



CITY OF MORGANTON NORTH CAROLINA

May 1, 2023

Dear Contractor,

Please find the **Stoney Place Concrete Curb and Gutter Improvements** project at the following link:
<https://www.morgantonnc.gov/rfps>

This project is being let as an informal bid. The project involves the installation of a new concrete curb and gutter, driveway returns, sidewalk section and various other concrete work associated with the project. The project will require saw cutting and removal of the existing asphalt, grading as need, formwork in preparing for the concrete work. In completion of work, all concrete forms and debris shall be removed. City crews will then do any backfilling as needed behind the new curb. Please review the plans and bid proposal, which provide all of the specific details and information on the project. A vicinity map is provide for your convenience and reference.

Bids must be received prior to **2:00 P.M. on Tuesday May 16, 2023**. The submissions shall be submitted prior to that date, at any time during our normal business hours of 8:00 A.M. to 5:00 P.M. Monday thru Friday to the Development and Design Services Department. The bids are informal and therefore may be submitted by either paperless format, e-mail to City Engineer, Mario Sclarandis P.E. msclarandis@morgantonnc.gov ; mail, or delivered in person to the Development and Design Services Department on the second floor of City Hall, Attn.: Mario Sclarandis P. E., City Engineer. Mail **PO Box 3448 Morganton, NC 28680**, Delivery **305 East Union St., Suite A100 Morganton, NC 28655**.

All bids must be accompanied by references of previous similar projects, and the applicable Affidavit A or B of the Disadvantaged Business Enterprise (DBE / MBE / WBE) forms included in the bid packet. Failure to include these items with the bid proposal may be deemed as non-responsive. No bids shall be received after the above-stated time. Bids will be open at City Hall at the date and time stated above.

Three originals of the bid documents shall be delivered to the City by the awarded Contractor for inclusion in and execution of the Contract Documents.

If you plan to bid and did not receive your plans directly from the City of Morganton, please be sure that you are on our bidders list. Otherwise, you may fail to get updates or addenda.

The bid listed on the Proposal Sheet shall remain valid for a period of up to 90 days after the bid submittal deadline listed until Notice to Proceed can be given.

Please review the information and call me at (828) 438-5263 if you have any questions.

Sincerely,

Mario Sclarandis

Mario Sclarandis, P.E.
City Engineer

Telephone (828) 437-8863305 East Union Street, Suite A100 PO Box 3448
www.ci.morganton.nc.us Morganton, NC 28655 Morganton, NC 28680-3448

City of Morganton

Stoney Place Concrete Curb and Gutter Improvements

City Officials

Ronnie Thompson, Mayor
Wendy Cato, Mayor Pro-Tem
Chris Hawkins, Councilman
Butch McSwain, Councilman
Chris Jernigan, Councilman

Sally W. Sandy, City Manager

Prepared by
City of Morganton
Mario Sclarandis, P.E.



Contents

	<u>Page</u>
1. Notice to Bidders	1
2. Summation of Detailed Information to Bidders	SB-1
3. Contractor Qualifications	Q-1
4. Specifications	Q-1
5. Proposal	P-1
6. MBE Requirements	MBE-1
7. E-Verify	E-1
8. Iran Divestment	I-1
9. Award of Contract	LD-1
10. Construction Agreement	LD-3
11. Certificate of City Attorney & Finance Officer	LD-5

Notice to Bidders

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<https://www.morgantonnc.gov/rfps>

This project is being let as an informal bid. The project involves the installation of a new concrete curb and gutter, driveway returns, sidewalk section and various other concrete work associated with the project. The project will require saw cutting and removal of the existing asphalt, grading as need, formwork in preparing for the concrete work. In completion of work, all concrete forms and debris shall be removed. City crews will then do any backfilling as needed behind the new curb. Please review the plans and bid proposal, which provide all of the specific details and information on the project. A vicinity map is provide for your convenience and reference.

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All bids must be accompanied by references of previous similar projects, and the applicable Affidavit A or B of the Disadvantaged Business Enterprise (DBE / MBE / WBE) forms included in the bid packet. Failure to include these items with the bid proposal may be deemed as non-responsive. No bids shall be received after the above-stated time. Bids will be open at City Hall in at the date and time stated above.

Bids must be on standard forms furnished in the contract documents and marked appropriately as **Stoney Place Concrete Curb and Gutter Improvements**

Contract documents may be examined at the City Hall, Development and Design Services Department, 305 East Union Street, Suite A100, Morganton, NC 28655.

Please direct all questions to Mario Sclarandis P.E. City Engineer (828) 438-5263 or msclarandis@morgantonnc.gov If you use email please use the subject line of project name so that your email is reviewed in a timely manner. It would be best to follow up with a phone call to insure receipt of your email or other correspondence. If addenda are made at any time throughout the process, they will be posted on the City website under the project title for review.

