



Current Board Policy



Current Policy October 23, 2015

GLWA Board Policy

Procurement Policy Table of Contents

Section 1 – Introduction

- 1.1 – Purpose 3
- 1.2 – Application 3
- 1.3 – Scope 3
- 1.4 – Responsibility 3
- 1.5 – Review 3
- 1.6 – Revisions 4
- 1.7 – Ethics and Code of Conduct 4
- 1.8 – Competency 5
- 1.9 – Definitions 5

Section 2 – Authority

- 2.1 – Contracting Authority 7
- 2.2 – Delegation of Authority 7
- 2.3 – Authorization to Supply Goods/Services/Construction 7

Section 3 – Procurement

- 3.1 – Procurement of Goods and Services 8
- 3.2 – Methods of Procurement 8
- 3.3 – Exceptions to Competitive Bidding 8
- 3.4 – Vendor Involvement in Proposal Preparation 8
- 3.5 – Contract Length and Renewals 9
- 3.6 – Blanket Purchase Orders 9

Section 4 – Solicitation

- 4.1 – Solicitation Development and Advertisement 9

Section 5 - Bidding

- 5.1 – General 9
- 5.2 – Bid Submission 9
- 5.3 – Risk Management 10
- 5.4 – Insurance 10
- 5.5 – Bonds 10
- 5.6 – Alternative Technical Proposals 10



Section 6 – Evaluation of Competitive Bids

6.1 – Evaluation Team 10
6.2 – Bid Protest 11

Section 7 – Approvals

7.1 – Approval Levels..... 12
7.2 – Unauthorized Purchases..... 12
7.3 – Approval Levels Table 13

Section 8 – Contract Administration

8.1 – Required Documents..... 14
8.2 – Change Orders/Extensions 14
8.3 – Contract renewals..... 14

Section 9 – Contract Compliance

9.1 – Contract Performance 14
9.2 – Vendor Suspension and Debarment..... 14



PROCUREMENT POLICY

Section 1 – Introduction

1.1 Purpose

The purpose of the Great Lakes Water Authority (GLWA) Procurement Policy (“Policy”) is to provide an overview of GLWA procurement activities. Procedures can be located via hyperlink as follows:

www.glwater.org/GLWAProcurementPolicy/Procedures

1.2 Application

This Policy shall govern all procurement activities for members of the GLWA and their Representatives. It shall not apply to matters involving the procurement of goods and/or services that are specifically excluded within this Policy or to procurements involving GLWA’s investment activities.

1.3 Scope

The Scope of this Policy is broad and includes procurement activities during every phase of the procurement process (as more fully reflected in the Procedures). These activities include, without limitation, purchase order issuance, bid development, bid solicitation, bid evaluation, awards and notifications, contract formation, contract management and enforcement.

1.4 Responsibility

The GLWA Chief Executive Officer (CEO) and Chief Procurement Officer are responsible for guaranteeing the effective implementation of this Policy. Specifically, the Chief Procurement Officer is responsible for establishing procedures in accordance with this Policy and training Representatives accordingly. The GLWA CEO is responsible for enforcing this Policy by taking all necessary measure to guarantee its purpose is accomplished.

1.5 Review

No later than December 31, 2017 and two years thereafter, the GLWA administration and GLWA Audit Committee shall review the content of the purchasing policies and affirm or revise the policies based on the GLWA conditions then present involving the financial policies, procedures and such other matters that may be pertinent under the circumstance impacting GLWA’s procurement needs.



1.6 Revisions

Revisions to the elements of this policy will be made from time to time as appropriate by the Chief Procurement Officer with the CEO and may be subject to the approval of the GLWA Board of Directors (Board). Approved revisions shall be incorporated by the Chief Procurement Officer and communicated to all Representatives and made available to the public. A history of revisions, with dates and reasons for the same, shall be maintained by the Chief Procurement Officer.

1.7 Ethics and Code of Conduct

At every level of procurement, this Policy shall preserve public trust by establishing, maintaining and enforcing business practices that promote fair, ethical and financially sound procurement practices.

Representatives shall perform GLWA procurement activities with integrity by utilizing financially responsible methods, uncompromising ethics, and fair business practices to promote vendor participation and provide the public with outstanding services and products.

While performing in their official capacities, Representatives shall be free from real or perceived conflicts of interest that could adversely impact GLWA's reputation or influence and their judgment, objectivity, responsibilities or loyalty to the GLWA and the public. GLWA business dealings shall be conducted in compliance with GLWA Policies and Procedures, GLWA Articles of Incorporation, and applicable laws.

Representatives shall immediately report any real or perceived conflict of interest to the Chief Procurement Officer, CEO, and General Counsel.

Annually, the members of the GLWA Board of Directors, Chief Procurement Officer and all Procurement personnel, the CEO and the CFO / Treasurer will confirm any known conflict of interests involving current GLWA operations.

Members of the GLWA Board of Directors should be discouraged in attending meetings with potential vendors in order to avoid the appearance of providing undue pressures on GLWA administration in the selection of that vendor. In the event a meeting is held, the GLWA Board member is obligated to report that vendor meeting at the next regularly scheduled Board meeting. The GLWA Board shall not have involvement in the development of solicitations and shall not participate in the selection of any vendor(s).



