



MACOMB TOWNSHIP

*Purchasing Policy
&
Procedures*



Purchasing Policy

Purpose

- A. The purpose of this policy is to establish transparent and standard guidelines of the procurement function for the Township of Macomb in coordination with established governmental best practices.
- B. The policy shall ensure the best overall value for the Township in the acquisition of goods and services through competition among qualified vendors. Policy adherence shall result in financial accountability and efficient use of funds.
- C. The policy shall be utilized for every expenditure by Macomb Township regardless of the funding source.
- D. This policy provides the process for the efficient means of disposal of surplus real and personal property.

Authority

- A. The Macomb Township Board of Trustees (the Board) shall act as the Purchasing Agent of Macomb Township. The Clerk's office shall adopt any necessary rules and procedures respecting requisitions, purchase orders, claim vouchers, and any other purchasing or accounting process. The interpretation of the requirements contained herein and any revision to this policy shall be made by the Board.
- B. The Finance Department shall serve as the principal procurement administrator for the Township and shall be responsible for the execution of procurement in accordance with this policy, as well as the management and disposal of surplus property. The Finance Department shall work cooperatively with departments in making determinations relative to procurements. The Finance Department shall adopt any necessary rules and procedures with respect to procurement and shall ensure their consistent application.

Table of Contents

Chapter 1. Quick Reference Chart	3
Chapter 2. Small Purchases	4
2.1. Purchases Less Than \$3,000	
2.2. Purchases or Contracts Between \$3,000 - \$9,999	
Chapter 3. Competitive Purchases	5
3.1. Request for Quotation: \$10,000 - \$29,999	
3.2. Purchases or Contracts \$30,000 +	
3.2.A. All Purchases and Contracts \$ 30,000+	
3.2.B. Invitation for Bid (IFB): \$30,000 +	
3.2.C. Request for Proposal (RFP): \$30,000 +	
Chapter 4. Exceptions to Competitive Bid	10
4.1. Competitive Bid Exceptions	
4.2. Competitive Bid Exception Approval Requirements	
Chapter 5. Other Contract Types	13
5.1. Recreation Service Agreements	
5.2. Multi-Year Contracts	
5.3. Alternate Contracts	
5.4. Construction Contracts	
5.5. Leases	
Chapter 6. General Guidelines	16
6.1. Fund Availability	
6.2. Purchase Orders	
6.3. Contract Administration / Inspection of Materials	
6.4. Solicitation / Contract Clauses	
6.5. Right of Nondisclosure and Proprietary Information	
6.6. Record Retention	
6.7. Right to Protest	
Chapter 7. Disposal of Property	19
Chapter 8. Definitions	21

Chapter 1. Quick Reference Chart (2025-2026)

	Amount (\$) or Type	Condition for Use	Purchase Initiation Form	Written Quote	Sealed Bid or Proposal	Dept. Head Approval	Township Supervisor Approval	Board of Trustees Approval	Requisition & Purchase Order*
Small Purchases	\$0 - \$2,999					YES			
	\$3,000 - \$9,999					YES	YES		YES
Competitive Purchases	\$10,000 - \$29,999 Request for Quotation		YES	YES		YES	YES	YES	YES
	\$30,000 + Invitation For Bid (IFB)	When specifications or statement of work is well defined.	YES		YES	YES	YES	YES	YES
	\$30,000 + Request For Proposal (RFP)	When vendors are needed to develop or propose ideas or solutions to fulfill a need.	YES		YES	YES	YES	YES	YES
Exceptions to Competitive Purchases	Competitive Bid Exceptions	Per Chapter 4 of Purchasing Policy: Township best interest, long-standing relationship, special services, unique procurement, sole source procurement, cooperative procurement, contracted consulted procurement, education/training, travel**, utilities, procurements from government agencies.		YES ≥\$10,000		YES	YES ≥\$3,000**	YES ≥\$10,000	YES ≥\$3,000
	Emergency Procurement	When Township Supervisor directs as such.				YES	YES	YES ≥\$10,000	YES ≥\$3,000
	Pre-Approved Procurement Process	Presented to the Board annually for approval as requested by Departments.				YES	YES ≥\$3,000	YES ≥\$10,000	YES ≥\$3,000

Purchases may not be artificially divided such that lower levels of approval may be obtained.

*Purchase Requisitions and Purchase Orders may be created only after the required approvals have been obtained.

**Some travel purchases may also require Township Elected Official approval. See Travel Policy.

All Purchasing Policy dollar value thresholds established within this policy may be adjusted annually to reflect changes in the Consumer Price Index (CPI) or another recognized measure of inflation as determined by the Chief Financial Officer (or designee). Any such adjustments shall be calculated and documented annually and presented to the Board for consideration and approval.

Chapter 2. Small Purchases

Preface: Any purchase less than \$10,000 shall be considered a Small Purchase. Small Purchases do not require a written quote, sealed bid, or sealed proposal.

A. Required Approvals: All Small Purchases shall be approved by the Department Head.

Section 2.1. Purchases Less Than \$3,000

- A. Park & Recreation: The Park & Recreation department staff may make purchases through petty cash for items that are \$525 or less with the approval of the Department Head.
- B. Departments may make purchases of less than \$3,000 with the approval of the Department Head.
- C. Reference Procedure PP-2.1.

Section 2.2. Purchases or Contracts Between \$3,000 - \$9,999

- A. Additional Required Approvals & Documentation: Purchases and Contracts within this range shall also be approved by the Township Supervisor. These purchases require a Purchase Requisition and a Purchase Order.
- B. Reference Procedure PP-2.2.

Chapter 3. Competitive Purchases

Preface: Any purchase of \$10,000 or greater shall be considered a Competitive Purchase. A Competitive Purchase will require the use of a Request for Quotation (RFQ), Invitation for Bids (IFB), or Request for Proposals (RFP) with the exception of purchases as identified in Chapter 4 of this policy. Board approval is not required to issue an RFQ, IFB, or RFP; however, Board approval is required prior to entering into any commitments with vendors.

- A. **Required Approvals & Documentation:** All Competitive Purchases require a Purchase Initiation Form, a Purchase Requisition and a Purchase Order. Competitive Purchases shall be approved by the Department Head, the Township Supervisor, and the Board.
- B. **Specifications:** The solicitation for quotes, bids, and proposals shall include a clear and accurate description of the requirements of the goods or services to be procured. The description should not contain features that unduly restrict competition. The performance requirements of a solicitation may be described by stating “brand name or equivalent” to convey functionality without requiring the specific brand. The solicitation for proposals shall include the evaluation criteria.
- C. **Evaluation & Final Award:** All written quotes, bids, and proposals shall be technically evaluated and vendor responsibility shall be assessed. Each Request for Proposal shall have a unique set of evaluation criteria. No criteria may be used in proposal evaluations that are not set forth in the solicitation. Failure of a vendor to supply information in connection with an inquiry may result in a determination of non-responsive. A sourcing recommendation may be presented to the Township Board within sixty (60) days after Bid Opening or after Quotes are received. The Township Board reserves the right to accept or reject any and/or all quotes, bids, or proposals, to award the contract to other than the lowest bidder, to accept any or all alternates, to waive irregularities and/or informalities, and in general to make the award in any manner deemed by it, in its sole discretion, to be in the best interest of the Township. Quotes, bids, and proposals will be available to the public after an award is made.

Section 3.1. Request for Quotation (RFQ): \$10,000 - \$29,999

- A. **Additional Required Documentation:** A Request for Quotation from prospective vendors may be made in person, by telephone, by written communication, or through an e-procurement system; however, the vendor’s response must be written.
- B. **Quote Evaluation and Final Award:** Quote evaluation will normally be executed by the Purchasing Department with technical approval from the end-user. A purchase shall be made from the vendor whom the Board believes is competent and who quotes the lowest price while meeting specifications.
- C. **Reference Procedure PP-3.1.**

Section 3.2. Purchases or Contracts \$30,000 +

Preface: Purchases or Contracts that are \$30,000 or greater will require either a sealed Invitation for Bid (IFB) or a sealed Request for Proposal (RFP). The requirements below apply to both the IFB and the RFP. The IFB and RFP have additional unique requirements that shall be followed. The Conditions for Use statements will dictate when to use an IFB or RFP and the additional requirements for each are documented in Sections 3.2.B., and 3.2.C., respectively.