The City reserves the right to reject any or all bids or to accept the bid that appears to be in the best interest of the City, or provided by law. No bid may be withdrawn for a period of 90 days after the scheduled bid opening.

SUMMATION OF DETAILED INFORMATION TO BIDDERS

<u>Owner:</u>	The owner of the work to be done under these plans and specifications is the City of Morganton, represented by the Mayor, City Council and City Manager.
<u>Project:</u>	Stoney Place Concrete Curb and Gutter Improvements
<u>Bid Security:</u>	N/A
<u>Contractor:</u>	The organization or legal representative to which the contract is awarded for the proposed work.
<u>City:</u>	The City of Morganton or authorized representative representing the owner.
<u>Insurance Required:</u>	As specified by the contract documents.
<u>Time of Completion:</u>	The total time allowed for this project shall be 30 calendar days from Notice to Proceed.
<u>Liquidated Damages:</u>	N/A

Contractor Qualifications

The successful bidder shall have successfully completed projects comparable in scope and nature to this project. Contractor shall have experience in or show that subcontractor has substantial experience in the following: Concrete curb and gutter, sidewalk construction.

References for at least three similar projects shall be submitted with the Contractor's bid or within 24 hours of the bid opening.

The Contractor shall submit a list of all subcontractors at bid time. All subcontractors must be approved by the City of Morganton.

SPECIFICATIONS

Specification per plans and details documents.

CONCRETE SPECIFICATION

1. Materials

Material for this Contract is commonly known as 4000 P.S.I. concrete. Materials and workmanship are subject to twelve (12) months guarantee after acceptance of completed work.

2. Schedule

A schedule shall be submitted to the Engineer one (1) week in advance of beginning in order that emergency organizations may be notified and detours arranged if necessary. Work shall be so scheduled as to avoid extremely late working hours in attempts to complete specified phase of work.

3. Traffic Maintenance

Contractor is responsible for traffic control to include signage and flagging operation, per NCDOT standards and requirements.

4. Clean Up

Removal of excess materials shall not lag out of proportion with progress of work. Where pedestrian traffic is encountered, excess materials shall be immediately removed.

5. Concrete Sidewalk Specifications

- a. Comprehensive strength of the concrete shall be 4000 P.S.I.
- b. Broom finish on the concrete with expansion joints every 50 feet and construction joints every 5 feet and all areas where it adjoins other concrete (curb and gutter or other).
- c. In non-traffic areas depth shall be 4 inches and areas subjected to traffic shall be 6 inches thick. Expansion joint material shall be placed around all objects, signs, poles, etc. that fall within the sidewalk.
- d. Contractor shall remove forms, backfill around sidewalk, reseed and mulch all disturbed areas. All grading, filling, grassing, etc., shall be considered incidental and no additional payment will be allowed for these items.
- e. All concrete shall be properly formed, poured and finished in a workmanlike manner by experienced concrete finishers/workers. Refer to ACI Document: "Slabs on Grade for Quality Standards of Concrete Workmanship"

- f. Handicapped ramps shall be installed as located on the plans in accordance with NCDOT Section 848. Handicap Ramps shall be denoted on the plans with the symbol HR (Handicap Ramp).

BID PROPOSAL FORM
City of Morganton, North Carolina
Project Name: Stoney Place Concrete Curb and Gutter Improvements
Project Location: City of Morganton
Project Number: N/A

To: The City of Morganton, North Carolina

In compliance with the Bids dated _____, the undersigned bidder hereby offers, for the amount stated below, to furnish all labor, materials, tools, equipment, apparatus, facilities, transportation and permits for the construction of the Project referenced above (or that portion of the Work for the Project assigned to the bidder) described above and hereby agrees to enter into an agreement for the construction of the Project, if accepted by the City Council of the City of Morganton in the amount of:

Total amount of Base Bid: \$ _____

The above amount is stated in figures only and is the total amount bid for the entire contract work including all applicable taxes. The undersigned bidder agrees that, if awarded the contract, it will enter into the Agreement providing for the construction of the Work and will commence the Work within the time specified in the written Notice to Proceed and that all work will be completed within the Contract Time of 30 calendar days after date of Notice to Proceed.

Further, the undersigned acknowledges receipt of the following addenda:

(addenda dated _____)

(addenda dated _____)

(addenda dated _____)

The bidder should fill in the words "not applicable" for any of the lines left blank above. To be considered, this bid proposal must include a bid bond in the amount and form specified in the Instructions to Bidders.

