

ATTACHMENT C GENERAL TERMS AND CONDITIONS

APPLICABLE TO CONTRACTS BETWEEN THE CHARLOTTESVILLE ALBEMARLE AIRPORT AUTHORITY AND NON-GOVERNMENTAL PARTIES FOR THE PURCHASE OF GOODS AND SERVICES

- 1.) **General Application.** These general terms and conditions apply to all Authority purchases of goods and services, including, without limitation, construction, insurance, and other services. They shall be deemed an integrated part of each contract entered into between the Charlottesville-Albemarle Airport Authority (“Authority”) and a non-governmental party. In the event of a conflict between these general terms and conditions and any other provision of a contract between the Authority and a non-governmental party, the provisions of these general terms and conditions shall govern the parties’ agreement.
- 2.) **Modification of contract pricing.** (VA. Code §2.2-4309). No fixed-price contract may be increased by more than twenty-five percent of the amount of the contract or \$50,000, whichever is greater, without the advance written approval of Authority’s governing body. In no event may the amount of any contract, without adequate consideration, be increased for any purpose, including, but not limited to, relief of a bidder from the consequences of an error in its bid, proposal or price quote.
- 3.) **Energy Forward Pricing Mechanisms.** (VA. Code §2.2-4329.1). For the purpose of budget risk reduction, Authority may use forward pricing mechanisms, consistent with Authority’s written policies and procedures governing the use of forward pricing mechanisms. Any contract for natural gas, heating oil, propane, diesel fuel, unleaded fuel, and any other energy source, but excluding contracts for the purchase of electricity, may include a forward pricing mechanism which either: (i) Obligates Authority to buy or sell a specified quantity of energy at a future date, at a set price or (ii) Includes an option for the sale or purchase of the contract.
Forward pricing mechanism transactions shall be made only under the following conditions:
(i) Authority’s obligations shall be subject to the availability and annual appropriation of funding;
(ii) The quantity of energy affected by the forward pricing mechanism shall not exceed the estimated energy use for Authority for the same period, which shall not exceed 48 months from the trade date of the transaction; and (ii) a separate account shall be established by the contractor for operational energy for the Authority. Contractor shall be required to cooperate and assist Authority with any and all internal and external audit reviews, and with the preparation and submission of annual reports to Authority’s internal investment committee.
- 4.) **Modification (extension) of Contract Term** (VA. Code §2.2-4309). Authority may extend the term of an existing contract for services, to allow completion of any work undertaken but not completed during the original term of the contract. Any such extension of time shall be in writing and signed by an authorized representative of the Authority.
- 5.) **Annual appropriations condition.** For any contracts that cannot or will not be completed within a single fiscal year: notwithstanding anything in this contract to the contrary, beyond the initial fiscal year in which performance is commenced, Authority’s obligations are and shall be subject to and expressly conditioned upon the availability and appropriation of public funds by Authority to support continued performance in succeeding fiscal years. When funds are not appropriated or otherwise made available to support continuation of performance in a succeeding fiscal year, the order for goods, or contractor’s performance of services, as applicable, shall be canceled and

the Contractor shall be reimbursed for the reasonable value of any goods ordered and received, and services completed, prior to the end of the preceding fiscal year.

- 6.) **No Discrimination by Authority** (VA. Code §2.2- 4310). In the solicitation or awarding of contracts, Authority shall not discriminate against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, status as a service disabled veteran, or any other basis prohibited by state law relating to discrimination in employment. **THE AUTHORITY DOES NOT DISCRIMINATE AGAINST FAITH-BASED ORGANIZATIONS**, and shall comply with the requirements of VA Code §2.2-4343.1, as may be applicable.
- 7.) **No Discrimination by Contractor** (Contracts Over \$10,000) (VA. Code §2.2-4311). During the performance of a contract where contractor's compensation is more than \$10,000, the contractor agrees as follows:
 - a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
 - c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

The contractor will include the provisions of the foregoing paragraphs a, b and c in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

- 8.) **Compliance with Federal Immigration Laws** (VA. Code §2.2-4311.1). The contractor expressly warrants and certifies that it does not, and shall not during the performance of the contract knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.
- 9.) **Contractor's Authority to Conduct Business in Virginia** (VA. Code §2.2-4311.2). A contractor organized as a stock or non-stock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 or as otherwise required by law. A contractor that enters into a contract with Authority shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract. Authority may void any contract with a business entity for its failure to comply and remain in compliance with the provisions of this paragraph.
- 10.) **Drug-Free Workplace Requirement** (Contracts Over \$10,000) (VA. Code §2.2-4312). During the performance of a contract where contractor's compensation is more than \$10,000, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or

advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor. For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor in accordance with this chapter, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