Section 3.2.A. All Purchases and Contracts \$ 30,000 +

- A. **Additional Required Documentation:** Sealed Bids/Proposals are required.
- B. **Solicitation Distribution, Posting and Acceptance:** Bids/proposals shall be solicited from a reasonable number of known, qualified, prospective vendors by distributing electronic and/or written notices and by making bid documents accessible through an e-procurement system. Solicitation postings shall remain open for a minimum of 14 calendar days prior to the date set for the Bid Opening. Bids/proposals shall be unconditionally accepted without alteration or correction.
- C. **Bid Opening:** Bids/proposals shall be opened publicly either at the Township Hall or virtually (when electronic bid submission is required) and at the time designated in the notice requesting the bid/proposal. Minimally, a representative from the Clerk's office and a representative from the using department shall be present during the Bid Opening. Reference Procedure PP-1.0 Bid Opening Process.
- D. **Correction or Withdrawal of Bid/Proposal:** Prior to Bid Opening, corrections or withdrawals of bids/proposals are permitted through written or e-mail notice to the initiating office. After award, if an awarded vendor alleges a mistake, the vendor must request in writing that the award be terminated or modified. The Board or designee may reject the request and hold the vendor to the awarded contract. The Board or designee may do otherwise when the mistake is alleged in writing and evidence of the mistake is clear and convincing. All decisions shall be documented through a written determination by the Board or designee.
- E. **Multi-Step Process:** When information needs to be collected prior to the creation of an IFB or RFP one of the 2 steps below may be followed:
 - 1. **Request for Information (RFI):** Use of a Request for Information (RFI) may be necessary prior to the creation of an IFB or RFP. The RFI is used in complex procurements where it is necessary to obtain information from known and qualified vendors such that several solutions can be identified, or technical information can be gathered. From the information obtained from the RFI, an IFB or RFP can be written.
 - 2. **Request for Qualifications (RFQu) or Prequalification:** Use of a Request for Qualification (RFQu) or a Prequalification process may be necessary when professional services or specialized services are needed.
 - a. **Professional Services may include:** accounting, actuaries, appraising, architectural, auditing, computer programming consultants (including business consultants),

developers, executive search firms, facilitators, information technology services, land surveying, legal, professional engineering, public relations, real estate brokers, recruiters, translators, urban planning, or any other professional service as determined by the Board

- b. **Special Services may include:** collection agencies, expenses tied directly to the issuance of debt, expenses tied directly to investment services, fee based occupational health services (not including biennial Fire Fighter medical exams), water rate analysis service and licensed trades such as mechanical contractors, electrical contractors, plumbing contractors, infrastructure contractors, and MDOT qualified contractors.
- c. To initiate an RFQu or a Prequalification process, specifications outlining the general scope of work, required skills, knowledge, and licenses/certifications for projects shall be identified. Qualified, eligible bidders for specialized services must be approved by an evaluation team who will determine which contractors meet prequalification standards. Prequalification will be based on a review of information supplied by prospective bidders which may include, but will not be limited to, such information as: a Financial Services Division of MDOT form with ratings, classifications, and prequalification expiration date, equipment list, information concerning involvement in litigation of any kind, history concerning violations of the Michigan Occupational Safety Health Act rules, etc. RFQu's or a Prequalification process may be used for the purpose of prequalifying firms for the issuance of IFB's or RFP's.

RFI's, RFQu's, and Prequalification processes are typically used for purchases and contracts \$30,000 and above and, therefore, the policies outlined in Chapter 3 of this policy shall be followed.

- F. **Bid Deposits and Bonds:** Unless prescribed by the Board, the amount of any security to be deposited with any bid shall be determined. The security deposit shall be in the form of certified or cashier's check or a bond written by a surety company authorized to do business in the State of Michigan. Unless fixed by the Board, the amount of any performance bond, maintenance bond, and, in the case of construction contracts, the amount of the labor and materials bond, to be required of the selected vendor, shall be determined. All bonds shall be submitted to the Finance Department within five (5) Macomb Township business days of the notice of award being posted on the e-procurement system. The contractor shall also file evidence of public liability insurance in an amount satisfactory to the Township Chief Financial Officer and agree to hold the Township harmless from loss or damage caused to any person or property by reason of the contractor's negligence.
- G. **Failure to Execute a Contract:** Security deposits shall be retained by the Township until a contract is awarded and signed by the selected vendor. If the selected vendor fails/refuses to enter into the proposed contract and/or fails to file a required bond within ten (10) Macomb Township business days after signing such contract, the deposit accompanying the

bid shall be forfeited to the Township. The Board shall then consider the interests of the public when determining to award the contract to a different qualified bidder or re-post the solicitation.

Section 3.2.B. Invitation for Bid (IFB): \$30,000 +

In addition to the requirements in the Chapter 3 Preface and in Section 3.2.A., the following procedures apply to sealed IFB's.

- A. Condition for Use: An Invitation for Bid (IFB) is issued when all specifications for goods and services are clearly defined, and cost is the determining factor in the sourcing decision.
- B. Specifications: The description may specify brand names and model numbers when it is essential to requirements.
- C. Bid Opening: The amount of each bid and the vendor name shall be recorded and revealed to the public. Reference Purchasing Policy PP-1.0 Bid Opening Process.
- D. Correction or Withdrawal of Bid: After Bid Opening, no changes to bid prices or content shall be permitted. In lieu of bid correction, a low bidder alleging a mistake may be permitted to withdraw a bid if the mistake is clear and convincing.
- E. Bid Evaluation and Final Award: Bid evaluation will normally be executed by the Purchasing Department with technical approval from the end-user. The opportunity to correct bid errors or alter pricing is not permitted. In the event that all bids exceed available funds, and the most competitive vendor does not exceed available funds by five (5) percent, the Township may negotiate an adjustment to the bid price and/or adjustment to solicitation requirements such that the revised bid will be within the amount of available funds. A purchase shall be made from the vendor whom the Board believes is competent and who submits the lowest price while meeting specifications.
- F. Reference Procedure PP-3.2.B.

Section 3.2.C. Request for Proposal (RFP): \$30,000 +

In addition to the requirements in the Chapter 3 Preface and in Section 3.2.A., the following procedures apply to sealed RFP's.

- A. Condition for Use: A Request for Proposal (RFP) is issued when there exists a complex need that is difficult to specify and the need may be expressed as a statement or scope of work to be done along with criteria to evaluate responses from potential vendors. Requirements for the RFP are not clearly known and are qualitative rather than quantitative. An RFP is used when supplier selection is being made based on a combination of non-price factors.
- B. Bid Opening: The amount of each proposal, the vendor name, and relevant information shall be recorded; however, only the vendor name must be revealed to the public. Reference Purchasing Policy PP-1.0 Bid Opening Process.

- C. Correction or Withdrawal of Proposal: Mistakes in proposals after bid opening and prior to award have little impact since discussions and corrections to proposals are permitted.
- D. Bid Evaluation & Final Award: Bid evaluation will be conducted by an Evaluation Team composed of the necessary department members. The Evaluation Team may conduct reviews with vendors to validate and clarify proposal content and pricing. The Evaluation Team may require corrections to content and pricing to correct inaccuracies or reflect modifications to solicitation requirements resulting from proposal discussions. The vendor that provides the best value proposal shall be awarded the business and the awarded vendor may not necessarily be the lowest price.
- E. Reference Procedure PP-3.2.C.

Chapter 4. Exceptions to Competitive Bid

Section 4.1. Competitive Bid Exceptions

Some procurements may be exempt from competitive bidding. Competitive bidding will not be regularly implemented when the Township Board determines that any of the following conditions exist:

- A. It is in the best interest of the Township including, but not limited to:
 - 1. Software renewal and maintenance update fees.
 - 2. Change orders, additions or extensions to existing contracts where the Township Board determines that such action is reasonably necessary to meet the principle objective of the original contract to be performed.
 - 3. Procurements that were competitively bid (without negotiated extension pricing) within 1 year where additional products or services are needed and the vendor agrees to provide the identical product or service per the original agreement including price.
 - 4. Renewals for insurance contracts including but not limited to Medical, Dental, Vision, Workers Compensation, Post-Employment Benefits or other contracts where establishing a stable record and maintaining a business relationship with an insurer results in preferential renewal rates.
- B. There exists a long-standing successful relationship for Professional Services and the knowledge gained through this relationship adds value integral to the services provided. Professional Services are defined as those services provided by a person, firm, or corporation which require specific technical training, expertise, certification, or licensure to perform, including but not limited to accounting, actuaries, appraising, architectural, auditing, computer programming, consultants (including business consultants), developers, executive search firms, facilitators, information technology services, land surveying, legal, professional engineering, public relations, real estate brokers, recruiters, translators, urban planning, or any other professional service as approved by the Board.
- C. There is a requirement for Special Services including but not limited to collection agencies, expenses tied directly to the issuance of debt, expenses tied directly to investment services, fee based occupational health services (not including biennial Fire Fighter medical exams), water rate analysis service, and licensed trades such as mechanical contractors, electrical contractors, plumbing contractors, infrastructure contractors, and MDOT qualified contractors.
- D. To address unique procurement situations which may include procurement for election materials that require compatibility with specific equipment or mailing requirements or banking lockbox services.

