

# Chapter 11

## Facilities and Related Services

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# Chapter 11 Facilities and Related Services

## SECTION 1 APPLICABILITY

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### 11.1.1 General

11.1.1.a *Purchases Covered.* This chapter covers procurement of:

1. Services related to real property acquisition and management;
2. Services related to facilities design and construction management; and
3. Construction.

11.1.1.b *Leases Covered.* The chapter also covers the leasing of facilities (including incidental personal property), whether existing or built to meet Postal Service plans and specifications.

11.1.1.c *Transactions Not Covered*

1. Neither this chapter nor the *Procurement Manual* as a whole covers the purchase of real property or the leasing of any interest in unimproved real property, including interests held in fee title, easements, rights of way, water or air rights, ground leases, or otherwise, except leases made in connection with and as part of a lease specified in paragraph b above.
2. Additionally, neither this chapter nor this manual covers:
  - (a) Transactions in which the Postal Service is transferring an interest in real estate to another party; or
  - (b) Lease or agreements with federal, state, or local government agencies.

### 11.1.2 Additional Socioeconomic Policies

In addition to the policies in chapter 10, the Postal Service follows the socioeconomic policies set forth in paragraphs a through e following:

11.1.2.a *Relocation Assistance.* When acquiring sites or control of site, it is the policy of the Postal Service to follow regulations based on Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) to the extent practicable. Regulations providing for voluntary compliance with the Act are contained in 39 CFR Part 777.

11.1.2.b *Environmental Policy.* It is Postal Service policy to comply with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). As amended, and Executive Order 11514 (covering protection and enhancement of environmental quality) to the extent consistent with the public interest and the Postal Service

mission. See 39 CFR 775. The Postal Service also voluntarily complies with Executive Order 11988 (regarding flood-plain management) and Executive Order 11990 (for protection of wetlands). See 39 CFR 776.

- 11.1.2.c *Intergovernmental Cooperation.* It is the policy of the Postal Service to cooperate with federal, state, and local planning agencies, when appropriate, in keeping with the Intergovernmental Cooperation Act and Executive Order 12372. See 39 CFR 778.
- 11.1.2.d *Architectural Barriers.* The Postal Service is mandated to design, lease, and construct buildings that are accessible to the physically handicapped under the Architectural Barriers Act of 1968 (P.L. 90-480; see CFR 255), as amended. See Handbook RE-4, *Standards for Facility Accessibility to the Physically Handicapped*, for information on accessibility standards.
- 11.1.2.e *Historic Preservation.* The Postal Service has voluntarily adopted procedures based on the general provisions of the National Historic Preservation Act of 1966 (16 U.S.C. 470).

## SECTION 2 SERVICES RELATED TO REAL PROPERTY ACQUISITION AND MANAGEMENT

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### 11.2.1 Use of Brokers

#### 11.2.1.a Purchases

1. The Postal Service normally does not use brokers in connection with real estate procurement.
2. When a property owner with whom the Postal Service is dealing is represented by a broker, the owner must pay all brokerage fees or commissions. The Postal Service will not pay any premium or surcharge because a broker is used.
3. Brokers who represent owners in transactions with the Postal Service must present evidence of their authority to act for the owner.

- 11.2.1.b *Sales, Outleases, and Subleases.* Brokers may be used by the Postal Service for sales, outleases, and subleases.

### 11.2.2 Real Estate-Related Services

- 11.2.2.a Each office procuring real estate-related services over \$50,000 must develop a list of qualified providers for services other than architects and engineers (such as appraisers) as the need to procure these services arises. To develop this list, the office must publish a request for qualification statements (resumes) in the *Commerce Business Daily* and publish appropriate notice in local publications, or use other methods approved by the Managers, Major Facilities, Customer Service Facilities, and Asset Management.
- 11.2.2.b All qualification statements must be reviewed in the light of the criteria in 11.3.2.c.2 for evaluating potential providers. Those meeting these standards must be placed on the list of qualified providers.

