

WAUKEE COMMUNITY SCHOOL DISTRICT

560 SE University Ave

FIXED ASSET INVENTORY AND APPRAISAL

NOTICE OF INVITATION TO BID

An electronic copy of the bid must be submitted by **3:00pm Central Time, on Friday May 31, 2024**, to Sarah Enfield, Chief Financial Officer, Waukee Community School District at senfield@waukeeschools.org, with the subject line: Asset Inventory and Appraisal Bid.

Questions can be submitted to Brittany Smith - bsmith@waukeeschools.org by 3pm on **May 22, 2024**. Answers will be posted on our website under the RFP/RFQ section by May 24th.

All Bidders must read Instructions and Terms before completing the Bid Form. Vendors are to bid on fixed asset inventory and appraisal services per the bid specifications and general conditions. The scope of the work includes providing a comprehensive physical inventory and valuation of fixed assets, technology, furniture, and equipment owned by Waukee Community School District (WCSD) and to provide the results both in a paper document (One copy) and in an electronic file. WCSD reserves the right to select the bid package that best suits the WCSD's needs. Partial or incomplete section bidding is unacceptable. Any omission(s) may void the bid. Bidder(s) of interest will furnish an insurance certificate naming WCSD as additionally insured (see General Conditions) and all other requirements of this bid specification.

Bids received after **Friday May 31, 2024** after 3pm will not be accepted and will be destroyed.

No immediate decision will be rendered at the time of bid review. In submitting this bid, it is understood that WCSD reserves the right to reject any and all bids, or parts thereof, to be the sole judge of the merits and qualifications of all bids, to waive any informality in a bid, to not necessarily accept the lowest of any bid offered, and to extend the bidding period. Design, specifications, service delivery, and quality may be considered in making selections. All bid information, applications, briefs, sales brochures, etc. will become the property of WCSD when submitted in response to this RFP. All bid documents submitted by the bidder shall be available for inspection after the bid opening and submission deadline has passed. ***Bidder should carefully mark each page that is considered proprietary/confidential so that it can be clearly identified as such.*** Finally, bidders may not withdraw their bid within thirty (30) days of the award of bid.

The contractor certifies that it is qualified to perform all services under the contract in a professional manner. It further certifies that it has sufficient resources available to accomplish the scope of services. References will be attached and include a minimum of three references of school districts of similar size to WCSD that have completed inventory services within the last twelve (12) months.

All Bidders must comply with the State of Iowa Statutory requirements, including Equal Opportunity Laws.

Any Addenda or corrections to the Bid Specifications will be emailed to all invited bidders.

Bidding documents will be on file and, upon evaluation, may be obtained from the Waukee Community School District by submitting a public records request located on the WCSD website which will be answered by the Chief Financial Officer/Board Treasurer whose contact information is below:

Sarah Enfield, Chief Financial Officer/Board Treasurer
Waukee Community School District
560 SE University Ave
Waukee, Iowa 50263
Telephone (515) 987-5161 x12300
E-mailing to senfield@waukeeschools.org

WAUKEE COMMUNITY SCHOOL DISTRICT

560 SE University Ave.

FIXED ASSET INVENTORY AND APPRAISAL BID SPECIFICATION

The Waukee Community School District (WCSD) requests written proposals to perform a comprehensive physical inventory and valuation of all fixed assets, technology, furniture, and equipment. WCSD serves approximately 13,500 students in its 20 attendance centers. In addition, the district's central administrative departments are housed in four additional buildings throughout the district.

WCSD wishes to have the Fixed Asset Physical Inventory completed in **Fall 2024**, with final reconciliation received by **December 31, 2024**.

