

## **UNC Chapel Hill Informal Contracting Guidelines**

### **1. Informal Contracts**

Informal bids are referenced by NC General Statute (NCGS) 143-131 as construction or repair work that does not reach the limits prescribed in NCGS 143-129 which presently is \$500,000. The State Construction Office (SCO) and the NC Construction Manual provide a flexible methodology of receiving bids without the formal advertisement and documentation required by G.S. 143-129. For each informal project, UNC Chapel Hill (UNC) is empowered to solicit contractors for bids on an invitational basis. As such, UNC continually monitors its existing contractor pool for performance characteristics, and evaluates new contractors on an annual basis who indicate interest in bidding construction work at the University.

UNC wishes to emphasize that bidding on construction work is open to any firm that desires construction work, provided it meets qualifying standards, actively participates in the bid process, and demonstrates high measures of performance on the job. The Informal Contracts process at UNC is designed to ensure that the best-qualified, responsible, responsive contractors perform construction work all the while building and strengthening the contractor base from which UNC pulls.

### **2. Historically Underutilized Business (HUB) Enterprises**

UNC encourages and promotes the use of small, minority, disabled, and women contractors in construction projects associated with UNC.

### **3. Bonding and Liquidated Damages**

Generally, UNC does not require bid, payment, or performance bonding for Informal Contracts. However, it is at the discretion of UNC whether bid, payment and performance bonds are required on projects under \$500,000 and they may be included. Liquidated damages are infrequently included in contract provisions; however timeliness is a very important consideration when rating contractors for future work invitation.

### **4. Contractor Selection Criteria**

Biennially, UNC will invite contractors to submit relevant information for consideration of being placed on a revolving bid list. The following will be considered when selecting contractors to be invited to bid on projects:

- 4.1. A work history that indicates specialization and quality of workmanship in a particular construction skill, including the extent to which the Contractor and his subcontractors follow project specifications and drawings provided by UNC and the history of meeting, and ability to meet, project schedule. Contractor's selection for projects will be based on experience and ability to perform in different work environments including but not limited to classrooms, offices and laboratories.

- 4.2. Participation in the UNC bid process, i.e., demonstrating a high degree of attendance at pre-bid meetings; submitting viable, competitive bids when invited to bid; and contractor shows up for pre-bid walkthroughs after informing the project manager they will attend.
  - 4.3. Contractor's quality control, i.e., identification and correction of deficient work or plan conflicts in a timely manner. Final inspections yield a minimal number punch list items, which are not significant.
  - 4.4. Documented proof of how the contractor intends to implement the State Construction Office's HUB plan.
  - 4.5. Responsiveness with regard to notification, scheduling, and coordination of operations that will cause noise, vibrations, dust, odors, safety concerns, and other activities that can potentially interrupt the normal conduct of business; courteous and cooperative nature, decorum, and conduct on projects on a daily basis.
  - 4.6. Substantive proof that a responsible, English-speaking company representative will be on-site at the UNC campus within 1 (one) hour of notice from UNC, 24 hours-a-day, for safety or emergency issues.
  - 4.7. Material submittals and delivery: Contractor diligently researches materials and vendors that meet specifications, ability to coordinate with designers on submittal issues, and ability to deliver materials to site in a timely manner.
  - 4.8. Safety consciousness on the job site. Demonstrated safety measures to protect students, faculty, and workers. Existence of contractor safety plans and employee briefings. Maintaining a secured, safe site on a daily basis. Compliance with OSHA requirements. Extent to which Contractor complies with UNC general conditions, parking policies, Hot work, Arc Flash and other permit requirements, and other policies.
  - 4.9. Job site cleanliness during projects and upon leaving job sites.
  - 4.10. Maintaining contracting license (provide copy of current license), maintaining adequate insurance coverage and bonding (if required)
  - 4.11. Submission of change orders in timely fashion with adequate and reasonable cost breakdowns. Flexibility and cooperation when resolving delays.
  - 4.12. Responsiveness to warranty issues.
5. Types of Bids and Contracts
- 5.1. For projects where the estimated construction contracting expenditure is less than \$100,000, UNC will endeavor to solicit at least four bidders. In order to promote and foster the growth of small businesses, if reasonably possible, half of these bidders will be HUB businesses certified with the State of NC HUB Office.
  - 5.2. For projects, where the estimated construction contracting expenditure is between \$100,000 and \$500,000, UNC will utilize a "Group Bid" method. "Group Bid" contracts occur as the result of a competitive bid between a limited number of contractors who are invited to bid on a particular project. Interested, qualified contractors are "pooled" into several bid groups, which then bid for projects on a rotating basis between the groups. UNC is empowered to solicit bids on an invitational basis. Because many contractors have indicated interest in doing work, UNC maintains a "pool" of qualified contractors for each construction specialty. For example, a list of general contractors is maintained, as well as lists of interested mechanical, electrical, and plumbing contractors, etc. UNC will pool the invited contractors to the best of its ability taking into consideration past experience, company size and other factors UNC deems

appropriate. In submitting a letter of interest, if selected, the contractor is abiding by UNC pooling selections and there will be no grievance or appealing of the pool placement.