- E. Emergency Procurement: When an event occurs that is a threat to public health, maintenance of an essential Township service, welfare of persons or public property, or the security of the Township or its interests, the Township Supervisor, or in the Supervisor's absence, the Clerk or Treasurer, may authorize purchases. The emergency need not be officially declared. Failure to plan does not constitute an emergency.
- F. Sole Source Procurement: For purchases or contracts that the Department Head and the Board determine, after a good faith review of potential vendors, that there is only one vendor for the required product or service especially when the procurement is for a product that is a part of a system in which selection of an alternative brand would alter the ability of the using department to operate and/or maintain the system. Written proposals are required from vendors.
- G. Cooperative Procurement: For purchases or contracts for required products or services where there exists a competitively solicited cooperative bid agreement with an entity or governmental agency that is available for use or for purchases made in conjunction with another governmental unit. When applicable, an award will be made by complying with the terms of the stated cooperative contract. Written proposals are required from vendors. Below are some of the agencies through which cooperative contracts are available.
1. Sourcewell (Formerly NJPA) (Member #: 5167) www.sourcewell-mn.gov
 2. Omnia Partners (Member #: 2520073) www.omniapartners.com
 3. Oakland County cooperative purchasing program (No member number required.) www.oakgov.com/government/purchasing/g2g-marketplace/contracts/g2g-marketplace-contracts
 4. MITN Cooperative
 5. Michigan Department of Technology, Management and Budget (Member #: 890) <https://www.michigan.gov/dtmb/procurement/mideal-extended-purchasing-program>
 6. The Interlocal Purchasing System (TIPS) (Member #: 000 00186172) www.tips-usa.com
 7. Equalis Group (Member #: EG-0034161) www.equalisgroup.org
 8. HGACBuy (Member #: 12372) www.Hgacbuy.org
 9. Other governmental entities contracts offered as cooperatives
- H. Contracted Consultant Procurements: When there exists a Board approved service agreement with a consultant who possesses the qualifications necessary to perform a service, whether or not that service is specifically included in the consultant's service agreement, procurements are exempt from competitive bidding. All Contracted Consultant services shall be administered under the direction of a designated Township Project Manager, who shall be responsible for monitoring and controlling consultant costs. When a service is identified in the consultant's agreement as a time-and-material item, the Township Project Manager shall require the consultant to provide a written cost range or a written not-to-exceed amount prior to authorization. For services not expressly covered under the agreement, the Township Project Manager shall require the consultant to submit a written proposal, which shall include either a fixed fee or a not-to-exceed amount for the consultant services. The

subsequent project shall be awarded through competitive bidding in accordance with the Purchasing Policy.

- I. Training and Education Expenses including conference or convention registration fees, course or seminar or workshop tuition or registration fees, and membership fees and subscriptions.
- J. Travel Expenses including meals, accommodations, and transportation that cannot be competitively bid, must be approved based on the spending limits outlined in Purchasing Policy and in the Macomb Township Travel Expense Policy. Additionally, the Macomb Township Travel Expense Policy must be followed.
- K. Utilities, telecommunications, advertising, licenses, certificates.
- L. Goods or services provided by government agencies.

Section 4.2. Competitive Bid Exception Approval Requirements

- A. Required Approvals & Documentation: When exempt from competitive bidding, Department Head and Township Supervisor approval is required. Board approval is required for purchases and contracts of \$10,000 and greater. Written quotes are required for procurements of \$10,000 and greater (except Emergency Procurements). For Emergency Procurements, an explanation for the declaration of an emergency shall be presented to the Board at the next regularly scheduled meeting for procurements of \$10,000 and greater. Purchase Requisitions and Purchase Orders are required for all procurements of \$3,000 and greater. For all Contracted Consultant Procurements, the Chief Financial Officer shall receive from the Township Project Manager the Contracted Consultant fee for services. The fee for Contracted Consultant services shall be incorporated into the total project cost presented for Board Approval.
- B. Board Approval through the Pre-Approved Procurement Process: Board approval on procurements that are released from competitive bidding requirements for any of the reasons defined in the Exceptions to Competitive Bid section of the Purchasing Policy may be presented to the Board individually or through utilization of the Pre-Approved Procurement Process. When a Department would like to receive board approval to issue purchase orders for known budgeted products and services for the upcoming year, the procurement may be included on the Pre-Approved Procurement list. This may be done to increase Department staff efficiencies. A written recommendation containing the vendor, commodity, department, justification, existing/previous contract information and estimated annual expenditure shall be presented to the Township Board for approval.

On an annual basis, Purchasing will present a list of such procurements to the Board for approval. The list of procurements shall include the term or expiration date for each commodity that is being recommended for approval. Pre-Approved Procurements that exceed 10% of the estimated annual expenditure must be brought back to the Board for approval.

CHAPTER 5. Other Contract Types

Section 5.1. Recreation Service Agreements

- A. Contracts for services or instruction of a recreational nature, to be provided to members of the public, the entire cost of which is to be reimbursed to the Township by the members of the public who receive the services or instruction, shall be exempt from the requirements of this policy. Contracts in excess of \$30,000 shall follow Chapter 3 of this policy.
- B. Payments: Such contracts shall be phrased so that no payment is made to the contractor by the Township until after the Township has received payment from members of the public receiving the services or instruction.

Section 5.2. Multi-Year Contracts

- A. A contract for products or services may be entered into for any period of time deemed to be in the best interest of the Township provided the term of the contract and conditions of renewal or extension are included in the solicitation, and funds are available for the first fiscal period at the time of contracting.
- B. Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds therefor. Multi-year contracts may be used when there is a reasonable expectation of the continued need and the ability to appropriate funds for a product or service.
- C. Cancellation charges of a multi-year contract due to unavailability of funds in a subsequent fiscal period shall be specified in the contract.

Section 5.3. Alternate Contracts/Agreements

If a Purchase Order cannot be used or it is in the best interest of the Township to utilize a different type of contract or agreement, a copy of the alternate contract/agreement shall be submitted to the designated Township legal counsel for an opinion. If an alternate contract/agreement is accepted, a copy of the agreement and the legal opinion shall be filed in the Contract/Purchasing section of Laserfiche.

Section 5.4. Construction Contracts

Construction projects may have unknown variables with respect to site conditions. The clauses below are permissible for inclusion into solicitations and contracts since they lay the groundwork for how issues will be managed if and when they are encountered on the jobsite. A differing site condition is constituted as a condition that is encountered that differs from what was in the contract or from what would normally be expected. Some examples of a differing site condition may include: rocks where soft soil was presumed, buried debris, unexpected utility lines, a higher than anticipated water table under the job site, etc. The purpose of a differing site condition clause is to allocate risk, mitigate disputes, and receive more competitive bids from vendors as a result. Contractors should be instructed to perform their own site investigation prior to submitting a bid. If a differing site condition is encountered, contractors must contact the Township immediately.

- A. Conditions Different from Contract: The contract may specify that, if the contractor gives timely notice of differing site conditions with adequate substantiated proof, then an equitable adjustment can be made to the contract price. In order to prove a claim successfully, the contractor must illustrate how:
 - 1. The contract documents describe certain site conditions;
 - 2. The description was reasonably relied on to price and schedule work;
 - 3. Actual site conditions were different from those described in the solicitation documents; and,
 - 4. The difference in conditions increase the cost and/or the time required to perform the contract work.
- B. Conditions Different from Normal Expectations: When site conditions differ significantly from conditions that are “normally encountered,” the vendor must establish:
 - 1. What conditions are recognized as “known” or “usual physical conditions” at the site;
 - 2. What physical conditions were actually encountered;
 - 3. The actual conditions differed materially from the known or usual conditions; and
 - 4. The actual conditions impacted the cost and/or time to perform the contract.
- C. Price Adjustments: When a claim of a differing site condition is submitted by a contractor, the Township must determine if the condition is reasonable or foreseeable. The Township must consider if a rational, experienced, prudent, and intelligent contractor in the same field would have discovered or should have reasonably assumed the site condition variable when submitting their bid. In determining the legitimacy of the contractor claim, the Township should consider what information was available to the contractor, whether the contractor took reasonable steps to investigate the site conditions, and whether the contractor made reasonable assumptions in their bid. Agreements in adjustments to price may be in the form of a fixed price adjustment attributable to the event/situation or a unit price adjustment if applicable. A contractor shall be required to submit cost or pricing data of any adjustment and the proposed price adjustment is subject to the provisions of this policy.

