the scope of the Executive Director's authority, to make decisions and take actions as may be necessary to prevent a detrimental delay or stoppage of a contractor's work or to preclude an avoidable

increase in contract price, but only if (i) it is not reasonably practicable to obtain the advanced approval of the Board of Directors; and (ii) the Executive Director has notified and obtained the consent of the Chair of the Board of Directors. The Executive Director shall thereafter have such decision or action ratified at the next meeting of the Board of Directors.

- (i) Issue works orders, unit price orders, or similar instructions to proceed under a contract that has been approved by the Board of Directors as long as such orders or instructions are within the scope of work and cost of the contract as approved by the Board of Directors.

2. **Departmental Authority, Responsibilities and Duties.** It is the responsibility of each Supervisor to determine the goods or services needed for efficient operation and to relay this information to the Deputy Executive Director in a timely manner to ensure feasibility of compliance with purchasing policies and procedures. Authority, responsibilities, and duties at the department level include:

- (a) Preparing sufficient and concise technical specifications that characteristically define the quality, which will best serve the interest of SPSA within available funding, of goods or services needed to perform a specific function. Specifications shall provide a basis for full and fair competition.
- (b) Identifying special terms and conditions which are pertinent to the procurement, such as delivery schedules, local service, warranty provisions, etc.
- (c) Planning and submitting requirements to Purchasing sufficiently in advance of need to allow the necessary time for compliance with appropriate competitive procedures and allow the supplier ample time for regular (versus expedited) delivery.
- (d) Receiving goods and services and ensuring that goods and services received are in strict accordance with the purchase order or other form of contract. Should substitute goods or services of a lesser quality or alternate terms for the purchasing transaction be proposed (or delivered), the Supervisor shall notify and request instruction for executing the original contract.
- (e) Documenting vendor performance and providing an appropriate level of contract administration to monitor all aspects of the contract/purchase order to insure proper fulfillment. Should any problems arise, it is the department's responsibility to notify the Purchasing department. Copies of all procurement related correspondence shall be forwarded to Purchasing.

CHAPTER III – DEFINITIONS

Definitions. For the purposes of this Manual, the following words and phrases shall have the meanings respectively ascribed to them. Nothing in this section shall preclude the Executive Director, or his/her designee from defining additional terms to provide consistency for the purposes of this Manual in the conduct of procurement related activities.

Act or VPPA. The Virginia Public Procurement Act, Title 2.2, Chapter 43 of the Code of Virginia.

Addendum. A modification of the bid/contract documents issued in writing by SPSA prior to the opening of the bids.

Affiliate. An individual or business that controls, is controlled by, or is under common control with another individual or business. A person controls an entity if the person owns, directly or indirectly, more than 10 percent of the voting securities of the entity. For the purposes of this definition “voting security” means a security that (i) confers upon the holder the right to vote for the election of members of the board of directors or similar governing body of the business or (ii) is convertible into, or entitles the holder to receive, upon its exercise, a security that confers such a right to vote. A general partnership interest shall be deemed to be a voting security.

Authority. The Southeastern Public Service Authority of Virginia, a public body politic and corporate of the Commonwealth of Virginia.

Best value. As predetermined in the solicitation, means the overall combination of quality, price, and various elements of required services that in total are optimal relative to a public body’s needs.

Board of Directors or Board. The Board of Directors of the Authority.

Business. Any type of corporation, partnership, limited liability company, association, or sole proprietorship operated for profit.

Complex Project. A construction project that includes one or more of the following significant components: difficult site location, unique equipment, specialized building systems, multifaceted program, accelerated schedule, historic designation, or intricate phasing or some other aspect that makes competitive sealed bidding not practical.

Construction. Building, altering, repairing, improving or demolishing any structure, building or highway, and any draining, dredging, excavation, grading or similar work upon real property.

Construction Management Contract. A contract in which a party is retained by SPSA to coordinate and administer contracts for construction services for the benefit of SPSA,

and may also include, if provided in the contract, the furnishing of construction services to SPSA.

Contract. A legal obligation between a buyer and a seller to perform certain duties/provide certain goods. General requirements of a contract include an offer and acceptance by capable parties; mutual assent/consent; lawful objective; and mutual consideration.

Contract Modification (Change Order). Any written alteration in a specification, delivery point, rate of delivery, period of performance, price, quantity, or other provision of any contract accomplished by mutual action of the parties to the contract.

Contractor. Any person having a contract with SPSA or a using department thereof.

Design-build Contract. A contract between a public body and another party in which the party contracting with the public body agrees to both design and build the structure or other item specified in the contract.

Emergency. An emergency shall exist when a breakdown in an essential service occurs or under any other circumstances when goods or services are needed for immediate use in work which may vitally affect the safety, health or welfare of the public.

Employee. An individual drawing a salary, wages or other compensation from SPSA; any non-compensated individual performing personal services for SPSA.

Employment services organization. An organization that provides employment services to individuals with disabilities that is an approved Commission on the Accreditation of Rehabilitation Facilities (CARF) accredited vendor of the Department for Aging and Rehabilitative Services.

Goods. All material, equipment, supplies, printing and automated data processing hardware and software.

Immediate Family. A spouse, child, parent, brother and sister, and any other person living in the same household of an employee.

Insurance. A contract whereby, for a stipulated consideration, one party undertakes to compensate the other for loss on a specified subject by specified perils.

Informality. A minor defect or variation of a bid, proposal, or other offer from the exact requirements of the Invitation to Bid, the Request for Proposal, or other solicitation, which does not affect the price, quality, quantity or delivery schedule for the goods, services or construction being procured.

Invitation to Bid or Invitation for Bids (IFB). All documents, whether attached or incorporated by reference, utilized for soliciting sealed bids.

Job order contracting. A method of procuring construction by establishing a book of unit prices and then obtaining a contractor to perform work as needed using the prices, quantities, and specifications in the book as the basis of its pricing. The contractor may be selected through either competitive sealed bidding or competitive negotiation depending on the needs of the public body procuring the construction services. A minimum amount of work may be specified in the contract. The contract term and the project amount shall not exceed the limitations specified in Virginia Code § 2.2-4303.2.

Minority individual. An individual who is a citizen of the United States or a legal resident alien and who satisfies one or more of the following definitions:

1. African American: a person having origins in any of the original peoples of Africa and who is regarded as such by the community of which this person claims to be a part.
2. Asian American: a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands, including but not limited to Japan, China, Vietnam, Samoa, Laos, Cambodia, Taiwan, Northern Mariana Islands, the Philippines, a U.S. territory of the Pacific, India, Pakistan, Bangladesh, or Sri Lanka and who is regarded as such by the community of which this person claims to be a part.
3. Hispanic American: a person having origins in any of the Spanish-speaking peoples of Mexico, South or Central America, or the Caribbean Islands or other Spanish or Portuguese cultures and who is regarded as such by the community of which this person claims to be a part.
4. Native American: a person having origins in any of the original peoples of North America and who is regarded as such by the community of which this person claims to be a part or who is recognized by a tribal organization.

Minority-owned business. A business that is at least 51 percent owned by one or more minority individuals who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51 percent of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals who are U.S. citizens or legal resident aliens, and both the management and daily business operations are controlled by one or more minority individuals, or any historically black college or university as defined in Virginia Code § 2.2-1604, regardless of the percentage ownership by minority individuals or, in the case of a corporation, partnership, or limited liability company or other entity, the equity ownership interest in the corporation, partnership, or limited liability company or other entity.

Multiphase professional services contract. A contract for the providing of professional services where the total scope of work of the second or subsequent phase of the contract cannot be specified without the results of the first or prior phase of the contract.

Nominal Value. Value so small, slight, or the like in comparison to what might properly be expected, as scarcely to be entitled to the name.

Life Cycle Costing. An evaluation that takes into account all costs incidental to the planning, design, construction, operation, maintenance and disposal of a system or facility calculated in terms of present value, annual owning and operating costs (total cost bid).

Non-Professional Services. Any services not specifically identified as professional services in the definition of professional services.

Official Responsibility. Administrative or operating authority, whether intermediate or final, to initiate, approve/disapprove or otherwise affect procurement transactions or any claim resulting therefrom.

Pecuniary Interest Arising from the Procurement. A personal interest in a contract as defined in the State and Local Government Conflict of Interests Act (Va. Code § 2.2-3100 et seq.).

Person. Any individual, corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, or other entity or a government or any agency, authority or political subdivision thereof.

Potential Bidder or Offeror. Any person who, at the time SPSA negotiates and awards or proposes to award a contract, is engaged in the sale or lease of goods, or the sale of services, insurance or construction, of the type to be procured under the contract, and who at such time is eligible and qualified in all respects to perform that contract, and who would have been eligible and qualified to submit a bid or proposal had the contract been procured through competitive sealed bidding or competitive negotiation.

Procurement Transaction. All functions that pertain to the obtaining of any goods, services, or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Professional Services. Work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy, professional engineering, or other professions as defined in the VPPA.

Public Body. Any legislative, executive or judicial body, agency, office, department, authority, post, commission, committee, institution, board, or political subdivision created by law to exercise some sovereign power or to perform some governmental duty, and empowered by law to undertake the activities described.

Public Contract. Any form of agreement between a public body/SPSA and a nongovernmental source that is enforceable in a court of law.

Public Employee. Any person employed by a public body, including elected officials or appointed members of governing bodies.

Purchase Order. A form of contract which provides the supplier authorization to provide goods/services and is the purchaser's commitment for the value of the goods/services. Special terms and conditions may be incorporated in the purchase order by reference.

Requisition. A written or electronic communication describing the needs of the using department to the purchasing department; a request to purchase. It includes appropriate authorization of the using department to proceed to purchase the designated items and the appropriate funding source/account to be charged.

Request for Proposals (RFP). All documents, whether attached or incorporated by reference, utilized for soliciting proposals.

Responsible Bidder or Offeror. A person who has the capability, in all respects, to perform fully the contract requirements and the moral and business integrity and reliability which will assure good faith performance, and who has been prequalified, if required.

Responsive Bidder. A person who has submitted a bid which conforms in all material respects to the Invitation to Bid.

Service disabled veteran: A veteran who (i) served on active duty in the United States military ground, naval, or air service, (ii) was discharged or released under conditions other than dishonorable, and (iii) has a service-connected disability rating fixed by the United States Department of Veterans Affairs.

Services. Any work performed by an independent contractor wherein the service rendered does not consist primarily of acquisition of equipment or materials, or the rental of equipment, materials and supplies.

Service disabled veteran business. A business that is at least 51 percent owned by one or more service disabled veterans or, in the case of a corporation, partnership, or limited liability company or other entity, at least 51 percent of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more individuals who are service disabled veterans and both the management and daily business operations are controlled by one or more individuals who are service disabled veterans.

Small business. A business, independently owned and controlled by one or more individuals who are U.S. citizens or legal resident aliens, and together with affiliates, has 250 or fewer employees, or annual gross receipts of \$10 million or less averaged over the previous three years. One or more of the individual owners shall control both the management and daily business operations of the small business

Small Dollar Procedures. The respective procurement procedures and transaction amounts, which apply when said requirement is exempt from formal competitive sealed bid or sealed proposal procedures, as established herein.

SPSA. The Southeastern Public Service Authority of Virginia, a public body politic and corporate of the Commonwealth of Virginia.

State Public Body. Any authority, board, department, instrumentality, agency, or other unit of state government. "State public body" does not include any covered institution; any county, city, or town; or any local or regional governmental authority.

Using Department. Any department, division, section, office, or other unit in SPSA requiring goods, services, insurance or construction as provided for in this Manual.

Women-owned business. A business that is at least 51 percent owned by one or more women who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51 percent of the equity ownership interest is owned by one or more women who are U.S. citizens or legal resident aliens, and both the management and daily business operations are controlled by one or more women.

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CHAPTER IV – METHODS OF PROCUREMENT

All public contracts with non-governmental contractors for the purchase or lease of goods, services, insurance or construction shall be awarded after competitive sealed bidding or competitive negotiation as provided in this Manual and the VPPA unless otherwise authorized by law or this Manual. Such procurement transactions shall provide for competition wherever practicable and shall be subject to the requirements of this Manual, the VPPA and procedures established by the Executive Director or his/her designee.

1. **Small Dollar Procedures:** SPSA may award single or term contracts not to exceed \$30,000 for goods, services and non-transportation-related construction without competitive sealed bidding or competitive negotiation. This threshold applies to the total value of all phases of single or term contracts. Contract requirements shall not be artificially divided so as to qualify as an exception.
 - (a) **Goods and Services with a cost less than \$5,000 per unit:** Requirements for goods or services which are less than \$5,000 per unit may be purchased at the discretion of the using department provided the total order does not exceed \$5,000. Departments are encouraged to consider total delivered cost and convenience in making a vendor selection and to seek competition where practicable.
 - (b) **Goods and Services with a cost between \$5,000 and \$29,999 per unit:** With the exception of SPSA annual contracts, where the cost is expected to be between \$5,000 and \$29,999 per unit and the total order does not exceed \$29,999, no fewer than three valid responsible vendors shall be solicited to submit electronic or written quotations. All quotations shall be documented and must contain at a minimum, the name of the business submitting quotation; the person providing the quote, the date, and the amount of each quotation. The purchase and payment shall be processed by requisition/purchase order with documentation attached electronically with the requisition and/or purchase order.
 - (c) **Goods and Services with a cost in excess of \$30,000 per unit:** Where the cost is expected to exceed \$30,000 per unit or in total sum, a formal competitive sealed bidding (Invitation to Bid or IFB) or competitive negotiation (Request for Proposal or RFP) process shall be used and may be awarded following approval of the Board of Directors.
2. **Purchasing Card:**
 - (a) The purchasing card program is intended as an alternate method for procuring goods and services and simplifying the payment process. The program reduces the number of accounts payable transactions and associated handoffs by consolidating multiple vendor invoices into one monthly invoice from the charge card vendor.

- (b) The purchasing card shall only be used to purchase low dollar or emergency goods and services for SPSA operations, maintenance and repairs. Use of the card for personal items, cash advances, business travel (includes gasoline), nonexpendable and expendable furnishings, or other fixed assets expenses is not permitted. Efforts should be made to use vendors who accept the purchasing card where appropriate in order to maximize administrative cost savings. Purchasing cards must be used for official SPSA purchases only. Split tickets are prohibited.
 - (c) The Accounting Manager will act as SPSA's Purchasing Card Program Administrator. This person is responsible for card issuance, card cancellation, and communication with the supporting card's agency, receipt of the cards, monthly billings, additional statements and management reports.
3. **Competitive Sealed Bidding** shall be conducted by the issuance of a written IFB containing or incorporating, by reference, the specifications and contractual terms and conditions applicable to the procurement. The IFB shall include a statement of any requisite qualifications of potential contractors, unless a prequalification process has been conducted.
- (a) Public notice of the IFB shall comply with the current requirements of the VPPA and, at a minimum, shall be given at least ten (10) days prior to the date set for receipt of bids by posting on SPSA's website and eVA. In addition, notice may be published in a newspaper of general circulation in the Hampton Roads area of Virginia. Bids may also be solicited directly from potential contractors.
 - (b) All bids received shall be opened and announced publicly.
 - (c) Evaluation of bids shall be based upon the requirements set forth in the IFB, which may include special qualifications of potential contractors, life cycle costing, value analysis, and any other criteria such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose, which are helpful in determining acceptability.
 - (d) An award shall be to the lowest responsive and responsible bidder. When the terms and conditions of multiple awards are so provided in the IFB, awards may be made to more than one bidder.
 - (e) Nothing in this section shall preclude the use of a multi-step bid process.
 - (f) SPSA reserves the right to cancel or reject any and all bids.
4. **Competitive Negotiation** shall be conducted by the issuance of a written RFP indicating in general terms that which is sought to be procured, specifying the factors which will be used in evaluating the proposal, indicating whether a numerical scoring system will be used in evaluation of the proposal and containing

or incorporating by reference the other applicable contractual terms and conditions, including any unique capabilities or qualifications which will be required of the contractor. In the event that a numerical scoring system will be used in the evaluation of proposals, the point values assigned to each of the evaluation criteria shall be included in the RFP or posted at the location designated for public posting of procurement notices prior to the due date and time for receiving proposals.

- (a) Public notice of the RFP shall comply with the current requirements of the VPPA and, at a minimum, shall be given at least ten (10) days prior to the date set for receipt of proposals by posting on SPSA's website and eVA. In addition, notice may be published in a newspaper of general circulation in the Hampton Roads area of Virginia. Proposals may also be solicited directly from potential contractors.
- (b) For procurement of goods, nonprofessional services and insurance, selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals, on the basis of the factors involved in the RFP including price if so stated in the RFP. Negotiations shall then be conducted with each of the offerors so selected. Price shall be considered, but need not be the sole or primary determining factor. After negotiations have been conducted with each offeror so selected, SPSA shall select the offeror which, in its opinion, has made the best proposal and provides the best value, and shall award the contract to that offeror. SPSA shall not be required to make an award and may reject any or all proposals at any time during the process. Should SPSA determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror.
- (c) For professional services, the Executive Director or his/her designee, shall engage in individual discussions with two or more offerors deemed fully qualified, responsible and suitable on the basis of initial responses and with emphasis on professional competence, to provide the required services. Repetitive informal interviews shall be permissible. Such offerors are encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project as well as alternative concepts. In addition, offerors shall be informed of any ranking criteria that will be used by SPSA. The RFP shall not, however, request that offerors furnish estimates of man-hours or cost of services. These discussions may encompass non-binding estimates of total project costs, including design, construction and life cycle costs. In accordance with Virginia Code § 2.2-4342, proprietary information from competing offerors shall not be disclosed to the public or to competitors.
- (d) At the conclusion of informal discussions on the basis of evaluation factors published in the RFP and all information developed in the selection process, an evaluation committee selected by the Executive Director or his/her

designee shall select in the order of preference two or more offerors whose professional qualifications and proposed services are deemed most meritorious.

- (e) Negotiations shall then be conducted, beginning with the offeror ranked first. If a contract satisfactory and advantageous to SPSA can be negotiated at a price considered fair and reasonable and pursuant to contractual terms and conditions acceptable to SPSA, the award shall be made to that offeror. Otherwise, negotiations with the offeror ranked first shall be formally terminated and negotiations conducted with the offeror ranked second, and so on and until such a contract can be negotiated at a fair and reasonable price. SPSA shall not be required to make an award and may reject any or all proposals at any time during the process. Should SPSA determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror.
- (f) A contract for architectural or professional engineering services relating to multiple construction projects may be awarded by SPSA, provided
 - i. the projects require similar experience and expertise,
 - ii. the nature of the projects is clearly identified in the RFP, and
 - iii. the contract is limited to a term of one year or when the cumulative total project fees reach the maximum authorized in this section, whichever occurs first.

Such contracts may be renewable for four additional one-year terms at the option of SPSA. The fair and reasonable prices as negotiated shall be used in determining the cost of each project performed.

The sum of all projects performed in a one-year contract term shall not exceed the limits set forth in the VPPA.

Competitive negotiations for such architectural or professional engineering services contracts may result in awards to more than one offeror, provided (i) the RFP so states and (ii) SPSA has established procedures for distributing multiple projects among the selected contractors during the contract term. Such procedures shall prohibit requiring the selected contractors to compete for individual projects based on price.

- 5. **Construction** may be procured only by competitive sealed bidding, except as provided in the small dollar procedures and competitive negotiation may be used in the following instances:

- (a) On a fixed price design-build basis or construction management basis as provided in Chapter 43.1 of the Virginia Code (§§ 2.2-4378 et seq.); or
- (b) For the construction of highways and any draining, dredging, excavation, grading or similar work upon real property upon a determination made in advance by SPSA and set forth in writing that competitive sealed bidding is either not practicable or not fiscally advantageous to the public, which writing shall document the basis for this determination.

