

	ORGANIZATIONAL POLICY	GENERAL FINANCE APPLICATION: Financial Management			
		TITLE: Procurement	RESOLUTION NUMBER RC21-168	SUPERCEDE RC18-179	EFFECTIVE DATE 03/16/2021

INTENT

It is the intent of the Washtenaw County Board of County Road Commissioners to ensure that the Washtenaw County Road Commission (WCRC) purchases quality goods and services at competitive prices in a cost-effective manner while still providing a fair opportunity to all vendors, including disadvantaged business enterprises.

Pursuant to PA 283 of 1909, as amended, the Washtenaw County Board of County Road Commissioners may establish such rules and regulations regarding the business concerns of WCRC as the Board considers necessary and proper. WCRC will follow the guidelines and procedures that comply with the *Uniform Accounting Procedures Manual for County Road Commissions* pursuant to the requirements of PA 2 of 1968, as amended.

STANDARDS FOR PROCUREMENT

Purchases up to \$5,000

Purchases or contracts estimated to cost up to \$5,000 may be made without soliciting quotes. Vendor selection and pricing should be reviewed annually for adequate and reasonable competition.

Purchases over \$5,000 and up to \$25,000

Purchases or contracts estimated to cost over \$5,000 and up to \$25,000 require solicitation of a minimum of three (3) written quotes. Vendor selection and pricing should be reviewed annually for adequate and reasonable competition. This provision shall not apply to purchases where quotations are documented to be impractical.

Purchases over \$25,000

Purchases or contracts estimated to exceed \$25,000 shall require formal competition as deemed appropriate, including but not limited to competitive sealed bids and requests for proposals.

PROCUREMENT PROCESSES

Competitive Sealed Bids

- A. Conditions for Use: All procurement contracts exceeding \$25,000 shall be awarded by competitive sealed bidding, except as otherwise provided in this policy.
- B. Invitation for Bids: Any invitation for bids shall be issued and shall include specifications and all contractual terms and conditions applicable to the procurement.

- C. Public Notice: Public notice of the invitation for bids shall be given at a reasonable time prior to the bid submission date set forth therein. Such notice may include online media and/or publication in a newspaper of general circulation for a reasonable time as determined by WCRC prior to the bid opening. The public notice shall state the place, date and time of bid opening.
- D. Bid Opening: WCRC shall hold a public bid opening when required by law or otherwise in the interest of WCRC. The amount of each bid and such other relevant information as WCRC deems appropriate, together with the name of each bidder, shall be recorded. The record and each bid shall be open to public inspection in accordance with the Michigan Freedom of Information Act, PA 442 of 1976, as amended.
- E. Bid Evaluation and Bid Acceptance: Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability. Bids which do not comply with all criteria set forth in the invitation to bid may be subject to disqualification.
- F. Correction or Withdrawal of Bids; Cancellation of Awards: Correction or withdrawal of inadvertently erroneous bids before or after bid opening, or cancellation of awards or contracts based on such bid mistakes, may be permitted in the sole discretion of WCRC. Mistakes discovered before bid opening may be modified or withdrawn by written notice received in the office designated in the invitation for bids, before the time set for bid opening. After bid opening, corrections in bids shall be permitted only to the extent that the bidder can show by clear and convincing evidence, as determined by WCRC, that a mistake of clerical or ministerial nature, as opposed to discretionary or judgmental, was made.
- G. Award: The contract shall be awarded by appropriate notice to the responsible and responsive bidder whose bid meets the requirements and response selection criteria set forth in the invitation for bids. **Nothing in the award process shall prevent WCRC from acting in its best interest when making the bid award, including awarding the bid to other than the low bidder, using a best value-based selection process which seeks the lowest responsive and responsible bid.** No contract or purchase order shall knowingly be entered into with any company or business which is in bankruptcy or receivership. In the event the bid for a project exceeds available funds and in order to bring the bid within the amount of available funds, WCRC may negotiate an adjustment of the bid price when time or economic considerations preclude re-solicitation of work of a reduced scope.
- H. Tie Bid: Bids that are equal in all aspects shall be awarded to the vendor who is deemed to provide the best value to WCRC.