By submitting a bid, the bidder acknowledges that it has carefully reviewed the bid documents, the General Conditions, any supplemental conditions, all Drawings and

Specifications and that the bidder has carefully inspected the Project site for any conditions that may affect the Work required by the Contract Documents.

The bidder also acknowledges that Minority and Women-Owned, MWBE, Business Enterprise requirements apply to this Project and that the bidder will make a good faith effort at meeting the Minority Business Enterprise goals established by the City of Morganton.

Respectfully submitted,

(Firm Name)

By: _____

Title: _____

License #: _____

Address: _____

Itemized Proposal Sheet
Stoney Place Concrete Curb and Gutter Improvements

Contractor Name _____

Item #	Item Name	Estimated Quantity/Unit	Unit Price	Amount Bid
1	Curb and Gutter	300 LF		
2	Driveway Return 24 LF Width	1 EA		
3	5 Foot Width Concrete Sidewalk 6-Inch Depth	24 LF		
4	5 Foot Width Concrete Sidewalk 4-Inch Depth	115 LF		
5	Concrete Area to Transition From Driveway Return to Future Sidewalk 6- Inch Depth	12 SY		
6	Concrete ADA Ramps (unit cost if added to project)	1 EA		
7	Contingency (10%)			

Total of Item # 1-7 \$ _____

Please enter on sheet P-1

Note:

- A. Unless otherwise noted, the bid price quoted by the Contractor shall include all labor, materials, and equipment necessary to complete installation of the items listed above in the proposal. Any work not covered by a bid item will be considered incidental to this contract; therefore, there will be no compensation for such work.
- B. With the bid being an informal bid proposal, bonds, general conditions, and supplemental conditions would not apply.
- C. Contractor must submit all the appropriate documents with the bid. See specifications.
- D. Contractor shall be responsible for verification of all quantities listed in table.
- E. Owner reserves the right to reduce scope of project at its discretion to meet budget limits.
- F. Certificate of Liability Insurance required.