- 11.2.2.c Procurement of real estate-related service must be accomplished in accordance with chapter 4, except that, when 11.2.2.a applies, only listed providers are to be solicited and the requirements for publicizing (see 3.2) do not apply. Oral solicitations may be used for simplified purchases pursuant to 4.3.2.b.
- 11.2.2.d The provisions of 8.2 apply to real-estate services. Clauses for professional services contracts are prescribed in 8.2. See the relevant handbook for guidance.
- 11.2.2.e The requirements of 7.2.4, related to Errors and Omissions Insurance, do not apply to transactions under this section.

## SECTION 3 ARCHITECT-ENGINEER SERVICES

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### 11.3.1 General

11.3.1.a *Applicability.* When the provisions of this section 11.3 conflict with any other provision of this manual, this section's provisions will govern.

#### 11.3.1.b Definitions

1. *Firm.* An individual, firm, partnership, corporation, association, or other legal entity permitted by law to practice the profession of architecture or engineering.
2. *Responsible official.* The officer or executive having overall responsibility for real estate and buildings at Postal Service Headquarters and in each area, or the responsible official's designee.
3. *Architect-engineer services (A-E services).* Professional services of an architectural or engineering nature, as well as incidental services that members of those professions and those in their employ may logically or justifiably perform in relation to construction, alteration, or repair of buildings, site improvements, roads or other kinds of real property. Such services include master planning, architectural and engineering studies, surveys, reports, design development, drawings preparation, specification preparation, interior design, space planning, and observation and reporting of the work performed during construction, alteration, or repair.

### 11.3.2 Selection Procedures

#### 11.3.2.a Publicizing

1. For each contract for which the fee is expected to exceed \$50,000, a notice of intention to contract for A-E services must be published in the *Commerce Business Daily*. The notice must be prepared and transmitted in accordance with 3.2, and must solicit submission of Standard Form 254, *Architect-Engineer and Related Services Questionnaire*, and Standard Form 255, *Architect-Engineer and Related Services Questionnaire for Specific Project*.
2. For each contract for which the fee is not expected to exceed \$50,000, publicizing may be limited to the area in which the project is to be performed.

11.3.2.b *Evaluation Board*

1. The responsible official must establish one or more A-E evaluation boards composed of at least three members (two for projects where the anticipated fee is not over \$100,000) who are highly qualified professional employees of the Postal Service and who, collectively, have experience in architecture, engineering, construction, and related matters. One member of each board must be designated as the chair. Neither the contracting officer nor anyone delegated to conduct A-E contract negotiations for a given project may be a member of the evaluation board for that project.
2. The A-E evaluation board must maintain current data files on A-E firms, including information on the qualifications of their members and key employees and on their experience in various types of construction projects. Firms should be encouraged to submit annually a statement of their qualifications and performance. The board's data files may also include information from sources such as clients, members of the profession, managers and occupants of facilities previously designed, qualification statements submitted for other projects, and assessments of work on previous Postal Service projects.

11.3.2.c *Procedures When Fee (Price) is Expected to Exceed \$50,000*

1. When procurement of A-E services is proposed, the board must review the data files on qualified firms, including firms furnishing qualification statements in response to any notice publicizing the contemplated purchase. File data must be evaluated in accordance with the criteria set forth in subparagraph 2 below. Following data evaluation, the board must visit at least three of the best qualified firms to discuss concepts and alternative approaches.
2. The board must use the following criteria in making evaluations:
  - (a) Professional qualification, registration, and general reputation of the principals of the firm.
  - (b) General stability of the firm, and capability of the firm to sustain loss of key personnel without adverse effect on current work.
  - (c) If a branch office, capability of performing independently of the main office.
  - (d) Professional qualifications of consultant regularly or frequently engaged.
  - (e) Extent to which the firm specializes in or has designed projects of a type and scope similar to the one at hand.
  - (f) Professional background of key personnel, other than principals, who will be assigned to the project.
  - (g) Volume of work that can be handled at one time.
  - (h) Familiarity with the area in which the project is located.
  - (i) Ability to work within cost limitations.
  - (j) Capability and past performance in meeting schedules.
  - (k) Quality of performance on other projects.
  - (l) Experience in all phases of construction contract administration and capability of providing qualified and experienced personnel to satisfy Postal Service requirements during that phase of the project.
3. The board must submit to the responsible official a report recommending at least three firms, in order of preference, considered highly qualified to perform the required services. This report must be supported by a record

detailing the evaluation and review process and the considerations upon which the board's recommendations are based.