SPSA shall report no later than November 1 of each year to the Director of the Department of General Services on all completed capital projects in excess of \$2 million, which report shall include at a minimum (i) the procurement method utilized, (ii) the project budget, (iii) the actual project cost, (iv) the expected timeline, (v) the actual completion time, and (vi) any post-project issues.

6. **Design-Build Contracts.** SPSA may enter into a contract for construction on a fixed price or not-to-exceed price design-build basis in accordance with Virginia Code §2.2-4382.

A design-build contract procurement method shall be a two-step competitive negotiation process and price is a critical basis for award of the contract. The following procedures shall govern the selection, evaluation, and award of design-build contracts:

- (a) Prior to making a determination as to the use of a design-build for a specific construction project, SPSA shall have in its employ or under contract a licensed architect or engineer with professional competence appropriate to the project who shall (i) advise SPSA regarding the use of design-build for that project and (ii) assist SPSA with the preparation of the RFP and the evaluation of such proposals.
- (b) A written determination shall be made in advance by SPSA, which may be made by the Executive Director or his/her designee, that competitive sealed bidding is not practicable or fiscally advantageous, and such writing shall document the basis for the determination to utilize design-build. The determination shall be included in the Request for Qualifications and be maintained in the procurement file.
- (c) SPSA will establish an Evaluation Committee to be responsible for evaluating the qualifications of offerors responding to the design-build solicitation and reviewing proposals submitted for such services. The Executive Director or his/her designee will appoint at least 3 people of which one committee member shall be a professional engineer or architect.
- (d) Selection of Qualified Offerors (Step 1) – Request for Qualifications (RFQ).
 - i. SPSA shall publish notice of the RFQ at least thirty (30) days prior to the date set for receipt of qualifications by advertising in a

local newspaper of general circulation, and posting on SPSA's website and eVA.

- ii. The RFQ shall provide a description of the project, building and site criteria, site and survey date (if available), the services required, any unique capabilities or qualifications to be required of the offeror, the criteria to be used in evaluating the potential offeror's qualifications, and other relevant information. The RFQ should request from potential offerors only such information as is appropriate for an objective evaluation of all offerors pursuant to such criteria. The RFQ shall establish procedures whereby comments concerning provisions in the RFQ can be received and considered prior to the time set for receipt of qualifications. All offerors shall have a licensed Class "A" contractor and an architect or engineer registered in the Commonwealth of Virginia as part of the offeror's team.
- iii. The Evaluation Committee shall evaluate each responding offeror's qualifications submittal and any other relevant information and shall determine which offerors are fully qualified and suitable for the project.
- iv. The RFQ evaluation shall result in a short list (if sufficient responses have been received) of three (3) to five (5) offerors to receive an RFP. If available, the short list shall include a minimum of one Department of Small Business and Supplier Diversity (DSBSD) Certified Small Business that meets the minimum qualifications for prequalification. An offeror may be denied prequalification only as specified in Virginia Code § 2.2-4317(C). However, the short list shall also be based on the RFQ criteria and a determination by the Evaluation Committee of which qualified offerors should be on the short list based on such offeror's responses to the RFQ. The evaluation process shall evaluate an offeror's experience for a period of ten prior years to determine whether the offeror has constructed, by any method of project delivery, at least three projects similar in program and size.
- v. At least thirty (30) days prior to the date established for the submission of proposals to the RFP, SPSA shall advise each offeror in writing as to whether that offeror has been prequalified. In the event that an offeror is denied prequalification, the written notice shall state the reasons for the denial of prequalification and the factual basis for such reasons. Prequalified offerors that are not selected for the short list shall likewise be provided the reasons for such decision.

(e) Selection of Design-Build Contractor (Step II).

- i. SPSA shall prepare a RFP that includes, but is not limited to, the following:
 - a. the instructions for submitting a proposal, the criteria for evaluation, and proposed terms and conditions of the design-build contract;
 - b. a narrative description of the project requirements;
 - c. general conditions and technical specifications; and
 - d. a facility and site plan as appropriate for the project.
 - e. The RFP may also define such other requirements as SPSA determines appropriate for a particular project. The RFP shall include procedures whereby comments concerning specifications or other provisions contained in the RFP can be received and considered prior to the time set for receipt of proposals.
- ii. SPSA shall send an RFP to the qualified design-build offerors on the short list for the project and request formal proposals from each of them. The RFQ shall state whether responses may be submitted electronically and/or via paper response. Offerors will have at least ten (10) days to submit a proposal. Separately sealed technical and financial proposals will be required to be submitted. SPSA shall first provide the technical proposals to the Evaluation Committee and hold the sealed financial proposals until the technical review has been completed.
- iii. Based on criteria established in the RFP, the Evaluation Committee shall evaluate each of the technical proposals. As part of the evaluation process, the Evaluation Committee may conduct direct and private communications with each of the offerors. Each offeror shall be allotted the same fixed amount of time. In its communications with offerors, the Evaluation Committee shall exercise care to discuss the same information with all offerors. In addition, the Evaluation Committee shall not disclose any trade secrets or proprietary information for which the offeror has invoked protection in accordance with Virginia Code § 2.2-4342.
- iv. The Evaluation Committee will inform each offeror of any adjustments necessary to make such offeror's technical proposal fully compliant with the requirements of the RFP. In addition, SPSA may require that any and/or all offerors make design adjustments necessary to incorporate project improvements and/or additional detailed information identified by the Evaluation Committee during design development.
- v. Based on the adjustments made to the technical proposals, an offeror may amend its financial proposal. In addition, an offeror may

submit cost modifications to its original sealed financial proposal, which are not based on revisions to the technical proposal.

- vi. The Evaluation Committee shall evaluate and rank (if technical rankings are to be considered as a criterion for an award) the technical proposals. Should SPSA determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror. Otherwise, SPSA shall open the financial proposals and apply the criteria for an award as specified in the RFP. The Evaluation Committee may then negotiate with the offeror or offerors selected in order to arrive at terms for a design-build contract.
- vii. The Evaluation Committee shall make its recommendation for the selection of a design builder to the SPSA Board of Directors based on its evaluations of the technical and financial proposals and all amendments thereto. The contract shall be awarded to the offeror who is fully qualified and has been determined to have provided the best value in response to the RFP.
- viii. SPSA will notify all offerors who submitted proposals which offeror was selected for the project. Alternatively, a Notice of Intent to Award may be used to notify all offerors who submitted a proposal. When the terms and conditions of multiple awards are so provided in the RFP, awards may be made to more than one offeror.
- ix. Upon request and in accordance with Virginia Code § 2.2-4342, documentation of the process used for the final selection shall be made available to the unsuccessful offerors.

7. **Construction Management.** SPSA may enter into a contract for construction management on a fixed price or not-to-exceed price in accordance with Virginia Code § 2.2-4382.

The procurement method for a construction management contract shall be a two-step competitive negotiation process and shall follow the steps for a design-build procurement except:

- (a) A construction management contract is limited to complex projects with a total construction value below the threshold established by Virginia Code § 2.2-4382.
- (b) A construction management contract must be executed no later than the completion of the schematic phase of design, unless prohibited by funding restrictions.

- (c) A construction management contract shall require that (i) no more than 10 percent of the construction work, as measured by the cost of the work, be performed by the construction manager with its own forces and (ii) the remaining 90 percent of the construction work, as measured by the cost of the work, be performed by subcontractors of the construction manager, which the construction manager shall procure by publicly advertised, competitive sealed bidding to the maximum extent practicable.
8. **Emergency.** In the event of a threat to public health, welfare, or safety, and in accordance with the procedures set forth in the VPPA, a contract may be awarded without competitive sealed bidding, competitive sealed proposals or competitive negotiation. Such procurement, however, shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file. If an emergency occurs during office hours, the using department shall immediately notify the Executive Director or his/her designee, who shall either purchase directly or authorize the purchase of the needed goods or services. If any emergency occurs during non-office hours, the using department may purchase any goods or services needed to meet such existing emergency, provided that the Supervisor shall send as soon as practicable to the Executive Director or his/her designee a requisition and a copy of the delivery receipt together with written explanation of the circumstances of the emergency.
9. **Joint and Cooperative Procurement.** SPSA may participate in, sponsor, conduct or administer a joint or cooperative procurement agreement with one or more other public bodies, public agencies or institutions or localities of the several states, of the United States or its territories, the District of Columbia, the U.S. General Services Administration, or the Metropolitan Washington Council of Governments, for the purpose of combining requirements to increase efficiency or reduce administrative expenses in any acquisition of goods, services, or construction. Any public body which enters into a joint or cooperative procurement agreement with SPSA shall comply with the provisions of the respective IFB, RFP, and awarded contract. Except for contracts for professional services, SPSA may purchase from another public body's contract even if it did not participate in the RFP or IFB, if the RFP or IFB specified that the procurement was a cooperative procurement that was being conducted on behalf of other public bodies.
10. **State and Federal Contracts.** SPSA may enter into contracts without competition for the purchase of goods or services which are performed by: (a) State Contracts, (b) U.S. General Services Administration (GSA) contracts, (specific) or a contract awarded by any other agency of the U.S. Government.
11. **Legal services.** SPSA may enter into contracts, without competition, for legal services and for expert witnesses and other services associated with litigation or regulatory proceedings. The provisions of Chapter 5 (§§ 2.2-500 et seq.) of the Code of Virginia are included by reference in these regulations.

12. **Sole Source**. Upon a determination that only one source is practicably available, the requesting Supervisor shall certify in writing the request for sole source procurement and obtain the Executive Director's or his/her designee's permission. Use of SPSA's Sole Source Procurement Approval Request Form is required, see Appendix. All sole source procurements shall comply with the requirements of the VPPA.
13. **Public Auction**. Upon a determination made in advance by SPSA and set forth in writing that the purchase of non-technology goods, products or commodities from a public auction sale is in the best interests of the public, such items may be purchased at the auction. The writing shall document the basis for this determination.

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CHAPTER V – GENERAL TERMS AND CONDITIONS

Except as otherwise specifically provided in an IFB, RFP, or written contract, and except as otherwise required by law, the following terms and conditions generally apply to all procurements made by SPSA.

1. **Commonwealth of Virginia Public Procurement Act:** IFBs and RFPs are subject to the provisions of the VPPA, including any revisions thereto in effect at the time of the IFB or RFP.
2. **Applicable Laws and Courts:** Solicitations and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia, and any litigation with respect thereto shall be brought in the Circuit Court for the City of Chesapeake. The contractor shall comply with all federal, state and local laws, rules and regulations that are applicable to this solicitation and any resulting contract.
3. **Debarment Status:** By submitting a bid, bidders certify that they are not currently debarred by the Commonwealth of Virginia from submitting bids on contracts for the type of goods and/or services covered by a solicitation, nor are they an agent of any person or entity that is currently so debarred.
4. **Employment Discrimination by Contractor Prohibited:** By submitting a bid, bidders certify to SPSA that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, and, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the VPPA.

If an award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender, sexual orientation, gender identity, or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds; provided, however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by SPSA. (Va. Code § 2.2-4343.1(E)).

- (a) During the performance of the contract, the contractor agrees as follows:
 - i. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for

employment, notices setting forth the provisions of this nondiscrimination clause.

- ii. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
- iii. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.

(b) The contractor will include the provisions of clause (a) above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each applicable subcontractor or vendor.

5. **Ethics In Public Contracting:** By submitting a bid, bidders certify that their bid is made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other bidder, supplier, manufacturer or subcontractor in connection with their bid, and that they have not conferred on any public employee having official responsibility for the procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.
6. **Immigration Reform and Control Act Of 1986:** By entering into a written contract with SPSA, the contractor certifies that the contractor does not, and shall not during the performance of the contract, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.
7. **Mandatory Use of SPSA Form and Terms and Conditions:** Failure to submit a bid on the official SPSA form provided for that purpose shall be a cause for rejection of the bid. Modification of or additions to any portion of the IFB may be cause for rejection of the bid; however, SPSA reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a bid as nonresponsive. As a precondition to its acceptance, SPSA may, in its sole discretion, request that the bidder withdraw or modify nonresponsive portions of a bid which do not affect quality, quantity, price, or delivery. No modification or addition to the provisions of the contract shall be effective unless reduced to writing and signed by the parties.
8. **Clarification of Terms:** If any prospective bidder has questions or comments about the specifications in an IFB or RFP or other solicitation documents, the prospective bidder should contact SPSA's Purchasing Department, via email at purchasing@spsa.com, no later than five (5) working days before the due date for bids or proposals. Any revisions to the solicitation will be made only by addendum issued by SPSA.

9. **Payment to Vendors:**

(a) To Prime Contractor:

- i. Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the SPSA contract number and/or purchase order number. Payment shall be made following completion of the project and acceptance by SPSA. Progress billing may be provided.
- ii. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- iii. All goods or services provided under a contract or purchase order, that is to be paid for with public funds, shall be billed by the contractor at the contract price.
- iv. The postmark date in all cases shall be deemed to be the date of payment.
- v. Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, SPSA shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification.

(b) To Subcontractors:

- i. A contractor awarded a contract under a solicitation is obligated:
 - a. To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from SPSA for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
 - b. To notify SPSA and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason.

- ii. The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from SPSA, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of SPSA.
 - (c) SPSA recognizes the importance of timely payments to our vendors. Therefore, we offer our vendors the opportunity to enroll in our ePayables program. This program allows us to make card payments to our vendors and features an online portal to facilitate payments as well as reduce payment processing times. Our ePayables program is mutually beneficial and is our preferred method of payment. If you choose not to enroll in this program, payments will be made by check and mailed through the postal service which could impact how quickly you receive payments. Payment(s) made through the ePayables are processed every two weeks as compared to monthly in the form of a check. Contractors should let SPSA know if they capable of accepting credit card payment(s), and SPSA will assist in enrolling contractors in Bank of America's ePayables Program to allow faster payment transactions.
 - (d) For contracts for construction that provide for progress payments in installments based upon an estimated percentage of completion, the contractor shall be paid at least ninety-five percent of the earned sum when payment is due, with no more than five percent being retained to ensure faithful performance of the contract. All amounts withheld may be included in the final payment. Any subcontract for a public project that provides for similar progress payments shall be subject to the provisions of this section.
10. **Qualifications of Bidders:** SPSA may make such reasonable investigations as deemed proper and necessary to determine the ability of each bidder to perform the services solicited by an IFB, and the bidder shall furnish to SPSA all such information and data for this purpose as may be requested. SPSA reserves the right to inspect each bidder's physical facilities prior to award to satisfy questions regarding the bidder's capabilities. SPSA further reserves the right to reject any bid if the evidence submitted by, or investigation of, a bidder fails to satisfy SPSA that such bidder is sufficiently responsible to carry out the obligations of the contract and to provide the services contemplated therein.
11. **Testing and Inspection:** SPSA reserves the right to conduct any test/inspection it may deem advisable to ensure that goods and services provided under the contract conform to specifications.

12. **Assignment of Contract:** Contracts shall not be assignable by the contractor in whole or in part without the written consent of SPSA.
13. **Modification of the Contract:** The parties may agree in writing to modify the terms, conditions, or scope of a contract. Any additional goods or services to be provided shall be of a sort that is ancillary to the contract goods or services, or within the same broad product or service categories as were included in the contract award. Any increase or decrease in the price of the contract resulting from any such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.

A fixed-price contract may not be increased by more than \$30,000 without the advance written approval of the SPSA Board of Directors. In no event may the amount of any contract, without adequate consideration, be increased for any purpose, including, but not limited to, relief of an offeror from the consequences of an error in its bid or offer.

Existing contracts may be extended for services to allow completion of any work undertaken but not completed during the original term of the contract.

14. **Default:** In case of failure to deliver goods or services in accordance with the contract terms and conditions, SPSA, after oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which SPSA may have.
15. **Taxes:** Sales to SPSA are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against a contract shall usually be free of Federal excise and transportation taxes.
16. **Use of Brand Names:** Unless otherwise provided in a solicitation, the name of a certain brand, make or manufacturer does not restrict bidders to the specific brand, make or manufacturer named, but conveys the general style, type, character, and quality of the article desired. Any article which SPSA, in its sole discretion, determines to be the equivalent of that specified, considering quality, workmanship, economy of operation, and suitability for the purpose intended, shall be accepted.
17. **Transportation and Packaging:** By submitting their bids, all bidders certify and warrant that the price offered for FOB destination includes only the actual freight rate costs at the lowest and best rate and is based upon the actual weight of the goods to be shipped. Except as otherwise specified herein, standard commercial packaging, packing and shipping containers shall be used. All shipping containers shall be legibly marked or labeled on the outside with purchase order number, commodity description, and quantity.

18. **Insurance:** By signing and submitting a bid under any solicitation, the bidder certifies that, if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. The bidder further certifies that the contractor and any subcontractors will maintain this insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.
- (a) Employers' Liability and Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify SPSA of increases in the number of employees that change their workers' compensation requirements under the Code of Virginia during the course of the contract shall be in noncompliance with the contract.
 - (b) Commercial General Liability - \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. SPSA must be named as an additional insured and so endorsed on the policy.
 - (c) Automobile Liability - \$1,000,000 combined single limit. Contractor must assure that the required coverage is maintained by the contractor (or third-party owner of such motor vehicle).
19. **Drug-Free Workplace:** During the performance of the contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each applicable subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

20. **Discrimination Prohibited:** No bidder or contractor shall be discriminated against in the solicitation or award of any contract because of race, religion, color, sex, sexual orientation, gender identity, national origin, age, disability, status as a service disabled veteran, faith-based organization or any other basis prohibited by

state law relating to discrimination in employment or because the bidder or contractor employs ex-offenders unless SPSA makes a written determination that employing ex-offenders on the contract is not in its best interest.

SPSA will facilitate the participation of small businesses, businesses owned by women, minorities, and service-disabled veterans, and employment services organizations in procurement transactions. Whenever direct solicitations to potential bidders, offerors or contractors are made, SPSA shall include businesses selected from a list made available by the Department of Small Business and Supplier Diversity, which list shall include all companies and organizations certified by the Department.

21. **Availability of Funds:** SPSA shall be bound under a contract only to the extent of the funds available or which may hereafter become available specifically for the purpose of the contract.
22. **Authorization To Conduct Business In The Commonwealth:** A contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the Code of Virginia or as otherwise required by law. Any business entity described above that enters into a contract with SPSA pursuant to the VPPA shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract. SPSA may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.
23. **Negotiation with the Lowest Bidder:** Unless all bids are cancelled or rejected, SPSA reserves the right granted by § 2.2-4318 of the Code of Virginia to negotiate with the lowest responsive, responsible bidder to obtain a contract price within the funds available whenever such low bid exceeds the available funds. For the purpose of determining when such negotiations may take place, the term “available funds” shall mean those funds which were budgeted for the contract prior to the issuance of the written IFB. Negotiations with the low bidder may include both modifications of the bid price and the Scope of Work/Specifications to be performed. SPSA shall initiate such negotiations by written notice to the lowest responsive, responsible bidder that its bid exceeds the available funds and that SPSA wishes to negotiate a lower contract price. The times, places, and manner of negotiating shall be agreed to by SPSA and the lowest responsive, responsible bidder.
24. **Contractor Registration:** If a contract for construction, removal, repair or improvement of a building or other real property is for \$120,000 or more, or if the total value of all such contracts undertaken by bidder within any 12-month period is \$750,000 or more, the bidder is required under Title 54.1-1100, Code of Virginia (1950), as amended, to be licensed by the State Board of Contractors as a “CLASS

A CONTRACTOR.” If such a contract is for \$10,000 or more but less than \$120,000, or if the total value of all such contracts undertaken by bidder within any 12-month period is \$150,000 or more, but less than \$750,000 or more, the bidder is required to be licensed as a “CLASS B CONTRACTOR.” If such a contract is over \$1,000 but less than \$10,000, or if the contractor does less than \$150,000 in business in a 12-month period, the bidder is required to be licensed as a “CLASS C CONTRACTOR.” The State Board of Contractors requires a master tradesmen license as a condition of licensure for electrical, plumbing and heating, ventilation and air conditioning contractors. The bidder shall place on the outside of the envelope containing the bid and shall place in the bid over his signature whichever of the following notations is appropriate, inserting his contractor license number:

Licensed Class A Virginia Contractor No. _____ Specialty _____
Licensed Class B Virginia Contractor No. _____ Specialty _____
Licensed Class C Virginia Contractor No. _____ Specialty _____

If the bidder shall fail to provide this information on his bid or on the envelope containing the bid and shall fail to promptly provide said contractor license number to SPSA in writing when requested to do so before or after the opening of bids, he shall be deemed to be in violation of § 54.1-1115 of the Code of Virginia (1950), as amended, and his bid will not be considered.