Background

The buildings included in the asset inventory are as follows:

- *Northwest High School, 655 NW 10th St, Waukee, IA 50263, 2 story, 385,300 sf (incl. stadium)*
- *Trailridge School, 1455 NW Douglas Pkwy, Waukee, Iowa 50263, 2 story, 190,400 sf*
- *Radiant Elementary, 5050 170th St, Urbandale, IA 50323, 1 story, 98,515 sf*
- *Sugar Creek Elementary, 965 Ashworth Rd, Waukee, IA 50263, 1 story, 101,147 sf*
- *Waterford Elementary, 5635 156th St, Urbandale, IA 50323, 1 story, 101,500 sf*
- *Vince Meyer Learning Center, 430 Ashworth Drive Waukee, IA 50263, 2 story, 75,900 sf*
- *Natorium, 1655 NW Douglas Pkwy, Waukee, Iowa 50263, 1 story, 62,300 sf*

Current Fixed Asset Policies and Practices

- WCSD maintains different thresholds for its fixed asset inventory system:
 - \$5,000 threshold for capitalized fixed assets – governmental funds
 - \$500 threshold for capitalized fixed assets – proprietary funds
 - \$500 for tracking, control and accountability
 - \$150-\$500 at discretion of building

Objective

Perform a comprehensive physical inventory and valuation of fixed assets, technology, furniture, and equipment owned by Waukee Community School District (WCSD), provide the results both in a paper document and in an electronic file, and to perform a reconciliation of actual inventory values to existing records.

Scope of Work

The purpose of the physical inventory is to verify: (1) the existence of the equipment; (2) whether the equipment is being utilized for its intended purpose; (3) the continued need for the equipment; and (4) the condition of the equipment. WCSD is requesting physical inventory for all the sites listed above. The provider will perform in-person and virtual support throughout the duration of the services.

Fixed Assets, Furniture, and Equipment shall be classified as (but not limited to) the following:

- Cafeteria/Outdoor Tables
- Vehicles/Mowers/Tractors/Gators
- Science/STEM Equipment
- Student Desks/Chairs
- Employee Desks/Chairs (all staff - including
- those located in classrooms)
- Activity Tables
- Bookcases
- Athletic Equipment

WAUKEE COMMUNITY SCHOOL DISTRICT

560 SE University Ave.

FIXED ASSET INVENTORY AND APPRAISAL BID SPECIFICATION

- Scoreboards
- Outdoor Storage Buildings and Contents
- Kitchen Equipment (hoods, ovens, warmers, coolers, freezers, dishwashers, etc.)
- Maintenance Equipment
- Custodial Equipment
- Special Education Equipment
- Art/Woodshop Equipment
- File Cabinets
- Musical Instruments/Equipment
- Office Furniture/Equipment
- Bleachers
- IT Equipment (limited)

Inventory Process

Vendor will perform all labor to conduct a comprehensive inventory at specified WCSD site locations. During the inventory process, all of the following information will be captured for each item

Asset Identification Information

- Asset Tag Number (barcode)
- Asset Category
- Manufacturer
- Model
- Serial Number
- Description
- Quantity (if applicable)
- Inventory date
- Site
- Building
- Room
- Employee/Student to Whom the Items is Issued (if applicable)
- Condition

Vendor will scan existing WCSD asset tags which are affixed to current items. If item does not contain a tag, or the current tag has been removed, damaged, or is otherwise unreadable, vendor will affix a new tag on the item. WCSD will provide tags to use for this purpose. The vendor and WCSD will standardize tag placement on additional tagged items.

The vendor will remedy any discrepancies reported by WCSD. A discrepancy is when an item is entered incorrectly by vendor staff or items that WCSD reasonably believes the vendor missed at site locations.

The vendor will provide a report to WCSD that details the process used in asset inventory and any unusual findings.

The vendor will provide the following reconciling reports:

- a. Matches found – Assets that have tag numbers and serial numbers
- b. Additions – Assets found, but not listed in the provide spreadsheet. Tag numbers and serial numbers should be assigned.