- 11.) **Workers' Compensation Coverage** (Construction Contracts) (VA. Code §2.2-4332). No contractor shall perform any work on a Authority construction project unless and until he has obtained, and continues to maintain for the duration of the work, workers' compensation coverage required pursuant to the provisions of Chapter 8 (§ 65.2-800 et seq.) of Title 65.2.
- 12.) **Contractor's License** (Construction Contracts) (VA. Code §54.1-1115). No individual or business entity shall contract for, or bid upon, the construction, removal, repair or improvements to or upon real property owned, controlled or leased by Authority without a state-issued license or certificate, or without the proper class of license as defined in VA. Code § 54.1-1100 for the value of work to be performed.
- 13.) **Purchase of building materials, etc., from architect or engineer prohibited** (VA. Code §2.2-4374). No building materials, supplies or equipment for any building or structure constructed by or for the Authority shall be sold by or purchased from any person employed as an independent contractor by the Authority to furnish architectural or engineering services, but not construction, for such building or structure, or from any partnership, association or corporation in which such architect or engineer has a personal interest. No building materials, supplies or equipment for any building or structure constructed by or for the Authority shall be sold by or purchased from any person who has provided or is currently providing design services specifying a sole source for such materials, supplies or equipment to be used in the building or structure to the independent contractor employed by the Authority to furnish architectural or engineering services in which such person has a personal interest. For purposes of this paragraph, the term "personal interest" shall have the meaning set forth within VA. Code §2.2-3101.
- 14.) **Bonds and alternate forms of security** (VA. Code §§2.2-4337 and -4338). Where any payment or performance bond, with surety, is required, each of the bonds shall be executed by one or more surety companies selected by the contractor that are authorized to do business in Virginia. Each of the bonds shall be filed with Authority.

In lieu of a bid, payment, or performance bond, a bidder may furnish a certified check or cash escrow in the face amount required for the bond. If approved by Authority attorney, a bidder may furnish a personal bond, property bond, or bank or savings institution's letter of credit on certain designated funds in the face amount required for a required bid, payment or performance bond. Approval shall be granted only upon a determination that the alternative form of security proffered affords protection to Authority equivalent to a corporate surety's bond.

- 15.) **Required Insurance.** The specific insurance requirements for this contract, if any, ("Required Insurance") have been specifically set forth within the Specifications/Special Terms and Conditions of the procurement documents. All policies of Required Insurance shall be issued by a company authorized to do business within the Commonwealth of Virginia. (See VA. Code §38.2-518).

Prior to award, the contractor shall be required to demonstrate that it has obtained the Required Insurance, and that each Required Insurance Policy has been endorsed (i) to name Authority, its

officers, employees and agents as additional insured parties, and (ii) to confer rights upon Authority to receive at least 30 days' advance notice of cancellation or nonrenewal. Proof of insurance and required endorsements shall be demonstrated through production of copies of the Required Insurance policies and endorsements, or other evidence satisfactory to Authority. If a standard form insurance certificate is utilized, the insurance certificate must contain the Policy ID number(s) as well as the specific Endorsement Number(s), along with a description of the purpose(s) of the referenced endorsements.

- 16.) **Prompt Payment by Authority** (VA. Code §§2.2- 4352, 2.2-4353) Authority shall promptly pay for the completed delivered goods or services by the required payment date. The required payment date shall be either: (i) the date on which payment is due under the terms of the contract for the provision of the goods or services; or (ii) if a date is not established by contract, not more than 45 days after goods or services are received or not more than 45 days after the invoice is rendered, whichever is later. Separate payment dates may be specified for contracts under which goods or services are provided in a series of partial executions or deliveries to the extent that the contract provides for separate payment for partial execution or delivery. Unless otherwise provided under the terms of the contract for the provision of goods or services, if Authority fails to pay by the required payment date then Authority shall pay any finance charges assessed by the supplier that shall not exceed one percent per month. In those cases where payment is made by mail, the date of postmark shall be deemed to be the date payment is made.
- 17.) **Contractor's Tax ID** (VA. Code §2.2-4354(2)). Notwithstanding the foregoing, contractor shall have no right to receive payment from Authority unless and until (i) for an individual contractor, the contractor must provide his social security number to the Authority, and (ii) for proprietorships, partnerships, and corporations, any such entity must provide its federal employer identification number to the Authority.
- 18.) **Notice of defects or impropriety** (VA. Code §2.2-4352). Within 20 days after the receipt of an invoice, or of goods or services, the Authority shall notify the supplier of any defect or impropriety that would prevent payment by the payment date.
- 19.) **Interest.** Unless otherwise provided under the terms of this contract, interest shall accrue at the rate of one percent per month on amounts owed by Authority to contractor which remain unpaid by the required payment date. (See VA Code §2.2-4354)

No interest penalty shall be charged when payment is delayed because of disagreement between Authority and a vendor regarding the quantity, quality or time of delivery of goods or services or the accuracy of any invoice received for the goods or services. The exception from the interest penalty provided by this paragraph shall apply only to that portion of a delayed payment that is actually the subject of the disagreement and shall apply only for the duration of the disagreement.