If a bidder shall fail to obtain the required license prior to submission of his bid, the bid shall not be considered.

25. **Public Inspection of Certain Records:** Except as provided in this Manual, all proceedings, records, contracts and other public records relating to procurement transactions shall be open to the inspection of any citizen, or any interested person, firm or corporation, in accordance with the Virginia Freedom of Information Act (§ 2.2-3700 et seq.).

Cost estimates relating to a proposed procurement transaction prepared by or for SPSA shall not be open to public inspection.

Any competitive sealed bidding bidder, upon request, shall be afforded the opportunity to inspect bid records within a reasonable time after the opening of all bids but prior to award, except in the event that SPSA decides not to accept any of the bids and to reopen the contract. Otherwise, bid records shall be open to public inspection only after award of the contract.

Any competitive negotiation offeror, upon request, shall be afforded the opportunity to inspect proposal records within a reasonable time after the evaluation and negotiations of proposals are completed but prior to award, except in the event that SPSA decides not to accept any of the proposals and to reopen the contract. Otherwise, proposal records shall be open to public inspection only after award of the contract.

Any inspection of procurement transaction records shall be subject to reasonable restrictions to ensure the security and integrity of the records.

Trade secrets or proprietary information submitted by a bidder, offeror, or contractor in connection with a procurement transaction or prequalification application submitted pursuant to subsection B of Virginia Code § 2.2-4317 shall not be subject to disclosure under the Virginia Freedom of Information Act (§ 2.2-3700 et seq.); however, to invoke the protections of Virginia Code § 2.2-4342, the bidder, offeror, or contractor shall (i) invoke the protections of this section prior to or upon submission of the data or other materials, (ii) identify the data or other materials to be protected, and (iii) state the reasons why protection is necessary. A bidder, offeror, or contractor shall not designate as trade secrets or proprietary information (a) an entire bid, proposal, or prequalification application; (b) any portion of a bid, proposal, or prequalification application that does not contain trade secrets or proprietary information; or (c) line item prices or total bid, proposal, or prequalification application prices.

26. **SPSA Environmental Procurement Policy:** In 2003, SPSA implemented an environmental management system (EMS) that conforms to the elements of the ISO 14001 Environmental Standard. SPSA's EMS is designed to assist it in managing and minimizing the environmental impacts of its processes and activities, which are called ***environmental aspects***. SPSA will provide a list of the environmental aspects known to be associated with the planned/proposed activity in every IFB and/or RFP. Any contractor coming on any SPSA site to provide services to SPSA must comply with the policies, intent and/or procedures of SPSA's EMS to manage these environmental aspects. This compliance will be demonstrated by the following:
- (a) Agreeing in writing to comply with SPSA's established emergency response procedures in the event of an incident that could adversely impact the environment; and
 - (b) Attending an environmental briefing prior to providing SPSA with any services. During this briefing, SPSA's representatives and the contractor representative will collaboratively identify any planned activities, processes or products that could potentially impact the environment. Proactive measures designed to minimize these potential environmental impacts will be discussed. Results of this discussion will be documented on SPSA's *Contractor Environmental Briefing Form*. The need for written procedures to manage those impacts will be determined at that time. If written procedures are required, the contractor representative shall:
 - i. Provide SPSA copies of their existing written procedures (these procedures and/or instructions must be at least as stringent as SPSA's established procedures for managing similar environmental aspects); OR

- ii. Agree in writing to follow the SPSA Standard Operating Procedures established to manage the identified environmental aspects.

27. **Cancellation/Rejection of Bids/Waiver of Informalities:** An IFB, RFP, any other solicitation, or any and all bids or proposals, may be canceled or rejected. The reasons for cancellation or rejection shall be made part of the contract file. SPSA shall not cancel or reject an IFB, RFP, any other solicitation, bid or proposal pursuant to this section solely to avoid awarding a contract to a particular responsive and responsible bidder or offeror.

SPSA also reserves the right to waive informalities in bids.

28. **Bid Bond or Guarantee:** An IFB or RFP may include a requirement for a bid bond or guarantee, which shall be a certified check, cash escrow or a bid bond payable to SPSA. The sureties of all bonds shall be of such surety company or companies as are approved by the State and are authorized to transact business in the Commonwealth of Virginia. Such bid bond or check shall be submitted with the understanding that it shall guarantee that the bidder will not withdraw such bid during the acceptance period; that if such bid is accepted, the bidder will accept and perform under the terms of the IFB or RFP and the resulting contract. The bid guarantee will be returned upon award of contract.

29. **Performance and Payment Bonds:** Bidders may be required to provide and deliver to SPSA executed Performance and Labor and Material Payment Bonds, each in the sum of the contract amount, with SPSA as obligee. The surety shall be a surety company or companies approved by the State Corporation Commission to transact business in the Commonwealth of Virginia. No payment shall be due and payable to the contractor, even if the contract has been performed in whole or in part, until the bonds have been delivered to and approved by SPSA.

CHAPTER VI – ETHICS IN PUBLIC CONTRACTING

1. **Purpose.** The provisions of this chapter supplement, but do not supersede, other provisions of law including, but not limited to, the State and Local Government Conflict of Interests Act (§ 2.2-3100 et seq.), the Virginia Governmental Frauds Act (§ 18.2-498.1 et seq.), and Articles 2 (§ 18.2-438 et seq.) and 3 (§ 18.2-446 et seq.) of Chapter 10 of Title 18.2. The provisions of this chapter apply notwithstanding the fact that the conduct described may not constitute a violation of the State and Local Government Virginia Conflict of Interests Act.
2. **Policy.** It is SPSA’s policy to maintain and practice the highest possible standards of business ethics, professional courtesy, and competence in all dealings. At all times, applicable laws must be observed. In this regard, the following should be considered when dealing with suppliers and their representatives:
 - (a) Accord prompt and courteous reception and fair and equal treatment of all suppliers and their representatives.
 - (b) Provide equal opportunity for all responsible suppliers to make price and specifications quotations.
 - (c) When requested, explain, as clearly and fully as possible to suppliers the reason for our rejection of their bids/proposals.
 - (d) Avoid inappropriate obligations to suppliers.
 - (e) Keep informed about sources of supply, methods, services and materials, and encourage their testing.
 - (f) If for any reason one supplier is permitted to re-quote, his competitors will be given the same opportunity. Re-quoting should be restricted to an absolute minimum.
3. **Proscribed Participation by Public Employees in Procurement Transactions.** Except as specifically permitted by law, no employee having official responsibility for a procurement transaction shall participate in that transaction on behalf of SPSA when the employee knows that:
 - (a) The employee is contemporaneously employed by a bidder, offeror or contractor involved in the procurement transaction; or
 - (b) The employee, the employee’s partner, or any member of the employee’s immediate family holds a position with a bidder, offeror or contractor such as an officer, director, trustee, partner or the like, or is employed in a capacity involving personal and substantial participation in the procurement transaction, or owns or controls an interest of more than five percent of a bidder, offeror or contractor; or

- (c) The employee, the employee's partner, or any member of the employee's immediate family has a pecuniary interest arising from the procurement transaction; or
 - (d) The employee, the employee's partner, or any member of the employee's immediate family is negotiating, or has an arrangement concerning, prospective employment with a bidder, offeror or contractor.
4. **Solicitation or Acceptance of Gifts.** No public employee having official responsibility for a procurement transaction shall solicit, demand, accept or agree to accept from a bidder, offeror, contractor or subcontractor any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal or minimal value, present or promised, unless consideration of substantially equal or greater value is exchanged. SPSA may recover the value of anything conveyed in violation of this section.
5. **Disclosure of Subsequent Employment.** No SPSA employee or former employee having official responsibility for procurement transactions shall accept employment with any bidder, offeror or contractor with whom the employee or former employee dealt in an official capacity concerning procurement transactions for a period of one year from the cessation of employment by SPSA unless the employee, or former employee, provides written notification to SPSA prior to commencement of employment by that bidder, offeror or contractor.
6. **Gifts by Bidders, Offerors, Contractors or Subcontractors.** No bidder, offeror, contractor or subcontractor shall confer upon any SPSA employee having official responsibility for a procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is exchanged.
7. **Kickbacks.**
- (a) No contractor or subcontractor shall demand or receive from any of his suppliers or his subcontractors, as an inducement for the award of a subcontract or order, any payment, loan, subscription, advance, deposit of money, services or anything, present or promised, unless consideration of substantially equal or greater value is exchanged.
 - (b) No subcontractor or supplier shall make, or offer to make, kickbacks as described in this section.
 - (c) No person shall demand or receive any payment, loan, subscription, advance, and deposit of money, services or anything of value in return for an agreement not to compete on a public contract with SPSA.

(d) If a subcontractor or a supplier makes a kickback or other prohibited payment as described in this section, the amount thereof shall be conclusively presumed to have been included in the price of the subcontract or order and ultimately borne by SPSA and will be recoverable from both the maker and recipient. Recovery from one offending party shall not preclude recovery from other offending parties.

8. **Purchase of Building Materials, Etc., From Architect or Engineering Prohibited.** Except in cases of emergency, no building materials, supplies or equipment for any building or structure constructed by or for SPSA shall be sold by or purchased from any person employed as an independent contractor by SPSA to furnish architectural or engineering services, but not construction, for such building or structure, or from any partnership, association, or corporation in which such architect or engineer has a pecuniary interest.

9. **Penalty for Violation.** Willful violation of any provision of this chapter may constitute a Class I misdemeanor. Upon conviction, any SPSA employee, in addition to any other fine or penalty provided by law, shall forfeit his/her employment.

CHAPTER VII – REMEDIES FOR CONTRACTORS

1. **Ineligibility.**

- (a) Any bidder, offeror or contractor refused permission to, or disqualified from participation in a SPSA public contract shall be notified in writing. Prior to the issuance of a written determination of disqualification or ineligibility, SPSA shall (i) notify the bidder in writing of the results of the evaluation, (ii) disclose the factual support for the determination, and (iii) allow the bidder an opportunity to inspect documents that relate to the determination, if so requested by the bidder within five business days after receipt of the notice.
- (b) Within ten business days after receipt of the notice, the bidder may submit rebuttal information challenging the evaluation. SPSA shall issue its written determination of disqualification or ineligibility based on all information in its possession, including any rebuttal information, within five business days of the date SPSA received such rebuttal information.
- (c) If the evaluation reveals that the bidder, offeror or contractor should be allowed permission to participate in the public contract, SPSA shall cancel the proposed disqualification action. If the evaluation reveals that the bidder should be refused permission to participate, or disqualified from participation, in the public contract, SPSA shall so notify the bidder, offeror or contractor. The notice shall state the basis for the determination, which shall be final unless the bidder appeals the decision within ten days after receipt of the notice by instituting legal action as provided in Virginia Code § 2.2-4364.
- (d) If, upon appeal, it is determined that the action taken was arbitrary or capricious, or not in accordance with the Constitution of Virginia, statutes or regulations, the sole relief shall be restoration of eligibility.

2. **Withdrawal of bid due to error.**

- (a) A bidder for a public construction contract, other than a contract for construction or maintenance of public highways, may withdraw his bid from consideration if the price bid was substantially lower than the other bids due solely to a mistake in the bid, provided the bid was submitted in good faith, and the mistake was a clerical mistake as opposed to a judgment mistake, and was actually due to an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid, which unintentional arithmetic error or unintentional omission can be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn.
- (b) The bidder shall give notice in writing of his claim of right to withdraw his bid

within two business days after the conclusion of the bid opening procedure and shall submit original work papers with such notice.

- (c) If a bid is withdrawn in accordance with this section, the lowest remaining bid shall be deemed to be the low bid.
- (d) No bidder who is permitted to withdraw a bid shall, for compensation, supply any material or labor to or perform any subcontract or other work agreement for the person or firm to whom the contract is awarded or otherwise benefit, directly or indirectly, from the performance of the project for which the withdrawn bid was submitted.
- (e) SPSA shall notify the bidder in writing within five business days of its decision regarding the bidder's request to withdraw its bid. If SPSA denies the withdrawal of a bid under the provisions of this section, it shall state in such notice the reasons for its decision and award the contract to such bidder at the bid price, provided such bidder is a responsible and responsive bidder. At the same time that the notice is provided, SPSA shall return all work papers and copies thereof that have been submitted by the bidder.

3. **Appeal of denial of withdrawal of bid.**

- (a) A decision denying withdrawal of a bid shall be final and conclusive unless the bidder appeals the decision within ten days after receipt of the decision by instituting legal action.
- (b) If no bid bond was posted, a bidder refused withdrawal of a bid, prior to appealing, shall deliver to SPSA a certified check or cash bond in the amount of the difference between the bid sought to be withdrawn and the next low bid. Such security shall be released only upon a final determination that the bidder was entitled to withdraw the bid.
- (c) If, upon appeal, it is determined that the decision refusing withdrawal of the bid was arbitrary or capricious or not in accordance with the Constitution of Virginia, applicable state law or regulations, or the terms or conditions of the IFB, the sole relief shall be withdrawal of the bid.

4. **Determination of non-responsibility**

- (a) If SPSA determines that the apparent low bidder is not responsible it shall
 - (i) notify the apparent low bidder in writing of the results of the evaluation,
 - (ii) disclose the factual support for the determination, and
 - (iii) allow the apparent low bidder an opportunity to inspect documents that relate to the determination, if so requested by the bidder within five business days after receipt of the notice.
- (b) Within 10 business days after receipt of the notice, the bidder may submit rebuttal information challenging the evaluation. SPSA shall issue its written determination of responsibility based on all information in the possession of

SPSA, including any rebuttal information, within five business days of the date SPSA received the rebuttal information. At the same time, SPSA shall notify, with return receipt requested, the bidder in writing of its determination.

- (c) Such notice shall state the basis for the determination, which shall be final unless the bidder appeals the decision within 10 days after receipt of the notice by instituting legal action as provided in Virginia Code § 2.2-4364.
- (d) Any determination that a low bidder is not responsible that uses such factors listed in the IFB as a basis for its decision shall be presumptively considered an honest exercise of discretion.

5. Protest of award or decision to award.

- (a) Any bidder or offeror who desires to protest the award or decision to award a contract shall submit such protest in writing to SPSA no later than ten days after the award or the announcement of the decision to award, whichever occurs first. Any potential bidder or offeror on a contract negotiated on a sole source or emergency basis who desires to protest the award or decision to award such contract shall submit such protest in the same manner no later than ten days after posting or publication of the notice of such contract.
- (b) However, if the protest of any actual or potential bidder or offeror depends in whole or in part upon information contained in public records pertaining to the procurement transactions which are subject to inspection under Virginia Code § 2.2-4342 then the time within which the protest must be submitted shall expire ten days after those records are made available for inspection. No protest shall lie for a claim that the selected bidder or offeror is not a responsible bidder or offeror. The written protest shall include the basis for the protest and the relief sought. SPSA shall issue a decision in writing within ten days stating the reasons for the action taken. This decision shall be final unless the bidder or offeror appeals within ten days of the written decision by instituting legal action as provided for in Section 2.2-4364 of the Code of Virginia. Nothing in this subsection shall be construed to permit a bidder to challenge the validity of the terms or conditions of the IFB or RFP.
- (c) If prior to an award it is determined that the decision to award is arbitrary or capricious, then the sole relief shall be a finding to that effect. SPSA shall cancel the proposed award or revise it to comply with the law. If, after an award, it is determined that an award of a contract was arbitrary or capricious, then the sole relief shall be as hereinafter provided. Where the award has been made but performance has not begun, the performance of the contract may be enjoined. Where the award has been made and performance has begun, SPSA may declare the contract void upon a finding that this action is in the best interest of the public. Where a contract is

declared void, the performing contractor shall be compensated for the cost of performance up to the time of such declaration. In no event shall the performing contractor be entitled to lost profits.

6. **Effect of appeal upon contract.**

Pending final determination of a protest or appeal, the validity of a contract awarded and accepted in good faith shall not be affected by the fact that a protest or appeal has been filed.

7. **Stay of award during protest**

An award need not be delayed for the period allowed a bidder or offeror to protest, but in the event of a timely protest in accordance with the above, no further action to award the contract will be taken unless there is a written determination that proceeding without delay is necessary to protect the public interest or unless the bid or offer would expire.

8. **Contractual disputes**

- (a) Contractual claims, whether for money or other relief, shall be submitted in writing no later than sixty (60) days after final payment or as allowed by the specific contract; however, written notice of the contractor's intention to file such claim shall have been given at the time of the occurrence or beginning of the work upon which the claim is based.
- (b) SPSA shall give consideration of contractual claims and provide a written decision within thirty days, or as allowed by the specific contract, of receipt of claim.
- (c) No written decision denying a claim or addressing issues related to the claim shall be considered a denial of the claim unless the written decision is signed by the Executive Director or his/her designee. The contractor may not institute legal action prior to receipt of the final written decision on the claim unless SPSA fails to render a decision within 90 days of submission of the claim. Failure of SPSA to render a decision within 90 days shall not result in the contractor being awarded the relief claimed or in any other relief or penalty. The sole remedy for SPSA's failure to render a decision within 90 days shall be the contractor's right to institute immediate legal action.
- (d) The decision of SPSA shall be final and conclusive unless the contractor appeals within six months of the date of the final decision on the claim by SPSA by instituting legal action.
- (e) Nothing herein shall preclude a contract from requiring submission of an invoice for final payment within a certain time after completion and acceptance of the work or acceptance of the goods. Pendency of claims shall not delay payment of amounts agreed due in the final payment.

9. **Legal actions.**

- (a) A bidder or offeror, actual or prospective, who is refused permission or disqualified from participation in bidding or competitive negotiation, or who is determined not to be a responsible bidder or offeror for a particular contract, may bring an action in the appropriate circuit court challenging that decision, which shall be reversed only if the petitioner establishes that the decision was arbitrary or capricious, or not in accordance with the Constitution of Virginia, applicable state law or regulations, or the terms or conditions of the IFB, or, in the case of denial of prequalification, that the decision to deny prequalification was not based upon the criteria for denial of prequalification set forth in Subsection B of Virginia Code § 2.2-4317. In the event the apparent low bidder, having been previously determined by SPSA to be not responsible in accordance with Virginia Code § 2.2-4301, is found by the court to be a responsible bidder, the court may direct SPSA to award the contract to such bidder in accordance with the requirements of this section and the IFB.
- (b) A bidder denied withdrawal of a bid under the Code of Virginia § 2.2-4358 may bring an action in the appropriate circuit court challenging that decision, which shall be reversed only if the bidder establishes that SPSA's decision was not (i) an honest exercise of discretion, but rather was arbitrary or capricious or (ii) in accordance with the Constitution of Virginia, applicable state law or regulation, or the terms or conditions of the Invitation to Bid.
- (c) A bidder, offeror or contractor, or a potential bidder or offeror on a contract negotiated on a sole source or emergency basis in the manner provided in Virginia Code § 2.2-4303, whose protest of an award or decision to award under Virginia Code § 2.2-4360 is denied, may bring an action in the appropriate circuit court challenging a proposed award or the award of a contract, which shall be reversed only if the petitioner establishes that the proposed award or the award is not (i) an honest exercise of discretion, but rather is arbitrary or capricious or (ii) in accordance with the Constitution of Virginia, applicable state law or regulation, or the terms and conditions of the IFB or RFP.
- (d) If injunctive relief is granted, SPSA may request that the court require the posting of reasonable security to protect SPSA.
- (e) Nothing herein shall be construed to prevent SPSA from instituting legal action against a contractor.

