

# **SOUTH HURON VALLEY UTILITY AUTHORITY PROCUREMENT POLICY**

## **PURPOSE:**

This policy is intended to control the expenditure of funds for supplies, parts, repairs, services, training and equipment for the normal and routine operation of the South Huron Valley Utility Authority, hereinafter (“the Authority”), including all contracted outside services. This policy does not apply to expenditures made by or through the current Plant Operator, Suez, or any successors, because those expenditures are subject to the provisions contained within the Suez Procurement & Purchasing Policy, as approved and adopted by the Authority’s Board of Commissioners, hereinafter “the Board”.

This policy is designed to ensure that reasonable procedures are utilized by the Authority in the procurement of goods and services, and that every reasonable attempt be made to ensure that all purchases made on behalf of the Authority are made in a manner that ensures that the Authority is receiving the best value for the money being expended.

## **PROCURING DIVISIONS:**

### **I. BY THE SYSTEM MANAGER:**

1. The System Manager is hereby designated as the purchasing agent for the Authority. The System Manager may make or authorize routine purchases of \$3,500 or less, and shall approve and sign all purchase orders.
2. In emergencies, when deemed necessary to protect the health, welfare, safety and well-being of any of the Authority communities, the System Manager may make or authorize an expenditure higher than \$3,500.00 after receiving the consent of two of the three Board officers. Any emergency expenditure must be documented in writing to the Board as soon as is practical.
3. All purchases of goods and services in an amount higher than \$3,500.00 (except as noted in paragraph 2 above), and all contracts for recurring services must be approved by the Authority’s Board.

## **II. BY THE PLANT OPERATOR:**

Expenditures made by or through the Plant Operator shall be made in accordance with the Purchasing Policy created by and administered by the Plant Operator and as approved by the Authority. The procedures and policies for procurement by the Plant Operator are governed by that Purchasing Policy, and not by this Policy. The Plant Operator shall provide the Authority and System Manager a copy of its current purchasing policy annually and whenever there is a change to said policy.

## **III. BY THE AUTHORITY'S BOARD:**

1. The Board may engage the services of a System Manager as well as various professionals and others. Such professionals include the System Manager, Auditor, Accountant, Attorney, Bond Counsel, and the Consulting Engineer and others. Nothing herein requires the bidding of professional services which rests within the sole discretion of the Board as to the manner and frequency of such services. However, as it relates to projects funded through State Revolving Fund or other federal grants, the Authority will comply with all procurement requirements as documented in 2 CFR 200.

2. In addition, the Board may purchase materials or goods from time to time in its discretion. For its purchase of any materials or goods, the Board shall follow the bidding procedures set forth in Exhibit A unless the Board determines that a more suitable process is appropriate and necessary.

3. The services to be provided by the Consulting Engineer are supplemental to, and shall not supersede the contractual obligations of the Plant Operator, and shall be performed under the direction of the System Manager, and as authorized by the Authority's Board. The existence of a contract with the Consulting Engineer shall not obligate the Authority in any way relative to the assignment of work.

## **CAPITAL IMPROVEMENTS AND NONROUTINE PROJECTS: ENGINEERING AND OTHER CONTRACTUAL SERVICES**

From time to time, the Authority may undertake capital improvement construction or non-routine projects necessitating the engagement of Project Engineers and other contractual services. The procurement of services under this Section shall be made as follows:

1. The Authority reserves the right and discretion to either select a separate Project Engineer or to assign the work to the Consulting Engineer by vote of the Board. If

the Authority opts to select a separate Project Engineer, the process of selection shall be governed by the RFP/RFQ procedures outlined above.

2. Selection of Contractors and Subcontractors shall be governed by the bidding procedures set forth in Exhibit A.

**MISCELLANEOUS PROVISIONS:**

Notwithstanding anything herein to the contrary, if the Authority's Board decides that the bid process is not practical in a given situation, it may waive the requirements of this policy on a majority vote.

The Authority's Board is not required to accept the lowest bid.

