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*The mission of the Lake Orion DDA is to enhance the economic potential and preserve the historical character of the Lake Orion DDA District, **the heart and hub of the Orion Community**, through promotional activities and an organizational structure that focuses on community involvement with local businesses, residents, and other stakeholders.*

PURCHASING POLICY AND PROCEDURES FOR THE VILLAGE OF LAKE ORION DOWNTOWN DEVELOPMENT AUTHORITY

INTRODUCTION

This policy is intended to provide the policies and procedures necessary for the conduct of purchasing activities for the Village of Lake Orion Downtown Development Authority (DDA). It should be noted that the lowest bid may not always be the best bid. This policy is designed to:

- a) Encourage maximum competition through fair and equal opportunity to those qualified and interested bidders.
- b) Provide a uniform procedure for the procurement of material, equipment, supplies, and services.
- c) To award bids to the **lowest, responsive, responsible bidder**.
- d) Ensure that the taxpayers are getting the "best overall value" for their dollars.

2. PURCHASING PROCEDURES

- a) All purchases and expenditures for goods and services shall have an invoice, receipt, purchase order, or contract.
- b) Some of the factors considered when determining the "best overall value" are:
 - i) Price
 - ii) Quality
 - iii) Warranty
 - iv) Service
 - v) Availability
 - vi) Past Performance with the Downtown Development Authority
 - vii) References

3. PURCHASING AUTHORITY LIMITS - FOR PURCHASES:

- a) **Under \$500.00:** The DDA Executive Director is encouraged to secure competitive pricing from multiple sources whenever practical. The telephone or internet quotations may be utilized to document pricing.

- b) **Between \$500.00 and \$999.99:** Bids from at least three sources should be obtained. Bids must be supported by written quotations from qualified vendors, fax, internet, or e-mail quotations. This documentation shall be attached to the invoice and kept on file in the DDA office. Award of purchase may be made by the DDA Executive Director.
- c) **Between \$1,000.00 and \$2,999.99:** Bids from at least three sources shall be obtained. Bids must be supported by written quotations from qualified vendors, fax, internet, or email quotations. This documentation shall be attached to the invoice and kept on file in the DDA office. Award of purchase requires the approval of the DDA Chairman.
- d) **Between \$3,000.00 and \$9,999.99:** Bids from at least three sources shall be obtained. Bids must be supported by written quotations from qualified vendors, fax, internet, or email quotations are acceptable. This documentation shall be attached to the invoice and kept on file in the DDA office. Direct solicitation is allowed and bidding must be advertised. Award of purchase requires the approval of the DDA Board of Directors.
- e) **Over \$10,000.00:** The formal sealed bid process is required for purchases. Award is given to the **lowest, responsive, responsible bidder**. An invitation to bid must be publicly advertised on the DDA web site, appropriate bid solicitation web sites and/or in the legal paper of record for at least fourteen (14) days prior to the date set for opening. Bid specifications require the approval of the DDA Board of Directors. Competitive bidding need not be conducted if there is a sole source for the purchase and the DDA Director is able to provide in writing reasonable justification to the DDA Board of Directors that circumstances exist that preclude obtaining a competitive bid. The invitation to bid must include a general description of supplies to be purchased. It must also state where bid forms and specifications may be obtained, when they must be filed, and when bids will be opened. Bidders shall be instructed to submit sealed bids which are clearly identified as bids on the outside of the envelope. Bids are to be opened publicly at a time, place, and date specified in the invitation for bids. Bids are to be recorded, tabulated and available for public inspection. Formal bids must be received sealed and in writing by a posted deadline. All bidders must be qualified vendors. All bids shall be opened before the public at a date, time and place designated in the bid request. The DDA Director, DDA Chairman, DDA Treasurer or Finance Director or their designee and other staff members of the DDA shall open all bids. Late bids will not be accepted. Bids not meeting specifications may be rejected. If at least three bids are not received the DDA Executive Director may require a re-bid. Award of purchase or contract requires the approval of the DDA Board of Directors.

4. **PROFESSIONAL SERVICE CONTRACTS**

Either the Request for Proposal (RFP) or the Request for Qualifications (RFQ) process (or a combination) may be used to solicit proposals from qualified vendors². The primary difference between the two processes is that in the RFP process a specific proposal is received and evaluated. The proposal includes a scope of work and a cost proposal. In the RFQ process, Statements of Qualifications (SOQs) are received and selection is made upon those qualifications. In this process, a mutually acceptable scope of work and contract amount is negotiated with the successful bidder.