- D. Additional Contact Clauses: Township construction contracts may include the following clauses as necessary. Township Legal counsel shall be obtained in developing project specific language to provide for appropriate remedies for:
1. Liquidated Damages – Damages whose amount the parties designate during the formation of a contract for the injured party to collect as compensation upon a specific breach such as late performance.
 2. Termination for Default – The complete or partial termination of a contract because of a contractor’s actual or anticipated failure to meet its contractual obligations.
 3. Termination of Contract – Termination in whole or in part for the convenience of the Township.

Section 5.5. Lease and Lease Purchase

Departments may consider the possibility of leasing equipment as an alternative to purchasing. All leases must be approved by and signed by the Township Supervisor along with Township Board approval if applicable. Equipment obtained through a lease is subject to the same competitive procurement standards as a purchase.

Chapter 6. General Guidelines

Section 6.1. Fund Availability

- A. The Chief Financial Officer, or designee, shall certify that sufficient funds will be available for payment of a Purchase Order, contract or other agreement for purchases of \$3,000 and greater.
- B. In the case of a purchase order, contract, or other agreement that requires periodic payments in future fiscal years for the furnishing of a continuing service or the leasing of property, such certification need not cover those payments which will be due in future fiscal years. This exception shall not apply to a contract for purchase of construction being financed by an installment contract.

Section 6.2 Purchase Orders

A purchase order is a written document to a vendor formalizing a proposed transaction, such as a description of the requested items, and cost of items being purchased. Macomb Township utilizes two types of purchase orders: Regular and Blanket.

- A. Regular Purchase Order: A Regular Purchase Order is issued for the purchase of goods or services that are non-reoccurring.
- B. Blanket Purchase Order: A Blanket Purchase Order is issued for the purchase of goods or services that will be used over a period of time for reoccurring purchases. Blanket Purchase Orders that are for more than one fiscal year must be re-entered at the beginning of each new contract fiscal year.
- C. Regular Purchase Order Changes: When a change to a purchase order is necessary and the change is in excess of \$50, a “Change Order” must be processed by the Finance Department. The “Change Order” will go through the approval routing process and create a separate record of the transaction. To process a change over \$50, the department shall:
 - 1. shall stamp the vendor invoice and complete the information requested,
 - 2. write, “Change Order Required” and include an explanation for the acceptable difference, and,
 - 3. forward the invoice with a copy of the Purchase Order to the Finance Department.
- D. Blanket Purchase Order Changes: Amounts of Blanket Purchase Orders may not be adjusted during the current contract term unless provisions for price adjustments were comprehended at the time of award. Amount adjustments to future fiscal contract years may be processed provided such an agreement can be reached by the Department and the vendor.

Section 6.3. Contract Administration & Inspection of Materials

- A. The contract administrator is the Department Head of the using department, or department head designee. The Contract Administrator is the primary Township contact for notices and instructions related to the contract and all communication with the Contractor.
- B. Purchases of Contract Items: Contract purchases must follow procedures established for the individual contract (i.e., office supplies).
- C. The responsibility for the inspection and acceptance of all materials, supplies, and equipment shall rest with the using department.

Section 6.4. Solicitations / Contract Clauses

The solicitation shall include all the terms that will be a part of the contract. The inclusion of the following terms/contract clauses into Township solicitations and contracts is permissible, as required, to address adjustments in prices, time of performance, or other provisions that may occur after a contract is issued:

- A. The unilateral right of the Township to make changes to work that are within the scope of the contract;
- B. The unilateral right of the Township to make changes in the time of performance of the contract that do not alter the scope of the contract;
- C. The unilateral right of the Township to make variations to the quantity of work.
- D. The unilateral right of the Township to suspend work.

Section 6.5. Right of Nondisclosure and Proprietary Information

Information furnished by a vendor is subject to disclosure under Michigan's Freedom of Information Act (FOIA), Public Act 442 of 1976. In order for information to remain confidential, a written request of confidentiality must be submitted to the Board and approved prior to the due date of the solicitation. When submitting proprietary information, it is the vendor's responsibility to provide the documents in a separate sealed envelope marked "Proprietary Information." This packet will be opened during the evaluation phase and not at bid opening. The proprietary packet could be subject to a FOIA request if it does not meet the FOIA Exemption 4 requirements.

Section 6.6. Record Retention

At a minimum, all records shall be kept in compliance with the State of Michigan's written retention schedule. If purchases are not based on comparative bids, a statement to justify deviation from the policy must be electronically attached to the Purchase Order. Such records and statements shall be made available for public inspection in compliance with the Michigan Freedom of Information Act.

Section 6.7. Right to Protest

Written protests regarding a solicitation or an award may be submitted to the Chief Financial Officer. Protests must contain the company name address, phone number, solicitation number, detailed statement describing the grounds for the protest and supporting evidence or documents to substantiate the claim. Protests must be submitted seven (7) calendar days after bid opening and not later than fourteen (14) days after award. The Chief Financial Officer will review the information provided and issue a written decision within 30 days of receipt of the protest.

Chapter 7. Disposal of Property

Whenever any Township property, real or personal, is no longer needed for township or public purposes, the property may be offered for sale in accordance with this provision, except where the property is restricted by law.

A. Authority to Dispose of Surplus Property

1. The Board or designee is authorized to sell property not exceeding \$25,000 in value.
2. Property with a value in excess of \$25,000 may be sold after approval of the sale has been given by the Board. The Board may require the property to be advertised at their discretion.
3. The Board or designee is authorized to dispose of multiple items of surplus property in one transaction or event if such disposition is in the best interest of the Township.
4. Surplus property with an estimated value of under \$1,000 may be disposed of in the most expedient manner possible if deemed in the best interest of the Township. Disposal may be executed by selling, donating, or discarding the surplus property with the approval of a minimum of two (2) full-time elected officials and the Chief Financial Officer but without Board of Trustee approval or public notice. Reference Procedure PP-7.A.4.

B. Methods for Disposal of Surplus Property: Once authority is granted, Department Heads in cooperation with the Board shall dispose of surplus property in a manner that is open and accessible to the public while providing the best value to the Township. All offerings of surplus property will have a notice of the sale posted on the Township website. When an electronic/online bid site is not utilized, all quotes/bids are to be received sealed, delivered to the Clerk's office and opened in the Township Hall. Minimally, once representatives from the Clerks office and the discarding department are present, the duties of opening, reading and recording bids shall be delegated by the Clerk to those township representatives in attendance at the opening. The preferred method for disposing of surplus property is to list it on an electronic/online bidding platform, such as GovDeals, Public Surplus, or another agency with an awarded cooperative contract. Other acceptable methods to dispose of surplus property which may be utilized, include, but are not limited to: (1.) Receiving quotations or competitive bids; (2.) Public auction; and (3.) Hiring a broker or auctioneer to market the surplus property.

C. Unsold Surplus Property: If property remains unsold after reasonable attempts to obtain cash for the item, it may be donated, discarded or sold using any other alternate method. Surplus property that exceeds \$10,000 in value that is offered for sale using an alternate method may not be sold for less than the reserve price established for the surplus property when previously advertised to the public on the Township website.

D. Records: Records regarding the disposition of the property are to be on file in Purchasing.

E. Real Property: Real Property is real estate and buildings owned by the Township. All Board of Trustee members shall, on behalf of the constituents, have the right and the responsibility

to thoroughly review all information relating to real property prior to any decision regarding its sale. Township Real Property:

1. Should not be sold when facts have been established that support prohibiting such sales;
2. Should not be sold when there have been no facts established that support consummating such sales;
3. May be sold when full fact finding, with transparency to the Board and the public, demonstrates a compelling need to do so.

Chapter 8. Definitions

Bid: The response submitted by a vendor to an Invitation for Bids (IFB).

Competitive Procurement: A transparent process in which quotes, bids, or proposals from competing vendors are solicited to obtain goods and services at the lowest price. Any procurement of \$10,000 or more shall be a competitive procurement.

Informalities and Irregularities: A quote/bid/proposal which contains minor defects or variations from the exact requirements of the solicitation that do not affect price or other mandatory requirements.