See the following Item Descriptions

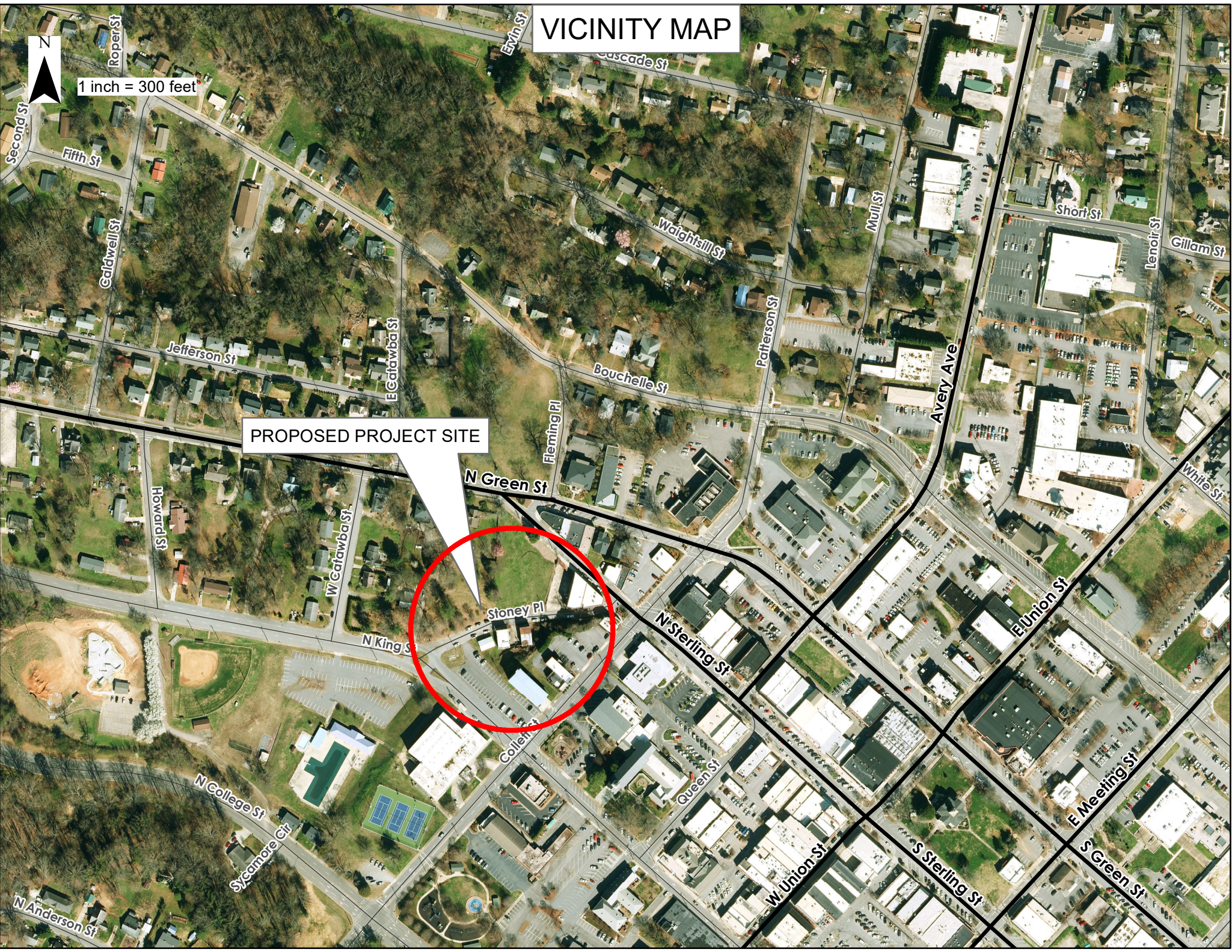
Itemized Descriptions

1. Curb and Gutter – Bid price per linear foot for the installation of a new curb and gutter to match existing curb and gutter. The contractor shall be responsible for saw cutting asphalt to create clean unbroken edge to allow for the alignment and forms, grading, and preparation, for the installation of new concrete curb and gutter, per plans and specification. Contractor shall be responsible for all debris removal.
2. Driveway Return – Bid price per each for installation of driveway return per plans and specifications. The contractor shall be responsible for demo, grading, and preparation, for the installation of new driveway return. Driveway return width shall meet the City residential standard with a width of 24' width for driveway.
3. 5 Foot Width Concrete Sidewalk 6-Inch Depth– Bid price per linear foot for the installation of a new 5-foot wide concrete sidewalk, per plans and specifications. The contractor shall be responsible for demo, grading, and preparation, for installation of new concrete sidewalk. Also included in this line item is back filling to the back of concrete sidewalk and curb and gutter, per plans and specifications. **This section of sidewalk will be behind driveway return.**
4. 5 Foot Width Concrete Sidewalk 4-Inch Depth – Bid price per linear foot for the installation of a new 5-foot wide concrete sidewalk, per plans and specifications. The contractor shall be responsible for demo, grading, and preparation, for the installation of new concrete sidewalk. Also included in line item is the back filling of dirt to the back of concrete sidewalk, per plans and specifications.
5. Concrete Area to Transition from Driveway Return to Future Sidewalk 6-inch Depth – Bid price per square yard for the installation of a new 5-foot concrete area, per plans and specifications, to tie driveway sidewalk and future back of curb, sidewalk to avoid existing pole. The contractor shall be responsible for grading, and preparation, for installation of new concrete area. Also included in line item is the removal of all concrete forms and back filling to the back concrete sidewalk and curb and gutter, per plans and specifications. **This section of concrete will be to transition from the sidewalk behind driveway return to a future sidewalk.**
6. Concrete ADA Ramps (unit cost if added to project) – Bid price per each for installation of concrete ramps and ADA tactile dome mats installation of 24" X 36" Armor tiles or equal cast-in-place as specified, black in color, installed, per plans and specifications. The contractor shall be responsible for demo, debris removal with proper disposal, grading, and preparation, for the installation of new concrete ramps. Ramps shall be installed per NCDOT specifications and meet handicap requirements.
7. Contingency (10%) – Bid price 10% of project bid for contingency.

VICINITY MAP



1 inch = 300 feet



PROPOSED PROJECT SITE



State of North Carolina AFFIDAVIT A – Listing of Good Faith Efforts

County of _____

(Name of Bidder)

Affidavit of _____

I have made a good faith effort to comply under the following areas checked:

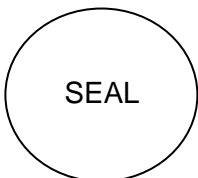
Bidders must earn at least 50 points from the good faith efforts listed for their bid to be considered responsive. (1 NC Administrative Code 30 I.0101)