Request for Proposals (RFP) and Qualifications-Based Selection (QBS)

- A. Conditions for Use: The RFP method is usually the most appropriate method for soliciting service contracts for certified professionals including attorneys, certified public accountants, architects, planners, engineers and information technology specialists.
- B. Request for Proposal: The RFP should include the following:
 - i. A work statement or the requirements of the job
 - ii. Timeframe in which the work is to be completed
 - iii. Specific criteria to be used in evaluating the proposal including the proposed approach to accomplish the work, the management capability, related experiences and resumes of key personnel, verifiable milestone list and pricing including a price breakdown and/or a cost schedule.
- C. Award: Professional services shall be secured consistent with the Uniform Accounting Procedures Manual for County Road Commissions or the Michigan Department of Transportation's QBS process to obtain the information necessary to make an informed decision for awarding a professional services contract. Professional services should not be awarded based on price alone, but should take into account specific experience, qualifications and capabilities most pertinent to WCRC operations and needs.

Cooperative Purchasing

WCRC may join in cooperative purchasing arrangements with other governmental units in order to save significant time and money in contract production as well as lower contract prices through the power of aggregation. WCRC may accept extended government pricing, including General Services Administration (GSA) schedule contracts, with appropriate documentation, if determined to be cost-effective and in WCRC's best interest.

Sole Source Procurement

- A. Sole source purchases are defined as those in which only one vendor possesses the unique and singularly available capability to meet the requirements set, such as technical qualifications, ability to deliver at a particular time, or services from a public utility, or in a situation where a particular supplier is identified as the only qualified source available.
- B. Sole source purchases may also be utilized in case of compatibility with existing equipment or systems or if the product or service is patented, copyrighted, or has other proprietary information or trade secrets retained by the owner.
- C. A contract may be awarded without competition when the applicable WCRC Department Director recommends in writing and after conducting a good faith review of available sources that there is only one appropriate source and/or when it is in the best interest of WCRC to choose the one appropriate source for the

required supply, equipment, service or construction item. The Department Director shall conduct negotiations, as appropriate, as to price, delivery and terms.

Emergency Purchases

Notwithstanding any other provisions of the Procurement Policy, the Managing Director (or Director of Finance & IT in the Managing Director's absence) may make, or authorize others to make, emergency procurement of supplies, services or construction items when there exists a threat to public health, safety or welfare, or where it is in WCRC's best interest to do so, provided that such emergency procurements shall be made with such competition as practicable under the circumstances and shall be documented in writing.

PURCHASING AUTHORIZATION LIMITS

- A. Materials, equipment, supplies and contractual services with a cost up to \$20,000 may be approved by a Department Director.
- B. Materials, equipment, supplies and contractual services with cost between \$20,000 and \$50,000 may be approved by the Managing Director. Under emergency conditions such authority shall extend up to \$100,000.
- C. Materials, equipment, supplies and contractual services with costs exceeding \$50,000 shall be approved by the Board, except under emergency conditions, in which case the limit shall be costs exceeding \$100,000.

COMPLIANCE WITH FEDERAL & STATE REQUIREMENTS

When procurement involves the expenditure of federal or state assistance or contract funds, WCRC shall comply with any mandatory federal or state laws or authorized regulations which are not reflected in the Procurement Policy.

SALES TAX EXEMPTION

WCRC shall not be charged or pay sales tax. WCRC, as a Michigan municipal corporation, is exempt from sales tax as provided in PA 167 of 1933, as amended.

ETHICAL STANDARDS

WCRC employees shall not be financially interested, nor have any personal beneficial interest, directly or indirectly, in any contract or purchase order for supplies, materials, equipment used by or furnished to WCRC. No employee shall accept or receive directly or indirectly from any person, firm or corporation to whom any contract or purchase order may be awarded, by rebate, gift or otherwise, any money or other thing of value, nor any promise, obligation or contract for future reward or compensation. Advertising items bearing the name of a firm, person or entity such as pens, pencils and calendars, are not considered articles of value or gifts under this policy.