	<b>ISO 9001-2008 PROCEDURE</b>	<b>PROCESS OWNER</b> Director of Finance		
<b>PROCEDURE TITLE:</b> Purchasing	DOCUMENT NUMBER: ISO_7-4	REVISION LEVEL: Final Draft	REVISION DATE: 04/07/2009	Approval: Managing Director

**Purpose/Scope:**

This procedure shall govern all purchases/leases of goods and services, payment process, contracts and leases, and environmentally preferable purchases.

**Responsibility:**

The WCRC Managing Director and Department Directors are responsible for ensuring that the Road Commission purchases quality goods and services at competitive prices in a cost effective manner while still providing a fair opportunity to all vendors, including any recognized disadvantaged businesses.


**ISO 9001:2008 Reference:** 7.4 - Purchasing; 7.4.1 – Purchasing Process; 7.4.2 – Purchasing Information; 7.4.3 – Contracts and Leases; 7.4.4 – Environmental Preference Purchasing

**Procedure:**

7.4.1 Purchasing Process (Vendor Selection)

I. General Procedures

- A. The Road Commission shall publicly advertise the purchase of equipment and supplies to qualified vendors. A competitive bid process shall be employed to assure a fair and equitable opportunity to secure a qualified supplier. (See Specific Procedures – Vendor Selection Guidelines for details.)
- B. Effective internal controls shall be in place to safeguard against impropriety, favoritism, or conflict of interest on the part of any Road Commission official or employee. (See Award – Purchasing Procedures in the Uniform Accounting Procedures Manual for County Road Commissions.)
- C. At the time of receipt of the items an inspection must take place. (See Inspection and Testing – Purchasing Procedures in the Uniform Accounting Procedures Manual for County Road Commissions.)
- D. As designated by the Managing Director, the purchasing agent shall advertise all equipment, supplies, new building construction or major renovation work, or improvement projects by the Road Commission, with the exception of items defined in these procurement procedures. Any bid for new building construction or major renovation work over \$25,000 shall contain a requirement that the prime contractor agrees to execute a Construction Unity Board (“CUB”) Memorandum of Understanding as a condition of receiving the contract.

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1. For purchases of equipment and supplies, the Road Commission staff shall recommend a vendor based on the lowest qualified bid. A bidder qualification can be established through Michigan Department of Transportation prequalification or other approved qualifications. (See Michigan Department of Transportation Consultant/Vendor Selection Guidelines.) These vendors must demonstrate these qualifications to assure that they are capable of providing the equipment or supplies.
2. Choosing a vendor for professional services shall be done according to Section II A below. After soliciting proposals, the Road Commission staff shall evaluate the proposals and recommend the most qualified vendor.
3. The Board reserves the right to reject any or all bids or any part of the same: to waive irregularities and/or informalities and to make the award in part or entirety as may appear to be in the best interest of the Road Commission.

## II. Specific Procedures

### A. Vendor Selection Guidelines

The following guidelines shall be used in determining which of the procurement procedures are to be followed in obtaining bids on behalf of the Road Commission. Any exceptions to and/or waiver of these guidelines shall be approved by the Managing Director in writing.

1. The formal procedures set forth in this shall be followed whenever the total estimated cost exceeds \$15,000 (or not to exceed \$50,000 unless an emergency is declared).
2. The informal procedures as set forth in Section III of the procurement procedures shall be followed whenever the total estimated cost exceeds \$10,000 but does not exceed \$15,000.
3. The bid procedures may be waived whenever:
  - a. The proposed contract is with the United States of America or any agency thereof, or any other governmental unit or agency therein within the United States; or
  - b. The proposed contract is with a vendor wherein the unit price of the materials or equipment has been established through a competitive bidding procedure followed by any governmental unit, or any agency, within the United States; or
  - c. The contract is for the lease/acquisition of real property.
  - d. Professional services shall be secured consistent with the Uniform Accounting Procedures Manual for County Road Commissions or the


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Michigan Department of Transportation Quality Based Selection (“QBS”) process to obtain the information necessary to make an informed decision for awarding a professional services contract.

1. For a professional services contract estimated to cost \$25,000 or less annually, the designated purchasing agent shall secure 3 qualified vendor proposals, provide a written statement explaining the criteria and basis for recommending the vendor. This written statement shall be made a part of the contract file and shall be included in the statement to the Managing Director when requesting approval of the contract.
2. For a proposed professional services contract estimated to cost more than \$25,000 annually, the designated purchasing agent shall follow the RFP/RFQ process for selecting the vendor to perform the professional services. If the purchasing agent desires to waive the RFP/RFQ process a written request shall be submitted to the Managing Director for consideration. If the waiver is approved by the Managing Director, the written request for waiver and the approved waiver shall be made a part of the professional services contract file. (See Award – Purchasing Procedures
- e. Penalties: Any person who violates the Road Commission’s procurement policy or procedures, or any federal, state or local statute, ordinance or regulation may, at the Road Commission’s discretion, have its existing contracts with the Road Commission voided and/or be barred from obtaining future contracts with the Road Commission for a period not to exceed five years.
4. A bid file shall be maintained to document the selection process. All information related to the bidding process including reasons for disqualification must be included. (See Award – Purchasing Procedures in the Uniform Accounting Procedures Manual for County Road Commissions.)