- 1 – (10 pts)** Contacted minority businesses that reasonably could have been expected to submit a quote and that were known to the contractor, or available on State or local government maintained lists, at least 10 days before the bid date and notified them of the nature and scope of the work to be performed.
- 2 --(10 pts)** Made the construction plans, specifications and requirements available for review by prospective minority businesses, or providing these documents to them at least 10 days before the bids are due.
- 3 – (15 pts)** Broken down or combined elements of work into economically feasible units to facilitate minority participation.
- 4 – (10 pts)** Worked with minority trade, community, or contractor organizations identified by the Office of Historically Underutilized Businesses and included in the bid documents that provide assistance in recruitment of minority businesses.
- 5 – (10 pts)** Attended prebid meetings scheduled by the public owner.
- 6 – (20 pts)** Provided assistance in getting required bonding or insurance or provided alternatives to bonding or insurance for subcontractors.
- 7 – (15 pts)** Negotiated in good faith with interested minority businesses and did not reject them as unqualified without sound reasons based on their capabilities. Any rejection of a minority business based on lack of qualification should have the reasons documented in writing.
- 8 – (25 pts)** Provided assistance to an otherwise qualified minority business in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letters of credit, including waiving credit that is ordinarily required. Assisted minority businesses in obtaining the same unit pricing with the bidder's suppliers in order to help minority businesses in establishing credit.
- 9 – (20 pts)** Negotiated joint venture and partnership arrangements with minority businesses in order to increase opportunities for minority business participation on a public construction or repair project when possible.
- 10 - (20 pts)** Provided quick pay agreements and policies to enable minority contractors and suppliers to meet cash-flow demands.

The undersigned, if apparent low bidder, will enter into a formal agreement with the firms listed in the Identification of Minority Business Participation schedule conditional upon scope of contract to be executed with the Owner. Substitution of contractors must be in accordance with GS143-128.2(d) Failure to abide by this statutory provision will constitute a breach of the contract.

The undersigned hereby certifies that he or she has read the terms of the minority business commitment and is authorized to bind the bidder to the commitment herein set forth.

Date: _____ Name of Authorized Officer: _____
Signature: _____
Title: _____



State of _____, County of _____
Subscribed and sworn to before me this _____ day of _____ 20____
Notary Public _____
My commission expires _____

State of North Carolina --AFFIDAVIT B-- Intent to Perform Contract with Own Workforce.

County of _____

Affidavit of _____

(Name of Bidder)

I hereby certify that it is our intent to perform 100% of the work required for the _____

_____ contract.

(Name of Project)

In making this certification, the Bidder states that the Bidder does not customarily subcontract elements of this type project, and normally performs and has the capability to perform and will perform all elements of the work on this project with his/her own current work forces; and

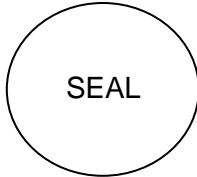
The Bidder agrees to provide any additional information or documentation requested by the owner in support of the above statement. The Bidder agrees to make a Good Faith Effort to utilize minority suppliers where possible.

The undersigned hereby certifies that he or she has read this certification and is authorized to bind the Bidder to the commitments herein contained.

Date: _____ Name of Authorized Officer: _____

Signature: _____

Title: _____



State of _____, County of _____

Subscribed and sworn to before me this _____ day of _____ 20____

Notary Public _____

My commission expires _____

State of North Carolina - AFFIDAVIT C - Portion of the Work to be Performed by HUB Certified/Minority Businesses

County of _____

(Note this form is to be submitted only by the apparent lowest responsible, responsive bidder.)

If the portion of the work to be executed by HUB certified/minority businesses as defined in GS143-128.2(g) and 128.4(a),(b),(e) is equal to or greater than 10% of the bidders total contract price, then the bidder must complete this affidavit.
 This affidavit shall be provided by the apparent lowest responsible, responsive bidder within **72 hours** after notification of being low bidder.

Affidavit of _____ I do hereby certify that on the _____
 (Name of Bidder)

_____ (Project Name)
 Project ID# _____ Amount of Bid \$ _____

I will expend a minimum of _____% of the total dollar amount of the contract with minority business enterprises. Minority businesses will be employed as construction subcontractors, vendors, suppliers or providers of professional services. Such work will be subcontracted to the following firms listed below. Attach additional sheets if required

Name and Phone Number	*Minority Category	**HUB Certified Y/N	Work Description	Dollar Value

*Minority categories: Black, African American (**B**), Hispanic (**H**), Asian American (**A**) American Indian (**I**), Female (**F**) Socially and Economically Disadvantaged (**D**)

**** HUB Certification with the state HUB Office required to be counted toward state participation goals.**

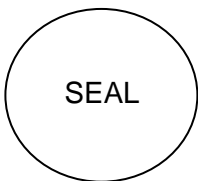
Pursuant to GS143-128.2(d), the undersigned will enter into a formal agreement with Minority Firms for work listed in this schedule conditional upon execution of a contract with the Owner. Failure to fulfill this commitment may constitute a breach of the contract.

The undersigned hereby certifies that he or she has read the terms of this commitment and is authorized to bind the bidder to the commitment herein set forth.

Date: _____ Name of Authorized Officer: _____

Signature: _____

Title: _____



State of _____, County of _____

Subscribed and sworn to before me this _____ day of _____ 20____

Notary Public _____

My commission expires _____

State of North Carolina AFFIDAVIT D – Good Faith Efforts

County of _____

(Note this form is to be submitted only by the apparent lowest responsible, responsive bidder.)