Material Change: A major variance, change, deviation, or substitution to specifications that gives one potential vendor a substantial advantage or benefit not enjoyed by all other potential vendors or that gives the purchaser something significantly different from what was specified.

Non-responsible: A contractor, business entity, or individual that responds to a solicitation that does not have the ability or capability to fully perform the requirements of the solicitation. A business entity or individual who does not possess the integrity and reliability to assure contractual performance.

Non-responsive: A response to a solicitation that does not conform to the mandatory or essential requirements contained in the solicitation.

Proposal: An offer to provide goods or services in response to a Request for Proposals (RFP) distributed by a public agency.

Purchasing Agent: The person(s) authorized to implement policy governing the procurement, management, control, and disposal of all supplies, services, and construction obtained on behalf of an entity.

Quid Pro Quo: A Latin phrase meaning, what for what or something for something. An equal exchange or substitution. Used to describe a negotiation technique where two or more parties agree to give something to receive something in return.

Quote: A purchasing process which solicits pricing information from several vendors.

Request for Information (RFI): A non-binding method whereby a jurisdiction publishes its need for input from interested parties for an upcoming solicitation. A procurement practice used to obtain comments, feedback, or reactions from potential responders (vendors, contractors) prior to the issuing of a solicitation. Generally, price or cost is not required. Feedback may include best practices, industry standards, technology issues, etc.

Request for Proposal (RFP): The document used to solicit proposals from potential vendors for goods and services. Price is usually not a primary evaluation factor. Provides for the negotiation of all terms, including price, prior to contract award. May include a provision for the negotiation of best and final offers. May be a single-step or multi-step process.

Request for Qualifications (RFQu): A document, which is issued by a procurement entity to obtain statements of the qualifications of potential vendors to gauge potential competition in the marketplace, prior to issuing the solicitation.

Request for Quotation: Purchasing method generally used for orders under a certain dollar threshold, such as \$30,000. A request is sent to vendors along with a description of the commodity or services needed and the vendor is asked to respond with price and other information by a predetermined date. Evaluation and recommendation for award should be based on the quotation that best meets price, quality, delivery, service, past performance, and reliability.

Responsible (Vendor): A contractor, business entity or individual that possesses the full capability to perform as required as measured by cost, financial stability, performance, capacity, staffing, experience, and any other criteria applicable to the solicitation.

Sealed Bid: A formal, firm and unconditional offer from a vendor submitted in response to an Invitation for Bids (IFB). It is submitted in a sealed envelope to prevent its contents from being revealed before the time and date set for the bid opening.

Sealed Proposal: A formal submission from a vendor submitted in response to a Request for Proposal (RFP). It is submitted in a sealed envelope to prevent its contents from being revealed before the time and date set for the bid opening.

Small Purchase: Any procurement not exceeding \$10,000.

Solicitation: A Request for Quotation, Invitation for Bids, a Request for Proposals, telephone calls, or any document used to obtain quotes, bids, or proposals for the purpose of entering into a contract.

Surety: A pledge or guarantee by an insurance company, bank, individual, or corporation on behalf of the vendor that protects against default or failure of the contracted vendor to satisfy the contractual obligations.

Technical Evaluation: The organized process in which a vendor's quote, bid, or proposal are evaluated, scored, and ranked through an assessment of technical parameters, quality, and workmanship. Technical evaluations will determine if the intent of the solicitation will be satisfied.



MACOMB TOWNSHIP

Purchasing Procedure

PP-1.0

Bid Opening Process

The following procedure will be followed in conjunction with the Purchasing Policy. The Bid Opening may be either a physical in person bid opening or virtual bid opening. A physical in person bid opening will occur whenever physical bid submissions are required and a virtual bid opening will occur whenever electronic bid submissions are required. Bid Opening specifics (i.e., physical/virtual, date, time, participants, etc.) will be determined when the Purchase Initiation form is completed.

Physical Bid Opening Process

- A. Physical Bid Openings will take place in the Townhall Board Room.
- B. A Bid Tabulation Form must be created by the Purchasing Department prior to the Bid Opening. (See attached sample.) The bid tabulation form must include all relevant information that may impact price (options or quantities). The Bid Tabulation form shall minimally include:
 1. The Bid Number and Name
 2. The date and time of the Bid Opening
 3. The name of each vendor.
 4. Value of bid.
 5. Other pertinent bid and vendor information.
- C. The Bid Tabulation Form and sufficient blank copies shall be brought to the bid opening with the stamped, sealed bids/proposals and provided to township staff attending the opening.
- D. Stamped, sealed bids/proposals shall be carried to the opening location by a representative of the Township Clerk's office or the Purchasing Department at the date and time specified in the IFB/RFP. These are the only documents that may be used for the Bid Opening. Proprietary information shall not be opened during Bid Opening. The door to the opening location shall remain open at all times during the sealed bid/proposal opening.
- E. Vendors / Township Staff / Others in Attendance: Any person who wishes to attend the bid opening shall be permitted. People in attendance shall sign into the bid opening by listing their name and company name on a Sign-In-Sheet. A sample sign-in sheet is attached.

- F. Minimally, once representatives from the Clerks office and the using department are present, the duties of opening, reading and recording bids/proposals shall be delegated by the Clerk to those township representatives in attendance at the opening.

Bid Tabulation

- G. As the bids are opened, the fields on the bid tabulation form shall be filled in by hand with the requested information by the designated Township employee. For RFP's, only the vendor name must be disclosed.
- H. Public Inspection: The Bid Tabulation Form shall be available for public inspection at the bid opening. A public request to review a bid at the bid opening may be granted or the requestor may be directed to submit a FOIA request. If permission is granted to review a bid, a township representative shall supervise to ensure that there is no tampering with bid documents.
- I. Formalization of Bid Tabulation and Documents: After the Bid Opening, the Finance department will post a formal version of the bid tabulation on MITN. The Clerk's Office will post an electronic copy of the Bid Opening Tabulation form and the vendor bid submissions on LaserFiche. When the electronic copy is completed all bid information becomes available to the using department for review.

Sample Bid Tabulation Form

BID TABULATION FOR:

Bid #: _____

Bid Name: _____

Bid Opening Date: _____

	Vendor Name	Signature Page	Addenda Acknowledged	Bid Bond	Bid Amount
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					

Virtual Bid Opening Process

- A. Virtual Bid Openings will take place utilizing an electronic communication platform.
- B. A Bid Tabulation Form must be created by the Purchasing Department prior to the Bid Opening. (See sample above.) The bid tabulation form must include all relevant information that may impact price (options or quantities). The Bid Tabulation form shall minimally include:
 - 1. The Bid Number and Name
 - 2. The date and time of the Bid Opening
 - 3. The name of each vendor.
 - 4. Value of Bid.
 - 5. Other pertinent bid and vendor information.
- C. Minimally, the Purchasing Department, CFO, or designee, and a representative from the using department should be present.
- D. The Purchasing Department shall read aloud the bidder's name and bid amount as entered into the e-procurement system by the bidder. The CFO or designee will provide verbal confirmation of the information read aloud.
- E. Formalization of Bid Tabulation and Documents: After the Bid Opening, the Purchasing Department will post a formal version of the bid tabulation on the e-procurement system. The Clerk's Office will post an electronic copy of the Bid Opening Tabulation form and the vendor bid submission on LaserFiche.



MACOMB TOWNSHIP

Purchasing Procedure

PP-1.1

Evaluation Criteria and Scoring

The following procedure will be followed in conjunction with the Purchasing Policy.

Development of Evaluation Criteria

Before issuing a solicitation for a Request for Proposals, establish criteria by which the resulting proposals will be evaluated. Criteria are established to evaluate the responses, select the best value offer, and ensure transparency and fairness. Evaluation criteria are based on the Scope of Work and are developed when the solicitation is being written.

A. Evaluation Criteria Examples

1. Qualifications and experience of organization and personnel
 - a. How long has the vendor been in business?
 - b. Does the vendor have sufficient resources, capacity, and staff?
2. Past performance with work that is similar in scale and scope
 - a. Can the vendor provide references for similar current/past work?
 - b. Does the vendor have a proven track record in the type of work needed?
 - c. Has the vendor been terminated from a contract or project in the last 5 years?
3. Technical/functional requirements
 - a. Does the response include a detailed description of how the solicitation requirements will be satisfied?
 - b. To what degree does the response meet solicitation requirements?
4. Written Proposal/Response
 - a. Is the response comprehensive of all the solicitation requirements?
 - b. Does the response demonstrate a clear understanding of the solicitation requirements?
5. Economic and financial condition of vendor
 - a. Can the entity meet bond requirements?
6. Quality of goods and services.
7. Cost of goods and services.