CHAPTER VII – DEBARMENT POLICY

1. Purpose

Prospective contractors may be debarred from contracting for particular types of supplies, services, insurance or construction, for specified periods of time. The purpose of debarment is to protect the Authority from risks associated with awarding contracts to persons or firms having exhibited an inability or unwillingness to fulfill contractual requirements, and to protect Authority interests and the integrity of the Authority's procurement process by preventing individuals or firms who have displayed improper conduct from contracting with the Authority for specific periods of time.

- (a) This policy is established pursuant to Section 2.2-4321 of the VPPA.
- (b) As used herein, "Contractor Party" shall mean a Vendor and any Affiliate of that Vendor.

2. Causes for debarment. The Authority may debar a Vendor for any of the following reasons:

- (a) Conviction of a Contractor Party for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract.
- (b) Conviction of, or entry of a civil judgment against a Contractor Party for violation of any of the following:
 - i. A state or federal statute of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects the responsibility of a Contractor Party as an Authority contractor; or
 - ii. The state or federal antitrust statutes arising out of the submission of bids or proposals.
- (c) Violation by a Contractor Party of either of the following of such a serious character that the Executive Director or his/her designee concludes that the Contractor Party is not a responsible contractor:
 - i. Deliberate failure without good cause to perform in accordance with the specifications/scope of services or within the time limit provided in the contract; or

- ii. A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts with the Authority or with others, provided, that failure to perform or unsatisfactory performance caused by acts beyond the control of a Contractor Party shall not be considered to be a basis for suspension or debarment.
- (d) Any other offense or act indicating a lack of business integrity or honesty that seriously and directly affects the responsibility of a Contractor Party as a contractor, such as debarment by another governmental entity for any cause listed herein, or because of prior reprimands.
- (e) A Contractor Party's having abandoned performance or having been terminated for default on any other Authority project or contract.
- (f) A Contractor Party's having defaulted on any surety bond or written guarantee on which the Authority is an obligee.
- (g) A Contractor Party's conferring or offering to confer any gift, gratuity, favor, or advantage, present or future, upon any employee of the Authority who exercises any "official responsibility" for a "procurement transaction" as those terms are defined in § 2.2-4368 of the Act. It is not necessary that there be a judicial determination that the Act or other law has been violated, that the offer be accepted by the employee, or that the offer be made with intent to influence the employee in an official act. Extending to any Authority employee exercising official responsibility for a procurement transaction any discount or privilege not available to all Authority employees is considered to be offering an advantage.
- (h) A Contractor Party's failing to disclose a condition constituting a conflict of interest by any officer, director, owner, a partner of the Contractor Party in a contract or purchase order awarded by the Authority.
- (i) A Contractor Party's stating an unwillingness or inability to honor a binding bid. A mere request to withdraw a bid, which does not otherwise state an unwillingness or inability to perform, is not a cause for debarment.
- (j) A Contractor Party's falsifying or misrepresenting manufacturer's specifications in order to appear responsive to a solicitation.
- (k) A determination by the Executive Director or his/her designee that any employee or agent of a Contractor Party has engaged in harassment or abusive conduct, has used abusive language or has acted in a threatening manner toward Authority employees during the performance of their duties or as a result of the performance of their duties.
- (l) Any cause indicating that a Contractor Party is not a responsible contractor.

3. **Term.** Debarment shall be for a period commensurate with the seriousness of the cause. Generally, debarment shall not exceed five (5) years. If suspension precedes a debarment, the suspension period shall be considered in determining the debarment period.
 - (a) During the period of debarment, the Vendor will not be eligible to receive solicitations, contract awards, or have contracts renewed or extended.
 - (b) It is the debarred Vendor's responsibility to request reinstatement at the end of the debarment period.
4. **Process.** The debarment procedure for a Vendor shall be conducted as follows:
 - (a) The Authority's Purchasing Department is advised that a Vendor or other Contractor Party may have committed one of the violations listed above.
 - (b) The Authority's Executive Director or his/her designee will review the facts concerning the alleged violation to see that they are accurate and to determine if they require debarment.
 - (c) Following review of the facts, if the Executive Director concurs with the alleged violation, he/she will issue a written "Notice of Debarment" to the Vendor including the factual basis and the cause(s) for debarment.
 - (d) Upon receipt of the Notice of Debarment, the Vendor will have ten (10) business days in which to submit a rebuttal. During the first five (5) business days of this period, the Vendor will have the right to inspect any non-privileged records the Authority is using as part of its debarment action.
 - (e) If the Authority receives rebuttal information, the Executive Director or his/her designee will have ten (10) business days to review it and render a decision. If no rebuttal is received, the Executive Director or his/her designee will make a final decision within fifteen (15) business days following Notice of Debarment.
 - (f) After rendering a final decision, the Executive Director or his/her designee will write and send a letter to the Vendor advising the Vendor of the decision. If the decision is to debar the Vendor, the letter will describe the Authority's reason(s) for debarment and address the rebuttal if any was offered.
 - (g) All letters and other notices to a Vendor hereunder shall be sent to the Vendor's last known address by certified or registered mail and shall be effective three (3) calendar days after mailing. As used herein the term "business day" shall mean any day on which the Authority's offices located in the Regional Building at 723 Woodlake Drive, Chesapeake, Virginia are open for business.

CHAPTER VIII – DISPOSAL OF SURPLUS PROPERTY

1. **Authority.** Unless otherwise directed by the Board of Directors, the Executive Director or his/her designee shall sell, trade, or otherwise dispose of all materials, supplies, equipment, or other personal property recorded as a fixed asset if it has become excess to its requirements, obsolete, and/or unusable by the using department, or any other department.
2. **Dollar Threshold.** Materials, supplies, equipment or other personal property which are not recorded as a fixed asset and have a current book or fair market value of less than \$1,000 may be disposed of at the end of their useful life at the discretion of the department supervisor.
3. **Reporting of Surplus Personal Property and Equipment.** All using departments shall, as requested by the Executive Director or his/her designee, report on the form prescribed by the Executive Director or his/her designee any and all items of surplus supplies, materials, equipment or other personal property to which the using department has no further need, including cannibalization and trade-in of any equipment items.
4. **Disposal of Surplus Property.** Unless otherwise directed by the Board of Directors, methods for disposal of surplus property shall be limited to:
 - (a) **Cannibalization.** At the discretion of the department supervisor of the using department, obsolete, worn-out, inactive, or uneconomical operating equipment may be used for parts for the repair of other equipment.
 - (b) **Trade-in.** At the discretion of the department supervisor of the using department, obsolete, worn-out, inactive, or uneconomical operating equipment may be traded-in on the purchase of equipment of the same commodity class which has been approved through the budgetary process.
 - (c) **Sales.** All sales of property pursuant to this section shall be sold on the basis of:
 - i. competitive bids or quotations as governed by small dollar procedures; or
 - ii. public auction.
 - (d) **Donation.** With the approval of the Board of Directors, any surplus property which remains unsold may be donated to any non-profit or historical organization.
 - (e) **Scrap.** Should no additional offers be received or direction for donation by the Board of Directors be given within thirty days, the Executive Director or his/her designee may declare the surplus void of any value to SPSA and notify the department to dispose of the property as scrap.

CHAPTER IX – PPEA POLICY

1. Introduction.

- (a) **The PPEA.** The Public-Private Education Facilities and Infrastructure Act of 2002 (Va. Code § 56-575.1 *et seq.*) grants responsible public entities the authority to create public-private partnerships for the development of a wide range of projects for public use if the public entity determines: (i) that there is a public need for the project; (ii) that the estimated cost of the project is reasonable in relation to similar projects; and (iii) that the plans of the public-private partnership will result in the timely development or operation of the project.
- (b) **SPSA as a Responsible Public Entity.** The PPEA defines “responsible public entity” to mean any public entity, including an authority, that has the power to develop or operate a qualifying project. SPSA is a public body politic and corporate organized under the laws of the Commonwealth of Virginia and is a “responsible public entity” as that term is defined in the PPEA. SPSA’s Governing Body has adopted these guidelines in accordance with the provisions of the PPEA.
- (c) **Guidelines.** The PPEA requires a responsible public entity to adopt guidelines to enable the responsible public entity to comply with the provisions of the PPEA and to respond to proposals submitted to the responsible public entity. SPSA has adopted these Guidelines and made them publicly available in accordance with the provisions of the PPEA. SPSA has designed these Guidelines to be reasonable and to encourage competition with respect to Qualifying Projects.
- (d) **Submissions.** SPSA has designated the SPSA Executive Director or his/her designee as SPSA’s primary point of contact for information about these Guidelines and for submission of solicited and unsolicited proposals in accordance with the PPEA. Proposers shall submit solicited and unsolicited proposals to the SPSA Executive Director or his/her designee at 723 Woodlake Drive, Chesapeake, VA 23320. In the event that the PPEA or other applicable State law is amended in a manner that either conflicts with these Guidelines or concerns material matters not addressed by these Guidelines, SPSA will amend these Guidelines accordingly. If these Guidelines are not amended prior to the effective date of the new law, these Guidelines shall nonetheless be interpreted in a manner to conform to the new State law.
- (e) **Reservation of SPSA’s Rights.** SPSA reserves all rights available to it under State law in administering these Guidelines including, without limitation, the right in its sole discretion to:

- i. Reject any and all proposals at any time, subject to applicable State law.
 - ii. Terminate consideration or evaluation of any and all proposals at any time.
 - iii. Suspend, discontinue and/or terminate discussions regarding confidentiality agreements, interim agreements and comprehensive agreements at any time prior to the authorized execution of such agreements by all parties.
 - iv. Suspend or eliminate conceptual phase review and proceed directly to detailed phase review.
 - v. Negotiate with a proposer without being bound by any provision in its proposal.
 - vi. Negotiate with fewer than all proposers at any given time.
 - vii. Request and/or receive additional information regarding any proposal.
 - viii. Issue addenda to and/or cancel any IFB or any RFP at any time.
 - ix. Revise, supplement or withdraw at any time all or any part of these Guidelines.
 - x. Assess, retain and/or waive on a case by case basis any and all fees required to be paid by proposers in accordance with these Guidelines.
 - xi. Request revisions to conceptual phase or detailed phase proposals.
- (f) **Definitions.** The following definitions are applicable to projects proposed pursuant to the PPEA unless otherwise specified:
- i. “Affected jurisdiction”: any county, city or town in which all or a portion of a qualifying project is located.
 - ii. “Bid”: a proposal submitted to SPSA by a private entity in response to an IFB.
 - iii. “Comprehensive agreement”: the comprehensive agreement between the private entity and SPSA required by Section 56-575.9 of the PPEA.
 - iv. “Conceptual phase”: the first phase of project evaluation where SPSA makes a determination whether the proposed project serves a public purpose and meets the criteria for a qualifying project, assesses the qualifications and experience of a private entity proposer, reviews the project for financial feasibility, and determines whether the project warrants further pursuit.
 - v. “Cost-benefit analysis”: an analysis that weighs expected costs against expected benefits in order to choose the best option. For example, SPSA may compare the costs and benefits of constructing a new building to those of renovating and maintaining an existing building in order to select the most financially advantageous option.

- vi. “Detailed phase”: the second phase of project evaluation where SPSA, after completing the conceptual phase and accepting a proposal for detailed phase review, may request additional information regarding a proposed project prior to entering into competitive negotiations with one or more private entities to develop an interim or comprehensive agreement.
- vii. “Develop” or “development”: to plan, design, develop, finance, lease, acquire, install, construct, or expand.
- viii. “FOIA”: the Virginia Freedom of Information Act (Va. Code § 2.2-3700 *et seq.*).
- ix. “Governing body”: The Board of Directors of SPSA.
- x. “Guidelines”: these guidelines adopted by SPSA in accordance with the provisions of the PPEA.
- xi. “IFB”: an invitation for bids under the PPEA published by SPSA.
- xii. “Interim agreement”: an agreement between a private entity and SPSA that provides for phasing of the development or operation, or both, of a qualifying project. Such phases may include, but are not limited to, design, planning, engineering, environmental analysis and mitigation, financial and revenue analysis, or any other phase of the project that constitutes activity on any part of the qualifying project.
- xiii. “Lease payment”: any form of payment, including a land lease, by SPSA to the private entity for the use of a qualifying project.
- xiv. “Lifecycle cost analysis”: an analysis that calculates the cost of an asset over its entire life span and includes the cost of planning, constructing, operating, maintaining, replacing, and when applicable, salvaging the asset. Although one proposal may have a lower initial construction cost, it may not have the lowest lifecycle cost once maintenance, replacement, and salvage value are considered.
- xv. “Material default”: any default by the private entity in the performance of its duties under Virginia Code Section 56-575.8. E. that jeopardizes adequate service to the public from a qualifying project.
- xvi. “Operate” or “operation”: to finance, maintain improve, equip, modify, repair, or operate.

- xvii. “Opportunity cost”: means the cost of passing up another choice when making a decision or the increase in costs due to delays in making a decision.
- xviii. “PPEA”: The Public-Private Education Facilities and Infrastructure Act of 2002 (Va. Code § 56-575.1 *et seq.*).
- xix. “Private entity”: any natural person, corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, non-profit entity or other business entity.
- xx. “Proposal”: a bid submitted by a private entity in response to an IFB or a proposal submitted by a private entity in response to an RFP, as the context may require; for purposes of convenience, bids and proposals are referred to herein as proposals.
- xxi. “Public entity”: The Commonwealth of Virginia and any agency or authority thereof, any county, city, or town and any other political subdivision of the Commonwealth. Under the PPEA, “public entity” also includes any public body politic and corporate, or any regional entity that serves a public purpose.
- xxii. “Qualifying project”:
- a. any education facility, including, but not limited to, a school building, any functionally related and subordinate facility and land to a school building (including any stadium or other facility primarily used for school events), and any depreciable property provided for use in a school facility that is operated as part of the public school system or as an institution of higher education;
 - b. any building or facility that meets a public purpose and is developed or operated by or for any public entity;
 - c. any improvements, together with equipment, necessary to enhance public safety and security of buildings to be principally used by a public entity;
 - d. any utility and telecommunications and other communications infrastructure;
 - e. a recreational facility;
 - f. technology infrastructure, services, and applications including, but not limited to, telecommunications, automated data processing, word processing and management

- information systems, and related information, equipment, goods and services;
- g. any services designed to increase the productivity or efficiency of SPSA through the use of technology or other means;
 - h. any technology, equipment or infrastructure designed to deploy wireless broadband services to schools, businesses or residential areas;
 - i. any improvements necessary or desirable to any unimproved locally- or state-owned real estate; or
 - j. any solid waste management facility defined in Virginia Code Section 10.1-1400 that produces electric energy derived from solid waste.
- xxiii. “Responsible public entity”: a public entity that has the power to develop and/or operate the applicable qualifying project.
- xxiv. “Revenues”: all revenues, including, but not limited to, income, earnings, user fees, lease payments, allocations, federal, state and local appropriations, bond proceeds, equity investments, and/or service payments arising out of or in connection with supporting the development and/or operation of a qualifying project, including, without limitation, money received as grants or otherwise from the United States of America, from any public entity, or from any agency or instrumentality of the foregoing in aid of such project.
- xxv. “RFP”: a request for proposals under the PPEA published by SPSA.
- xxvi. “Service contract”: a contract entered into between a public entity and the private entity pursuant to Virginia Code Section 56-575.5.
- xxvii. “Service payments”: payments to the private entity in connection with the development and/or operation of a qualifying project pursuant to a service contract.
- xxviii. “Solicited proposal”: a bid submitted to SPSA in response to an IFB or a proposal submitted to SPSA in response to an RFP.
- xxix. “SPSA”: The Southeastern Public Service Authority of Virginia.
- xxx. “State”: The Commonwealth of Virginia.

- xxxi. “Unsolicited proposal”: a bid submitted to SPSA that is not in response to an IFB or a proposal submitted to SPSA that is not in response to an RFP.
- xxxii. “User fees”: the rates, fees or other charges imposed by a private entity for the use of all or a portion of a qualifying project pursuant to a comprehensive agreement.

2. **General Provisions.**

(a) Proposal Submission to SPSA.

- i. Proposals may be submitted by private entities to SPSA either (i) in response to an IFB or RFP published by SPSA or (ii) on an unsolicited basis.
- ii. SPSA may require that any proposal be clarified. Such clarification may include, but shall not be limited to, the submission of additional documentation, responses to specific questions, and interviews with potential project participants.
- iii. In accordance with the provisions of the PPEA, SPSA will engage the services of qualified professionals to provide independent analysis regarding the specifics, advantages, disadvantages, and the long-term and short-term costs of any proposal, unless SPSA’s Governing Body determines that SPSA will perform such analysis with SPSA employees. Such qualified professionals may include an architect, professional engineer, certified public accountant or other consultants, not otherwise employed by SPSA.

(b) **Duty to Provide Copy to Affected Jurisdictions.** Any private entity submitting a proposal to SPSA must provide any other affected jurisdiction with a copy of its proposal by certified mail, express delivery, or hand delivery within five (5) business days following submission of the proposal to SPSA. Any such other jurisdiction shall have sixty (60) days from the date it receives its copy of the proposal to submit written comments to SPSA (to the attention of the SPSA Executive Director or his/her designee). The copy provided to an affected jurisdiction shall include a notice of the deadline for comments. Under the PPEA, such written comments shall indicate whether the proposed project is compatible with the affected jurisdiction’s (i) local comprehensive plan; (ii) local infrastructure development plans; or (iii) capital improvements budget or other government spending plans. SPSA will consider comments received within the 60-day period prior to entering into a comprehensive agreement regarding the proposal, but SPSA may begin or continue its evaluation of any such proposal during the 60-day period. (See Va. Code §§ 56-575.6).

(c) Fees for Processing, Reviewing and Evaluating Proposals.

- i. SPSA will process, review and evaluate each proposal, either through appropriate internal staff, or through outside qualified professionals, advisors or consultants with relevant experience, in analyzing whether to enter into an agreement with the private entity, in each case taking into account the specifics, advantages, disadvantages and long- and short-term costs of such proposal and contemplated agreement and all in accordance with and as further described in Section 6 below. SPSA is authorized to and may charge a fee to a private entity to cover the costs of processing, reviewing, and evaluating any unsolicited proposal and any competing unsolicited proposal, including reasonable attorney's fees and fees for financial, technical and other necessary advisors or consultants; provided, any such fee should be reasonable in comparison to the level of expertise required to process, review and evaluate the proposal and should not be greater than the direct costs associated with processing, reviewing and evaluating the proposed qualifying project. "Direct costs" may include, among other things, (i) the cost of materials, supplies and internal staff time required to process, evaluate, review and respond to the proposal, and (ii) the out-of-pocket costs for qualified engineers, architects and other similar professionals, attorneys, accountants, consultants and financial advisors engaged by SPSA in its sole discretion to assist in such processing, review, evaluation and response.
- ii. The initial proposal fee is Ten Thousand Dollars (\$10,000.00) and must be paid by the proposer to SPSA at the same time that an unsolicited proposal, and each competing proposal with respect to such unsolicited proposal, is submitted to SPSA. The initial proposal fee may cover all or part of the processing, review and evaluation process. However, if the cost of processing, reviewing and evaluating any proposal exceeds the initial proposal fee charged by SPSA, SPSA may assess the proposer the additional costs deemed necessary to process, review and evaluate the proposal. SPSA will charge such fees to any proposer whose unsolicited proposal has been accepted by SPSA for conceptual phase review and to any proposer who submits a competing proposal with respect to such unsolicited proposal. Any initial proposal fees assessed and collected in connection with proposals that are rejected or otherwise not accepted by SPSA will be returned to the proposer in accordance with Section I.A.iii below.
- iii. SPSA will not charge a fee for the processing, review and evaluation of proposals solicited by SPSA pursuant to a published IFB or RFP.
- iv. In the event the total fees paid by a proposer exceed SPSA's total direct costs incurred in processing, reviewing, and evaluating the

proposal, SPSA will reimburse the difference. Otherwise, SPSA will retain all fees paid.