This policy shall be in effect upon adoption by the Authority's Board and will remain in effect until rescinded by the Authority Board. Revisions or amendments must be approved by the Authority Board, and must be recorded in writing and maintained with this original policy by the Board Secretary.

Adopted by Board of Commissioners on July \_\_\_\_\_, 2017

**SOUTH HURON VALLEY UTILITY AUTHORITY**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Attest: Board Secretary

**EXHIBIT A**  
**GENERAL PROCEDURES FOR BIDDING**  
**FOR PROCUREMENT BY THE AUTHORITY**

1. Bids and Quotation Requirements. All purchases requiring competitive bids shall be made in accordance with current law, the bid specifications, adherence to this policy, and any written bidding procedure subsequently created. Bidding procedures may be waived for routine goods and services purchased from a group bid, such as a consortium, County, or State bid list, or as otherwise outlined in this policy.
2. Bid Specifications. All bid specifications shall be written in a clear and concise manner. Such specifications shall include, when necessary: required performance, surety, bid and statutory bond information; compliance with all Federal, State and local laws, ordinances and regulations; the date, time and place for the opening of bids; and other items as the Board directs. Certificate of Insurance shall be required any time contracted labor or material is to be utilized on Authority property (Bidding specifications will set forth minimum limits).
3. Non-Negotiation Purchases. Non-negotiation purchases may be made when there is only one supply source; provided that amount does not exceed bidding requirement limitations.
4. Formal Bid Quotations. The Authority may purchase any item, or group of items in a single transaction, costing no more than \$25,000, upon the receipt of at least three written bid quotations provided said purchase is within the approved budget. The Board shall use its discretion in deciding whether such purchases are made on the basis of requested quotations or through advertising for bids.
5. Competitive Bids. No purchases shall be made of supplies, materials, goods or equipment in a single transaction costing more than \$25,000.00 unless the purchase is bid by the Board. However, emergency procedures may be made without utilizing the bidding process. An emergency may arise out of an accident or other unforeseen occurrence which could affect the life, health, or safety of persons or property or where immediate action cannot await competitive bidding. In such cases, the System Manager may make or authorize an expenditure higher than \$25,000.00 after receiving the consent of two of the three Board officers. In such a case, the System Manager shall authorize the purchase and report it to the Board at its next meeting.

6. Bid Procedure. All bids must be submitted in sealed envelopes with the name of the bidder and the date of the bid opening plainly marked in the lower left-hand corner of the envelope. All bids shall be opened publicly on the stated day and time. All bidders and other interested persons are invited to be present when the bids are opened. Such opening shall be witnessed by the System Manager and one Authority Board Officer. The bids shall then be arranged in order from low to high before they are presented for action.
7. Responsible Bidder. All bids shall be awarded to a responsible bidder. The Board is not required to accept the lowest bid and shall be the sole judge of whether or not a bidder is “responsible”. Criteria that may be used to judge “responsible”, by way of illustration and not limitation, are: financial standing, reputation, experience, resources, facilities, judgment, and efficiency. The Board may investigate the reliability of any bidder by using information at hand to form an intelligent judgment, such as a bidder’s history with the Authority, previous clients of the bidder, his/her own investigation, or an outside investigation
8. Bid Specifications. The Authority shall avoid negotiation of bid specifications after bids have been accepted and shall correct and request new bids if specifications are inadequately written. If an error is discovered in the bid specifications, all bids shall be returned unopened and the project shall be rebid using corrected and/or amended specifications.
9. Bids and Quotation Requirements. Any bid submitted may be withdrawn prior to the scheduled time for opening of bids. A bid received after the publicized date and time shall not be considered.
10. Awarding and Rejection of Bid. The Authority shall reserve the following rights in the publication or notification of bid(s):
  - To award bid(s) at its discretion in accordance with this Procedure;
  - To reject any and all bid(s) and to ask for new bid(s);
  - To waive any informality in, or reject any part of, a bid; and
  - To accept the bid(s) which appear to be in the best interest of the Authority.
11. Integration with Consolidated Service Agreement. Contracts awarding construction projects which are \$500,000 or more require the unanimous vote of the Board.

END OF DOCUMENT