B. Importance of Each Evaluation Criteria

Once the evaluation criteria have been established, assign a percentage weight to reflect the relative importance of each item. The percentage weight of each evaluation criteria should total 100% when added together.

Evaluator Scoring Guide

Each proposal will be evaluated using the established evaluation criteria and the associated percentage weight of each. Compliance with each requirement will be assessed as a point score on a scale from 1-5. Criteria will be scored as defined below:

Score	Quality of Response	Description
5	Excellent	The proposal addresses the requirements completely, exhibits outstanding knowledge, creativity, innovation or other factors to justify this rating.
4	Very Good	The proposal addresses requirements completely and addresses some elements of the requirements in an outstanding manner.
3	Average	The proposal addresses most elements of the requirements.
2	Fair	The proposal meets some of the requirements.
1	Poor	The proposal meets a few or none of the requirements.

The final score will be calculated to reflect the weight assigned to each criteria.

Scoring Cost: Cost must be one of the evaluation criteria, so the dollar amount must be converted into a score. This will be completed by the Purchasing Department. Cost means the total cost of ownership over the life of the purchase. The ratio method is the most common method of scoring cost. With this method, the proposal with the lowest cost receives the maximum points allowed. All other proposals receive a percentage of the points available based on their cost relationship to the lowest. This is determined by applying the following formula:

$$\frac{\text{Lowest Cost}}{\text{Cost being evaluated}} \times 5 \text{ (maximum point value)} = \text{Awarded Cost Score}$$

Proposal Scoring Summary

Evaluator Score Sheets shall be submitted to the Purchasing Department for consolidation of scores and the supporting comments. The summary is to be used by the evaluation team for vendor selection.

Sample Evaluator Score Sheet

Evaluator Score Sheet (Use 1 sheet per bid being evaluated)

RFP: xx-xxx Request for Proposals for xxxxxxxx

Evaluator Name: _____

Bidder Name: _____

	Comments / Questions / Reason for Score	Score
A. Qualifications & Experience of the Firm		
B. Equipment		
C. Project Approach		
D. Cost	Scored by Purchasing using Policy Formula: Score = Lowest Cost / Cost Being Evaluated x 5	

Sample Consolidated Score Sheet

Bid Number: _____ Bid Name: _____

Vendor Name: _____

	Comments	Eval. #1	Eval. #2	Eval. #3	Average Score	Weight %	Average Weight Score
A. Qualifications & Experience of the Firm	* Proposal evaluator comment. * Proposal evaluator comment.	5	5	5	5	25	1.25
B. Equipment	* Proposal evaluator comment. * Proposal evaluator comment.	5	5	5	5	30	1.50
C. Project Approach	* Proposal evaluator comment. * Proposal evaluator comment. * Proposal evaluator comment. * Proposal evaluator comment. * Proposal evaluator comment.	5	5	5	5	25	1.25
D. Cost	* Proposal evaluator comment. * Proposal evaluator comment. * Proposal evaluator comment. * Proposal evaluator comment.	5	5	5	5	20	1.00

Total Weighted Score (Sum of Weighted Scores) 5.00

Weighted Score as a Percentage ($\div 5 \times 100$) **100.00%**

Purchases Less Than \$3,000

- A. Vendor Invoices: Once a purchase for less than \$3,000 has been made and an invoice is received, stamp the invoice with the stamp shown and enter the requested information. The stamp should be signed by the Department Head in the "Approved By:" section. The stamp may be obtained from the Finance Department. The invoices shall then be routed to the Finance Department in a timely manner such that payment to the vendor can be made.
- B. Vendor Request for Purchase Order: If a purchase order is requested by a vendor, a requisition can be created through the integrated financial software. When the requisition is created, a Requisition number is generated. This number will ultimately become the Purchase Order number and can be provided to the vendor verbally. The requisition will route through the approval process and the final purchase order will be generated. Once generated, the purchase order will be given to the department where it can be held, faxed, or mailed to the vendor.



MACOMB TOWNSHIP

Purchasing Procedure

PP-2.2

Purchasing Policy - Chapter 2. Small Purchases

Section 2.2. Purchases Between \$3,000 - \$9,999

All purchases between \$3,000 - \$9,999 will be subject to the following procedures and shall be followed in conjunction with the Purchasing Policy.

Purchases or Contracts Between \$3,000 - \$9,999

- A. Once a purchase price has been determined to be within this range and a vendor has been selected, create a Purchase Requisition in the integrated financial software system. The integrated financial software system electronically submits the Purchase Requisition to the Department Head and then Township Supervisor approval.
- B. Once the Purchase Requisition has been approved, a Purchase Order will be generated automatically and sent to the originator via email.
- C. The Purchase Order is authorization for a vendor to proceed with the order. It is up to the using department to forward a copy of the Purchase Order to the awarded vendor.
- D. When the vendor provides the goods/services, it is the responsibility of the using department to accept and inspect all materials, supplies, or equipment. (Packing slips/shippers may be retained or disposed of by the using department.)
- E. Once the Finance Department receives a copy of the invoice, it will be routed to the using department for approval to issue payment.
- F. If the vendor has not fulfilled the obligations as requested by the Purchase Order, the using department has the responsibility to resolve issues directly with the vendor. Once the vendor has met all obligations of the Purchase Order, the invoice may be approved for payment by the using department using the following process:
 - 1. Stamp the invoice using the stamp shown which may be obtained from the Finance Department.
 - 2. Enter the requested information on the stamp.
 - 3. The Department Head shall sign the stamp in the "Approved By:" section.
 - 4. Route the stamped invoice to the Finance Department such that payment can be made to the vendor.

<input type="checkbox"/> Entered
Vendor # _____
Account # _____
Date: _____
Approved By: _____
Reason: _____

PP-3.0 PURCHASE INITIATION FORM

Name of Requestor: _____

Project/Procurement Name: _____

Estimated Value: \$ _____

Project Timing:

Required Delivery Date: _____

Planned Board Meeting Date for Award: _____

Time Needed for Oral Interviews _____

Time Needed for Bid Evaluation? _____

Bid Due Date: _____ Townhall Virtual

Deadline for Submitting Queries: _____

Pre-Submittal Meeting? No Yes

Mandatory? No Yes

Pre-Submittal Meeting Location: _____

Bid Posting Date: _____

Delivery Address: _____

Scope of Work: Provide a description or include a separate attachment to describe the product or service to be acquired.

Qualifications of Bidders and/or Bid Response Requirements: (Detail any specific items that bidders must provide in their responses or any specific qualifications that a bidder must have i.e., Licensing, Bonding, Years of Experience, etc.)

Vendor References Required: No Yes

PO Type:

One Time Purchase

Multi-Year Contract

Start Date _____

Number of Years _____

Start Date _____

End Date _____

Option To Renew For Additional Periods: Yes No

How Many Renewal Periods _____

Length of Renew Periods _____

Award: All or Nothing

May award by line item

Risk Management:

Bonding Requirements: Yes No

Will bidder be performing work on Macomb Township Property? Yes No

Are background checks required for bidder's staff? Yes No

Complete this section below for Request for Proposals only:

Evaluation Criteria: (See PP-1.1 for developing criteria/procedure)

What are the elements of a bidder's proposal that must be evaluated and rank importance of each item listed (i.e., Cost/pricing, Written Proposal, Technical/Functional Requirements, Experience/Qualifications, References/Past Performance, etc.).

Evaluation Team Members (Identify a minimum of 3 individuals to be involved in proposal evaluation and oral interviews.)



MACOMB TOWNSHIP

Purchasing Procedure

PP-3.1

Purchasing Policy - Chapter 3. Competitive Purchases ***Section 3.1 Request for Quotation (RFQ): \$10,000 - \$29,999***

The following procedure will be observed when a department is preparing to initiate a Request for Quotation for purchases between \$10,000 - \$29,999 and shall be followed in conjunction with Chapter 3 of the Purchasing Policy.

Purchases or Contracts Between \$10,000 - \$29,999

Obtain Quotations:

- A. The using department shall complete a Purchase Initiation form. Reference Procedure PP-3.0 for the form. This form should be electronically filled out, saved, and e-mailed to the Purchasing Department.
- B. The Purchasing Department will use the Purchase Initiation form to create and issue the Request for Quotation. An e-procurement system shall be used whenever possible; however, quotations may be solicited in person, by telephone, or by written communication.
- C. The vendor quotes shall be evaluated by the Purchasing Department and/or using department. The using department must participate in the selection of the vendor.
- D. The using department presents a vendor recommendation to the Board for award/approval.