(d) Virginia Freedom of Information Act.

- i. Proposal documents submitted by private entities are generally subject to the FOIA, except that subdivision 11 of Virginia Code Section 2.2-3705.6 exempts certain documents from public disclosure. FOIA exemptions, however, are discretionary, and SPSA may elect to release some or all of the documents received, except to the extent that such documents are: (i) trade secrets of the private entity as defined in the Uniform Trade Secrets Act (Virginia Code Section 59.1-336 et seq.); (ii) financial records of the private entity that are not generally available to the public through regulatory disclosure or otherwise, including but not limited to, balance sheets and financial statements; or (iii) other information submitted by a private entity, where if the record or document were made public prior to the execution of an interim or comprehensive agreement the financial interest or bargaining position of the public or private entity would be adversely affected. Notwithstanding anything herein to the contrary, at no time shall SPSA be liable to a proposer for the disclosure of all or a portion of a proposal submitted under these Guidelines.
- ii. Memoranda, staff evaluations or other records prepared by SPSA, its staff, outside advisors or consultants exclusively for the evaluation and negotiation of proposals are excluded from the obligation to disclose to the extent permitted in Virginia Code Section 2.2-3705.6.11. Also, cost estimates prepared by or for SPSA will not be open to public inspection.
- iii. In order to avail itself of the protection against the release of certain documents accorded to private entities under Section i above, the private entity must make a written request to SPSA at the time the documents are submitted designating with specificity the documents for which the protection is being sought and a clear statement of the reasons for invoking the protection with reference to one or more of the three classes of records listed in Section i above. A private entity may request and receive a determination from SPSA as to the anticipated scope of protection prior to submitting the proposal. SPSA is authorized and obligated to protect only confidential and proprietary information and will not protect any portion of a proposal from disclosure if the entire proposal has been designated confidential by the private entity without reasonably differentiating between the proprietary and non-proprietary information contained therein.

- iv. Upon the receipt of a written request for protection of documents, SPSA shall determine whether the documents contain: (i) trade secrets, (ii) financial records, or (iii) other information that would adversely affect the financial interest or bargaining position of SPSA or the private entity. SPSA shall make a written determination of the nature and scope of the protection to be afforded by SPSA under this subdivision. If the written determination provides less protection than requested by the private entity, SPSA will permit the private entity to withdraw its proposal. Nothing shall prohibit further negotiations of the documents to be accorded protection from release although what may be protected must be limited to the categories of records identified in Section i. SPSA will treat such a withdrawn proposal in the same manner as a proposal not accepted for publication and conceptual phase review as provided in Section 0, except that SPSA may retain all or a portion of the proposal review fee at its sole discretion to cover the costs of processing the proposal, including determinations regarding disclosure pursuant to this Section iii. Once a written determination has been made by SPSA, the documents afforded protection under this subdivision shall continue to be protected from disclosure when in the possession of SPSA or any affected jurisdiction to which such documents are provided. If a private entity fails to designate trade secrets, financial records, or other confidential or proprietary information for protection from disclosure, such information, records or documents shall be subject to disclosure under the FOIA.
 - v. SPSA and a private entity may enter a written confidentiality agreement upon mutually acceptable terms regarding the treatment of confidential and proprietary data or materials included in a proposal submitted under these Guidelines.
 - vi. Once an interim agreement or a comprehensive agreement has been entered into, SPSA will make procurement records available in accordance with Virginia Code Section 56-575.17. D.
- (e) **Use of Public Funds.** Virginia constitutional and statutory requirements regarding the appropriation and expenditure of public funds apply to any interim or comprehensive agreement entered into under the PPEA. Accordingly, SPSA shall incorporate all of the processes and procedural requirements associated with the expenditure or obligation of public funds into planning for any PPEA project.
- (f) **Applicability of Other Laws.** Nothing in the PPEA shall affect the duty of SPSA to comply with all other federal, state, and local laws, and with SPSA's Procurement Policies, not in conflict therewith. In particular, the provisions of the Virginia Public Procurement Act shall be applicable as set forth in Virginia Code Section 56-575.16.

3. **Solicited Proposals.**

- (a) **General.** SPSA shall specify the procedures and requirements applicable to any particular solicited proposal in the solicitation for that proposal, which procedures and requirements shall be consistent with the requirements of the PPEA and other applicable law. SPSA shall make all such solicitations pursuant to a written IFB or RFP, in accordance with the SPSA Procurement Policies.
- (b) **Required Information and Evaluation Criteria.** The IFB or the RFP should specify, but should not necessarily be limited to, information and documents that must accompany each proposal and the factors that SPSA will use in evaluating submitted proposals. The IFB or the RFP should also contain or incorporate by reference other applicable terms and conditions, including any unique capabilities or qualifications that will be required of the private entities submitting proposals. Pre-bid and pre-proposal conferences may be held as deemed appropriate by SPSA.
- (c) **Notice and Posting Requirements**
 - i. SPSA will post the IFB or the RFP in such public areas as are normally used for posting of SPSA's notices, including SPSA's website, for a period of sixty (60) days. Such IFB or RFP shall also be advertised in *Virginia Business Opportunities* and posted on the State's Department of General Services electronic procurement website commonly known as "eVA", in each case for such period of time as SPSA determines in its sole discretion.
 - ii. Upon receipt of any proposal submitted in response to an IFB or RFP, SPSA shall determine whether to accept such solicited proposal for conceptual phase review, as described below.
 - iii. If SPSA determines to accept a solicited proposal for conceptual phase review, then within ten (10) working days after its acceptance of such solicited proposal for conceptual phase review SPSA shall post such proposal on SPSA's website and/or on the State's Department of General Service's central electronic procurement website commonly known as "eVA". In addition, SPSA may in its discretion publish in a newspaper of general circulation in the area in which the contract is to be performed a summary of the proposal, and the location where copies of the proposal are available for public inspection. Finally, SPSA may, in the exercise of its discretion, post such solicited proposal that has been accepted for conceptual phase review by additional means deemed appropriate by SPSA so as to provide maximum notice to the public of the opportunity to inspect the proposal.

iv. In addition to the posting requirements, SPSA shall make available for public inspection at least one copy of the solicited proposal that has been accepted for conceptual phase review.

(d) **Proposals Other Than in Response to an IFB or an RFP.** Any PPEA proposal submitted to SPSA other than in response to an IFB or RFP shall be deemed an unsolicited proposal under Article 0 below. Such unsolicited proposals shall include (a) proposals received in response to a notice issued by SPSA that it has received another unsolicited proposal, and (b) proposals received in response to publicity by SPSA concerning particular needs but where SPSA has not issued a written IFB or RFP.

4. **Unsolicited Proposals.**

(a) **General.**

i. The following procedure for evaluating unsolicited proposals shall serve as SPSA's general process for encouraging the receipt and consideration of proposed projects under the PPEA. This procedure shall not preclude SPSA, however, from discontinuing its evaluation of any proposal at any time. Furthermore, if SPSA determines that it is in SPSA's interest to do so with respect to any unsolicited proposal, SPSA may cease or eliminate conceptual phase review and proceed directly to detailed phase review.

ii. SPSA may publicize its needs and may encourage interested parties to submit unsolicited proposals subject to the terms and conditions of the PPEA. When such proposals are received by SPSA other than in response to an IFB or RFP, SPSA shall treat the proposal as an unsolicited proposal.

(b) **Submission of Unsolicited Proposal.** Any private entity seeking to submit an unsolicited proposal to SPSA or a competing proposal for an unsolicited proposal already submitted to SPSA shall deliver twenty (20) complete copies of its proposal, as provided below, to the SPSA Executive Director or his/her designee at the address provided above, together with a check in the amount of \$10,000 to cover SPSA's initial proposal fee described above in Section i. The term "Public Private Education Facilities and Infrastructure Proposal" must be clearly labeled on the outside of the envelope or package. The proposer shall also provide to SPSA a list of all affected jurisdictions that are being provided a copy of the proposal, together with the name and address of recipient and date delivered. SPSA may designate a working group to review and evaluate any such proposal.

(c) **Preliminary Review and Acceptance.**

i. Upon receipt of any unsolicited proposal, accompanied by the required initial proposal fee, SPSA shall determine whether to accept

the unsolicited proposal for conceptual phase review, as described below.

- ii. To ensure that sufficient information is available upon which to base the development of a serious competing proposal, SPSA shall make available representatives of SPSA familiar with the unsolicited proposal and the Guidelines to respond to inquiries and meet with private entities that are considering the submission of a competing proposal. SPSA shall conduct an analysis of the information pertaining to the proposal included in the notice to ensure that such information sufficiently encourages competing proposals. Further, SPSA shall establish criteria, including key decision points and approvals to ensure proper consideration of the extent of competition from available private entities prior to selection.
- iii. If SPSA determines not to accept the proposal, whether the proposal is a single proposal or one or multiple proposals, SPSA will return the rejected proposal(s), together with all fees and accompanying documentation, to the proposer.

(d) Notice and Posting Requirements.

- i. If SPSA determines to accept an unsolicited proposal for conceptual phase review, SPSA shall post a notice containing the information prescribed under Section I.A.ii below in a public area regularly used by SPSA for posting of public notices, including SPSA's website, for a period of sixty (60) days, during which period SPSA will receive any competing proposals submitted pursuant to Section 56-575.4(A) of the PPEA. Such notice shall also be advertised in *Virginia Business Opportunities* and posted on the State's Department of General Service's central electronic procurement website commonly known as "eVA", in each case for such period of time as SPSA determines in its sole discretion.
- ii. The notice shall state that SPSA (i) has received an unsolicited proposal under the PPEA, (ii) intends to evaluate the proposal, (iii) may negotiate an interim or comprehensive agreement with the proposer based on the proposal, and (iv) will receive for simultaneous consideration during the 60-day notice period specified in Section I.A.i above any competing proposals that comply with the procedures adopted by SPSA and the PPEA. The notice also shall summarize the proposed qualifying project or projects, and identify their proposed locations.
- iii. In addition, if SPSA determines to accept an unsolicited proposal for conceptual phase review, then within ten (10) working days after its acceptance of such unsolicited proposal for conceptual phase review SPSA shall post such proposal on SPSA's website and/or on the

State's Department of General Service's central electronic procurement website commonly known as "eVA". In addition, SPSA may in its discretion publish in a newspaper of general circulation in the area in which the contract is to be performed a summary of the proposal, and the location where copies of the proposal are available for public inspection. Finally, SPSA may, in the exercise of its discretion, post such unsolicited proposal accepted for conceptual phase review by additional means deemed appropriate by SPSA so as to provide maximum notice to the public of the opportunity to inspect the proposal.

- iv. In addition to the posting requirements, SPSA shall make available for public inspection at least one copy of the unsolicited proposal that has been accepted for conceptual phase review.
- v. Trade secrets, financial records, or other records of the private entity excluded from disclosure under the provisions of subdivision 11 of § 2.2-3705.6 shall not be required to be posted, except as otherwise agreed to by SPSA and the private entity. Any inspection of procurement transaction records shall be subject to reasonable restrictions to ensure the security and integrity of the records.

(e) Conceptual Phase Review by SPSA.

- i. SPSA will only consider proposals complying with the requirements of the PPEA that contain sufficient information for a meaningful evaluation and that are provided in an appropriate format for further review at the conceptual phase. Formatting suggestions for proposals at the conceptual phase are found in Section 5.
- ii. SPSA will initially determine whether it will proceed using:
 - a. Standard procurement procedures consistent with the Virginia Public Procurement Act; or
 - b. SPSA's policies for procurement of other than professional services through "competitive negotiation" as the term is defined in Virginia Code Section 2.2-4301. SPSA may proceed using such policies only if it makes a written determination that doing so is likely to be advantageous to SPSA and the public based upon either: (i) the probable scope, complexity or priority of need; (ii) the risk sharing including guaranteed cost or completion guarantees, added value or debt, or equity investments proposed by the private entity; or (iii) the increase in funding, dedicated revenue or other economic benefit that would otherwise not be available. If SPSA elects to proceed with procurement through "competitive negotiation," SPSA shall not be required to select

the proposal with the lowest price offer, but may consider price as one factor in evaluating the proposals received.

- iii. After reviewing the original proposal and any competing proposals submitted during the 60-day notice period specified under Section I.A.i above, SPSA may determine:
 - a. not to proceed further with any proposal;
 - b. to proceed to detailed phase review with the original proposal;
 - c. to proceed to detailed phase review with a competing proposal;
 - d. to proceed to detailed phase review with multiple proposals;
or
 - e. to request modifications or amendments to any proposals.
- iv. Any discussions between SPSA and a private entity about the need for infrastructure improvements shall not limit the ability of SPSA to later determine to use standard procurement procedures to meet its infrastructure needs. SPSA retains the right to reject any proposal at any time prior to the execution of an interim or comprehensive agreement.

5. **Proposal Preparation and Submission.**

(a) **Format for Submissions for Conceptual Phase Review.**

An unsolicited proposal must contain information in the following areas: (i) the proposer's qualifications and experience, (ii) project characteristics, (iii) project financing, (iv) anticipated public support or opposition, or both, (v) project benefit and compatibility, and (vi) any additional information that SPSA may reasonably request to comply with the requirements of the PPEA. Suggestions for formatting information to be included in proposals at this stage include the items listed below, as well as any additional information or documents that SPSA may request:

- i. Qualification and Experience.
 - a. Identify the legal structure of the firm or consortium of firms making the proposal (e.g., corporation, partnership, joint venture, limited liability company, etc.). Identify the organizational structure for the project, the management approach, and how each principal (e.g., major shareholder, member, partner, etc.) and major subcontractor in the structure fits into the overall team.

- b. Describe the experience of the firm or consortium of firms making the proposal and the key principals involved in the proposed project, including experience with projects of comparable size and complexity. Describe the length of time in business, business experience, public sector experience, and other engagements of the firm or consortium of firms. Include the identity of any firms that will provide design, construction and completion guarantees and warranties, and a description of such guarantees and warranties. Provide resumes of the key individuals who will be involved in the project.
 - c. Provide the names, addresses, and telephone numbers of persons within the firm or consortium of firms who may be contacted for further information.
 - d. Provide a current or most recently audited financial statement of the firm or firms and each partner, member or shareholder with an equity interest of twenty percent (20%) or greater.
 - e. Identify any persons known to the proposer who would be obligated to disqualify themselves from participation in any transaction arising from or in connection to the project pursuant to Virginia State and Local Government Conflict of Interest Act (Virginia Code Section 2.2-3100 *et seq.*).
- ii. Project Characteristics.
- a. Provide a description of the project, including the conceptual design. Describe the proposed project in sufficient detail so that type and intent of the project, the location, and the communities that may be affected are clearly identified.
 - b. Identify and fully describe any work to be performed by SPSA or any private entity other than the proposer.
 - c. Include a list of all federal, state, and local permits and approvals required for the project and a schedule for obtaining such permits and approvals.
 - d. Identify any anticipated adverse social, economic, and environmental impacts of the project. Specify the strategies or actions to mitigate known impacts of the project.
 - e. Identify the projected positive social, economic and environmental impacts of the project.

- f. Identify the proposed schedule for the work on the project, including the estimated time for completion.
- g. Propose allocation of risk and liability for work completed beyond the project completion date, and assurances for timely completion of the project.
- h. State assumptions related to ownership, legal liability, law enforcement and operation of the project and the existence of any restrictions on SPSA's use of the project.
- i. Provide information relative to phased or partial openings of the proposed project prior to completion of the entire work.
- j. Describe any architectural (including, where appropriate, historic district considerations), building, engineering, or other applicable standards that the proposed project will meet.
- k. Describe the method by which all necessary property interests, including rights-of-way or easements, are to be secured. Include the names and addresses of current property owners, if known, the nature of property to be acquired, and a description of any property for which condemnation may be necessary.
- l. List any other assumptions relied on for the project to be successful.
- m. List any contingencies that must occur for the project to be successful.

iii. Project Financing.

- a. Provide a preliminary estimate and describe the estimating methodology of the cost of the work by phase, segment, or both.
- b. Submit a plan for the development, financing, and operation of the project showing the anticipated schedule on which funds will be required. Describe the anticipated costs of and proposed sources and uses for such funds including any anticipated debt service costs. The operational plan should include appropriate staffing levels and associated costs. Include supporting due diligence studies, analyses, or reports.
- c. Include a list and discussion of assumptions underlying all major elements of the plan. Assumptions should include all significant fees associated with financing given the

recommended financing approach. In addition, complete disclosure of interest rate assumptions should be included. Any ongoing operational fees, if applicable, should also be disclosed as well as any assumptions with regard to increases in such fees.

- d. Identify the proposed risk factors and methods for dealing with these factors.
- e. Identify any local, state or federal resources that the proposer contemplates requesting for the project. Describe the total commitment, if any, expected from governmental sources (and identify of each such source) and the timing of any anticipated commitment. Such disclosure should include any direct or indirect guarantees or pledges of SPSA's credit or revenue.
- f. Identify the amounts and the terms and conditions for any revenue sources, including any third parties that the proposer contemplates will provide financing for the project, and describe the nature and timing of each such commitment.
- g. Identify any aspect of the project that could disqualify the project from eligibility for tax-exempt financing.

iv. Project Benefit and Compatibility.

- a. Describe the anticipated benefits to the community, region, or state, including anticipated benefits to the economic condition of SPSA, and identify who will benefit from the project and how they will benefit.
- b. Identify any anticipated public support or opposition as well as any anticipated government support or opposition, for the project.
- c. Explain the strategy and plans that will be carried out to involve and inform the general public, business community, and governmental agencies in areas affected by the project.
- d. Describe whether the project is critical to attracting or maintaining competitive industries and businesses to SPSA or the surrounding region.
- e. State whether the project is compatible with the comprehensive plan(s) for any affected jurisdiction, infrastructure development plans, capital improvements

projects program, or other government spending plans and, if so, explain how.

- f. Provide a statement setting forth participation efforts that are intended to be undertaken in connection with this project with regard to the following types of businesses:
 1. minority-owned businesses,
 2. woman-owned businesses, and
 3. small businesses.

(b) **Format for Submissions for Detail Phase Review.** If SPSA decides to proceed to detail phase review with one or more unsolicited bids/proposals, then each included proposer shall provide the following information to SPSA unless contained in the conceptual phase proposal or expressly waived by SPSA:

- i. A topographical map (1:2000 or other appropriate scale) depicting the location of the proposed project.
- ii. A list of public utility facilities, if any, that will be crossed by the qualifying project and a statement of the plans of the proposer to accommodate such crossings.
- iii. A statement and strategy setting out the plans for securing all necessary property. The statement shall include the names and addresses, if known, of the current owners of the subject property as well as a list of any property for which condemnation may be necessary.
- iv. A detailed listing of all firms that will provide specific design, construction and completion guarantees and warranties, and a brief description of such guarantees and warranties.
- v. A cost-benefit analysis for the project, specifying methodology and assumptions of the project.
- vi. A total lifecycle cost specifying methodology and assumptions of the project or projects and the proposed project start date. Include anticipated commitment of all parties; equity, debt, and other financing mechanisms; and a schedule of project revenues and project costs. The lifecycle cost analysis should include, but not be limited to, a detailed analysis of the projected return, rate of return, or both, expected useful life of facility and estimated annual operating expenses.

