

Drummond Island Township Policy for Bids and Quotes

Dollar Threshold Requiring Written Quotations

Any purchase for goods or services exceeding a cost of \$2000.00 shall require the department head to obtain at least three written quotes prior to issuing a purchase order.

Separating the work of vendors into smaller invoices is a violation of this policy.

Dollar Threshold Requiring Sealed Bids or Request for Proposals (RFPs)

Any purchase for goods or services exceeding an estimated cost of \$10,000.00 shall require the solicitation of sealed bids. The Supervisor in consultation with the department head, shall develop bid specifications. – (scope of work). Bid specifications for purchases that will exceed \$10,000 shall be approved by the township board. A department head may request permission from the township board to waive the bidding requirements when there is only one known supplier or there is some other compelling reason to waive the bid procedures.

Separating the work of vendors into smaller invoices is a violation of this policy.

Exceptions

Quotes and competitive bids are not required for the following purchases:

- Small purchases up to \$2000.00
- Sole source procurement (where only a single source is available or when the township is participating in a purchasing pool, such as the “Buy Michigan First” or MiDEAL programs provided by the State of Michigan)
- Emergency purchases (*any purchase that must be made to prevent the inability of the township to provide it’s residents necessary amenities.*)

Request for Sealed Bids or RFPs

The invitation to bid or the request for proposals for services shall be, posted on the Drummond Island Township website at least 30 days prior to due date, and shall be mailed to known vendors within the Township or other parties who have notified the township of their interest in submitting bids on the goods or services being purchased.

Specifications for Requests for Proposals

In order to receive comparable and informative bids and proposals, the township shall prepare comprehensive specifications for prospective candidates (see “Drummond Island Township Bid Form” template)

The request should state the following items:

- The length of the contract period
- Any required qualifications, such as a certified public accountant license
- If attendance is required at township board or other meetings, and the number of meetings per year
- The amount of anticipated consultation time (*such as time for phone consultations included in bid, etc.*)
- The anticipated nature and number of the activities required, such as the average number of ordinance enforcement prosecutions for an attorney, the number and type of funds to be audited for an accountant, or the number of parcels for an appraiser

- The titles of the township official(s) authorized to direct or request services
- Whether the activity, such as auditing or appraisal, is to be performed at the township hall
- That all documents and records created in a governmental function are property of the township and will be subject to the Freedom of Information Act

As appropriate, a request for proposals will ask each candidate to describe:

- The individual or firm's municipal and township experience
- Specific experience with the service or project
- The names, credentials and references of the specific individuals who will be assigned to work with the township
- Specific certification, such as certified public accountant, or memberships in an appropriate association, such as the Public Law Section of the Michigan Bar Association
- Potential conflicts of interest, such as township property owned, interest owned in businesses located in the township, or other clients who may have interests that are potentially adverse to the township
- Services to be billed above the retainer amount, including the amount charged per hour, with a maximum amount for specific types of services such as additional meetings not covered under the retainer or whether the meetings are to be billed on a per diem or hourly basis
- The individual or firm's policy regarding reimbursement for travel time, phone bills, mileage, copying, postage and other incidental expenses
- The services the township requires and if those services are to be included in a retainer

Opening of Bids or RFPs

Sealed bids or RFPs shall be opened by person(s) identified in the invitation to bid or the request for proposals at the stated time and place, and any interested party may be present for the bid or RFP opening.

Award of Bids

The *Supervisor* may award any bid or request for proposals for services that is for an amount less than \$10,000. Bids or requests for proposals for services exceeding this amount shall be awarded by the township board.

The criteria for awarding bids or requests for proposals shall be as follows

- Cost
- Experience
- Reliability
- Sufficiency of equipment
- Insurance
- References
- Good communication
- Ability to meet the required time frame for completion
- Preference given to local vendors that are based out of Drummond Island Township

Board Member Interest in Bidder

Any board member or department head who has any ownership or other interest in a company submitting a bid shall disclose the conflict of interest to the board, and that official shall not participate in awarding the bid.

Last Review and Approval: _____