If the goal of 10% participation by HUB Certified/ minority business **is not** achieved, the Bidder shall provide the following documentation to the Owner of his good faith efforts:

Affidavit of _____ I do hereby certify that on the _____
 (Name of Bidder)

Project ID# _____ (Project Name) Amount of Bid \$ _____

I will expend a minimum of _____% of the total dollar amount of the contract with HUB certified/ minority business enterprises. Minority businesses will be employed as construction subcontractors, vendors, suppliers or providers of professional services. Such work will be subcontracted to the following firms listed below. (Attach additional sheets if required)

Name and Phone Number	*Minority Category	**HUB Certified Y/N	Work Description	Dollar Value

*Minority categories: Black, African American (**B**), Hispanic (**H**), Asian American (**A**) American Indian (**I**), Female (**F**) Socially and Economically Disadvantaged (**D**)

**** HUB Certification with the state HUB Office required to be counted toward state participation goals.**

Examples of documentation that may be required to demonstrate the Bidder's good faith efforts to meet the goals set forth in these provisions include, but are not necessarily limited to, the following:

- A. Copies of solicitations for quotes to at least three (3) minority business firms from the source list provided by the State for each subcontract to be let under this contract (if 3 or more firms are shown on the source list). Each solicitation shall contain a specific description of the work to be subcontracted, location where bid documents can be reviewed, representative of the Prime Bidder to contact, and location, date and time when quotes must be received.
- B. Copies of quotes or responses received from each firm responding to the solicitation.
- C. A telephone log of follow-up calls to each firm sent a solicitation.
- D. For subcontracts where a minority business firm is not considered the lowest responsible sub-bidder, copies of quotes received from all firms submitting quotes for that particular subcontract.
- E. Documentation of any contacts or correspondence to minority business, community, or contractor organizations in an attempt to meet the goal.
- F. Copy of pre-bid roster
- G. Letter documenting efforts to provide assistance in obtaining required bonding or insurance for minority business.
- H. Letter detailing reasons for rejection of minority business due to lack of qualification.
- I. Letter documenting proposed assistance offered to minority business in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letter of credit, including waiving credit that is ordinarily required.

Failure to provide the documentation as listed in these provisions may result in rejection of the bid and award to the next lowest responsible and responsive bidder.

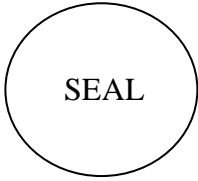
Pursuant to GS143-128.2(d), the undersigned will enter into a formal agreement with Minority Firms for work listed in this schedule conditional upon execution of a contract with the Owner. Failure to fulfill this commitment may constitute a breach of the contract.

The undersigned hereby certifies that he or she has read the terms of this commitment and is authorized to bind the bidder to the commitment herein set forth.

Date: _____ Name of Authorized Officer: _____

Signature: _____

Title: _____



State of _____, County of _____

Subscribed and sworn to before me this _____ day of _____ 20____

Notary Public _____

My commission expires _____

STATE OF _____

AFFIDAVIT

COUNTY OF _____

NOW COMES Affiant, first being sworn, deposes and says as follows

1. _____ (“the Contractor/Supplier”) has submitted a bid for contract or desired to enter into a contract with the City of Morganton, and I am the _____ of the Contractor/Supplier.

2. As part of my duties and responsibilities pursuant to said bid and/or contract, I attest that the Contractor/Supplier is aware of and in compliance with the requirements of E-Verify, Article 2 of Chapter 64 of the North Carolina General Statutes, to include (mark which applies):

___ After hiring an employee to work in the United States the Contractor/Supplier verifies the work authorization of said employee through E-Verify and retains the record of the verification of work authorization while the employee is employed and for one year thereafter; or

___ The Contractor/Supplier employs less than twenty-five (25) employees in the State of North Carolina.

3. As part of my duties and responsibilities pursuant to said bid and/or contract, I attest that to the best of the Contractor’s/Supplier’s knowledge any subcontractors employed as a part of this bid and/or contract are in compliance with the requirements of E-Verify, Article 2 of Chapter 64 of the North Carolina General Statutes, to include (mark which applies):

___ After hiring an employee to work in the United States the subcontractor verifies the work authorization of said employee through E-Verify and retains the record of the verification of work authorization while the employee is employed and for one year thereafter; or

___ Employs less than twenty-five (25) employees in the State of North Carolina.

Pursuant to North Carolina General Statute § 143-133.3(c)(2), contracts solely for the purchase of apparatus, supplies, materials, and equipment are exempt from the E-Verify provision.