- vii. A detailed discussion of assumptions about user fees or rates, and usage of the projects.
- viii. Identification of any known government support or opposition, or general public support or opposition for the project. Government or public support should be demonstrated through resolution of official bodies, minutes of meetings, letters, or other official communications.
- ix. Demonstration of consistency with appropriate local comprehensive or infrastructure development plans or indication of the steps required for acceptance into such plans.
- x. Explanation of how the proposed project would impact local development plans of each affected jurisdiction.
- xi. Identification of the executive management and the officers and directors of the firm or firms submitting the proposal. In addition, identification of any known conflicts of interest or other disabilities that may impact SPSA's consideration of the proposal, including the identification of any persons known to the proposer who would be obligated to disqualify themselves from participation in any transaction arising from or in connection to the project pursuant to the Virginia State and Local Government Conflict of Interest Act (Virginia Code Section 2.2-3100 *et seq.*).
- xii. Detailed analysis of the financial feasibility of the proposed project, including its impact on similar facilities operated or planned by SPSA. Include a detailed description of any financial plan proposed for the project, a comparison of that plan with financing alternatives that may be available to SPSA, and all underlying data supporting any conclusions reached in the analysis or the selection by the proposer of the financing plan proposed for the project.
- xiii. Such additional material and information as SPSA may request.

6. **Proposal Evaluation and Selection Criteria.**

In addition to evaluation of materials and information described in Article 0 above, some or all of the following matters may be considered in the evaluation and selection of PPEA proposals.

- (a) Qualifications and Experience. Factors to be considered to determine whether the proposer possesses the requisite qualifications and experience may include but shall not be limited to:
 - i. Experience with similar projects.
 - ii. Demonstration of ability to perform work.

- iii. Leadership structure.
 - iv. Project manager's experience.
 - v. Management approach.
 - vi. Financial condition.
 - vii. Project ownership.
- (a) Project Characteristics. Factors to be considered in determining the project characteristics may include but shall not be limited to:
- i. Project definition.
 - ii. Proposed project schedule.
 - iii. Operation of the project.
 - iv. Technological, technical feasibility.
 - v. Conformity to laws, regulations, and standards.
 - vi. Environmental impacts.
 - vii. Condemnation impacts.
 - viii. State and local permits.
 - ix. Maintenance of the project.
- (b) Project Financing. Factors to be considered in determining whether the proposed project financing allows adequate access to the necessary capital to finance the project may include but shall not be limited to:
- i. Cost and benefit to SPSA based on a cost-benefit analysis. Financing and the impact on the debt or debt burden of SPSA.
 - ii. Financial plan, including the degree to which the proposer has conducted due diligence investigation and analysis of the proposed financial plan and the results of any such inquiries or studies.
 - iii. Opportunity costs assessment.
 - iv. Estimated cost.
 - v. Lifecycle cost analysis.
 - vi. The identity, credit history and past performance of any third party that will provide financing for the project and the nature and timing of their commitment, as applicable.
 - vii. Such other items as SPSA deems appropriate.
- (c) Project Benefit and Compatibility. Factors to be considered in determining the proposed project's compatibility with the appropriate local or regional comprehensive or development plans may include but shall not be limited to:
- i. Community benefits.
 - ii. Community support or opposition, or both.
 - iii. Public involvement strategy.
 - iv. Compatibility with existing and planned facilities.
 - v. Compatibility with local, regional, and state economic development efforts.

- (d) Other Factors. Other factors that SPSA may consider in the evaluation and selection of PPEA and proposals include:
- i. The proposed cost of the qualifying project.
 - ii. The general reputation, industry experience, and financial capacity of the private entity.
 - iii. The proposed design of the qualifying project.
 - iv. The eligibility of the project for accelerated documentation, review, and selection.
 - v. Local citizen and government comments.
 - vi. Benefits to the public, including financial and nonfinancial.
 - vii. The private entity's compliance with a minority business enterprise participation plan or good faith effort to comply with the goals of such plan.
 - viii. The private entity's plans to employ local contractors and residents.
 - ix. The recommendation of a committee of representatives of members of SPSA which may be established to provide advisory oversight for the project.
 - x. Such other criteria that SPSA deems appropriate.

7. **Interim and Comprehensive Agreements.**

Prior to developing or operating the qualifying project, the selected private entity shall enter into a comprehensive agreement with SPSA and may enter into an interim agreement as described below. SPSA may designate a working group to be responsible for negotiating any interim or comprehensive agreement. Any interim or comprehensive agreement shall define the rights and obligations of SPSA and the selected proposer with regard to the project.

- (a) **Interim Agreement Terms.** Prior to entering into and/or in connection with the negotiation of a comprehensive agreement, SPSA may enter into an interim agreement that permits a private entity to perform compensable activities related to the project. The scope of an interim agreement may include but shall not be limited to:
- i. Project planning and development.
 - ii. Design and engineering.
 - iii. Environmental analysis and mitigation.
 - iv. Site planning and survey.
 - v. Ascertaining the availability of financing for the proposed facility through financial and revenue analysis.
 - vi. Establishing a process for and timing of the negotiation of the comprehensive agreement.
 - vii. Any other provisions related to any aspect of the development or operation of a qualifying project that the parties deem appropriate prior to the execution of a comprehensive agreement.

(b) **Comprehensive Agreement Terms.** The scope of a comprehensive agreement shall include but shall not be limited to:

- i. Delivery of maintenance, performance, and payment bonds or letters of credit in connection with any acquisition, design, construction, improvement, renovation, expansion, equipping, maintenance, or operation of the qualifying project, in the forms and amounts satisfactory to SPSA.
- ii. Review and approval of plans and specifications for the qualifying project by SPSA.
- iii. The right of SPSA to inspect the qualifying project to ensure compliance with the comprehensive agreement.
- iv. Maintenance of a policy or policies of liability insurance or self-insurance in a form and amount satisfactory to SPSA and reasonably sufficient to insure coverage of the project and the tort liability to the public and employees and to enable the continued operation of the qualifying project.
- v. Monitoring and acting upon the practices of the operator by SPSA to ensure proper maintenance.
- vi. The terms under which the private entity will reimburse SPSA for services that SPSA will provide.
- vii. Policies and procedures governing the rights and responsibilities of SPSA and the private entity in the event that the comprehensive agreement is terminated or there is a material default by the operator, including the conditions governing assumption of the duties and responsibilities of the private entity by SPSA and the transfer or purchase of property or other interests of the private entity by SPSA.
- viii. Filing by the private entity of appropriate financial statements on a periodic basis.
- ix. The mechanism by which user fees, lease payments, or service payments, if any, may be established from time to time upon agreement of the parties. Any payments or fees, subject to applicable laws controlling SPSA's ability to set or charge fees, shall be set at a level that are the same for persons using the facility under like conditions and that will not materially discourage use for the qualifying project. In addition:
 - a. A copy of any service contract shall be filed with SPSA.
 - b. A schedule of the current user fees or lease payments shall be made available by the private entity to any member of the public upon request.
 - c. Classifications according to reasonable categories for assessment of user fees may be made.
- x. The terms and conditions under which SPSA may contribute financial resources, if any, for the qualifying project.
- xi. The terms and conditions under which existing site conditions will be assessed and addressed, including indemnification of SPSA for conducting the assessment and taking necessary remedial action.

- xii. Any changes to the terms of the interim or comprehensive agreement may be agreed upon by the parties from time to time and shall be added to the interim or comprehensive agreement only by written amendment.
- xiii. The comprehensive agreement may provide for the development or operation of phases or segments of a qualifying project.
- xiv. Other requirements of the PPEA and other applicable law.

(c) Public Hearing, Posting and Other Requirements.

- i. In accordance with the PPEA, SPSA shall hold a public hearing on the proposals during the proposal review process, but not later than thirty (30) days prior to entering into an interim or a comprehensive agreement.
- ii. Once the negotiation phase for the development of an interim or comprehensive agreement is complete and a decision to award and/or consummate a qualifying project has been made by SPSA, but before an interim agreement or comprehensive agreement is entered into, SPSA shall post the proposed agreement on SPSA's website and/or on the State's Department of General Service's central electronic procurement website commonly known as "eVA" for a period of at least three (3) days. In addition, SPSA may in its discretion publish in a newspaper of general circulation in the area in which the agreement is to be performed a summary of the proposed agreement, and the location where copies of the proposed agreement are available for public inspection.
- iii. In addition to the posting requirements, SPSA shall make available for public inspection at least one copy of the proposed agreement. Trade secrets, financial records, or other records of the private entity excluded from disclosure under the provisions of subdivision 11 of § 2.2-3705.6 shall not be required to be posted, except as otherwise agreed to by SPSA and the private entity.
- iv. Once SPSA has entered into an interim agreement or a comprehensive agreement, SPSA shall make procurement records available for public inspection, upon request.
 - a. Such procurement records shall include documents protected from disclosure during negotiation on the basis that the release of such documents would have an adverse effect on the financial interest or bargaining position of SPSA or private entity in accordance with Section (d).
 - b. Such procurement records shall not include (i) trade secrets of the private entity as defined in the Uniform Trade Secrets Act (Virginia Code Section 59.1-336 et seq.) or (ii) financial records, including balance sheets or financial statements of

the private entity that are not generally available to the public through regulatory disclosure or otherwise.

c. To the extent access to procurement records are compelled or protected by a court order, then SPSA shall comply with such order.

v. SPSA shall electronically file a copy of all interim and comprehensive agreements and any supporting documents with the Auditor of Public Accounts. SPSA shall provide such agreements and supporting documents within thirty (30) days of the execution of the interim or comprehensive agreement.

8. **Governing Provisions.**

In the event of any conflict between these Guidelines and the PPEA, the terms of the PPEA shall control.

CHAPTER X – APPENDICES

1. Sole Source/Emergency Procurement Approval Request
2. Board of Directors Contract Approval Form
3. Change Order Form
4. Purchase Order Terms & Conditions

DRAFT

**RESOLUTION ESTABLISHING PROCEDURES FOR USE OF THE CONSTRUCTION
MANAGEMENT AND DESIGN-BUILD METHODS OF CONSTRUCTION
CONTRACTING**

WHEREAS, the Virginia Public Procurement Act requires that a regional authority using the construction management or design-build method of construction contracting comply with Virginia Code § 2.2-4382; and

WHEREAS, Virginia Code § 2.2-4382 requires that, prior to issuing a Request for a Proposal for any design-build or construction management contract for a specific construction project, the public body shall have adopted by resolution written procedures, which include the specifications set out in the Code, governing the selection, evaluation, and award of design-build and construction management contracts; and

WHEREAS, Virginia Code § 2.2-4382 further requires that design-build construction projects and construction management include a two-step competitive negotiation process consistent with the procedures adopted by the Secretary of Administration; and

WHEREAS, the SPSA Procurement Policy, as amended, establishes procedures consistent with Virginia Code § 2.2-4382 for use of the construction management and design-build method of construction contracting.

NOW, THEREFORE, BE IT RESOLVED, that the Southeastern Pubic Service Authority Board of Directors hereby adopts the design-build and construction management procedures as outlined in the SPSA Procurement Policy, as amended.

Adopted by the Board this 9th day of December, 2020

Attest: _____
John Keifer, Chairman of the Board

8. Financial Report

Statement of Revenue and Expenses – Budget to Actual Comparison

For the month ending October 31, 2020, total revenues exceeded total expenses by approximately \$4.5 million as compared to \$3.2 million in the previous year.

Tipping fee revenue received FYTD reflects an increase of 5.8% or approximately \$915,000 as compared to fiscal year 2020. Municipal waste tons are up approximately 16% or 24,437 tons as compared to fiscal year 2020.

For the month ending October 31, 2020, total expenses were approximately \$13.6 million as compared to \$13 million incurred in the previous fiscal year.

Monthly Expense Line Items

This report provides the actual expenses by month by the type of expense. The majority of the line items vary in amounts from month to month because they are either: (1) dependent on usage, or (2) timing of payment and/or check date.

Monthly Comparison of Revenues and Expenses

This report illustrates the monthly revenues and expenses. An explanation is included under each graph if there is a sizeable variance. The straight line in each graph represents the fiscal year 2021 budget on a straight-lined basis and the line graph represents the prior fiscal year for comparison.

Waste Stream Report

This report has been developed to provide the status of tonnages received as compared to the amounts budgeted. For the month ending October 31, 2020, municipal waste tonnages reflect an increase of 16% or approximately 24,437 tons as compared to October 2019.

Treasurer's Report of Cash Balances

This report captures the monthly activity in each of the depository accounts grouped as either unrestricted and designated funds or trust funds. As of October 31, 2020, operating cash balances were approximately \$46.6 million representing approximately \$5.3 million in the operating account, \$5.9 million in undesignated fund balance, \$38,575 for FY 2020 Rolled Purchase Orders, \$314,757 for unencumbered capital budget for FY 2020, \$2.5 million reserved for the HRSD Force Main, \$352,871 for Landfill Expansion Purchase Orders and \$32.2 million designated for landfill expansion/closure.

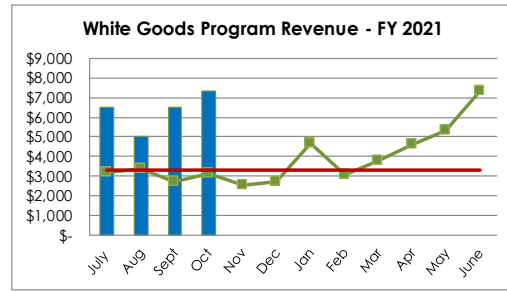
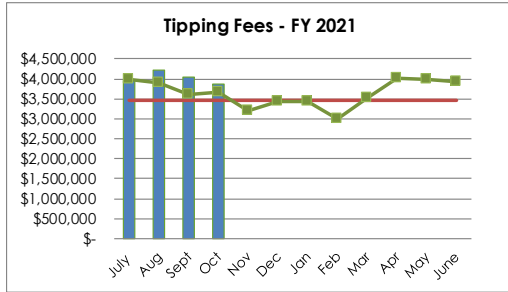
MOTION: Do I hear a motion that the SPSA Monthly Financial Reports, subject to audit, be approved as presented?

Southeastern Public Service Authority Statement of Revenue and Expenses - Budget to Actual Comparison For the Period Ending October 31, 2020								
	October 2020				October 2019			
	Adjusted Budget	Month	FYTD	% of Budget	Adjusted Budget	Month	FYTD	% of Budget
REVENUES								
Tipping Fees	\$ 41,756,055	\$ 3,882,559	\$ 16,095,847	38.5%	\$ 41,631,237	\$ 3,668,738	\$ 15,181,084	36.5%
Tire program	600,000	58,198	217,580	36.3%	515,200	54,227	217,823	42.3%
Household Hazardous Waste Revenue	333,000	32,749	135,643	40.7%	305,000	29,691	129,586	42.5%
White Goods Program	40,000	7,303	25,355	63.4%	35,000	3,115	12,369	35.3%
Landfill Gas Recovery	260,000	6,509	69,568	26.8%	312,000	8,616	74,872	24.0%
Miscellaneous Income	248,491	973,752	1,052,791	423.7%	333,775	85,849	168,611	50.5%
Interest Earnings	450,000	271,308	401,469	89.2%	350,000	57,518	211,685	60.5%
Fund Balance / Capital / Rolled PO's	410,933	-	2,000	0.5%	799,255	46,805	234,661	29.4%
Fund Balance / Landfill Expansion	535,182	-	134,209	25.1%	518,111	-	-	0.0%
TOTAL REVENUES	\$ 44,633,661	\$ 5,232,378	\$ 18,134,462	40.6%	\$ 44,799,578	\$ 3,954,558	\$ 16,230,692	36.2%
OPERATING EXPENSES								
Administration								
Salaries / Wages	\$ 837,565	\$ 75,645	\$ 265,427	31.7%	\$ 892,877	\$ 59,906	\$ 234,673	26.3%
Employee Benefits	212,102	15,785	62,330	29.4%	231,231	13,041	53,511	23.1%
A Professional / Contracted Services	703,063	23,102	85,892	12.2%	727,254	43,667	133,890	18.4%
Other Operating Expenses	223,872	16,827	60,893	27.2%	231,521	6,071	49,668	21.5%
Materials / Supplies	17,888	1,290	2,672	14.9%	22,301	1,129	3,858	17.3%
Total Administration	\$ 1,994,490	\$ 132,648	\$ 477,214	23.9%	\$ 2,105,184	\$ 123,814	\$ 475,602	22.6%
Environmental Management								
Salaries / Wages	\$ 319,891	\$ 29,960	\$ 92,725	29.0%	\$ 291,479	\$ 22,313	\$ 90,254	31.0%
Employee Benefits	114,101	8,384	29,427	25.8%	101,641	8,234	33,018	32.5%
A Professional / Contracted Services	78,200	2,420	14,825	19.0%	74,200	233	13,670	18.4%
Other Operating Expenses	13,700	428	1,905	13.9%	10,174	277	1,458	14.3%
Materials / Supplies	22,838	548	2,144	9.4%	22,368	1,404	3,251	14.5%
Total Environmental Management	\$ 548,730	\$ 41,741	\$ 141,027	25.7%	\$ 499,862	\$ 32,461	\$ 141,651	28.3%
Operations								
Salaries / Wages	\$ 5,731,396	\$ 564,000	\$ 1,785,440	31.2%	\$ 5,841,183	\$ 406,774	\$ 1,724,128	29.5%
Employee Benefits	1,917,326	161,253	592,002	30.9%	1,940,329	143,735	581,494	30.0%
A Professional / Contracted Services	3,003,643	252,361	866,499	28.8%	2,920,332	261,443	819,670	28.1%
Other Operating Expenses	1,053,761	55,201	313,518	29.8%	1,066,852	61,408	226,956	21.3%
Materials / Supplies	1,813,457	86,633	379,977	21.0%	1,883,733	122,510	471,137	25.0%
Total Operations	\$ 13,519,583	\$ 1,119,448	\$ 3,937,436	29.1%	\$ 13,652,429	\$ 995,870	\$ 3,823,385	28.0%
TOTAL OPERATING EXPENSES	\$ 16,062,803	\$ 1,293,837	\$ 4,555,677	28.4%	\$ 16,257,475	\$ 1,152,145	\$ 4,440,638	27.3%
CAPITAL PROJECTS / EQUIPMENT REPLACEMENT								
A Cell 8/9 Permitting	535,182	48,102	182,311.00	34.1%				
A RLF - Asphalt Overlay	27,090	27,090	27,090.00	100.0%				
A RLF - Cells I-IV Repair	29,150	25,875	25,875.00	88.8%				
RLF - TRACTOR W/SIDE BOOM	160,000	123,821	123,820.80	77.4%				
RLF - PUMP	35,000	-	-	0.0%				
RLF - DOZER	545,000	-	-	0.0%				
RLF - WATER TRUCK	159,680	-	-	0.0%				
FLT - COALESCER	85,000	-	-	0.0%				
TSP - ROAD TRACTORS	600,000	-	-	0.0%				
CTS - YARD DOG	130,000	-	-	0.0%				
FTS - YARD DOG	130,000	-	-	0.0%				
IWTS - YARD DOG	130,000	-	-	0.0%				
LTS - WHEELED LOADER	519,400	-	-	0.0%				
OTS - YARD DOG	130,000	-	-	0.0%				
STS - YARD DOG	130,000	-	-	0.0%				
TPS - TIRE CUTTER	18,880	-	-	0.0%				
TPS - TIRE SHREDDER	625,000	-	-	0.0%				
ROB - UPGRADE LIGHTING TO LED	100,000	-	-	0.0%				
UNDESIGNATED	316,797	-	-	0.0%				
TOTAL CAPITAL PROJECTS/EQUIPMENT REPLACEMENT	\$ 4,406,179	\$ 224,888	\$ 359,097	8.1%	\$ 4,903,156	\$ 56,859	\$ 459,307	9.4%
OTHER USES								
Contracted Waste Disposal	\$ 19,820,929	\$ 1,751,492	\$ 7,288,970	36.8%	\$ 19,295,197	\$ 1,712,718	\$ 7,005,285	36.3%
Suffolk Environmental Trust Fund	5,000	-	-	0.0%	5,000	-	-	0.0%
Reserves for Landfill Expansion/Closure	4,338,750	361,563	1,446,250	33.3%	4,338,750	361,563	1,446,250	33.3%
TOTAL OTHER USES	\$ 24,164,679	\$ 2,113,055	\$ 8,735,220	36.1%	\$ 23,638,947	\$ 1,929,518	\$ 8,141,902	34.4%
GRAND TOTAL EXPENSES	\$ 44,633,661	\$ 3,631,779	\$ 13,649,994	30.6%	\$ 44,799,578	\$ 3,138,523	\$ 13,041,847	29.1%
NET REVENUES / (EXPENSES)	\$ -	\$ 1,600,599	\$ 4,484,468		\$ -	\$ 816,036	\$ 3,188,845	
A Budget has been adjusted by \$946,115 for purchase orders rolled over from FY 2020 and unencumbered funds from the capital budget.								