WAUKEE COMMUNITY SCHOOL DISTRICT

560 SE University Ave.

FIXED ASSET INVENTORY AND APPRAISAL BID SPECIFICATION

Other Requirements

1. The vendor will be required to inventory items that are packaged or boxed
2. All assets indicated above shall be inventoried using the Inventory Process above.
3. Personal items (i.e. technology items personally owned by WCSD staff) will be flagged accordingly and skipped by the inventory team.
4. Provide a complete list of services you would offer. Be as comprehensive as possible.
5. Provide a complete timeline for completing the requested service.
 - a. The physical inventory of student attendance centers shall be completed in **Fall 2024**, with final reconciliation received by December 31, 2024
6. The vendor will ensure the following:
 - a. Provision of a single project manager (Vendor PM) who will be the primary contact for all services performed under this project and scheduling of site inventory visits.
 - b. Classrooms and offices are left as they were after the inventory is conducted.

Access to Facilities

WCSD will provide the following:

- Contact information: site representative, addresses, and phone numbers
- Schedule and coordinate vendor team visits for each school site and WCSD facility locations. Inventory services will take place after school hours as scheduled for school sites, and during normal business hours for offices and departments where students are not typically present.

Additional Services

As an addendum to the base bid, please include a quote to perform a Building Mechanical and Physical Plant Inventory

General Conditions

Insurance Requirements

A. The Contractor shall purchase and maintain such insurance as will protect the Contractor from claims set forth below which may arise out of, or result from the Contractor’s operations under the contract, whether such operation be by the Contractor or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. The insurance to be maintained by the Contractor shall be written as follows:

1. **Workers’ Compensation and Employers Liability Insurance** as prescribed by Iowa law or the minimum limits shown below;
 - a. Iowa Benefits- Statutory
 - b. Employers Liability

Bodily Injury by Accident	\$500,000 Each Accident
Bodily Injury by Disease	\$500,000 Each Accident
Bodily Injury by Disease	\$500,000 Each Employee

The Workers’ Compensation policy shall include a *waiver of subrogation clause* in favor of the owner.

WAUKEE COMMUNITY SCHOOL DISTRICT

560 SE University Ave.

FIXED ASSET INVENTORY AND APPRAISAL BID SPECIFICATION

2. **Commercial General Liability Insurance** combined single limits shown below covering Bodily Injury, Property Damage and Personal Injury:

General Aggregate Limit	\$4,000,000
Products-Completed Operations Aggregate Limit	\$2,000,000
Personal & Advertising Injury Limit	\$2,000,000
Each Occurrence Limit	\$2,000,000
Sexual Misconduct Limit	\$1,000,000
Crime (w/3rd party coverage)	\$ 500,000
Fire Damage Limit	\$ 100,000
Medical Expense Limit	\$ 5,000

This insurance must include the following features:

- a. Coverage for all premises and operations. The policy shall be endorsed to provide the aggregate Per Project Endorsement.
 - b. Personal and Advertising Injury
 - c. Operations by independent contractors.
 - d. Contractual Liability coverage
 - e. Coverage for property damage underground or damage by explosion or collapse (XCU).
3. **Automobile Liability Insurance** covering all owned, non-owned, hired and leased vehicles with a minimum combined single limit for Bodily Injury and Property Damage of \$2,000,000 per accident. Insurance must include Contractual Liability.
4. **Umbrella/Excess Liability Insurance** combined single limit for bodily injury, property damage and personal injury excess primary liability limits: \$1,000,000. The required Liability limits outlined within may be met with any combination of underlying and umbrella/excess policy limits.
5. **Additional Insured** the Contractor will include the School as additional Insured on all policies except Workers' Compensation as respects all work performed. The additional insured coverage shall be primary and non-contributory to any of the owner's policies and shall apply to both ongoing and completed operations. Form CG2038 should be utilized to show Waukee CSD is listed.
6. **Insurance Certificates** Each policy noted above shall be issued by an insurance company authorized to write such insurance in the State of Iowa and shall be reasonably acceptable to the School. These insurance policies shall not be canceled without at least 30 days prior written notice to the School. A properly executed Certificate of Insurance showing evidence of these insurance requirements shall be delivered to the School prior to the commencement of this lease. Insurance carrier should be rated A or higher.
7. **Government Immunity** The following clauses will be added to all liability coverages:
- a. The company and the insured expressly agree and state that the purchase of this policy of insurance by the insured does not waive any of the defenses of governmental immunity available to the insured under Iowa Code Section 670.4 as it now exists and as it may be amended from time to time.
 - b. The company and the insured further agree that this policy of insurance shall cover only those claims not subject to the defense of governmental immunity under Iowa Code Section 670.4 as it now exists and as it may be amended from time to time.
8. **Subrogation** To the extent that such insurance is in force and collectible and to the extent permitted by law, the School and Contractor each hereby releases and waives all right of recovery against the other or anyone claiming through or under each of them by way of subrogation or otherwise, except in cases of gross negligence.