This the _____ day of _____, 20____.

AFFIANT:

Business Name_____

Address_____

Signature_____

Printed Name_____

Title_____

Sworn to and subscribed before me, this the _____ day of _____, 20____.

[OFFICIAL SEAL]

_____, Notary Public

My Commission Expires: _____



RFP Number (if applicable): _____

Name of Vendor or Bidder: _____

**IRAN DIVESTMENT ACT CERTIFICATION
REQUIRED BY N.C.G.S. 143C-6A-5(a)**

As of the date listed below, the vendor or bidder listed above is not listed on the Final Divestment List created by the State Treasurer pursuant to N.C.G.S. 143-6A-4.

The undersigned hereby certifies that he or she is authorized by the vendor or bidder listed above to make the foregoing statement.

Signature

Date

Printed Name

Title

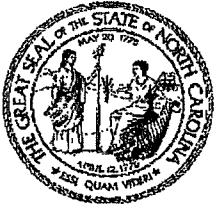
Notes to persons signing this form:

N.C.G.S. 143C-6A-5(a) requires this certification for bids or contracts with the State of North Carolina, a North Carolina local government, or any other political subdivision of the State of North Carolina. The certification is required at the following times:

- When the bid is submitted
- When a contract is entered into (if the certification was not already made when the vendor made its bid)
- When a contract is renewed or assigned

N.C.G.S. 143C-6A-5(b) requires that contractors with the State, a North Carolina local government, or any other political subdivision of the State of North Carolina must not utilize any subcontractor found on the State Treasurer's Final Divestment List.

The State Treasurer's Final Divestment List can be found on the State Treasurer's website at the address www.nctreasurer.com/iran and will be updated every 180 days.



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER
STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

JANET COWELL
TREASURER

GREGORY C. GASKINS
DEPUTY TREASURER

Memorandum # 2016-10

TO: All Local Governments, Public Authorities and Their Independent Auditors
FROM: Sharon Edmundson, Director, Fiscal Management Section
SUBJECT: Iran Divestment Act Notice for Local Governments in North Carolina
DATE: February 17, 2016

The North Carolina Department of State Treasurer is providing this letter to Local Government Units to explain new contracting and procurement compliance obligations created by the Iran Divestment Act of 2015 (N.C.G.S. 143C-6A-1 to 6A-9).^{*} Local Government Units should be aware that effective February 26, 2016, this law imposes new obligations on each new bid process, each new contract, and each renewal or assignment of an existing contract. The specific requirements are as follows:

- 1. Local Government Units must obtain a one-page mandatory certification under the Act.** (See sample "Contract Certification" form below for details.)
- 2. Local Government Units may not enter into contracts with any entity or individual found on the State Treasurer's Iran Final Divestment List.** This list will be posted on the Department of State Treasurer's website on February 26, 2016 and will be updated every 180 days. (See "Contract Restrictions" below for details.)

Background

The Iran Divestment Act's requirements applicable to Local Government Units** will become effective on February 26, 2016, at the time the State Treasurer publishes the first list of prohibited companies and individuals (a "Final Divestment List") under the Act.

^{*} The Iran Divestment Act of 2015 can be found online at:

<http://www.ncleg.net/Sessions/2015/Bills/Senate/PDF/S455v5.pdf>

^{**} The Act's requirements use the term "State agency." G.S. 143C-6A-3(7) provides that in the act, the term "State agency" includes not only State departments, boards, and commissions, but also "any political subdivision of the State" such as a Local Government Unit.

Final Divestment List

The Department of State Treasurer develops the Final Divestment List using data from a research vendor, U.S. federal sanctions lists, and other credible information available to the public. It consists of any individual or company, including parent entities and majority owned subsidiaries, that:

- Provided goods or services of \$20,000,000 or more within any 12-month period in the energy sector of Iran during the preceding five years;
- Extended \$20,000,000 or more in credit, under certain circumstances, to another individual or company that will use the credit to provide goods or services in the energy sector in Iran. (G.S. 143C-6A-3(4).)

The Department of State Treasurer will update the Final Divestment List at least every 180 days. The list will be published on the State Treasurer's website at www.nctreasurer.com/Iran and periodically circulated to Local Government Units.

Requirement 1: Contract Certification

For new procurements and new, renewed, or assigned contracts on or after February 26, 2016, each Local Government Unit must obtain a simple certification from each bidder or vendor. The bidder or vendor must affirm that it is not listed on the State Treasurer's Final Divestment List found at www.nctreasurer.com/Iran as of the date of signature. The certification is due at the time a bid is submitted or the time a contract is entered into, renewed, or assigned. (G.S. 143C-6A-5(a).)