- 5.3. For projects, regardless of size, which involve correction of a facility condition which by its nature poses a hazard to persons or property, or when an emergency exists, UNC is authorized upon written declaration by the Chancellor, to declare an emergency and move forward with the selection of a contractor who will mitigate the emergency and restore the condition to a safe and usable facility.
- 5.4. At its sole discretion, UNC may choose:
  - 5.4.1. on projects where the estimated construction contracting is less than \$30,000 to select a contractor, obtain a price, and if the cost appears reasonable, award the construction to said contractor.
  - 5.4.2. from time to time, projects may arise wherein specialized expertise and/or adequate contractor resources are required for a successful project outcome. In addition, the project may present special circumstances such as: time constraints, a combination of licenses and/or construction skills, specialized construction techniques, relevant prior experience, or other relevant considerations. In such cases and in the best interests of the University, UNC reserves the right to directly solicit contractors and/or vendors possessing these specialized qualifications
  - 5.4.3. any method of bidding allowed by law on any specific project.

## 6. Contractor Groups

- 6.1. For projects with the estimated construction contracting expenditure is less than \$100,000, UNC will list both majority and minority firms in alphabetical order and will endeavor to solicit, beginning at the top of the list and moving down the list as projects become available, at least four bidders, taking into account the relevant experience of the contractor given the project type. As stated in 5.1 above, if reasonably possible, half of the firms invited will be minority firms.
- 6.2. Major trade groups that use the "Group Bid" method are as follows:
  - 6.2.1. General
  - 6.2.2. Mechanical
  - 6.2.3. Electrical
- 6.3. All construction disciplines not listed in the Major trade groups above are considered to be "specialized" types of construction work. At UNC, these construction specialties are required less frequently than the major groups for which rotation pools are used. The following: Hazard Material Abatement, Painting, Paving, Roofing & Waterproofing, although not totally inclusive, provides several examples of these disciplines. In the case of specialized contractors, UNC reserves the right to directly solicit these contractors from various sources without regard to maintaining a rotation pool.

## 7. Bid Participation

- 7.1. Contractors that are invited to bid are encouraged to submit competitive pricing. If an invited contractor fails to submit a bid without valid written reason on 3 consecutive bids they will be removed from the "Group Bid" list until at a minimum the annual review.

- 7.2. Promoting and fostering small disadvantage businesses is a goal of UNC and as such each prime contractor is required to document a good faith effort per GS 143-128.2 to recruit HUB businesses. If a contractor is on the "Group Bid" list and fails to document a good faith effort during a bid and is low bidder then he will not be awarded the contract. If a contractor fails to provide a good faith effort in 2 consecutive bid submissions then they will be removed from the "Group Bid" list until at a minimum, the annual review.
- 7.3. UNC regularly rates its contractors for performance on a project. Contractor ratings play a direct role in determining whether a contractor is invited back for future construction work. Contractors will be rated using the State Construction Office's Interscope system.
- 7.4. Should contractors be removed or drop off a "Group Bid" list, UNC reserves the right to add additional contractors to the list or realign the existing lists.
- 7.5. Projects that are bid using any of the methods described in section 5 above and UNC is unable to open or award the bids, shall be rebid. During the rebid UNC will move to the next pool of contractors allowing those who submitted a responsible, responsive bid on the previous bid to join the pool.

## 8. Good Faith Effort

- 8.1. UNC will use the State of NC's Affidavit A "Listing of Good Faith Efforts" in determining if contractor has met good faith efforts.
- 8.2. The contractor must be able to show proof of all "Good Faith Efforts" in writing that will include all the necessary information that is stated on Affidavit A and the bottom of Affidavit D. Failure to do so will constitute the bid as being non-responsive.
- 8.3. The owner will perform compliance on Affidavit A and C or D, along with all Appendix E's that are submitted. If a contractor is deemed to have been out of compliance regarding the MBE Guidelines included in his first bid document submittal, UNC will work diligently with the contractor on education of what is required to comply. After UNC has educated the contractor on the requirements for full compliance and the contractor's submission on the next bid is deemed not in compliance, he will be removed the invitation list. If there is a need to replace a HUB firm that was listed on your pre or post bid affidavits the contractor must adhere to the state process for instructions. Failure to adhere to the process may result in your company being removed from the invitation list.

## 9. Contractor Evaluation

- 9.1. Contractors will be evaluated on each project using the State Construction Office's evaluation procedures and forms. UNC's goal is to promote and foster all businesses in order to provide a stable, qualified contractor base on which to invite bidders from for future work. Therefore, should a contractor receive an unacceptable rating on a project, there may not be immediate removal from the invited bidders list. UNC will convene a group that will meet with the contractor to explain and help them to understand the process, techniques and areas that need improvement. Should the contractor refuse to participate, the contractor will be removed from the invited bidders list. Should the contractor fail to show improvement on the next project they are successful in obtaining, they will be removed from the invited bidders list.