- 20.) **Retainage (Construction Contracts)** (VA. Code §2.2-4333). In any construction contract that provides for progress payments in installments based upon an estimated percentage of completion, the contractor shall be paid at least 95 percent of the earned sum when payment is due, with no more than 5 percent being retained to ensure faithful performance of the contract. All amounts withheld may be included in the final payment. Any subcontract for a public project that provides for similar progress payments shall be subject to the provisions of this section.
- 21.) **Escrowed Retainage (Construction Contracts)** (VA. Code §2.2-4334). For a construction contract involving \$200,000 or more, for construction of highways, roads, streets, bridges, parking lots, demolition, clearing, grading, excavating, paving, pile driving, miscellaneous drainage structures, and the installation of water, gas, sewer lines and pumping stations, where portions of the contract price are to be retained, the contractor is authorized to elect to utilize an escrowed retainage procedure, via notification submitted with its bid submission.

In the event the contractor elects to use the escrow account procedure, the contractor shall execute an escrow form, substantially the same as that used by VDOT, and shall submit the executed escrow form to Authority within 15 calendar days after notification. If the escrow agreement is not submitted within the 15-day period, the contractor shall forfeit his rights to the use of the escrow account procedure. Any designated escrow agent shall be a trust company, bank or savings institution with its principal office located in the Commonwealth. If the construction contract includes payment of interest on retained funds, the contractor shall, exclusive of reasonable circumstances beyond the control of the contractor, be required to pay a penalty specified within the construction contract for each day exceeding the completion date stated in the contract.

- 22.) **Payment of subcontractors required** (VA. Code §2.2-4354) Within seven days after receipt of amounts paid to the contractor by Authority for work performed by the subcontractor under that contract the contractor shall: (a) pay the subcontractor for the proportionate share of the total payment received from the agency attributable to the work performed by the subcontractor under that contract; or (b) notify the agency and subcontractor, in writing, of his intention to withhold all or a part of the subcontractor's payment with the reason for nonpayment. Contractor shall pay interest to the subcontractor on all amounts owed by the contractor that remain unpaid after seven days following receipt by the contractor of payment from Authority for work performed by the subcontractor under that contract, except for amounts withheld as allowed in (b), above. Unless otherwise provided under the terms of this contract, interest shall accrue at the rate of one percent per month. Contractor shall include in each of its subcontracts a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor. A contractor's obligation to pay an interest charge to a subcontractor pursuant to this payment clause shall not be construed to be an obligation of Authority. No contract modification shall be made for the purpose of providing reimbursement for the interest charge, and no cost reimbursement claim shall include any amount for reimbursement for the interest charge.
- 23.) **Contract disputes and claims** (VA. Code §2.2- 4363). Written notice of the contractor's intention to file a claim, whether for money or other relief, shall be given at the time of the occurrence or beginning of the work upon which the claim is based. Nothing herein shall preclude a contract from requiring submission of an invoice for final payment within a certain time after completion and acceptance of the work or acceptance of the goods. Pendency of claims shall not delay payment of amounts agreed due in the final payment. Contract claims, whether for money or other relief, shall be submitted in writing to the Authority no later than 60 days after the contractor's receipt of final payment; provided, however, that written notice of the contractor's intention to file a claims shall have been given at the time of the occurrence, or at the beginning of the work, upon which the claim is based. Claims shall be considered by Authority in accordance with VA Code §2.2-4363.

The final decision of Authority shall be final and conclusive unless the contractor appeals within six months of the date of the final decision on the claim by Authority, by instituting legal action as provided in VA Code §2.2-4364.

- 24.) **Trade Secrets; Proprietary Information.** Except as provided in VA Code §2.2-4342, all proceedings, records, contracts and other public records relating to procurement transactions shall be open to the inspection of any citizen, or any interested person, firm or corporation, in accordance with the Virginia Freedom of Information Act (VA Code § 2.2-3700 et seq.). Any inspection of procurement transaction records under this section shall be subject to reasonable

restrictions to ensure the security and integrity of the records. Trade secrets or proprietary information submitted by a bidder in connection with a procurement transaction or prequalification application shall not be subject to the Virginia Freedom of Information Act (§ 2.2-3700 et seq.); provided that the bidder must (i) invoke the protections of the referenced VA. Code section prior to or upon submission of the data or other materials, (ii) identify the data or other materials to be protected, and (iii) state the reasons why protection is necessary. Each bidder is solely responsible for protecting its trade secrets or proprietary information in accordance with these instructions.

- 25.) **Applicable Law.** Any contract resulting from a Authority procurement transaction shall be governed in all aspects by the laws of the Commonwealth of Virginia, without regard to conflict of laws' provisions, and any litigation with respect thereto shall be brought in the Circuit Court for Albemarle County, Virginia, or other court presiding within the territory in which Authority is situated.
- 26.) **No Collusion** (VA. Code §18.2-498.4). Any person offering or agreeing to transact business with Authority may be required to submit a certification that the offer or agreement or any claim resulting therefrom is not the result of, or affected by, any act of collusion with another person engaged in the same line of business or commerce; or any act of fraud punishable under this article.
- 27.) **No Waivers of Sovereign or Governmental Immunity.** No action or omission of Authority, and no terms, conditions or provisions within any contract resulting from this procurement transaction, shall be deemed or construed as a waiver of any sovereign or governmental immunity to which Authority may be entitled under the laws of the Commonwealth of Virginia, or any applicable federal law.