Award is given to the **lowest, responsive, responsible bidder**. An invitation to bid must be publicly advertised on the DDA web site, appropriate bid solicitation web sites and/or in the legal paper of record for at least fourteen (14) days prior to the date set for opening. Bid specifications require the approval of the DDA Board of Directors. Competitive bidding need not be conducted if there is a sole source for the service and the DDA Director is able to provide in writing reasonable justification to the DDA Board of Directors that circumstances exist that preclude obtaining a competitive bid. The invitation to bid must include a general description of the service to be obtained. It must also state where bid forms and specifications may be obtained, when they must be filed, and when bids will be opened. Bidders shall be instructed to submit sealed bids which are clearly identified as bids on the outside of the envelope. Bids are to be opened publicly at a time, place, and date specified in the invitation for bids. Bids are to be recorded, tabulated and available for public inspection. Formal bids must be received sealed and in writing by a posted deadline. All bidders must be qualified professionals.

When a RFP/RFP is anticipated to be under \$10,000, it may be published with the approval of the DDA Executive Director and DDA Board Chair. When a RFP/RFQ is anticipated to be over \$10,000, it may be published with the approval of the DDA Board of Directors.

Proposals shall be opened before the public at a date, time and place designated in the RFP. The DDA Director, DDA Chairman, DDA Treasurer or Finance Director or their designee and other staff members of the DDA shall open all bids. Late responses will not be accepted. Responses not meeting terms may be rejected. If at least three responses are not received the DDA Executive Director may require a re-bid. Award of purchase or contract requires the approval of the DDA Board of Directors. The proposals shall be analyzed (based upon the "best overall value" to the DDA) and documented including Board member or staff recommendations. Award shall be made by the DDA Board of Directors including approval of contracts.

5. PUBLIC AUCTION

Purchases may be made through public auction. Written quotes from like products must be provided in order to provide a realistic price comparison. Upon receiving this information, and verifying budget availability, written authorization indicating the amount "not to exceed" may be granted allowing DDA staff or their designee to attend the auction and bid on that particular product. Purchasing authority limits listed in this policy document apply to public auctions.

If a purchase is made through a public auction, all documentation must be retained and submitted kept on file in the DDA office.

6. CASES NOT REQUIRING BIDDING PROCEDURE

The DDA Board Chairman, may approve a purchase order without bid under the following conditions:

- a) Item is to be purchased under State or Federal Bid lists.
- b) Only one known source of purchase, and there is no comparable substitute product or service; Written documentation supporting the sole source must be provided.

- c) Specific type or brand of supply or part necessary for acceptable operation of a machine or device, or as required by warranty or contract on the machine or device; written documentation supporting the purchase of a specific brand or part necessary for acceptable operation of a machine or device must be provided.
- d) An item or service that is required on an emergency basis, however, must still be presented to the DDA Board for approval as previously described at the next meeting.

7. EMERGENCY PROCUREMENTS

Emergency Procurements Definition: Emergency procurements may be made when there exists a threat to public health, welfare or safety, provided that such emergency procurement shall be made with such competition as is practical under the circumstances.

In case of an emergency requiring immediate purchase of materials, supplies, equipment or services, the DDA Board of Directors hereby authorizes the DDA Executive Director to approve such emergency purchase if the situation permits. The DDA Board of Directors shall be notified as soon as possible as to the emergency and the associated purchases. A written determination for the basis of the emergency and for the selection of the particular contractor or vendor shall accompany the purchase order and voucher. As soon as is practicable, standard purchasing procedures will be reinstated.

8. ARTIFICIAL DIVISION PROHIBITED

Purchases shall not be artificially divided so as to create lower purchase amounts and therefore avoid some requirements of this policy. Whether or not a proposed purchase constitutes artificial division shall be determined by the DDA Board Chair.

9. EXCEPTIONS

Exceptions to the policy will be determined on a case-by-case basis by the DDA Board of Directors.

10. LOCAL ADVANTAGE

The Downtown Development Authority will make every effort to purchase from businesses located within the Lake Orion area if the purchase fits into the category of "best overall value." It must be noted that the Downtown Development Authority has a responsibility to the taxpayers of the district to ensure that bids are awarded to vendors offering their products or services at the "best overall value" to the district.

11. CANCELLATION AND REJECTION OF BIDS

An invitation to bid, request for proposal, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or part, as may be specified in the solicitation when it is in the best interest of the District. The reasons shall be made part of the formal bid file.

12. PRE-QUALIFICATIONS OF SUPPLIERS

Prospective suppliers may be pre-qualified for particular types of supplies and technical and construction services.

A "Request for Qualifications" will be solicited and advertised in order to establish a pre-qualified vendors list. Upon establishment of a pre-qualified vendors list, requests for proposals or requests for quotations may be submitted to individuals or companies on the list.

13. ETHICS IN PUBLIC PURCHASING AND CONTRACTING

It shall be unethical for any DDA staff or board member involved in making procurement decisions to have personal investments in any business conflicting between their private interests and their public duties.

