



COUNCIL ACTION SUMMARY SHEET

MEETING DATE: October 27, 2025

TOPIC Policy on Review of Professional Services Contracts

BACKGROUND BRIEF:

Council is scheduled to consider approving a policy on the review of professional services contracts. Council requested that the Village Manager draft this policy in response to concerns that a regular review of such contracts is warranted to ensure responsiveness to the needs of the Village and cost competitiveness.

Attached is the draft policy for Council's consideration.

SUMMARY OF PREVIOUS COUNCIL ACTION:

09/22/2025 – Council requested the Village Manager do a review on Village consultants for future review and submit proposals and a schedule policy to Council at next meeting.

FINANCIAL IMPACT:

None

RECOMMENDED MOTION:

To approve the following administrative policy relating to the solicitation, review, and renewal of professional services contracts:



ADMINISTRATIVE DIRECTIVE

DIRECTIVE NO: 2025-042	ISSUE DATE:
ISSUED BY: D. McClary	SIGNATURE: 
VILLAGE COUNCIL APPROVAL DATE:	
REVISION DATES:	
RESCINDS/REPLACES:	
CATEGORY: CONTRACTUAL SERVICES	
SUBJECT: Solicitation, Review, and Renewal	

LEGAL AUTHORITY CITATION

This administrative directive is issued by the Village Manager pursuant to the following legal authority:

- Village Charter – Sec. 3.12 – Duties of administrative officers; performing such duties as are provided for such officers by state law, this Charter, the village ordinances, and the administrative directives of the Village Manager
- Village of Lake Orion Purchasing Code – Chapter 34 of the Village Code of Ordinances
- Village of Lake Orion Ethics Code - Chapter 30, Sec. 30.60 et. seq. Of the Village Code of Ordinances
- Village Council Resolution adopted on _____.

PURPOSE

The purpose of this policy is to establish best practices for the solicitation, review, and renewal of professional services contracts and to ensure accountability, fair market value, and competition for services provided to taxpayers.

POLICY

Section 1: Professional Services Defined.

The term “professional services” will be as defined from time to time in the Village of Lake Orion purchasing code. Such services may include but are not limited to legal, engineering, urban planning, architectural, environmental, medical, technological, or other similar services.

Section 2: Competitive Solicitation Process.

It is the policy of the Village to ensure fair and open competition to secure the best professional services at a fair and competitive price. Therefore, the Village requires full and open competition for ongoing professional services at least once every five (5) years, or sooner if recommended by the Village Manager, except that such initial contract reviews shall be staggered to avoid problems associated with multiple contracts being reviewed at one time. Legal services will be reviewed in 2025, and engineering services will be reviewed in 2026. The main objective of the competitive process will be to obtain and maintain the most qualified services possible. The solicitation for such services will be qualifications based. However, price proposals may be a secondary consideration as part of a comprehensive determination of the desired service provider.

Competitive solicitations and selections will comply with all relevant provisions of the Village's purchasing code and will include at least the following elements: (1) a Request for Qualifications (RFQ) published on the Village's bid system that includes a detailed explanation of the services being sought and any preferred method of costing the services; (2) a requirement that the cost proposal be submitted in a separate, sealed envelope to be considered after finalists have been selected based on a rating of qualifications; and (3) identification in writing of specific criteria to be used to rate the qualifications of each responsive firm.

Appointment of a Village Attorney and award of contract for legal services will be conducted through a process to be approved by the Village Council in accordance with Charter requirements. All other professional services firms will be selected, reviewed, or renewed by the Village Manager subject to approval of a services contract by the Village Council.

Section 4: Ethics.

Solicitation, selection, and review of professional services contracts will comply with all Federal, State, and local ethics laws, rules, and regulations, including those contained in the Village Charter and Code of Ordinances.

Section 5: Regular Performance Evaluation.

The Village Council, in the case of legal services, or the Village Manager for all other services, will perform annual reviews of the performance of professional services contractors. The evaluation will involve relevant Village departments utilizing such services and include a clear, consistent set of performance metrics that track service outcomes, quality of work, adherence to deadlines, and responsiveness. Metrics should be clearly defined within the initial contract. The Village Council or Village Manager will maintain thorough records of all communications and performance reports throughout the life of the service contract. The Village Council or Village Manager will gather input from all municipal departments or other stakeholders that work with a service provider to assess their satisfaction and identify any issues.

Section 6: Renewal Procedure.

If renewal of a professional services contract is appropriate, the following process will be followed for evaluating the contract.

- **Proactive tracking:** The Village Clerk will utilize a contract management system to set reminders well in advance of a contract's expiration date and will notify either the Village Council (in the case of legal services) or the Village Manager of the impending expiration of a service contract at least four (4) months prior to the contract expiration.
- **Justification for renewal:** Any decision to renew with an incumbent professional services provider without a new competitive proposal should require specific justification. This may include:
 - Demonstrated and measurable high performance by the current provider.
 - Specific expertise or institutional knowledge critical to the needs of the Village.
 - Significant costs or negative impact associated with changing contractors.
- **Negotiation strategy:** The Village Council (in the case of legal services) or the Village Manager will develop a negotiation strategy that includes a comparative analysis of professional qualifications to perform the required work as well as market rates and terms.

Section 7: Public Transparency.

Village professional services contracts are public business, and the selection or renewal process should be transparent to the public. Therefore, contracts for all professional services will be approved by the Village Council and only in an open session in accordance with the Michigan Open Meetings Act. Furthermore, comprehensive and accessible records of professional services procurements and renewals will be maintained and made available pursuant to the Michigan Freedom of Information Act.

Section 8: Risk Assessment.

The Village will make every reasonable effort to identify and mitigate risks associated with contracted services by requiring legal counsel to review and approve all contracts and renewal terms to ensure compliance with legal requirements. Also, the Village will perform periodic audits to verify that the contractor is in full compliance with the contract's terms and obligations.