We have attached on the next page a short form that can be used for this certification, but Local Government Units are free to instead use their own form or put the required certification in the text of a contract or purchase order. Each Local Government Unit shall maintain its own records demonstrating these certifications.

Requirement 2: Restriction on Contracting

Individuals or companies on the Final Divestment List are ineligible to contract or subcontract with Local Government Units. (G.S. 143C-6A-6(a).) Any existing contracts with these Iran-linked persons will be allowed to expire in accordance with the contract's terms. (G.S. 143C-6A-6(c).)

Contracts valued at less than \$1,000.00 are exempt from this restriction. (G.S. 143C-6A-7(a).) In addition, a Local Government Unit may contract with a listed individual or company if it makes a good-faith determination that (1) the commodities or services are necessary to perform its functions and (2) that, absent such an exemption, it would be unable to obtain those commodities or services. (G.S. 143C-6A-7(c).) Local Government Units shall enter such exemptions into the procurement record.

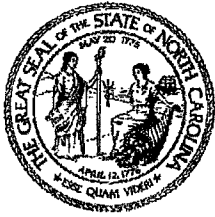
Memorandum #2016-10
Iran Divestment Act
February 17, 2016
Page 3

The Act provides that vendors to Local Government Units may not utilize any subcontractor found on the State Treasurer's Final Divestment List. (N.C.G.S. 143C-6A-5(b).) It is each vendor's responsibility to monitor its compliance with this restriction.

Next Steps

The Department of State Treasurer anticipates distributing the first Final Divestment List on February 26, 2016. Once the List has been distributed, all Local Government Units should meet the contract certification requirements.

If you have questions about the Department of State Treasurer's Iran Divestment Policy, please contact Sharon Edmundson at Sharon.Edmundson@nctreasurer.com or 919-814-4289.



JANET COWELL
TREASURER

NORTH CAROLINA
DEPARTMENT OF STATE TREASURER
INVESTMENT MANAGEMENT DIVISION

FINAL DIVESTMENT LIST – IRAN

As of 26 February 2016

Exercising the duties required under N.C.G.S. 143C-6A-4, the State Treasurer has determined that the following persons appear to be engaged in “investment activities in Iran,” as that term is defined in the North Carolina Iran Divestment Act of 2015, based on federal sanctions lists and other publicly available credible information.

The State Treasurer and North Carolina Retirement Systems may not invest funds with, and must divest any existing investment with, the persons listed below. N.C.G.S. 143C-6A-4.

Persons listed below are ineligible to contract with the State of North Carolina or any political subdivision of the State. N.C.G.S. 143C-6A-6. Any existing contracts with persons listed below shall be allowed to expire in accordance with the terms of the contract. N.C.G.S. 143C-6A-6(c).

The Department of State Treasurer is not responsible for compliance with the Iran Divestment Act by other agencies or political subdivisions of the State of North Carolina. The Department of State Treasurer’s responsibilities are solely focused on implementing G.S. 143C-6A-4, which relates to the Department’s investments, and implementing the Act as it relates to the identification of companies that appear to be engaged in investment activities in Iran.

Companies listed as a result of their own apparent investment activities in Iran

Listed Company	Country	Ticker
Chennai Petroleum Corporation Ltd	India	BSE:500110
China CSSC Holdings Limited	China	SHSE:600150
China Oilfield Services Ltd.	China	SEHK:2883
China Petroleum & Chemical Corp.	China	SEHK:386
China Shipbuilding Industry Company Limited	China	SHSE:601989
Daelim Industrial Co., Ltd.	South Korea	KOSE:A000210
Indian Oil Corporation Limited	India	BSE:530965
ITOCHU Corporation	Japan	TSE:8001
JNK Heaters Co., Ltd.	South Korea	KOSDAQ:A126880
Odfjell SE	Norway	OB:ODF
Oil and Natural Gas Corp. Ltd.	India	NSEI:ONGC
PetroChina Co. Ltd.	China	SEHK:857
PTT Global Chemical Public Company Limited	Thailand	SET:PTTGC
Sinopec Kantons Holdings Limited	Hong Kong	SEHK:934
The Siam Cement Public Company Limited	Thailand	SET:SCC
Welcron Kangwon Co., Ltd.	South Korea	KOSDAQ:A114190

The Act indicates that “persons” subject to the Act include not only companies listed as a result of their own apparent investment activities in Iran, as listed above, but also any “parent entity owning more than 20%” or

any "majority-owned subunit or subsidiary" of that company. N.C.G.S. 143C-6A-3(6) and 6A-4. Subsidiaries and parents of the companies listed above are found in the separate Iran Parent and Subsidiary Guidance list. This list can be found at the address www.nctreasurer.com/iran on the State Treasurer's website.