4. The responsible official must review the recommendations of the board, and either:
  - (a) Advise the board of approval, which will serve as an authorization for the contracting officer to begin negotiating with the highest-ranked firm; or
  - (b) Reject the board's recommendations by a memorandum explaining the reasons for rejection and providing direction to the board's further evaluation and selection of qualified firms.

11.3.2.d *Procedures When Fee (Price) is Not Expected to Exceed \$50,000.* Action by a board of three or more is required only when the contracting officer determines that that is necessary. In other cases, the chairman of the board may take the actions prescribed under paragraph c above, recommending three or more qualified firms and notifying the contracting officer to commence negotiations upon receipt of approval from the responsible official.

### 11.3.3 Negotiations

- 11.3.3.a *General.* The contracting officer is responsible for negotiating contracts for A-E services, using the services of technical, legal, auditing, pricing, and other specialists as necessary. Negotiations must be directed toward:
1. Making certain that the architect-engineer has a clear understanding of the essential requirements;
  2. Determining that the architect-engineer will make available the necessary personnel and facilities to accomplish the work within the required time;
  3. Determining whether the architect-engineer can provide the design to ensure construction at a cost not to exceed the limit established for the project; and
  4. Reaching mutual agreement on the provisions of the contract, including a fair and reasonable price for the required work.
- 11.3.3.b *Order of Negotiations.* Negotiations must be conducted initially with the A-E firm given first ranking. If a mutually satisfactory contract cannot be achieved with that firm, negotiations must be terminated. Negotiations must then be initiated with the firm next in order of preference, and this procedure must be repeated until a mutually satisfactory contract has been negotiated.
- 11.3.3.c *Postal Service Estimate.* Before negotiation of any proposed contract or contract modification is initiated, an independent Postal Service estimate of the cost for the required A-E services must be developed, based on a detailed analysis of the costs expected to be generated by the work. Consideration must be given to the estimated value of the services and to the scope, complexity, and nature of the project. The independent estimate must be revised as required during negotiations to reflect changes in or clarification of the scope of the work to be performed. A fee estimate based on the application of percentage factors to cost estimates for the various segments of the project may be developed for comparison purposes, but such an estimate must not be used as a substitute for the independent Postal Service estimate. The cost breakdown figures in the Postal Service estimate may be revealed during negotiations to the extent necessary to arrive at a fair and reasonable price provided that the overall amount of the Postal Service estimate is not disclosed. Any change in the Postal Service estimate during or after price negotiation must be specifically but succinctly explained in the record of price negotiation.

- 11.3.3.d *Cost or Pricing Data.* The provisions of 5.3 relating to cost analysis, provision of cost or pricing data, and preparation of negotiation memoranda apply to purchases of A-E services. Because of the nature of the procedures used to purchase A-E services and the lack of price competition, price analysis is normally insufficient.
- 11.3.3.e *Comparison of Estimates.* The contracting officer must negotiate a price considered fair and reasonable on the basis of comparison of the independent Postal Service estimate with the architect-engineer's proposal. Significant differences between elements of the two figures and between the overall figures must be discussed, and the contracting officer must be satisfied as to the reasons for the differences.
- 11.3.3.f *Fee Limitations.* Unless an exception is documented as to reasonableness and necessity and approved by the responsible official, the A-E firm's fee, including reimbursement of costs for A-E services related to the preparation of construction designs, plans, drawings, and specifications, may not exceed 6 percent of the estimated construction cost of the project if the estimated construction cost exceeds \$50,000; if the estimated construction cost does not exceed \$50,000, the fee may not exceed 8 percent of it.
- 11.3.3.g *Contract Type.* A-E contracts are normally of the fixed-price type. However, any contract type authorized by chapter 5 may be used if approved by the responsible official.

