

**Village of Pewamo**  
**Purchasing Policy Reviewed and Approved on May 13, 2019**

**I. POLICY OBJECTIVES:** The primary objectives of this policy area as follows:

- A. To create a process for purchasing goods and services that will increase efficiency; promote fairness, accountability and confidence;
- B. To promote and implement open and intelligent purchasing of supplies, equipment and services, which will result in the maximum value received for each tax dollar spent;
- C. To promote waste reduction and recycling through purchases that take into consideration the use of recycled material in the manufacture of purchased products or equipment, the recyclability or re-use of the purchased product or equipment, and the minimization of waste to be disposed of by the Village;
- D. To assist management in reaching responsible, environmentally sound, and cost-effective decisions in the procurement of quality supplies and services for Village use;
- E. To assure realization of the principles of competitive purchasing and best buy least cost;
- F. To purchase goods and services that support local business when ever possible and when in the best interest of the citizens of Pewamo;
- G. To ensure that all qualified vendors will have an equal opportunity to do business with the Village of Pewamo and to promote good will and clear communication in Village-vendor relations.

**II. PROCEDURES:**

- A. Major Purchase. All purchases costing \$15,000.00 or more shall be subject to a bid process and approval by the Village Council. A minimum of (3) three contractors/suppliers will be solicited to enter Bid for the goods or services required. All contractors/suppliers must return the Bid package to the Village even if they are not interested in supplying to goods or services. The bid specifications would include the following:
  - 1. The Bid Name;
  - 2. Bid submission deadline and the date, location, and time when bids will be opened;
  - 3. A description of the supplies, materials, good equipment, or services being sought, including quantity, design, and performance features as applicable;
  - 4. Information on how and where to obtain more detailed specifications, bid forms (if applicable), or the request for proposal;
  - 5. The right of the Village of Pewamo to reject any or all bids if such action is deemed in the best interest of the Village;
  - 6. Bond or insurance requirements; and
  - 7. Any other pertinent information.

All bids must be submitted to the Village Office and will be date stamped upon receipt. Any bid may be withdrawn in writing prior to the scheduled time for the opening bids. Any bids received after the date and time specified shall not be considered and must be returned to the bidder.

If changes are made to the specifications prior to the close of the bid process, the Invitation to Bid will be amended and notice sent to any bidder who already submitted a bid and a new bid process must be initiated.

Bidders shall bid to specifications and any exceptions must be noted. A bidder submitting a bid thereby certifies that the bid is made in good faith without fraud, collusion, or connection of any kind with any other bidder for the same work, and that the bidder is competing solely on his/her behalf without connection with or obligation to any undisclosed person or firm.

Bids shall be opened publicly at the time and place specified in the bid request. The Village Council shall award contracts for major purchases. Vendors will be selected in accordance with Section III below.

- B. Regular Purchase. All purchases of goods and/or services costing \$1,000.00 to \$7,500.00 shall not require quotes for bids if the expenditure is included within a budget line item. Purchases of goods and/or services costing \$7,501.00 to \$14,999.99 shall require approval from the Village Council. Committees or DPW employees must solicit quotes from at least two (2) contractors/vendors unless the Village Council has approved a sole source vendor. Vendors should be selected based on the criteria in Section III.A. below.
- C. Maintenance, Repair & Operating items (MRO) for goods or services costing less than \$1000.00 may be accomplished without solicitation of bids or quotes. MRO purchases include such items as office supplies, hand tools, plumbing supplies, electrical supplies, paint, lumber, cleaning supplies, home & garden supplies, hardware supplies, fuel, equipment repairs. MRO purchasing choices shall be made base on cost, quality of goods and services and are in the best interest of the Village.
- D. Recurring Purchase. If the total value of a recurring purchase of a good or service is anticipated to exceed \$15,000.00 during any fiscal year, the bid process described in Section II.A. shall be used and shall specify the recurring nature of the purchase. Once a bid has been accepted, all future purchases shall be made from the bidder without necessity of additional bids, until such time as the Village Council votes to initiate a new bid process.
- E. Professional Services. The purchase of professional services may be exempt from the formal bid process by the Village Council. It is recognized that proposals for professional services, including, but not limited to, legal counsel, insurance, financial, auditing, engineering or architectural services, risk management, and some other type of consulting services are difficult to compare, and that weight must be given considerations other than price. In any case, the Village Council must approve the purchase of professional services whose cost is expected to exceed \$15,000.00 for a project.
- F. Selection of Professional Services by Boards, and Committees. Boards and committees of the Village of Pewamo may solicit the services of a consultant, contractor, or other service provider only with the approval of the Village Council and under the following provisions.
  - 1. The cost is within the parameters of an approved funding source or an approved line item budget
  - 2. The Village Council is notified in advance of the project and method of solicitation; and
  - 3. Information is presented to the Village Council, verbally or in writing, along with the request for approval, that explains the considerations that went into the recommendation.