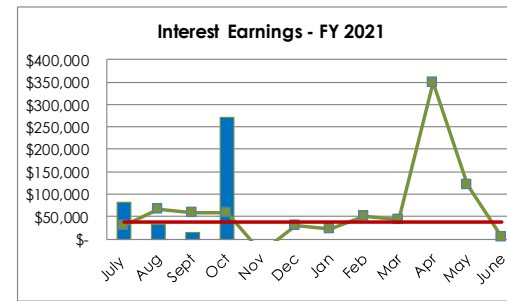
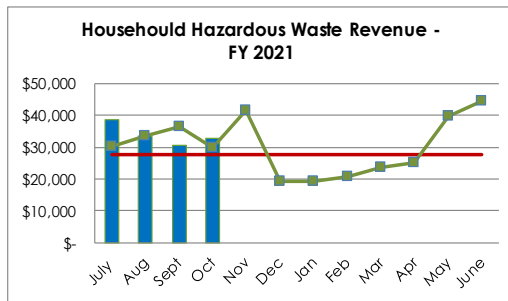
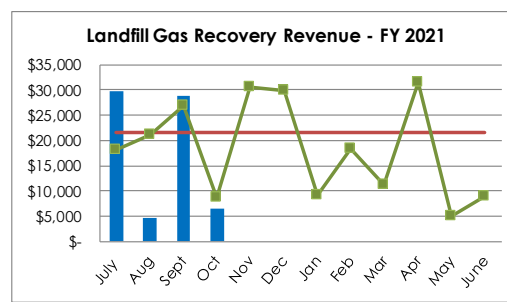
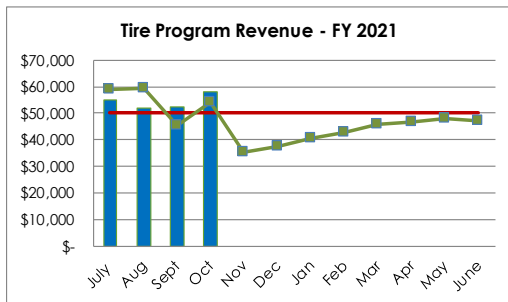
Southeastern Public Service Authority							
Monthly Expense Line Items							
Description	FY 2021 Budget	Aug-20	Sep-20	Oct-20	FYTD	From Previous Month	
						\$ Change	% Change
Salaries Exempt	\$ 1,974,694	\$ 138,572	\$ 138,765	\$ 179,786	\$ 598,764	\$ 41,021	29.6%
Salaries Non-Exempt	4,599,858	326,477	327,017	473,213	1,452,882	146,196	44.7%
Overtime	314,300	34,493	23,982	16,606	91,946	(7,377)	-30.8%
Fica / Medicare Tax	526,999	36,298	35,202	48,441	151,150	13,239	37.6%
VRS Retirement	43,063	3,007	3,105	3,183	12,341	78	2.5%
Health Insurance	1,418,550	107,485	112,379	114,001	441,350	1,622	1.4%
Vrs Group Life Insurance	84,663	6,481	6,568	6,641	26,310	73	1.1%
Unemployment Insurance	1,128	10	15	20	66	5	37.0%
Workers Compensation	169,126	13,136	13,136	13,136	52,544	-	0.0%
Medical Fees	14,000	1,145	620	1,120	2,885	500	80.6%
Security Service	84,000	8,103	8,156	6,535	26,735	(1,621)	-19.9%
Professional Services	162,761	7,934	8,964	13,858	30,776	4,894	54.6%
Engineering Services	276,001	20,493	25,190	21,341	67,024	(3,849)	-15.3%
Landfill Survey	7,500	-	-	-	-	-	N/A
Legal Fees	325,000	2,078	1,370	2,802	6,251	1,432	104.5%
Environmental Testing	103,000	19,390	(98)	1,672	21,940	1,770	-1800.7%
Fire Protection	8,000	280	1,683	915	2,878	(768)	-45.6%
Temporary Employment Services	34,320	2,500	132	-	4,810	(132)	-100.0%
Uniform Rental	50,976	3,269	3,232	3,006	12,945	(226)	-7.0%
Maintenance Service Agreements	163,082	32,264	3,929	6,004	43,074	2,074	52.8%
Grounds Maintenance	104,190	10,627	3,452	8,409	25,230	4,957	143.6%
Hazardous Waste Disp/Cleanup	57,000	11,560	-	-	11,560	-	N/A
Equipment Maintenance	990,800	38,867	83,053	59,171	215,669	(23,882)	-28.8%
Building / Site Maintenance	677,749	26,798	38,333	98,745	187,570	60,412	157.6%
Leachate Pumping Station Maint	38,735	172	2,900	3,790	7,387	890	30.7%
Advertising	9,500	474	944	200	1,618	(744)	-78.8%
Trustee Expense	1,000	-	-	-	-	-	N/A
Permit Fees	94,892	-	87,939	390	88,329	(87,549)	-99.6%
Suffolk Host Fee	582,400	52,365	51,947	49,923	210,534	(2,024)	-3.9%
Electricity	217,600	13,383	15,421	15,429	44,233	8	0.0%
Heating/Gas/Propane	11,500	140	141	152	433	11	7.9%
Water / Sewer	42,192	2,868	1,376	9,437	13,680	8,061	585.9%
Leachate Treatment	380,000	-	22,459	22,694	45,153	236	1.0%
Telephone	112,000	8,087	8,545	8,628	31,347	83	1.0%
Postage	2,060	78	78	243	399	165	211.0%
Radio Communication & Repair	4,500	311	18	22	351	4	22.2%
Insurance & Bonding	207,908	17,182	17,182	17,182	69,228	-	0.0%
Landfill Fire Expenses	0	63,094	29,466	(21,052)	87,663	(50,518)	-171.4%
Equipment Rental	35,000	150	982	-	1,132	(982)	-100.0%
Land Lease Payment	3,500	292	292	292	1,167	-	0.0%
Tire De-Rimming Service	5,000	-	-	-	1,802	-	N/A
Travel And Training	42,300	36	-	365	563	365	N/A
Road Tolls	171,885	16,441	15,759	14,746	61,652	(1,013)	-6.4%
Membership & Professional Dues	3,888	223	825	-	1,048	(825)	-100.0%
Bank Fees	42,000	3,855	4,012	4,270	15,968	258	6.4%
Awards Programs	9,000	-	98	49	497	(49)	-50.0%
EMS Support Program	1,000	-	-	-	-	-	N/A
Office Supplies	13,350	1,477	677	1,745	3,997	1,067	157.5%
Dues & Subscriptions	16,950	188	188	610	7,188	422	225.0%
Other Operating Supplies	92,886	7,950	3,518	9,943	22,885	6,425	182.6%
Vehicle / Equipment Fuel	913,329	43,881	39,564	27,057	145,645	(12,507)	-31.6%
Vehicle / Equipment Tires	747,700	45,270	53,588	44,724	187,689	(8,864)	-16.5%
Safety Apparel & Equipment	25,150	4,164	593	4,000	11,694	3,408	574.7%
Small Equipment	34,818	891	3,887	392	5,670	(3,495)	-89.9%
Computer Hardware	10,000	-	26	-	26	(26)	-100.0%
Total Operating Expenses	\$ 16,062,803	\$ 1,134,240	\$ 1,200,609	\$ 1,293,837	\$ 4,555,677	\$ 93,227	7.8%
Capital Projects/Equip Replacement	\$ 4,406,179	5,851	128,358	224,888	359,097	96,529	75.2%
Contracted Waste Disposal	19,820,929	1,720,540	2,142,099	1,751,492	7,288,970	(390,607)	-18.2%
Suffolk Environmental Trust Fund	5,000	-	-	-	-	-	N/A
Reserves for Landfill Expansion/Closure	4,338,750	361,563	361,563	361,563	1,446,250	-	0.0%
Total Expenses	\$ 44,633,661	\$ 3,222,193	\$ 3,832,630	\$ 3,631,779	\$ 13,649,994	\$ (200,851)	-5.2%

**Southeastern Public Service Authority
Monthly Comparison of Revenues and Expenses**

FY 2021 (bar)
FY 2020
FY 2021 Budget

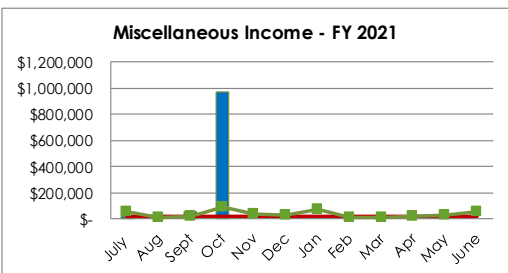


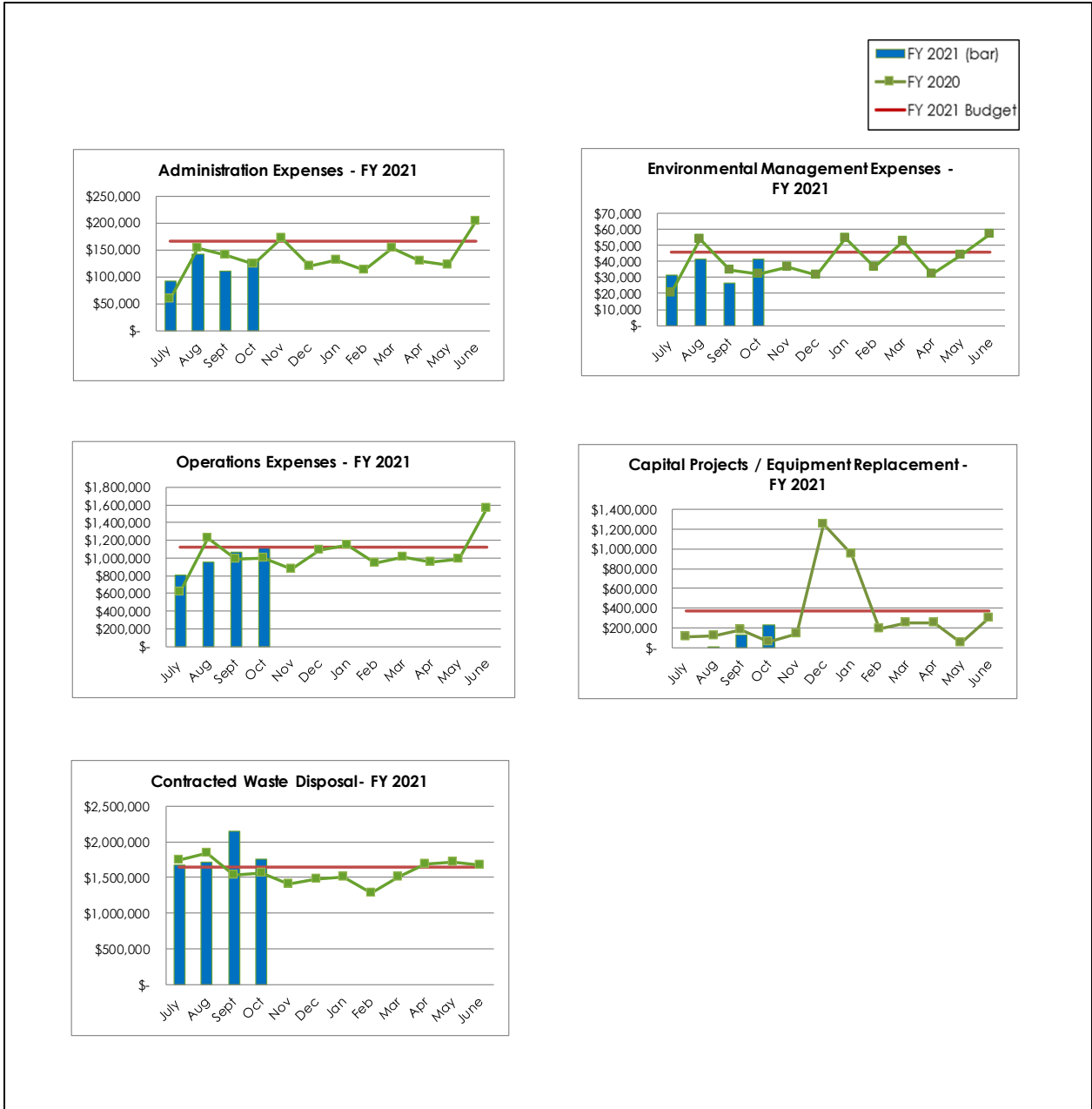
* Monthly revenue is dependent on users.



* Monthly revenue is dependent on users.

Interest payments vary based on investment date and maturity date.

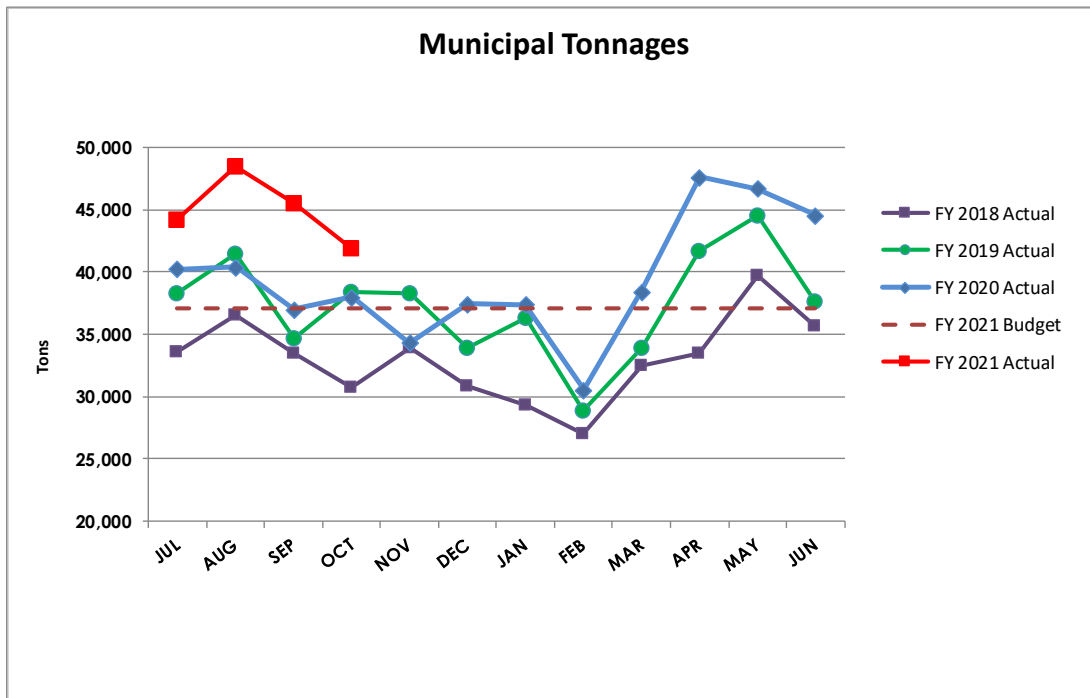




Southeastern Public Service Authority (SPSA) Waste Stream

Waste Category	FY 2018 Actual (Tons)	FY 2019 Actual (Tons)	FY 2020 Actual (Tons)	FY 2021 Budget	FY 2021	
					Actual (Tons) as of 10/31/2020	% of Budget
Waste Stream Budgeted under Tipping Fees						
Municipal Waste						
Chesapeake	90,896	105,353	112,154	107,000	40,794	38.1%
Franklin	2,698	2,955	3,276	3,000	1,151	38.4%
Isle of Wight	16,883	17,265	17,102	17,200	6,057	35.2%
Norfolk	62,587	90,129	92,423	88,000	35,245	40.1%
Portsmouth	32,769	40,222	43,829	40,500	15,696	38.8%
Southampton	8,910	10,675	9,881	10,800	3,198	29.6%
Suffolk	40,847	42,325	46,614	38,900	17,875	46.0%
Virginia Beach	127,483	138,823	147,250	139,600	60,049	43.0%
Residential (Free of Charge)	13,711	-	-	-	-	N/A
Total Municipal Waste	396,784	447,747	472,529	445,000	180,065	40.5%
Sludge - Norfolk	5,586	6,040	4,725	5,500	1,394	25.3%
Navy Waste	26,653	26,265	24,974	25,500	9,370	36.7%
SPSA Contracted Waste	65,936	146,442	130,777	130,000	45,638	35.1%
Construction & Demolition Debris	14,850	9,808	9,312	15,000	2,277	15.2%
Non-Contract Waste	15,469	36,682	39,588	35,500	15,521	43.7%
Total Other Waste	128,494	225,237	209,377	211,500	74,200	35.1%
Total Waste Stream	525,278	672,984	681,906	656,500	254,265	38.7%

Note: Effective July 1, 2018 residential waste tons is included with municipal waste tons.