#### 11.3.4 **Organizational Conflicts of Interest**

- 11.3.4.a *Policy.* To ensure objective performance of contracts and prevent unfair competitive advantage, the award of a contract for A-E services and the later award of a separate contract for the related construction management or construction work to the same firm, to a parent firm, or to the firm's subsidiaries or affiliates is prohibited, unless authorized in writing by the VP, Facilities. A single contract for design and construction (design-build) is not subject to this prohibition.
- 11.3.4.b *Procedure.* An A-E firm selected for negotiation of an A-E services contract must be advised of this policy before negotiations begin. If the firm possesses construction or construction-management capabilities, either within its own organization or through a parent firm, subsidiary, or affiliate, the firm has the option of either:
  1. Declining to enter into contract negotiations in order that it or its parent firm, subsidiary, or affiliate may be eligible to compete for the related construction management or construction contract; or
  2. Entering into contract negotiations with the clear understanding that, if they are successful, it and its parent firm, subsidiary, or affiliate will be ineligible to compete for the related construction management or construction contract.

#### 11.3.5 **Task Order Contracts**

A-E services may be procured under task order contracts (see 5.1.9) that provide for services to be directed by task order. Contracts for one year, with options for two more years, are authorized.

## SECTION 4 LEASING OF INTERESTS IN FACILITIES

### 11.4.1 General

- 11.4.1.a *Definition.* Lease means any written agreement by which the rights of use and occupancy of real estate are transferred from the owner to the Postal Service for a specified period of time in return for a specified rental amount. It includes leases of ground, existing space, or space to be altered, modified, or constructed at any time during the term of the lease. Leases are not considered to be construction contracts, purchase contracts, permits, or licenses, and the specific procurement provisions applicable to those contracts are not applicable to leases.
- 11.4.1.b *Policy.* Only some of the statutory policies that govern Postal Service procurement in general apply to the leasing of facilities, while several additional statutory and internal policies are applicable. Consequently, many of the procedures required for other purchases do not apply to leases of facilities.
- 11.4.1.c *Competition.* Postal Service leasing practices incorporate the best of commercial leasing practices, consistent with the Postal Service's mission and statutory constraints. Competition must be obtained whenever practicable. However, flexibility in procedures is necessary, since the needs of customers often dictate the location of postal facilities, and since the Postal Service must evaluate the quality of the facilities offered as a part of its selection process. When a solicitation is issued, the contracting officer may (1) negotiate with any or all offerors as to rental rates or other terms and conditions of proposals; (2) obtain proposals in addition to those offered initially in response to solicitations, without waiving the right to accept any proposal as submitted; or (3) reject any or all proposals. The contracting officer must maintain in the file a detailed record of all negotiations and additional proposals, as well as a justification for all decisions made. Information as to the number of proposals received or the identity of offerors may not be disclosed prior to award to anyone whose official Postal Service duties do not require such knowledge.
- 11.4.1.d *Awards.* Awards made as a result of solicitations for space must be made to the responsible offeror whose proposal is most advantageous to the Postal Service, cost and other evaluation factors set out in the solicitation considered.

### 11.4.2 Leases of Existing Space

- 11.4.2.a *Publicizing*
1. Except as authorized in subparagraph a.4 below, the contracting officer will normally publicize Postal Service requirements for new leases of space in excess of 6,500 net interior square feet by:
    - (a) Placing advertisements in periodicals or newspapers in the locale in which the space is required; and
    - (b) Posting a notice of the requirement in public spaces such as post offices.
  2. The contracting officer may also publicize requirements for leased space by contacting local business and real estate organizations.
  3. At the contracting officer's discretion, requirements for space of 6,500 square feet or less may be publicized as provided in subparagraphs a.1 and 2.

4. Requirements for space that will be satisfied by enlargements of existing space or extensions of existing leases, including renewal options, and leases for which only one location is suitable, need not be publicized. Further, space requirements for post offices and other public service facilities need not be publicized when existing facilities are satisfactory and a reasonable rental can be negotiated for continued occupancy.

11.4.2.b *Market Surveys*

1. The contracting office surveys the local area for all actions to lease more than 6,500 square feet of space, as follows:
  - (a) For leases of more than 6,500 square feet to be used for administrative purposes, the market survey identifies all acceptable space available within the local area.
  - (b) For leases obtained under subparagraph a.4 above, the contracting officer may substitute for the market survey an appraisal to verify price reasonableness.
2. A market survey or appraisal must be used as a guide to fair and reasonable price in cases in which competition is normally required but is not available.

11.4.2.c *Solicitation, Evaluation, and Award.* Except when leasing without publicizing is authorized under paragraph a above, the contracting officer solicits owners of acceptable available space within the local area.