### III. VENDOR or CONTRACTOR SELECTION:

- A. Vendor or Contractor will be selected on a competitive basis. Purchases or Construction will be awarded to the least costly, best qualified, and most responsible vendor or contractor. Any or all bids, quotes, or proposals may be rejected if to do so is deemed to be in the best interests of the Village. In determining the least costly, best qualified, and most responsible vendor or contractor, the following factors should be considered:
  1. The lump sum or per unit price of the goods or services to be provided;
  2. The substantial performance of the vendor or contractor in meeting the specifications and other terms and conditions of the solicitation;
  3. The ability, capacity, and skill of the vendor or contractor to perform the contract or provide the goods or services required and to do so promptly or within the specified time;
  4. The character, integrity, reputation, experience, financial resources, and performance of the vendor or contractor under previous contracts with the Village or elsewhere;
  5. The quality, availability, and adaptability of the service or goods being purchased, and the ability of the vendor or contractor to provide future maintenance, if necessary.
  
- B. The Village Council may waive the bid process and authorize a purchase or service from a sole source vendor or contractor in extraordinary circumstances and if deemed to be in the best interest of the Village. Village Council or DPW employees may do likewise for regular purchases. Sole sources purchases should be reviewed to determine that the price offered is fair and reasonable and/or that there is only one manufacturer or supplier of the goods or services to be purchased. Approval shall take into account general availability of the goods or services, quality and cost of the goods and services, and the ability, capacity and skill of the vendor or contractor demonstrated under prior contracts with the Village.
  
- C. Lists of vendors may be maintained by the Village purchasing the products or services, paying close attention to vendors who have bid on similar items in the past and local vendors who provide the type of product or service being sought. Vendor lists should be as inclusive as reasonably possible, including vendors who hold state contracts as well as vendors from within the Village and its vicinity.
  
- D. Sole Bidder: In the event only one bid is received, the Village Council may recommend award of the sole bid if the following conditions have been met:
  - (a) Due diligence has been performed in soliciting bids according to these policies and procedures.
  - (b) The bid has been evaluated and determined to be reasonable based on history or the past purchase and evaluation of the market.

### IV. EXCEPTIONS.

- A. The following items are exempted from both the bid and quotation process:
  - 1.. Repairs on equipment;
  2. Utilities
  3. Routine maintenance or service contracts
  
- B. Purchases made subject to existing contracts issued by the State of Michigan shall be deemed in compliance with the provisions of this policy.

- C. To the extent they differ from any provisions of this policy, the procurement procedures prescribed by funding agencies in connection with the administration of grants shall take precedent.

## V. COOPERATIVE PURCHASING.

The Village may enter into cooperative lease or purchase agreements with other municipalities, at the discretion of the Village Council.

## VI. EMERGENCY PURCHASES.

The provisions of this policy may be waived in the event of an emergency. An emergency is one which is a significant and imminent threat to the lives or health of the people, the property of the Village or its citizen. During emergency situations when normal procurement procedures would be impracticable, the Village officers or DPW employees shall have the authority to purchase emergency supplies and services while acting in the best interest of the Village. Emergency expenditures may include immediate repair or maintenance of Village property, vehicles, or equipment if the delay in such repair or maintenance would endanger persons or property or result in substantial impairment of the Village services.

Emergency purchases can be costly. They are made hurriedly, usually without competitive bidding, and often not at the best price. Consequently, every effort should be made to avoid them.

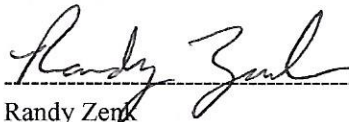
## VII. CONFLICT OF INTEREST.

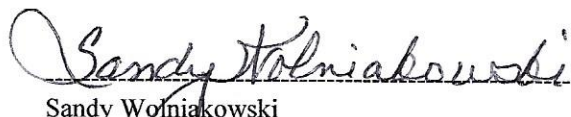
No employee, officer, of the Village of Pewamo shall participate in the selection, or in the award or in the award or administration, of contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee or officer; any member of his/her immediate family; his or her partner, or an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The Village Council, DPW employees will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subcontractors.

Adopted and signed at the Village of Pewamo on January 14, 2013 by the Village Council

Amended Purchasing Policy approved on March 13, 2017 by the Village Council

Reviewed and approved on May 13, 2019 by the Village Council

  
 Randy Zerk  
 Village President  
 Village of Pewamo

  
 Sandy Wolniakowski  
 Village Clerk  
 Village of Pewamo