**B. Vendor Appeal Process**

1. Unsuccessful bidders may appeal an award of contract, lease or purchase order to the Managing Director.
2. All appeals shall be made in writing to the Managing Director within five (5) days of the Notice to Award.
3. The Managing Director shall take necessary actions to review the appeals and respond to the individual submitting an appeal within five (5) days. This response shall be documented in writing in the bid file.


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#### 7.4.2 Purchasing Information

- A. The Finance or Operations Department shall be responsible for issuing all central purchasing orders.
- B. Purchase orders are required for all purchases exceeding \$500. For purchases under \$500, departments may use the direct payment method.
- C. The Managing Director or his/her designee shall sign all purchasing orders above \$10,000.
- D. Purchase orders are required for every purchase of goods or services with the exception of the specific items/situations outlined in the policy and procedure.
- E. Accounts Payable of the Finance Department shall be responsible for making payments for goods and services purchased by Road Commission departments.
- F. Effective internal controls shall be in place to safeguard against improper or illegal payments. (See Award – Purchasing Procedures in the Uniform Accounting Procedures Manual for County Road Commissions.)

#### 7.4.3 Contracts and Leases

- A. A formal contract shall be prepared whenever purchase of the services for an individual or a company is being requested that exceeds \$50,000
- B. The following signatures are required on contracts for purchase of goods and services and on leases for real property.
  - 1. Goods, Services, building Construction or Renovation Contracts under \$10,000 shall be signed by the Department Director responsible for overseeing the Contract. Contracts over \$10,000 shall be signed by the Managing Director or his/her designee.
  - 2. All new lease/purchase agreements for real property shall be signed by the Chair of the Board of Road Commissioners upon approval of the Board.
- C. Professional services – A formal contract must be submitted for signatures to support a purchase order for professional services over \$50,000. The Managing Director or his/her designee shall sign Professional Service contracts that exceed \$10,000.
- D. Corporation Counsel Involvement - The Road Commission General Counsel shall be informed of formal negotiations of leases, contracts, or other legal matters consistent with identified authorities, in order that Counsel may determine to what extent it should be involved in negotiations.
- E. Filing of contracts - Executed contracts, extensions and leases shall be retained in the project files of the responsible Department Director.

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#### 7.4.4 Environmentally Preferable Purchasing

##### I. General Procedures:

A. This procedure is to support the purchase of products that can minimize adverse environmental impacts of our work. The Road Commission recognizes that the purchasing decisions of our employees can make a difference in favor of environmental quality. We prefer the purchase of environmentally preferable products whenever they perform satisfactorily and are available at a reasonable price.

##### II. Definitions:

A. "Environmentally Preferable Products" means products that have a lesser adverse impact on human health and the environment when compared with competing products. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product.

Positive Attributes may include (as defined by US EPA)


- Recycled content
- Recyclability
- Product disassembly potential
- Durability
- Reusability
- Reconditioned or remanufactured
- Take-back
- Bio-based
- Energy efficiency
- Water efficiency
- Other attributes with positive environmental effects

B. "Recycled Products" are products manufactured with materials that have been recovered or diverted from solid waste.

C. Recycled material may be derived from post-consumer waste (material that has served its intended end-use and been discarded by a final consumer), industrial scrap, manufacturing waste, or other materials that would otherwise have been wasted.

D. "Practicable" means sufficient in performance and available at a reasonable cost.

##### III. Specific Procedures:

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- A. All Washtenaw County Road Commission purchasing agents will purchase recycled and other environmentally preferable products whenever practicable.
- B. Washtenaw County Road Commission departments shall ensure that the title page of each report printed or copied on recycled paper bears an imprint or recycle symbol, identifying the recycled content of the paper wherever practicable. The uses of this imprint or recycle symbol, on every communication will help Washtenaw County Road Commission set an example that will promote the use of recycled products by its clients. There is also a significant community relations benefit in this.
- C. Departments shall use both sides of paper sheets and reuse the blank side of discarded and already printed paper for printing drafts, whenever practicable.
- D. Washtenaw County Road Commission shall promote the use of recycled and other environmentally preferable products by publicizing its procurement policy. Materials produced for advertising, conferences, press releases, and other communications with customers and citizens can make reference to Washtenaw County Road Commission's commitment to and leadership in the use of environmentally preferable products.

IV. Selected Environmental Products:

Washtenaw County Road Commission Administration shall evaluate the following environmentally preferable products and encourage the purchase whenever the evaluation is favorable.

- A. Recycled paper and paper products;
- B. Remanufactured laser printer toner cartridges;
- C. Recycled plastic outdoor-wood substitutes;
- D. Recycled asphalt;
- E. Compost;
- F. Cleaning products with lowered toxicity;
- G. Energy saving products;
- H. Products containing post consumer recycled materials;
- I. Water-saving products

V. Exemption:

Nothing in this policy shall be construed as requiring the purchase of products that do not perform adequately or are not available at a reasonable price.