Generate Purchase Order:

- E. Once a vendor has been Board approved, the using department shall create a Purchase Requisition in the integrated financial software system. If the lowest quotation is not recommended for award, the "Internal Notes" shall indicate the reason(s) for the disqualification. Insert the date of the Board of Trustees meeting when the purchase was approved as the Board Approval date in the integrated financial software system.
- F. Once the Purchase Requisition is created, the integrated financial software system electronically routes the requisition to the Department Head and then Township Supervisor for approval. In the event that a Purchase Requisition is rejected, the originator must provide any additional information if necessary.
- G. Once the Purchase Requisition has been approved, a Purchase Order will be generated and automatically sent to the originator via email.

- H. The Purchase Order is authorization for a vendor to proceed with the order. It is up to the using department to forward a copy of the Purchase Order to the awarded vendor.
- I. If an e-procurement system was used, the Purchasing Department will update the award information on that system.

Approve Vendor Payment:

- J. When the vendor provides the goods/services requested by the Purchase Order, it is the responsibility of the using department to accept and inspect all materials, supplies, or equipment. (Packing slips/shippers may be retained or disposed of by the using department.)
- K. Once the Finance Department receives a copy of the invoice, it will be routed to the using department for approval.
- L. If the vendor has not fulfilled the obligations as requested by the Purchase Order, the using department has the responsibility to resolve issues directly with the vendor. Once the vendor has met all obligations of the Purchase Order, the invoice may be submitted for payment using the following process:
 1. Stamp the invoice using the stamp shown which may be obtained from the Finance Department.
 2. Enter the requested information on the stamp.
 3. The Department Head shall sign the stamp in the "Approved By:" section.
 4. Route the stamped invoice to the Finance Department such that payment can be made to the vendor.

<input type="checkbox"/> Entered
Vendor # _____
Account # _____
Date: _____
Approved By: _____
Reason: _____



MACOMB TOWNSHIP

Purchasing Procedure

PP-3.2.B

Purchasing Policy - Chapter 3. Competitive Purchases

Section 3.2.B Invitation for Bid (IFB): \$30,000 +

The following procedure will be observed when a department is preparing to initiate an Invitation for Bid to obtain goods or services \$30,000 or above and shall be followed in conjunction with Chapter 3 of the Purchasing Policy.

Invitation for Bid (IFB): \$30,000 +

Preparing the Bid Package:

- A. The using department must complete the Purchase Initiation form.
- B. The Purchasing Department will use the Purchase Initiation form to create the formal solicitation package for approval by the using department. Once approved by the using department, the Purchasing Department will enter the solicitation into the e-procurement system and distribute as directed on the Purchase Initiation form.
- C. A determination will be made relative to the format of bid responses. Bid responses may be either physical or electronic as agreed upon by the Purchasing Department and the using department.

Receiving Physical Sealed Bids:

- D. Stamping Bids: All physical bid submissions must be submitted to the Clerk's office where they will be immediately date/time-stamped and placed in the designated bid repository. The township employee in the Clerk's office who receives the bid must initial the envelope near the date/time-stamp before placing the bid into the designated repository. Once a bid is submitted to the Clerk's office, it may NOT be returned to the vendor. It is the property of Macomb Township. Prior to the bid due date, a vendor may submit another sealed bid marked "Revised" along with an explanation letter concerning the previous bid(s) if the vendor has determined that a mistake has been made.
- E. Hand Delivered Bids: When a bid is hand delivered by a vendor without proper identification, request that the vendor record on the envelope the bid number, bid name, and closing date of the bid.
- F. Mailed/Delivery Service Bids: When it is impossible to determine the presence and/or identity of a bid inside a sealed envelope, open the envelope for identification purposes only.

Immediately note the bid name, number, and closing date on the outside of the envelope. Note on the envelope that it was an “unmarked bid” and that it was “opened for identification purposes,” then initial the note and reseal the bid with tape.

- G. Bids Submitted After the Due Date: After the IFB due date and time has passed, hand delivered bids shall be refused. All other bids that are delivered late shall be date/time stamped, the envelope photocopied, and returned unopened via the USPS with a rejection letter. The photocopy of the sealed envelope and the rejection letter shall be retained in the bid file.
- H. Bid Withdrawal Prior to Bid Opening: Prior to Bid Opening, a vendor may withdrawal a bid by giving written notice to the Purchasing Department.
- I. When a vendor formally submits a correspondence indicating that they decline to quote, the correspondence shall be kept in the bid file.

Bid Opening, Evaluation, and Award:

- J. On the Bid Opening date, follow the Bid Opening Procedure PP-1.0.
- K. After Bid Opening, no changes in bid prices or other provisions of bids shall be permitted, except as detailed below under Mistakes, Withdrawals, and Corrections to Bids After Bid Opening.
- L. The bids are to be evaluated and an awarded vendor selected by the Purchasing Department with technical approval by the using department.
- M. The Purchasing Department shall issue a confirmation of process memo which will be attached to the Agenda documents for the Board meeting. The using Department shall attend the Board meeting to present the vendor selection and answer any questions.
- N. Once a vendor has been Board approved, the using department shall create a Purchase Requisition in the integrated financial software system. If the lowest bid was not recommended for award, the “Internal Notes” shall indicate the reason(s) for the disqualification. Insert the date of the Board of Trustees meeting when the purchase was approved as the Board Approval date in the integrated financial software system.
- O. Once the Purchase Requisition is created, the integrated financial software system electronically routes the requisition to the Department Head and then Township Supervisor for approval.
- P. Once the Purchase Requisition has been approved, a Purchase Order will be generated and automatically sent to the originator via email.
- Q. The Purchase Order is authorization for a vendor to proceed with the order. It is up to the using department to forward a copy of the Purchase Order to the awarded vendor.
- R. The Purchasing Department will update the award information on the e-procurement system.

Approve Vendor Payment:

- S. When the vendor provides the goods/services requested by the Purchase Order, it is the responsibility of the using department to accept and inspect all materials, supplies, or equipment. (Packing slips/shippers may be retained or disposed of by the using department.)

- T. Once the Finance Department receives a copy of the invoice, it will be routed to the using department for approval.
- U. If the vendor has not fulfilled the obligations as requested by the Purchase Order, the using department has the responsibility to resolve issues directly with the vendor. Once the vendor has met all obligations of the Purchase Order, the invoice may be submitted for payment using the following process:
 1. Stamp the invoice using the stamp shown which may be obtained from the Finance Department.
 2. Enter the requested information on the stamp.
 3. The Department Head shall sign the stamp in the "Approved By:" section.
 4. Route the stamped invoice to the Finance Department such that payment can be made to the vendor.

<input type="checkbox"/> Entered
Vendor # _____
Account # _____
Date: _____
Approved By: _____
Reason: _____

Mistakes, Withdrawals, and Corrections to Bids After Bid Opening

All decisions to permit the correction or withdrawal of bids, or to cancel awards or contracts based on bid mistakes shall be supported by a written determination made to the Purchasing Department or designee.

- V. Withdrawals: A low bidder alleging a material mistake of fact may be permitted to withdraw its bid if the mistake is clearly evident on the face of the bid document but the intended correct bid is not similarly evident, or if there is evidence which is clear and convincing.
- W. Corrections to Errors: Corrections to minor clerical errors such as omitting a decimal point, addition errors, etc. may be corrected. Once a mistake is suspected, the Purchasing Department is to request that the vendor confirm their bid. If the vendor acknowledges that a mistake has been made, the vendor may write a letter to the Purchasing Department requesting a withdrawal or correction to their bid.
- X. Corrections to Bid Content: A vendor shall not be permitted to alter bid specifications or conditions which affect price or obligations. Vendors shall be permitted to furnish additional information requested in the IFB and not supplied due to an oversight.



MACOMB TOWNSHIP

Purchasing Procedure

PP-3.2.C

Purchasing Policy - Chapter 3. Competitive Purchases

Section 3.2.B Request for Proposal (RFP): \$30,000 +

The following procedure will be observed when a department is preparing to initiate a Request for Proposal to obtain goods or services \$30,000 or above and shall be followed in conjunction with Chapter 3 of the Purchasing Policy.