WAUKEE COMMUNITY SCHOOL DISTRICT

560 SE University Ave.

FIXED ASSET INVENTORY AND APPRAISAL BID SPECIFICATION

- 9. Property Insurance** Unless otherwise provided, the Owner shall purchase and maintain property insurance on the project in the amount of the initial Contract Sum, plus value of subsequent Contract modifications and cost of materials supplied or installed by others. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made. This insurance shall include interests of the Owner, the Contractor, Subcontractors and Sub-subcontractors in the Project.

Property insurance shall be on an “all-risk” or equivalent policy form and shall include insurance against the perils of fire, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, testing and debris removal including demolition occasioned by enforcement of any applicable legal requirements, depending on availability. The property insurance may contain sub-limits for these coverages. At the option of the school district, the insurance covering the project may be written under a Builder’s Risk policy or covered under the District’s permanent property insurance.

- 10. Professional Insurance** If the Contractor is required to furnish professional services as part of the Work, the Contractor shall purchase Professional Liability insurance covering performance of the professional services, with policy limits of not less than \$1,000,000 per claim and \$1,000,000 in the aggregate.

- 11. Pollution Insurance** If the work involves the transport, dissemination, use or release of pollutants, the Contractor shall purchase Pollution Liability insurance, with policy limits of not less than \$1,000,000 per claim and \$1,000,000 in the aggregate.

- 12.** Coverages under sections 10 and 11 may be purchased through a Combined Professional Liability and Pollution Liability insurance policy, with combined policy limits of not less than \$1,000,000 per claim and \$1,000,000 in the aggregate.

- 13. Aircraft Insurance** If the work requires use or operation of manned or unmanned aircraft, including drones, the Contractor shall purchase coverage with policy limits of not less than \$1,000,000 per claim and \$1,000,000 in the aggregate. Also, Waukee CSD has a board policy for drone usage.

Proposal

Proposals need not be voluminous, but shall provide sufficient information to allow the Owner to evaluate the Provider’s approach, experience, and ability to successfully provide the requested services.

Provide the following information, divided and labeled consistently as outlined below.

Part I. Business Organization

1. Full legal name
2. Address
3. Phone number
4. Web site
5. Email Address
6. Parent company (if operating as subsidiary)
7. Indicate if you are a partnership, corporation, individual, or other
8. Date company founded
9. State of incorporation or licensing
10. Executive or senior leadership organizational chart
11. List of branch offices or other subordinate elements that may perform or assist in performing work herein

WAUKEE COMMUNITY SCHOOL DISTRICT

560 SE University Ave.

FIXED ASSET INVENTORY AND APPRAISAL BID SPECIFICATION

12. At least three references of school districts of similar size to WCSD that have completed inventory services within the last twelve (12) months to include:
 - a. District name and location
 - b. Contact name, position, email and phone number
 - c. Services performed
 - d. Completion time (in months)
13. Information regarding your experience with WCSD, if available.
14. Provide examples of experience providing fixed asset inventory and appraisal services in an educational environment

Part II. Legal and Insurance

Provide the following information*:

1. Submit a completed W-9 form
2. Certificate of Liability Insurance that meets insurance requirements listed under General Conditions
3. Any potential conflict(s) of interest that you foresee and if so, your plan for avoiding such conflict(s)
4. Proposed terms of agreement for the specified scope and proposal requirements

Part III. Primary Point of Contact & Authorized Negotiator

Include the name, title, mailing address, email address, and telephone number of the person in your organization that will act as the primary point of contact in regards to this RFP process.