Southeastern Public Service Authority (SPSA)											
Regional Landfill Waste Stream											
Types of Waste (tons)	FY 2017	FY 2018	FY 2019	FY 2020	July	Aug	Sept	Oct	FYTD	FY 2021	FY 2021
					FY 2021	FY 2021	FY 2021	FY 2021			
Construction and Demolition Debris	14,252	14,850	9,807	9,312	514	615	568	580	2,277		
Water Treatment Plant Sludge	4,927	5,717	6,039	4,725	426	352	295	321	1,394		
Industrial Waste	846	379	295	660	12	21	11	383	427		
Soils for Use as Alternate Daily Cover	18,935	9,990	8,630	6,602	439	610	538	680	2,267		
Clean Fill	25,369	26,396	5,940	97,970	805	337	534	283	1,959		
Peanut Residue/Hulls	5,650	9,366	4,023	4,907	477	382	394	383	1,636		
Non-Processible Municipal Solid Waste	5,765	3,791	867	1,570	536	707	269	456	1,968		
Navy Waste ²	150	154	359	237	7	3	15	17	42		
Non-Processible Commercial Waste ²	4,518	2,631	598	650	36	46	62	72	216		
Concrete/Asphalt	3	-	133	116	-	-	-	-	-		
Shredded Tires	3,289	4,586	5,394	6,144	724	304	860	578	2,466		
Ash - Qualifying	174,420	179,361	113,979	112,585	14,844	12,734	11,545	14,862	53,985		
Non-Qualifying Ash	-	-	52,998	58,912	2,537	1,251	1,267	1,007	6,062		
MSW from FTS, IWTS, STS	-	46,011	102,702	106,908	9,655	10,061	10,169	9,305	39,190		
Clean Fill - Clearfield	28,226	31,709	51,540	57,872	5,670	5,385	3,231	3,912	18,198		
Residual Waste - Clearfield	9,771	5,585	436	446	76	76	76	95	323		
Diverted Processible Waste (fromTst station)	11,337	201	2,518	2,127	-	-	-	-	-		
Total	307,458	340,727	366,258	471,743	36,758	32,884	29,834	32,934	132,410		

¹ Prior to January 25, 2018, Represents CDD from the City of Suffolk and City of Suffolk's Contractors

² Boats, Flour, Frozen Foods, Other items too large for Suffolk Transfer Station

Southeastern Public Service Authority Treasurer's Report of Cash Balances For the Month Ending October 31, 2020						
Fund Type	Beginning Balance	Deposits / Transfers In	Interest Earnings	Payables / Transfers Out	Payroll	Ending Balance
Unrestricted and Designated Funds (see footnote below):						
Townebank Operating	\$ 2,770,690.27	\$ 5,517,172.97		\$ 4,083,091.95	\$ 861,658.25	\$ 3,343,113.04
Townebank Money Market	6,773.96		0.06			6,774.02
Townebank CD	6,233,765.80					6,233,765.80
Virginia Investment Pool (VIP)	7,927,439.98	1,950,000.00	1,355.63			9,878,795.61
Raymond James & Associates Investments	27,371,176.68		42,399.81	269,926.24		27,143,650.25
Total Unrestricted and Designated Funds	\$ 44,309,846.69	\$ 7,467,172.97	\$ 43,755.50	\$ 4,353,018.19	\$ 861,658.25	\$ 46,606,098.72
Trust Funds:						
Environmental / Va. Beach Landfill	\$ 470,243.37		13.02			470,256.39
Environmental / Regional Landfill	466,615.54		12.84			466,628.38
Total Trust Funds	\$ 936,858.91	\$ -	\$ 25.86	\$ -	\$ -	\$ 936,884.77
GRAND TOTAL	\$ 45,246,705.60	\$ 7,467,172.97	\$ 43,781.36	\$ 4,353,018.19	\$ 861,658.25	\$ 47,542,983.49
Cash Balances Designated as follows:						
Operating Funds	\$ 5,253,424.59					
Undesignated (Fund Balance June 30, 2020)	5,974,800.00					
Reserved for FY 2020 Rolled Purchase Orders	\$38,574.75					
Reserved for Capital Budget	314,757.38					
Reserved for HRSD Forcemain	2,500,000.00					
Purchase Orders for Landfill Expansion	352,871.29					
Landfill Closure (as of June 30, 2020)	18,633,452.00					
Landfill Expansion	13,538,218.71					
Total Designated Funds	\$ 46,606,098.72					

Southeastern Public Service Authority Budget Transfer Activity For the Month Ending October 31, 2020				
Department	Object	Description	Transfer In	Transfer Out
IT	56110	Dues & Subscriptions	\$ 1,750.00	
Executive	55510	Travel and Training		\$ 1,750.00
Safety	56300	Safety Apparel & Equipment	\$ 7,500.00	
Executive	53130	Professional Services		\$ 7,500.00
Capital	62116	RLF-Guard Shack	\$ 18,000.00	
Capital	62999	Undesignated		\$ 18,000.00
Capital	61926	Cell 8/9 Permitting	\$ 29,830.00	
Transfer from Fund Balanc	49200	Fund Balance/Capital		\$ 29,830.00
Total Budget Transfers			\$ 57,080.00	\$ 57,080.00
Per the Strategic Operating Plan, the SPSA Board shall be advised of all budget transfers between cost centers.				

9. Contracts

Professional Engineering Services Contract Renewal

This contract renewal with HDR Engineering is to exercise option year 4 of 4 for the period of January 1, 2021 through December 31, 2021. Task orders are based on a time and material basis and the proposed hourly rates are unchanged from CY 2020. Please see fee schedule below for cost associated with the various types of services to be rendered under the contract.

Projects may include the evaluation, programming and design of public facilities; professional services associated in evaluation, repair and/or rehabilitation of structural, electrical and mechanical systems; professional services associated with landfills and landfill gas; professional services associated with emergencies and natural disasters, environmental and regulatory compliance, regulatory issues; professional services associated with site plans, engineering, surveying, environmental, geotechnical, construction management and inspection services necessary to perform various types of capital improvement projects; coordinating temperature issues on Cell V; handling review of groundwater data and permit coordination; Title V - Air Permit coordination; review of stormwater data and VPDES permit coordination; any waste permitting issues to include coordination with our contract lab on required sampling; and any additional on call type matters they may arise requiring professional engineering services.

Budget: \$270,000 in Operating Budget

RECOMMENDATION: Approve the contract renewal for professional engineering services with HDR Engineering for the period January 1, 2021 through December 31, 2021 as presented.

MOTION: Do I hear a motion to approve the contract renewal with HDR Engineering as presented?

DISCIPLINE	2020 Rates	Proposed 2021 Rates
PROJECT PRINCIPAL/DIRECTOR	\$ 242.00	\$ 242.00
SENIOR TECHNICAL ADVISOR	\$ 242.00	\$ 242.00
TECHNICAL ADVISOR	\$ 232.00	\$ 232.00
SENIOR PROJECT MANAGER	\$ 221.50	\$ 221.50
PROJECT MANAGER IV		\$ 212.00
PROJECT MANAGER III		\$ 198.00
PROJECT MANAGER II	\$ 184.50	\$ 184.50
PROJECT MANAGER I	\$ 152.50	\$ 152.50
SENIOR ENGINEER/SCIENTIST	\$ 221.50	\$ 221.50
ENGINEER/SCIENTIST IV	\$ 194.50	\$ 194.50
ENGINEER/SCIENTIST III	\$ 168.50	\$ 168.50
ENGINEER/SCIENTIST II	\$ 136.50	\$ 136.50
ENGINEER/SCIENTIST I	\$ 115.50	\$ 115.50
SENIOR GEOLOGIST		\$ 198.00
GEOLOGIST IV	\$ 184.50	\$ 184.50
GEOLOGIST III	\$ 163.50	\$ 163.50
GEOLOGIST II	\$ 131.50	\$ 131.50
GEOLOGIST I	\$ 110.50	\$ 110.50
CONSTRUCTION MANAGER IV	\$ 194.50	\$ 194.50
CONSTRUCTION MANAGER III	\$ 157.50	\$ 157.50
CONSTRUCTION MANAGER II	\$ 131.50	\$ 131.50
CONSTRUCTION MANAGER I	\$ 110.50	\$ 110.50
SENIOR PLANNER	\$ 210.50	\$ 210.50
PLANNER	\$ 174.00	\$ 174.00
TECHNICIAN IV	\$ 157.50	\$ 157.50
TECHNICIAN III	\$ 136.50	\$ 136.50
TECHNICIAN II	\$ 110.50	\$ 110.50
TECHNICIAN I	\$ 89.00	\$ 89.00
SENIOR ACCOUNTANT	\$ 141.50	\$ 141.50
MID-LEVEL ACCOUNTANT	\$ 121.00	\$ 121.00
ACCOUNTANT	\$ 110.50	\$ 110.50
CLERICAL/ADMINISTRATION	\$ 84.00	\$ 84.00

Design-Build Management Assistance

This task order with HDR Engineering is to provide engineering services associated with preparation of request for design build proposal documents and bidding assistance to replace the structures destroyed in the fire at the Regional Landfill on April 2, 2019.

Staff recommends using the insurance proceeds to build a new administration building, fleet maintenance and storage buildings, and a household hazardous waste (HHW) facility at the Regional Landfill. Funds are available from proceeds from insurance.

Please see the below task order for a detailed project description and scope of services.

Price: \$60,900 (not to exceed)

RECOMMENDATION: Approve the task order for engineering services associated with preparation of request for design build proposal documents and bidding assistance to replace the structures destroyed in the fire at the Regional Landfill as presented.

MOTION: Do I hear a motion to approve the task order with HDR Engineering as presented?

AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

SOUTHEASTERN PUBLIC SERVICE AUTHORITY AND HDR ENGINEERING, INC.

TASK ORDER LF 20/21-04

This Task Order pertains to the Professional Service Agreement #21-17 by and between Southeastern Public Service Authority (“SPSA”) and HDR Engineering, Inc. (“CONSULTANT”) dated December 11, 2019 (“the Agreement”). Consultant shall perform services on the project described below as provided herein and in the Agreement. This Task Order shall not be binding until it has been approved by SPSA. Upon execution, this Task Order shall supplement the Agreement as it pertains to the project described below.

PROJECT NAME:

Design Build Management Assistance

PART 1.0 PROJECT DESCRIPTION:

HDR Engineering, Inc. (HDR) will provide engineering services associated with preparation of request for design build proposal documents and bidding assistance for the proposed administration building, proposed maintenance and storage buildings, and the HHW facility at the SPSA Regional Landfill (Landfill) located in Suffolk, Virginia.

SPSA will be adopting policies and procedures to utilize the design-build method of procurement as outlined in 2.2-4382 of the Code of Virginia. Such procedures include a two-step competitive negotiation process (see attached flow chart). HDR recommends the design-build procurement method for this project for the following reasons:

- Less Time for Delivery
- Less Risk (avoid dilution of responsibility)
- Fewer Claims (E&O) and Reduced Costs
- Best Value Based Selection
- Fixed Price Early in Process
- Early Integration and Collaboration with Contractor Can Spur Innovation
- Traditional Design Bid Build Would Have Higher Design Cost
 - Small Building Footprints/Economy of Scale
 - Disciplines Detail Design for Small Systems

As the Owner’s representative, HDR would serve to advocate for the SPSA’s best interest through the entire project. Our role for this task would be to assist with the procurement, but under subsequent task orders we would anticipate providing review of design, coordination, driving collaboration, construction observation and inspection, and assisting with identifying/resolving conflicts.

PART 2.0 SCOPE OF SERVICES TO BE PERFORMED BY CONSULTANT ON THE PROJECT:

The intent of the scope of services is to assist SPSA with design build management for the proposed facility improvements. As such, SPSA is retaining HDR for engineering services which may include the following.

Services Provided by HDR:

Task 100 - RFP Development

- Finalize the site plan and the conceptual architectural floor plans and elevations for the three facilities for inclusion as supporting documents in the request for design build proposals.
- Prepare Request for Qualifications document for SPSA posting on the eVA site. Assist SPSA with review of qualification statements and short-listing firms for receipt of RFP.
- Prepare RFP document that can be used to receive design-build bids from qualified contractors. The RFP will include a description of the project, instructions to bidders, bid forms, design narrative, conceptual floor plans and elevations, applicable performance specification, and existing site survey.
- Performance Specifications will include applicable sections from the following divisions
 - 03 – Concrete
 - 04 – Masonry
 - 05 – Metals
 - 07 – Thermal and Moisture Protection
 - 08 – Openings
 - 09 – Finishes
 - 10 – Specialties
 - 13 – Special Construction
 - 22 – Plumbing
 - 23 – HVAC
 - 26 – Electrical
 - 27 – Communications
 - 31 – Earthwork
 - 32 – Exterior Improvements
 - 33 – Utilities

- The RFP will be issued to the selected DB Contractors for the construction of a new administration building (5,100 SF), new maintenance garage (4,200 SF), storage building (3,500 SF) and HHW facility (546 SF). The administration and design narrative will describe detailed information needed to procure bids from the design-build teams. The design narrative will outline design criteria and standards to be followed by the design builder selected.
- The RFP will incorporate SPSA's terms and conditions and agreement. HDR will coordinate with SPSA for incorporation of applicable conditions from the Design Build Institute of America General Conditions (DBIA 535) and Agreement form (DBIA 525).

Task 200 – Bidding Assistance

- Review qualification statements received by SPSA and assist with shortlisting qualified firms to receiving the RFP.
- Attending and administering Pre-Bid Conference for qualified DB contractors.
- Responding to RFI's from the bidders during the RFP period, and issuing addenda as necessary.
- Review proposals submitted by the bidders and provide recommendations on award.

Assumptions:

The following items are excluded from the HDR scope of services:

- Technical Specifications, with the exception of Performance Specifications.
- Preliminary or Final Engineering or Architectural Design.
- Storm water design.
- Site survey, borings, or geotechnical services
- Site Plan Application (covered under existing task order)

Deliverables:

Draft RFQ, Draft RFP and Final RFQ and RFP in electronic (word and PDF) format, CAD files for distribution to bidders, bid tabulation and recommendation for award.

SPSA will add terms and conditions to the draft and final documents for advertisement for qualifications and proposals.

PART 3.0 SPSA'S RESPONSIBILITIES:

- Review and provide HDR comments within 7 calendar days of receipt of draft RFP.
- Advertisement of project

- Distribution of RFP documents

PART 4.0 PERIODS OF SERVICE:

Services are anticipated to occur from December 2020 through April 2021.

PART 5.0 PAYMENTS TO CONSULTANT:

HDR recommends a budget of **\$60,900** for this work. Work to be billed based on a time and materials basis, in accordance with the applicable Schedule of Billing Rates. We will notify SPSA if work effort required will exceed the estimated fee.

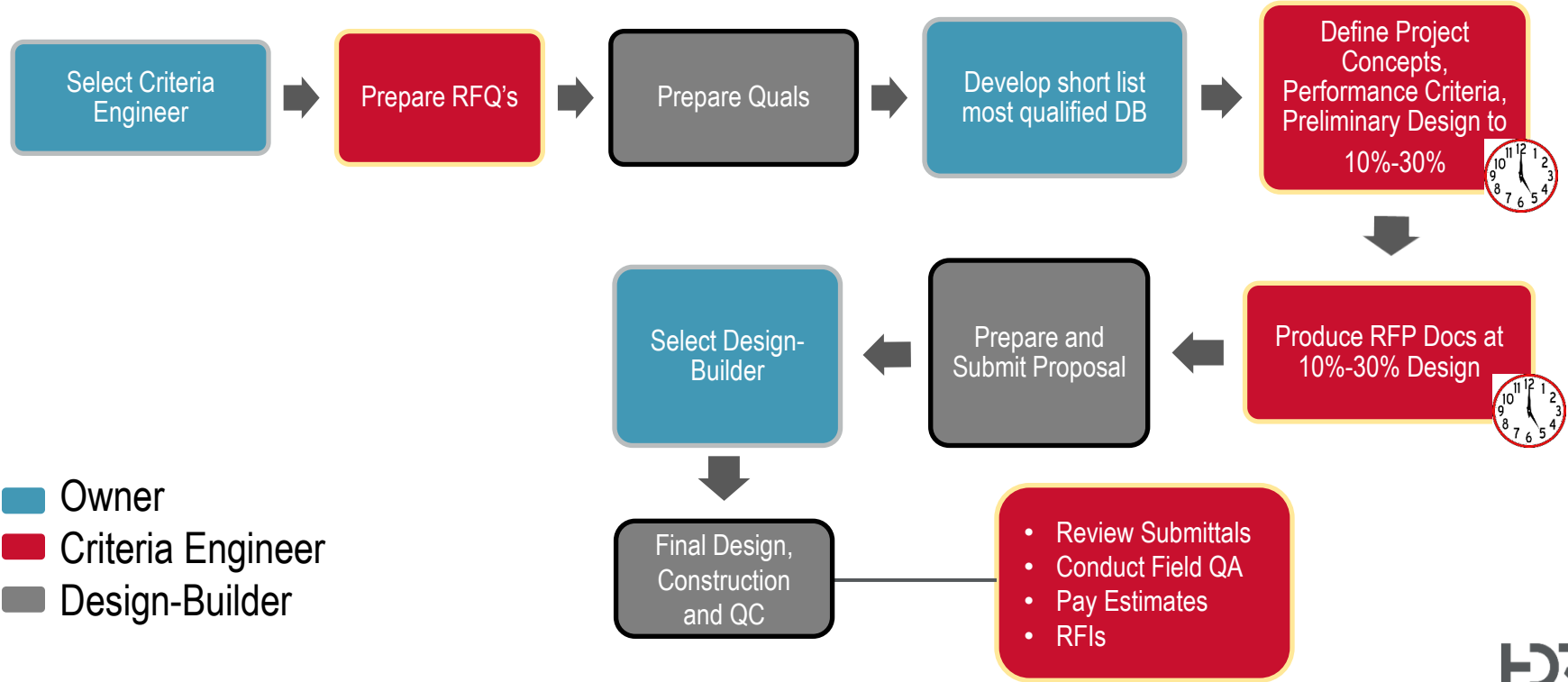
HDR Engineering, Inc.

Attachment B - SPSA Admin Building, Maintenance Garage and HHW Facility DB Management

<i>Labor Category</i>	Task	<i>1</i>	<i>2</i>	<i>Total</i>	
	Rate	<i>RFP Development</i>	<i>Bidding Assistance</i>	Hours	Cost
	\$/hr				
<i>HDR Engineering Inc.</i>					
Sr. Project Manager	\$ 221.50	50	8	58	\$ 12,847
Sr. Project Engineer/Architect	\$ 221.50	30	4	34	\$ 7,531
Associate Project Manager	\$ 184.50	4	34	38	\$ 7,011
Engineer/ Architect IV	\$ 194.50	34		34	\$ 6,613
Engineer III	\$ 168.50	40	16	56	\$ 9,436
Engineer II	\$ 136.50	24		24	\$ 3,276
Engineer I	\$ 115.50	40	18	58	\$ 6,699
Technician IV	\$ 157.50	16		16	\$ 2,520
Technician III	\$ 136.50	16		16	\$ 2,184
Technician II	\$ 110.50			0	\$ -
Technician I	\$ 89.00			0	\$ -
Mid Level Accountant	\$ 121.00	4	1	5	\$ 605
Clerical/Administrative Support	\$ 84.00	18	2	20	\$ 1,680
Total Labor (hrs)		276	83	359	
Labor Costs		\$ 46,407	\$ 13,995		\$ 60,402
Other Direct Costs					
Travel		\$ 200	\$ 50		\$ 250
Copy/Mail		\$ 150	\$ 100		\$ 250
Total Direct		\$ 350	\$ 150		\$ 500
TOTAL COST		\$ 46,757	\$ 14,145		\$ 60,902

SAY \$ 60,900

Fixed Price Design-Build Approach



Tractor Painting

This project is a continuation of the SPSA Rebranding initiative. Sixteen MSW Tractors with a current life cycle replacement of ten plus years and four MSW Tractors with a current life cycle of five plus years will have cabs exterior paint changed to white. Every time an SPSA MSW Tractor is on the road and in the community, it will represent one of our core values, PRIDE. Staff recommendation is to award a contract to Jezzi Corp./GAC, in the amount of \$84,200.00 for the exterior cab painting of twenty tractors utilizing a cooperative contract issued by the U.S. Navy. Funds are available from the Undesignated Capital Budget.

Bid: Cooperative Contract with NAVFAC Mid Atlantic Acquisition Corp
N4008520D0061

Vendor: Jezzi Corp./GAC

Total Price: \$84,200

RECOMMENDATION: Award the contract for the painting of twenty tractors to Jezzi Corp./GAC in the amount of \$82,000.

MOTION: Do I hear a motion to approve the contract with HDR Jezzi Corp./GAC as presented?

10. 2021 Board Meeting Dates**PROPOSED BOARD MEETING DATES – 2021**

Wednesday, January 27, 2021

Wednesday, February 24, 2021

Wednesday, March 24, 2021

Wednesday, April 28, 2021

Wednesday, May 26, 2021

Wednesday, June 23, 2021

Wednesday, July 28, 2021

Wednesday, August 25, 2021

Wednesday, September 22, 2021

Wednesday, October 27, 2021

Wednesday, December 8, 2021

All meetings will commence at 9:30am

RECOMMENDATION: Approve the 2021 Board Meeting dates as presented.

MOTION: Do I hear a motion that the 2021 Board Meeting dates be approved as presented?

11. Other Business

12. Adjourn