11.4.2.d *Requirements for Alterations*

1. When space is offered on a fully altered basis, the contracting officer may dispense with the requirements for executing an Agreement to Lease Space, and instead execute the actual lease with an agreed-upon occupancy date. When the Postal Service leases space requiring initial alterations, an Agreement to Lease (or other equivalent document) is used, which described what work is to be done, when it is to be completed, what is to happen if it is not completed on time, and what are the obligations of the parties. Such an agreement may be used in other situations when the contracting officer determines it appropriate.
2. When alterations are specifically required under a lease or modification of a lease in excess of 6,500 square feet, the clauses prescribed in 10.2.4.d.3 must be used, and the lessor must include those clauses in any subcontract for the alterations.
3. Construction of alterations, repairs, and improvements to be accomplished by a lessor may be procured in accordance with 11.5.1, to the extent practicable, but without any requirement for publicizing or competition, provided the contracting officer determines that the price proposal by the lessor for the work are reasonable.

11.4.2.e *Economic Price Adjustment.* Economic price adjustment clauses based on cost indexes (see 5.1.3.c.1(b)) may not be used without the approval of the Manager, Customer Service Facilities.

### 11.4.3 **New Construction Leases**

11.4.3.a Lease construction (sometimes called "build-to-suit") is a specialized type of procurement, encompassing a range of construction issues as well as leasing issues.

11.4.3.b The requirements for new leased construction must be set forth in the solicitation.

- 11.4.3.c Facilities not yet built, but offered in response to solicitations under 11.4.2, are not considered lease construction.
- 11.4.3.d Solicitations for new leased construction must be publicized in accordance with 11.4.2.a.

## SECTION 5 CONSTRUCTION

---

### 11.5.1 Procurement of Construction

- 11.5.1.a *Definition.* Construction means construction, alteration, repair (including painting and improvements of all types), and demolition of buildings, structures, improvements of all types, or other real property. The term does not include exploratory drilling and other investigative work aimed at obtaining preliminary data to be used in engineering, environmental or other studies and not a part of beginning of continuing the construction process, nor does it include a lease (see 11.4.1.a).
- 11.5.1.b *Purchase Method.* Construction must be procured in accordance with 4.2. Construction of alterations, repairs, and improvements to be accomplished by a lessor may be procured in accordance with this part 11.5.1 to the extent practicable, but without reference to any requirement for publicizing or competition.
- 11.5.1.c *Performance of Work by Prime Contractor*
  1. Unless the prime contractor is required to perform a significant part of the contract work with its own forces, it may be difficult to obtain adequate contractor supervision of the work. To address this problem, each Postal Service construction contract (but see subparagraph 2 following) must contain Clause 11-3, *Performance of Work by Contractor*, establishing the minimum percentage of the work that the contractor itself must perform, consistent with customary or necessary specialty subcontracting and the complexity and magnitude of the work. Normally, the minimum percentage should be 12 percent.
  2. This clause is not required in new lease construction contracts (see 11.4.3) but may be included in them at the contracting officer's discretion. It is not used in contracts in which the lessor performs construction under the terms of a lease.
- 11.5.1.d *Performance Time*
  1. In establishing the time for contract completion, the contracting officer must consider, among other things:
    - (a) The nature and complexity of the project;
    - (b) The construction seasons involved;
    - (c) The requirements of the Postal Service; and
    - (d) The availability of materials, equipment, and labor.
  2. In any given contract, separate completion periods may be established for separable items of work. When such periods are shown, requests for time

extensions must be evaluated for each item, and all affected completion periods must be modified when appropriate.

11.5.1.e *Contractor Responsibility.* In evaluating a prospective contractor's financial resources and ability to perform, the contracting officer may not consider the mere ability to furnish a proposal guarantee and performance and payment bonds to be sufficient evidence of adequate financial resources and ability to perform. When the prospective contractor is a joint venture, the contracting officer must consider the financial resources and individual capacities of all the joint venture's members in determining responsibility. See 3.3.1.