Include the name, address, and telephone number of the person(s) in your organization authorized to negotiate contract terms and render binding decisions on contract matters.

Part IV. Invoicing and Timelines

Invoicing/Billing Procedures

1. Describe your invoicing process.
2. Describe your most favorable payment term(s) to Waukee Community School District.
3. Will you provide a discount for early payment?
4. What is your process for handling disputed invoices?
5. Do invoices have the ability for electronic submittal?

Timelines

Proposals should include the information on proposed service timelines for tasks described in the scope of work section. Timelines should be in alignment with our school year and implementation timeline.

- RFP Release date: **May 15, 2024**
- Final day to Submit Questions: **May 22, 2024**
- Bids/Proposals due: **May 31, 2024 at 3pm**
- Award Announced (pending contract legal review): **July 2024**

Part V. Pricing

Please provide your pricing based on the scope of work, detailing any additional fees for travel or other expenses.

WAUKEE COMMUNITY SCHOOL DISTRICT

560 SE University Ave.

FIXED ASSET INVENTORY AND APPRAISAL BID SPECIFICATION

Evaluation Criteria

WCSD Intends to select the proposed services and terms that are most advantageous to WCSD. Only proposal submitted by the deadline will be reviewed. After reviewing the proposals, WCSD may choose to interview the top two vendors.

Proposals submitted to WCSD will be reviewed by the Chief Financial Officer, Director of Business Services, and Purchasing Agent. Proposals will be evaluated based on the criteria identified below:

Factors	Description	Maximum Points
Pricing	Cost of Services	25
Competence	Demonstrate an understanding of objectives and audience; experience in previously preformed asset inventory services with this nature, size, and scope	25
Completeness	Quality and completeness of proposal	20
Timeframe	Ability to meet the proposed project timeline	30
	(Must equal 100 points)	100

Upon acceptance of all proposals, WCSD will review, score and select a vendor. WCSD will respond to all vendors in writing with a decision after all proposals are reviewed and scored.

Agreement Conditions

In the event WCSD chooses to proceed with the proposed fixed asset inventory and appraisal services, the selected firm will be contracted directly by WCSD. WCSD reserves the right to negotiate, accept, or reject, in whole or in part, any and all submittals in response to this request; to waive irregularities, or take whatever action may be deemed necessary to protect Owner’s best interests.

All material submitted pursuant to this proposal becomes the property of Owner and Owner has the right to use the information contained in the submittal.

All bid documents submitted by the bidder shall be available for inspection after the bid opening and submission deadline has passed. ***Bidder should carefully mark each page that is considered proprietary/confidential so that it can be clearly identified as such.***

Owner is not responsible for any costs incurred by submitting firms, nor will Owner reimburse respondents for travel, fuel, per diems, or any other miscellaneous expenses incurred that were not previously agreed upon in writing.

The selected firm must be an equal opportunity employer and be licensed to operate in the state of Iowa.

Owner reserves the right to make reference checks with any client listed in the document for further information and for verification of the submitting firm’s qualifications

Proposal Transmittal Form

Waukee Community School District

Project: Conduct a District-wide comprehensive physical inventory of WCSD's fixed assets, technology, furniture and equipment

Company name:

Company address:

Primary contact:

Email address:

Phone number:

By my signature below, I hereby represent that I am (a) authorized to bind the applicant to the provisions of the attached Bid/Proposal; (b) qualified to do business and is in good standing in the state of Arkansas; (c) that entry into and performance under this agreement is not restricted or prohibited by any loan, security, financing, contractual, or other agreement of any kind, and (d) that notwithstanding any other provision of this agreement to the contrary, that there are no existing legal proceedings or prospective legal proceedings, either voluntary or otherwise, which may adversely affect its ability to perform its obligations under this agreement.

The undersigned offers and agrees to provide the specified services in accordance with the provisions set forth in the Request for Proposals (RFP). Furthermore, the undersigned fully understands and assures compliance with the Conditions of Solicitation and Standard Terms and Conditions contained in the RFP. The undersigned is fully aware of the evaluation criteria to be utilized in awarding the contract.