Request for Proposal (RFP): \$30,000 +

Preparing the Bid Package:

- A. The using department must complete the Purchase Initiation form.
- B. The Purchasing Department will use the Purchase Initiation form to create the formal solicitation package for approval by the using department. Once approved by the using department, the Purchasing Department will enter the solicitation into the e-procurement system and distribute as directed on the Purchase Initiation form.
- C. A determination will be made relative to the format of bid responses. Bid responses may be either physical or electronic as agreed upon by the Purchasing Department and the using department.
- D. The Purchasing Department will notify the Evaluation Team participants of all information required for the evaluation of the proposals such as: timing, responsibilities, evaluation scoring directions, conflict of interest, etc. Reference Procedure PP-1.1 for more detailed information.

Receiving Physical Sealed Bids:

- E. **Stamping Bids:** All physical bid submissions must be submitted to the Clerk's office where they will be immediately date/time-stamped and placed in the designated bid repository. The township employee in the Clerk's office who receives the bid must initial the envelope near the date/time-stamp before placing the bid into the designated repository. Once a bid is submitted to the Clerk's office, it may NOT be returned to the vendor. It is the property of Macomb Township. Prior to the bid due date, a vendor may submit another sealed bid marked "Revised" along with an explanation letter concerning the previous bid(s) if the vendor has determined that a mistake has been made.

- F. Hand Delivered Bids: When a bid is hand delivered by a vendor without proper identification, request that the vendor record on the envelope the bid number, bid name, and closing date of the bid.
- G. Mailed/Delivery Service Bids: When it is impossible to determine the presence and/or identity of a bid inside a sealed envelope, open the envelope for identification purposes only. Immediately note the bid name, number, and closing date on the outside of the envelope. Note on the envelope that it was an “unmarked bid” and that it was “opened for identification purposes,” then initial the note and reseal the bid with tape.
- H. Bids Submitted After the Due Date: After the RFP due date and time has passed, hand delivered bids shall be refused. All other bids that are delivered late shall be date/time stamped, the envelope photocopied and returned unopened via the USPS with a rejection letter. The photocopy of the sealed envelope and the rejection letter shall be retained in the bid file.
- I. Bid Withdrawal Prior to Bid Opening: Prior to Bid Opening, a vendor may withdraw a bid by giving written notice to the Purchasing Department.
- J. When a vendor formally submits a correspondence indicating that they decline to quote, the correspondence shall be kept in the bid file.

Bid Opening, Evaluation, and Award:

- K. On the Bid Opening date, follow the Bid Opening Procedure PP-1.0.
- L. After Bid Opening, the Evaluation Team scores the bids based on the evaluation scoring directions provided by the Purchasing Department. The Purchasing Department shall be responsible for scoring the cost of each proposal.
- M. Once evaluation scoring is complete, each member of the Evaluation Team shall submit their scoring information to the Purchasing Department who will summarize and rank the vendors.
- N. The Purchasing Department shall establish a meeting with the Evaluation Team to review and identify the vendors that will be invited for Oral Interviews. The Purchasing Department or using department will schedule the Oral Interviews.
- O. Oral interviews may result in modifications to proposals by vendors. Once the vendors have modified their proposals and submitted the modifications to the Purchasing Department, the Purchasing Department shall distribute the new information to the Evaluation Team for re-scoring.
- P. Evaluation Team members shall submit their revised scores to the Purchasing Department for summarizing and ranking.
- Q. The Purchasing Department shall establish a meeting with the Evaluation Team to make a vendor selection.
- R. The Purchasing Department shall issue a confirmation of process memo which will be attached to the Agenda documents for the Board meeting. The using Department shall attend the Board meeting to present the vendor selection and answer any questions.
- S. Once a vendor has been Board approved, the using Department shall create a Purchase Requisition in the integrated financial software system. If the lowest bid was not

recommended for award, the "Internal Notes" shall indicate the reason(s) for the disqualification. Insert the date of the Board of Trustees meeting when the purchase was approved as the Board Approval date in the integrated financial software system.

- T. Once the Purchase Requisition is created, the integrated financial software system electronically routes the requisition to the Department Head and then Township Supervisor for approval.
- U. Once the Purchase Requisition has been approved, a Purchase Order will be generated and automatically sent to the originator via email.
- V. The Purchase Order is authorization for a vendor to proceed with the order. It is up to the using department to forward a copy of the Purchase Order to the awarded vendor.
- W. The Purchasing Department will update the award information on the e-procurement system.

Approve Vendor Payment:

- X. When the vendor provides the goods/services requested by the Purchase Order, it is the responsibility of the using department to accept and inspect all materials, supplies, or equipment. (Packing slips/shippers may be retained or disposed of by the using department.)
- Y. Once the Finance Department receives a copy of the invoice, it will be routed to the using department for approval.
- Z. If the vendor has not fulfilled the obligations as requested by the Purchase Order, the using department has the responsibility to resolve issues directly with the vendor. Once the vendor has met all obligations of the Purchase Order, the invoice may be submitted for payment using the following process:
 - 1. Stamp the invoice using the stamp shown which may be obtained from the Finance Department.
 - 2. Enter the requested information on the stamp.
 - 3. The Department Head shall sign the stamp in the "Approved By:" section.
 - 4. Route the stamped invoice to the Finance Department such that payment can be made to the vendor.

<input type="checkbox"/> Entered
Vendor # _____
Account # _____
Date: _____
Approved By: _____
Reason: _____

Mistakes, Withdrawals, and Corrections to Proposals

All decisions to permit the correction or withdrawal of proposals, or to cancel awards or contracts based on bid mistakes shall be supported by a written determination made to the Purchasing Department or designee.

- A. Withdrawals: A low bidder alleging a material mistake of fact may be permitted to withdraw its proposal if the mistake is clearly evident on the face of the bid document but the intended correct bid is not similarly evident, or if there is evidence which is clear and convincing.
- B. Corrections to Errors: Corrections to minor clerical errors such as omitting a decimal point, addition errors, etc. may be corrected. Once a mistake is suspected, the Purchasing Department is to request that the vendor confirm their proposal. If the vendor acknowledges

that a mistake has been made, the vendor may write a letter to the Purchasing Department requesting a withdrawal or correction to their proposal.

Corrections to Bid Content: Vendors shall be permitted to furnish additional information requested in the RFP and not supplied due to an oversight.



MACOMB TOWNSHIP

Purchasing Procedure

PP-7.A.4.

***Purchasing Policy - Chapter 7. Disposal of Property
Section 7.A.4. Authority to Dispose of Surplus Property***

The following procedure will be followed in conjunction with the Purchasing Policy for Surplus Property with an estimated value of less than \$1,000.

Authority to Dispose of Surplus Property

- A. Once a Department has determined that property is no longer needed for Township or public use, the department must establish the estimated value of the property.
- B. Surplus property valued at under \$1,000, shall not be posted for sale and must be disposed of utilizing the "Surplus Property Disposal Authorization Form."
- C. The department must complete the Surplus Property Disposal Authorization Form, attach supporting documentation substantiating the property valuation (if possible), and take photographs of the item.
- D. The completed form, supporting documentation and photographs shall be forwarded to two (2) full-time elected officials for review and authorization.
- E. Once the department has obtained authorization from two (2) full time elected officials for the disposal of surplus property, the department shall provide the Chief Financial Officer with the Surplus Property Disposal Authorization Form with signatures (or email authorization) along with the supporting documentation, and photographs.
- F. Upon confirmation from the Chief Financial Officer, the department may proceed with disposal of the property using the method indicated on the Surplus Property Disposal Authorization Form.



Surplus Property Disposal Authorization Form

In accordance with the Purchasing Policy, this is a request for authorization to dispose of surplus property with an estimated value of under \$1,000. Please review and indicate your approval by signing the authorization section on the request form or by providing e-mail authorization.

Department: _____

Contact Person: _____

Property Description: _____

Make/Model/Serial Number (if known): _____

Property Current Location: _____

Condition:

Working Damaged / Repairable Damaged / Beyond Repair Obsolete

Reason for Disposal: _____

No longer required by department or any other Township department

Estimated Current Value: _____

Original Purchase Price (if known): _____

Proposed Disposal Method:

Destruction Donation Recycling Other: _____

Supporting Documents/Photos Attached: Yes No

Elected Official Authorization: _____ **Date:** _____

Elected Official Authorization: _____ **Date:** _____

CFO Authorization: _____ **Date:** _____

Note to Requestor:

- In lieu of actual signatures on this form, the requester may obtain e-mail documentation of authorization. When e-mail authorization is obtained, indicate "See Attached" in the Elected Official Authorization field above and submit copies of the e-mail authorization(s) to Finance.
- Obtain Township Elected Official Authorizations prior to CFO Authorization.