11.5.1.f *Specifications*

1. The technical provisions of construction specifications, along with the applicable drawings, must be sufficiently detailed to:
  - (a) Enable preparation of offers by contractors, material suppliers, and manufacturers on a fair and competitive basis; and
  - (b) Permit completion of construction without additional construction specifications, except those necessary to deal with unforeseen conditions or to accomplish changes during construction.
2. Materials and equipment must be described, when possible, by reference to documents generally known to the industry.
3. When it is necessary to use a "brand name or equal" description in the specifications, all known acceptable brands must be listed to establish quality requirements (see 2.3.3 and 2.3.5), except that, if more than three acceptable brands are known, only three need be listed.

11.5.1.g *Postal Service Estimate.* An independent Postal Service estimate of construction costs must be prepared before solicitation of proposal and, at the earliest practicable time, for each modification of an existing contract. When the anticipated cost is less than \$10,000, the contracting officer, at his or her discretion, may delete the requirement for an estimate. Except when broader disclosure is permitted by regulations, information about the Postal Service estimate must be given only to Postal Service personnel whose official duties require knowledge of the estimate.

11.5.1.h *Presolicitation Notice*

1. When it is practicable to do so, the contracting officer must issue a presolicitation notice for all construction projects that will not be purchased under 11.5.2, Minor Repairs and Alterations. The presolicitation notice must be published, posted, and distributed as provided in 3.2.2.
2. When the estimated value of the work is \$50,000 or more, presolicitation notices must include a statement of magnitude in terms of physical characteristics and an estimated price range (for example, \$500,000 to \$1,000,000). In no event may the statement disclose the Postal Service estimate, however.

11.5.1.i *Liquidated Damages*

1. Clause 2-10, *Liquidated Damages* (see 2.2.6), must be included in a construction contract when the estimated value is \$100,000 or more, and may be included, at the discretion of the contracting officer, in contracts of lesser estimated value. It is not mandatory in lessor construction or new lease construction contracts regardless of estimated value but may be included at the contracting officer's discretion if the circumstances warrant.

2. When different completion periods for separate parts or stages of the work are specified in the contract, the clause may be revised to provide for liquidated damages for each separate part or stage in which delay will damage the Postal Service.

11.5.1.j *Contract Types*

1. Generally, contracts for construction should be firm-fixed-price contracts. Such contracts may be:
  - (a) Lump-sum contracts for the total work or for defined parts of it;
  - (b) Unit-price contracts in which a unit price is paid for a specified quantity of work completed, such as cubic yards of earth or concrete or square yards of pavement; or
  - (c) A combination of both.
2. Fixed-price contracts with economic price adjustment may be used when price adjustment arrangements are customary and when use of a firm-fixed price contract would likely keep a significant number of firms from proposing, result in the inclusion of unwarranted allowances for contingencies, or unreasonably increase the cost.
3. Contracts with performance incentives are authorized.

11.5.1.k *Concurrent Firm-Fixed-Price and Cost-Reimbursement Construction Contracts.* In view of potential labor and administrative problems, cost-plus-fixed-fee, price-incentive, or other types of contracts with cost-variation or cost-adjustment features may not be used concurrently (with the same contractor and at the same work site) with firm-fixed-price lump-sum or unit-price contracts, unless the VP, Facilities, or an authorized designee gives prior approval.

11.5.1.l *Solicitations*

1. *Content.* In addition to the elements required by appendix A, solicitations must contain the following, when applicable:
  - (a) The applicable wage determination of the Secretary of Labor. If it is necessary to solicit proposals before receiving a wage determination, the solicitation must contain a notice that the determination will be issued as an amendment to the specifications before the proposal submission date.
  - (b) A clause concerning the minimum percentage of the work the contractor must perform on the site with its own forces (see paragraph c above).
  - (c) Indication of the magnitude of the proposed construction.
  - (d) Indication of the time of performance.
  - (e) Arrangements to be made for inspecting the site and data that may affect performance of the work.
  - (f) Information on the furnishing, during construction, of items such as utilities, office space, and warehouse space.
  - (g) Information on any preproposal conference.
  - (h) Any special qualifications or experience requirements that will be considered in determining offeror responsibility.
  - (i) Any special instructions concerning alternates (see paragraph o below).
  - (j) Information on reporting requirements.