It shall be unethical for any person to offer, give, or agree to give any Downtown Development Authority employee or Board member, or for any Downtown Development Authority employee or Board member to solicit, demand, accept, or agree to accept from any vendor or business, a gift or gratuity in any amount in connection with any decision, approval, disapproval, or recommendation concerning a solicitation.

Inexpensive advertising items, bearing the name of a vendor, such as pens, pencils, paper weights, cups, candy, calendars, etc., are not considered articles of value or gifts in relation to this policy.

Failure to comply with the provisions of this policy will result in disciplinary action.

14. AUTHORITY


These policies are adopted by the Board of Directors in accordance with State of Michigan's DOWNTOWN DEVELOPMENT AUTHORITY PA 57 of 2018 ¹ as it relates to their management of the Downtown Development Authority's affairs and authority over expenditures.

¹History: 2018, Act 57. Eff. Jan. 1, 2019

² Qualified Vendors: The firm selected will be required to provide evidence of General Liability, and Professional Liability coverage in an amount of at least \$1,000,000 with the Village of Lake Orion as an additional insured and a certificate holder. The firm must provide evidence of Workers Compensation with statutory coverages. Please see Addendum A for the current limits of liability requirements accepted by the Village of Lake Orion.

CERTIFICATION

I, Susan C. Galeczka, Clerk of the Village of Lake Orion, do hereby certify that the foregoing is a true and complete copy of **PURCHASING POLICY AND PROCEDURES FOR THE VILLAGE OF LAKE ORION DOWNTOWN DEVELOPMENT AUTHORITY**, duly adopted by the Downtown Development Authority of the Village of Lake Orion at its Regular Meeting held on the 9th day of May, 2021, on Motion By Member Kenneth Van Portfliet, Seconded by Vice Chairperson Matt Shell. **Roll Call Vote:** Board Member Sheridan, Treasurer Squarcia, Board Member Barnett, Chairperson Burgess, Secretary Caruso, Board Member Coe, Board Member Horvath, Vice Chairperson Shell, Board Member Van Portfliet. Motion carried 9-0. Adopted.



Susan C. Galeczka, CMC Mi PMC
Village Clerk

PURCHASING POLICIES AND PROCEDURES FOR THE VILLAGE OF LAKE ORION DDA

Some factors considered when determining the "best overall value" are:

1. Price
2. Quality
3. Warranty
4. Service
5. Availability
6. Past Performance with DDA
7. References

Certification - I, Susan C. Galeczka, Clerk of the Village of Lake Orion, do hereby certify that the foregoing is a true and complete copy of PURCHASING POLICY AND PROCEDURES FOR THE VILLAGE OF LAKE ORION DOWNTOWN DEVELOPMENT AUTHORITY, duly adopted by the Downtown Development Authority of the Village of Lake Orion at its Regular Meeting held on the 9th of May, 2021, on Motion by Member Kenneth Van Portfliet, Seconded by Vice Chairperson Matt Shell. **Roll Call Vote:** Board Member Sheridan, Treasurer Squarcia, Board Member Barnett, Chairperson Burgess, Secretary Caruso, Board Member Coe, Board Member Horvath, Vice Chairperson Shell, Board Member Van Portfliet. Motion carried 9-0. Adopted.

PURCHASES

**Director
Approval**

under \$500

Secure competitive pricing from multiple sources whenever practical telephone or internet quotes may be used to document pricing.

\$500 - \$999

Bids from at least three sources shall be obtained. Bids must be supported by written quotations from qualified vendors. Fax, internet, or email quotes accepted. Documentation shall be attached to the invoice and kept on file at the DDA office.

**Chair
Approval**

\$1,000 - \$2,999

Direct solicitation is allowed and bidding must be advertised.

**Board
Approval**

\$3,000 - \$9,999.99

Formal sealed bid process required, see "professional service contracts" flowchart for more information.

over \$10,000

PROFESSIONAL SERVICE CONTRACTS

Under \$10,000

published
with Director
and Chair
Approval

Over \$10,000

published
with Board
Approval

For at least 14 days prior to the set date for opening, bid must be advertised on website, bid solicitation websites (like MITTN), and/or legal paper

Bid invitation must contain:

- where forms and specifications can be obtained
- Filing Deadline
- When bids will be opened
- instructions to submit sealed bids identified as bids on the outside of the envelope

Award requires approval of DDA Board

- Based upon "Best overall Value"
- Include Board member and staff recommendations

Bid Opened publicly as specified in invitation:

- Opened by Director, Chair, Treasurer or their designee or other staff members
- Bids will be recorded, tabulated and available for public inspection
- Late responses not accepted
- Responses not meeting terms may be rejected
- Less than three (3) responses received, Director may require a re-bid