



NEPN Code: FEG-R/STI

Policies and Regulations

Facilities Planning and Development

Construction Contracts Bidding and Awards

Advertisements and Solicitations

When advertising is required by State law or other Southeast Technical Institute policy, all bids shall be advertised through the Finance Office of the Sioux Falls School District. The District advertises in the legally required venues. All contractors who have indicated an interest in District work shall receive notices of bid openings on projects. Additional notifications shall be given in appropriate publications, as they may be available.

Public Hearing

When using the capital outlay fund for payment of new facilities, or construction or additions to facilities the total of which requires advertising for bids, a public hearing will be held at least 10 days prior to the advertisement of any contract specifications.

Plans and Specifications

The Advertisement shall state where the plans and specifications may be examined. The District shall, upon request, furnish at least one copy of the plans, without charge, to each contractor resident in South Dakota who intends, in good faith, to bid upon a public improvement project.

Bid Bond

Each bid must be accompanied by a certified check or cashier's check for five percent (5%) of the amount of the bid, drawn on a state or national bank, or in lieu thereof, a bid bond in the amount of ten percent (10%) of the amount of the bid issued by a surety authorized to do business in the state. The requirement for a bid bond, certified or cashier's check or other security may be waived if the bid does not exceed fifty thousand dollars.

Surety Bonds

Whenever any contract is entered into for the construction of public improvement, the contractor shall be required, before commencing such work, to furnish surety in an amount not less than the contract price for the faithful performance of such contract, with the additional obligation that the contractor shall promptly pay all persons supplying him with labor or material in the prosecution of the work provided for in the contract. Such bonds shall be issued in compliance with, and contain such provisions as are required by, State law, and be in a form prescribed and required by, and be in content satisfactory to, the District.

Contracts – General Conditions

When based upon plans and specifications prepared by an architect/engineer, the contract shall contain no general provisions at variance with the general conditions of the latest edition of the standard form of the American Institute of Architects, except when in conflict with State

law or except with regard to those provisions the Board has elected to delete in accordance with State law.

Change Orders – Justification

The District may make changes in the scope of the work required to be performed by the contractor by making additions or missions without invalidating the contract, without relieving or releasing the contractor from any obligations under the contract or any guarantee given pursuant to the contract provisions, without affecting the validity of the guaranty bonds, and without relieving or releasing the surety or sureties of the bonds. All such work shall be executed under the items of the original contract unless expressly provided otherwise.

If applicable unit prices are not contained in the contract, the architect/engineer shall, before ordering the contractor to proceed with desired changes, request an itemized proposal covering the work involved in the change after which the procedure shall be as follows:

1. If the proposal is acceptable, the architect/engineer shall prepare the change order for acceptance by the contractor.
2. Each change order shall include in its final form:
 - a. A detailed description of the change in the work
 - b. The contractor's proposal (if any) or a conformed copy
 - c. A definite statement as to the resulting change in the contract price and/or time
 - d. The statement that all work involved in the change shall be performed in accordance with contract requirements except as modified by the change order.
3. No extra work shall be done nor any obligation incurred for payment except upon a written order approved by the Board. Such order shall state the cost of such extra work.
4. All change orders shall subject to statutory bid requirements will be bid.

Periodic Payments to Contractors

Contracts with contractors may permit progress payments but, if so, shall provide for retention of sums as prescribed by law until the contract is fully completed and accepted by the date established by the Board or by use and occupancy.

Contractor's Affidavits and Guarantees

Each principal contractor and all sub-contractors shall carry Workers Compensation and Employers' Liability Insurance, as required by laws of the state in which work is to be performed, for protection of architect and owner. The Employers' Liability Insurance limit shall be established for each project by the finance department but in no case be less than:

Bodily Injury by Accident \$500,000 each accident
Bodily Injury by Disease \$500,000 policy limit
Bodily Injury by Disease \$500,000 each employee

Each principal contractor and all sub-contractors shall carry Commercial General Liability Insurance with minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate limit. The Commercial Liability Policy shall be written on an occurrence-based form. A Claims-Made Policy is not acceptable unless so indicated in the individual contract.

Each principal contractor and all sub-contractors shall carry Business Automobile Liability Insurance with a minimum combined single limit of \$1,000,000.

Insurance for the Property and/or Builders Risk shall be determined by each individual contract.

Each principal contractor shall furnish to owners, certificates of insurance certifying to the insurance described in the above paragraphs, in companies satisfactory to owners, but owners' approval of such certificates of insurance shall in no way relieve or release the contractor from any responsibility, liability and obligation devolving upon him. All insurance policies shall be issued only by companies authorized to do business under the laws of the State of South Dakota.

No principal contractor shall commence work under this contract until he has obtained all required insurance and until the certificates of insurance have been filed with and approved by the owners nor shall the principal contractor permit any sub-contractor to commence work until the sub-contractor's required insurance has been obtained and approved by the principal contractor.

The contractor is required to maintain the above-mentioned insurance coverage until the contract is fully completed and accepted by the date established by the School Board or by use and occupancy.

The insurance herein required by each contractor shall apply to not less than his or its portion of the entire building or project.

Legal Reference:

SDCL

CH.5-18A – Public Agency Procurement – General Provisions

CH.5-18B – Procurement of Public Improvements

CH. 5-21 – Performance Bonds for Public Improvement Contracts

13-8-39 – Management of schools by Board – General powers

13-16-9.3 – Public hearing for use of capital outlay fund – Notice

13-20-1 – Board approval required for contracts

13-20-3 – Contracts let in accordance with public agency procurement law

13-20-4 – Emergency maintenance needs corrected in accordance with public agency procurement law

13-20-5 – Purchases from another school district without advertising for bids

13-20-6 – Purchase of copyrighted material

13-20-7 – Deposit and performance bond by supply and equipment bidders – Rejection of bids

13-20-7.1 – Deposit and performance bond by school improvement bidders – Rejection of bids

Rules	Board Action	(formerly 7443a)
approved: 05-28-68		
revised: 08-12-02	33307	
revised: 05-11-09	35373	
revised: 02-14-11	35972	
revised: 06-09-14	36935	