Printed Name and Title

Signature

Date

Proposal Due Date: 3:00pm Central Time, on Friday, May 31, 2024 Central Standard Time to:

Sarah Enfield, Chief Financial Officer/Board Treasurer

EMAIL: senfield@waukeeschools.org;

PHONE: 515-987-5161 x12300

TO ALL VENDORS, VOLUNTEERS AND EMPLOYEES OF THE WAUKEE COMMUNITY SCHOOL DISTRICT

The Iowa Legislature has amended the Sex Offender Registry Law (Chapter 692A of the Code of Iowa). This notice and certificate is to assure compliance with the new State of Iowa Sexual Offenders Laws and Regulations. It is your duty to make sure that you, (and for vendors, your employees), are obeying these restrictions.

Prohibited Conduct

Any person on the Sex Offender Registry (SOR) or required to be registered on the SOR and whose conviction involved a sex offense against a minor are now prohibited from:

- Being present on school property (public and nonpublic) without written permission of school administrator or administrator's designee, unless enrolled as a student at the school;
- Being present on or in any vehicle or other conveyance owned, leased, or contracted by a public or nonpublic elementary or secondary school without the written permission of the school administrator or school administrator's designee when the vehicle is in use to transport students to or from a school or school-related activities, unless enrolled as a student at the school or unless the vehicle is simultaneously made available to the public as a form of public transportation.

Note that the law does not give school administrators the option of granting written permission or waiving the following restrictions:

- Operating, managing, being employed by, or acting as a contractor or volunteer at a public or nonpublic elementary or secondary school.
- Loitering within 300 feet of the school's boundary, unless enrolled as a student at the school;
- Loitering on or within three hundred feet of the premises of any place intended primarily for the use of minors including but not limited to a playground available to the public, a children's play area available to the public, recreational or sport-related activity area when in use by a minor, or a swimming or wading pool available to the public when in use by a minor. Note: This includes property owned by others (such as the City of Ankeny) but used for school activities.

Permitted Conduct

Any person on the Sex Offender Registry (SOR) or required to be registered on the SOR and whose conviction involved a sex offense against a minor:

- Who is legally entitled to vote may be on school property solely for the period of time reasonably necessary to exercise the right to vote in a public election if the polling location of the offender is located in a school;
- Who is the parent or legal guardian of a minor may be on school property solely during the period of time reasonably necessary to transport the offender's own minor child or ward to or from a school

PLEASE CHECK THE CORRECT CATEGORY:

___ I CERTIFY THAT I AM A VENDOR/CONTRACTOR to the Waukee Community School District and that I and all employees are in compliance with the new Sex Offender Registry Laws and Regulations. I further certify that no employees who service the Waukee Community School District are sexual offenders whose conviction involved a sex offense against a minor.

Vendor Name _____

Signature

Date: _____

___ I CERTIFY THAT I AM A VOLUNTEER for the Waukee Community School District and that I am in compliance with the new Sex Offender Registry Laws and Regulations. I further certify that I am not a sexual offender whose conviction involved a sex offense against a minor.

Signature

Date: _____

___ I CERTIFY THAT I AM AN EMPLOYEE for the Waukee Community School District and that I am in compliance with the new Sex Offender Registry Laws and Regulations. I further certify that I am not a sexual offender whose conviction involved a sex offense against a minor.

Signature

Date: _____



Certification Regarding

Debarment, Suspension, and Other Responsibility Matters Primary Covered Transactions

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 13 CFR Part 145. The regulations were published as Part VII of the May 26, 1988 *Federal Register* (pages 19160-19211). Copies of the regulations are available from local offices of the U.S. Small Business Administration.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

- (1) The prospective primary participant certifies to the best of its knowledge and belief that it and its principals:
 - (a) Are not presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State, or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective primary participant shall attach an explanation to this proposal.

Business Name _____

Date _____

By _____
Name and Title of Authorized Representative

Signature of Authorized Representative

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is submitted for assistance in obtaining a copy of those regulations (13 CFR Part 145).

6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the ineligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