- (k) Any necessary instructions on the conduct of construction activities, covering items such as:
    - (1) Base lines and grades to be used in construction;
    - (2) Storage areas;
    - (3) Access to construction of temporary buildings;
    - (4) Construction of temporary buildings;
    - (5) Protection of materials and work;
    - (6) Damage to existing structures, work, or utilities;
    - (7) Preservation of existing vegetation;
    - (8) Possession of or use by the Postal Service of any completed or partially completed part of the work;
    - (9) Cleanup of the site during and after construction;
    - (10) Handling of shop drawings;
    - (11) Safety requirements and special precautions for hazardous, toxic, and radioactive materials and processes; and
    - (12) Provisions concerning work at occupied Postal Service premises.
  - 2. *Timing.* Solicitations must allow enough time between solicitation distribution and the date set for proposal submission to allow offerors to prepare and submit their proposals, giving due regard to the construction season and the time necessary for offerors to inspect the site, obtain subcontract bids, examine data concerning the work, and prepare estimates from plans and specifications.
  - 3. *Distribution.* In addition to distribution in accordance with 4.2.2, solicitations may be furnished (with plans and specifications) without charge to organizations that maintain display rooms for the benefit of contractors, subcontractors, and material suppliers. Requests from organizations in the United States for solicitations for all or for a stated class of construction projects may be honored on an annual or semi-annual basis. The geographical extent of this distribution may be determined on a case-by-case basis by the contracting officer.
- 11.5.1.m *Inspection of Construction Site and Data.* Provision must be made for offerors to inspect the construction site. Also, offerors must be given the opportunity to examine data available to the Postal Service that may provide information affecting performance of the work, such as boring samples, original boring logs, and records and plans of previous construction. These data should be assembled in one place and made available to all offerors in the same manner. When feasible, a record should be kept of the identity and affiliation of all offerors' representatives who inspect the site or examine the data.
- 11.5.1.n *Preproposal Conferences.* When a preproposal conference is held, the design architect-engineer must be available to help interpret the plans and specifications.
- 11.5.1.o *Base and Alternate Prices*
- 1. Solicitations permitting alternate proposals must require the base proposal to include all features considered essential to a sound and adequate building design. Any alternates to be included in the specifications should involve significant amounts of work in relation to the base proposal, and they should generally be structured as "add" alternates. For example, proposals to

provide a proprietary item or system considered necessary for proper operation of the facility may be requested as add alternates.

2. When accurate cost estimates are not available, a base proposal may be required for the minimum acceptable project, with add alternates for desired materials or equipment.
3. Solicitation documents calling for alternates must clearly state that the Postal Service reserves the right to accept or reject any and all alternate prices, as may be determined by the contracting officer to be in the Postal Service's interests.

11.5.1.p *Award*

1. A notice of intent to make award must be furnished to the successful offeror not later than the time set for acceptance in the solicitation or any extension to which the offeror has agreed. The notice must:
  - (a) Identify the solicitation;
  - (b) Identify the contractor's proposal;
  - (c) Set forth the award price; and
  - (d) Advise the contractor of the date by which the contractor's copy of the contract and performance, payment, and any other bonds must be executed and returned.
2. When a signed copy of the contract and all required bonds have been received, the contracting officer will make award and issue a notice to proceed.

## 11.5.2 Minor Repairs and Alterations

- 11.5.2.a *Applicability.* This part 11.5.2 applies to requirements for minor repairs and alterations of Postal Service buildings, including painting, when no additional land is required. Such requirements may be purchased if the cost of the repairs and alterations is not over \$100,000.
- 11.5.2.b *Purchase Method.* Section 4.3, Simplified Purchasing, applies to minor repairs and alterations costing \$100,000 or less. However, the bond requirements of chapter 7 and the socioeconomic requirements of chapter 10 must be met at the appropriate dollar thresholds set out in those chapters.
- 11.5.2.c *Description of Work.* Work descriptions, specifications, and drawings must be sufficiently detailed to enable potential contractors to prepare offers on a fair and competitive basis and to complete the repairs and alterations without additional specifications (unless necessary to deal with unforeseen conditions or to make changes during construction).
- 11.5.2.d *Applicability of Part 11.* The following paragraphs of 11.5.1 apply to minor repairs and alterations: d through f, and j through p. (Solicitations should contain the elements listed in 11.5.1.1, Solicitations, as applicable; however, the forms discussed in 4.3, Simplified Purchasing, should be used instead of those discussed in appendix A.)

