

Contracts & Contractors

Presented by: Division of Rural Services





Meeting Overview

- Definitions
- Types of Contracts
 - **BPO (Blanket Purchase Order)**
 - **RFQ (Request for Quote)**
 - **IFB (Invitation to Bid)**
- Different types of work
- Contract Limits
- Contract Renewals
- Commission Responsibilities
- Rural Services Responsibilities



Definitions

Purchase Order (PO)

- **Is a legal binding document which has been properly processed, signed and numbered**

Standard Form of Agreement

- **A formal contract document which has been approved by the Borough's Legal Department, and executed by both the Borough and the Contractor**



Definitions cont.



Request for Quote (RFQ)

- An informal written request for quotes which results in a PO, but not typically a formal contract agreement and a PO

Invitation for Bid (IFB)

- A formal request for sealed bids which results in a formal contract agreement and a PO

Types of Contracts



- **Blanket Purchase Order**
\$0 - \$4,999
- **PO resulting from an RFQ**
\$4,999 - \$50,000 Roads
\$4,999 - \$20,000 Other
- **Standard Form of Agreement, and a PO resulting from an IFB**
Anything over RFQ Amount



Blanket Purchase Order

BPO's are used for the following types of Contracts:

- **Annual Maintenance**
- **Winter Maintenance**
- **Pumping and Thawing Services**
- **Tree Removal Services**
- **Meeting Space, etc...**

BPO's are issued when requested by the Commissioner



Blanket Purchase Order_{cont.}



When is the Contract binding?

- **When Acceptance Occurs**
 - When the commissioner requests the service or good to be provided, *and* when the contractor provides the service or good to the Service Area

Blanket Purchase Order cont.



What is the Contract Document?

- **The Purchase Order**

What is the Contractor's responsibility?

- **To comply with the Terms & Conditions (T&C) of the PO included on the face and back of the PO**



Request for Quote



RFQ's are used for the following types of Contracts:

- **Annual Maintenance Contracts**
- **Secretarial Services**
- **Pumping and Thawing Services**
- **Small Projects (examples):**

Asphalt Pavement Repair, Clearing of Trees and Brush,
Gravel Placement, Roadway Striping, Surface Course
Placement



Request for Quote cont.



RFQ's are issued when requested by the Commission

- **Contractor completes and signs the RFQ form**
- **RS reviews the quotes received and determines the low responsive Contractor**
- **Commissioner submits the PO Request form**



Request for Quote cont.



When is the contract binding?

- PO is processed, signed and sent to the contractor
- When the commissioner requests the service or good to be provided and when the contractor provides the service or good to the Service Area



Request for Quote cont.



What is the Contract document?

- The entire RFQ document
- FNSB Standard Specifications for Local Road Maintenance-2012
- Purchase Order

What is the Contractor's responsibility?

- To comply with the entire RFQ
- To comply with the FNSB Standard Specifications for Local Road Maintenance-2012
- To comply with the T&C's of the PO



Invitation for Bid

IFB are used for the following types of contract:

- **Annual Maintenance**
- **Public Construction Work**

IFB's are issued by the Purchasing Division when requested by Rural Services

- **Contractors submit a sealed bid to Purchasing**
- **RS receives Purchasing's review of the low responsive bidder**
- **Standard Form of Agreement is prepared**
- **Commissioner reviews the results and submits a PO Request form to RS**



Invitation for Bid cont.

When is the contract binding?

- When the Standard Form of Agreement is executed (signed) by both the Contractor and the Borough Mayor
- PO is processed and sent to the contractor

What is the Contract document?

- Standard Form of Agreement
- A document that details the Service Area required special conditions and specifications, including the FNSB Standard Specifications for Local Road Maintenance-2012
- Contractor's Bid Schedule
- Purchase Order



Invitation for Bid cont.

What is the Contractor's responsibility?

- **To comply with the Standard Form of Agreement**
- **To comply with the Service Area special conditions, and the Specifications in the IFB**
- **To comply with the FNSB Standard Specifications for Local Road Maintenance-2012**
- **To comply with the Contractor's Bid Schedule**
- **To comply with the T&C's of the PO**

Standard Annual Maintenance Contract



Type of Work

- **Routine Maintenance Work (RMW) -
Division 800 Specs**
- **Public Construction Work (PCW) -
Division 200-600 Specs**
 - **Alaska Title 36 (Davis Bacon /
Prevailing Wage) does not apply to
public construction work on
contracts valued at \$25,000 or less**

Standard Annual Maintenance Contract cont.



Yearly Contract Limits

- **RFQ (Request for Quote)**
 - **\$50,000 Maximum (Total of RMW + PCW)**
 - **\$25,000 Maximum Public Construction Work**
- **IFB (Invitation for Bid)**
 - **\$100,000 Maximum (Total of RMW + PCW)**
 - **\$25,000 Maximum Public Construction Work**



Standard Annual Maintenance Contract cont.



Contract Renewals

- Contracts resulting from an IFB or RFQ may be renewed up to (4) One-Year Periods
- Unit prices are adjusted per the Consumer Price Index (CPI), Urban Anchorage (FY 2017 was a 0.5% increase)
- Contractors may request additional changes (note: changes must be supported with written documentation)
- Contractor must agree to renew contract

Contract Administration



Commission Responsibilities

The Commission, on behalf of the mayor, has the authority to perform the following:

- Request work to be performed as indicated within the Contract Documents (routine maintenance & work orders)
- Verify work has been completed
- Approve payment of work when completed satisfactorily



Commission Responsibilities

The Commission cannot:

- **Make Contract changes or order work not covered by the Contract**
- **Request any work that exceeds the amount of funding authorized by the Purchase Order**
- **Order Contractor to make changes that require oversight of a Registered Engineer under AK Statutes**



Rural Services Responsibilities

- Issue annual maintenance Contracts and Contract Renewals
- Issue Contract Changes (modifications)
- Engineering and technical support for Contractors and Commissioners
- Conflict Resolution

Contract Administration *cont.*



Rural Services Responsibilities *cont.*

- Review and Process Invoices
- Maintenance of SA Maps and Mileage Changes
- Inspection when required
- Review work orders greater than \$10,000
- Maintain Contract Files

Questions



THANK YOU!! for being
here, and for your
dedication to the
Service Area