## 11.5.3 Indefinite-Quantity Construction Contracts

- 11.5.3.a *Purpose.* Minor repairs and alterations at one or more Postal facilities may be accomplished by using fixed-price indefinite-quantity construction contracts.

These contracts permit a large number of projects to be accomplished through work orders against a single contract rather than through individual solicitations.

11.5.3.b *Procedures*

1. A solicitation must be used to request proposals based on a unit price schedule prepared by the Postal Service. Offerors must be required to submit a multiplier that will apply equally to all prices listed in the unit price schedule.
2. Multiple awards may be made if the solicitation so states.

11.5.3.c *Limitations*

1. An indefinite-quantity construction contract may extend no longer than two years.
2. The total value of work under an indefinite-quantity construction contract may not exceed \$1,000,000 or be less than \$10,000.
3. A single work order placed under an indefinite-quantity construction contract must be for at least \$500 and may not exceed \$100,000.
4. No building construction work may be ordered under an indefinite-quantity construction contract, except for site preparation or foundation work for a pre-engineered building purchased directly from the manufacturer.

11.5.3.d *Work Not Covered.* The contracting officer may request quotations from an indefinite-quantity construction contractor for work items not covered by the unit price schedule and order such items, in addition to ordering covered work. However, not more than 25 percent of the cost of any work order may be for such uncovered work.

11.5.3.e *Contract Preparation.* Guidance for indefinite-quantity construction contract preparation is contained in Handbook RE-14, *Design and Construction Handbook*.

## 11.5.4 Contractor Prequalification

11.5.4.a *Policy.* Construction contracts may be awarded to contractors prequalified under this part 11.5.4 (see 3.1.6.c).

11.5.4.b *Procedure*

1. When a construction project plan subject to this part is approved under applicable procedures, a request for qualification statements will be published in the *Commerce Business Daily*. The request will generally describe the project and specify any special qualifications required.
2. The VP, Facilities, or authorized designees, will evaluate the statements received and select the most highly qualified firms (at least three) for solicitation. Solicitation will be limited to those firms so selected.

## 11.5.5 Clauses

11.5.5.a *Contracts Other than Minor Repairs and Alterations Contracts or Indefinite-Quantity Construction Contracts.* The following clauses must be used:

1. Clause 11-1, *Conditions Affecting the Work*.
2. Clause 11-2, *Differing Site Conditions*.
3. Clause 11-3, *Performance of Work by Contractor*.

4. Clause 11-4, *Superintendence by Contractor*.
  5. Clause 11-5, *Materials and Workmanship*.
  6. Clause 11-6, *Use of Premises*.
  7. Clause 11-7, *Other Contracts*.
  8. Clause 11-8, *Subcontracts (Construction)*.
  9. Clause 11-9, *Permits and Responsibilities*.
  10. Clause 11-10, *Payment (Construction)*.
  11. Clause 11-11, *Inspection and Acceptance (Construction)*.
  12. Clause 11-12, *Building Codes, Fees, and Charges*.
  13. Clause 11-13, *Protection of Existing Vegetation, Structures, Utilities, and Improvements*.
  14. Clause 11-14, *Heat*.
  15. Clause 11-15, *Debris and Cleanup*.
  16. Clause 11-16, *Measurements*.
  17. Clause 11-17, *Survey Monuments and Bench Marks*.
  18. Clause 11-18, *Specifications and Drawings*.
  19. Clause 11-19, *Standard References*.
  20. Clause 11-20, *Shop Drawings, Coordination Drawings, and Schedules*.
  21. Clause 11-21, *Record "As-Built" Drawings*.
  22. Clause 11-22, *Spare-Parts Data*.
  23. Clause 11-23, *Construction Progress Chart*.
  24. Clause 11-24, *Postal Service Occupancy*.
  25. Clause 11-25, *Warranty (Construction)*.
  26. Clause 11-26, *Changes (Construction)*.
  27. Clause 11-27, *Accident Prevention*.
  28. Clause 11-28, *Samples*.
- 11.5.5.b *Minor Repairs and Alterations Contracts and Indefinite-Quantity Construction Contracts*. The clauses prescribed in paragraph a above may be used when applicable.