Once a request for goods or services has been released by the Chief Procurement Officer, ALL vendor contact shall solely be with the Procurement Office. GLWA employees providing information relative to the request for goods or services to vendors during the period that a request for goods or services is outstanding will be subject to disciplinary actions and the vendor potentially disqualified from that competitive bid.

1.8 Competency

The Chief Procurement Officer shall ensure Representatives are competent, knowledgeable about the Procurement Policy and Procedures, engaged in continuous professional development, and qualified to implement procurement activities efficiently, objectively and accurately.

1.9 Definitions

- a) Administrative Revision – A revision to the Procurement Procedures document.
- b) Authorized Sub-Contractor - A person or business which has a contract with a Vendor to provide some portion of the work or services on a project which the Vendor has agreed to perform for GLWA and which does not hold a suspended or debarred status.
- c) Board – The Board of Directors of the GLWA and governing body to which the CEO and Procurement Officer are accountable for establishing, maintaining and monitoring procurement activities within the parameters of this policy.
- d) Competitive Bids or Bidding – A transparent procurement method by which competing Vendors are invited to bid in an open advertisement of the scope, specifications, evaluation criteria, and terms and conditions of a proposed contract.
- e) Competitive Quotations – A procurement method in which pricing is requested from several Vendors and the most competitive one is chosen. Competitive Quotations are generally used for smaller purchases where Competitive Bidding is impractical.
- f) Conflict of Interest – A situation that has the potential to undermine the impartiality of a person because of the possibility of a divergence between the person's self-interest and professional interest or public interest.
- g) Contract - A written agreement in which GLWA agrees to acquire goods or services from a Vendor in exchange for consideration. These written agreements specify each party's obligations in relation to the transaction including but not limited to the scope of work, payment information, duration of the agreement, prices, and other legal terms and conditions applicable to the transaction.
- h) Contract Renewals - The exercise of a Contract renewal option where continuation of existing services or goods from an existing Vendor is desirable for purposes of continuity or compatibility. Procurement staff will supply market test data or key performance



indicators to support continuation of existing goods or services from an incumbent Vendor.

- i) Cooperative Purchases – An agreement for the procurement of goods, supplies, professional services or construction services with one or more Public Procurement Units (e.g. local, state or federal) in accordance with an agreement entered into between the participants. It may consist of joint or multi-party contracts between Public Procurement Units.
- j) Emergency Procurement – A procurement method available when there exists an imminent threat to public health and welfare or to prevent an imminent violation of a required environmental permit or Administrative Consent Order under emergency conditions where Competitive Bidding and prior authorization would be impossible or impractical under the circumstances.
- k) Goods – Any fixtures, items of furniture, supplies, materials, equipment, other personal property, and other items of a similar nature.
- l) Initial Term – The initial length of the Contract or Purchase Order excluding renewals and/or extensions.
- m) P-Card – A purchasing card is a form of company credit card regulated by the State (MCL 0510.17) that allows goods and services to be procured pursuant to the Procurement Card Policy [Insert hyperlink here] without using a traditional purchasing process.
- n) Purchase Order or PO - A Purchase Order is a short form of contract issued by GLWA to a Vendor indicating types, quantities, payment terms and prices for goods or services the Vendor will provide to GLWA.
- o) Public Procurement Unit - A Public Procurement Unit is defined as any local government or state government, whether or not located in the State of Michigan, or federal agencies of the United States.
- p) Qualified Vendor - A Vendor that meets or exceeds the standards prescribed in the Solicitation and has not defaulted on a previous GLWA Contract or Purchase Order.
- q) Representatives – include authorized individuals acting on behalf of GLWA including, but not limited to management, employees, agents and evaluators.
- r) Responsible Vendor – A status achieved when a business meets each and every minimum qualification or other requirement set forth in the applicable Solicitation and does not hold a status of debarred or suspended.
- s) Responsive Vendor – A status achieved when a timely submitted Bid, Proposal or Response conforms to all material requirements of the Solicitation in response to which it was submitted.
- t) Single Source Procurement - A procurement in which there are multiple sources of supply, but for specific reasons including but not limited to: compatibility, equipment for which there is no comparable competitive product, technology requirements or



uniqueness of the service, the item or service must be purchased from a single, specified vendor.

- u) Small Purchases - A procurement that does not exceed \$50,000 and may be accomplished without securing competitive quotations if the prices are considered to be fair and reasonable. Procurement requirements shall not be artificially divided so as to constitute a small purchase.
- v) Sole Source Procurements – A procurement in which the Chief Procurement Officer (or designate) certifies that only one (1) source of supply is available.
- w) Solicitation – A manner of requesting goods and services including but not limited to a Request for Quote, Request for Information, Statement of Qualifications, or Request for Proposal.
- x) Specialized Services – A unique expertise provided by an individual or firm and unattainable in the market in a competitive environment.
- y) Surplus goods – Goods owned by the GLWA that have been determined to be unusable, defective (vendor will not accept return), obsolete (no longer conforms to local, State or Federal requirements), in excess quantity (one or more years of stock at normal or projected usage) and is not scrap. Scrap means any personal property owned by the GLWA that has little or no value and is uneconomical to store or offer for sale.
- z) Vendor – A contractor, supplier, affiliate, subsidiary, parent company or other business entity that seeks to conduct or does conduct business with the GLWA.

Section 2 – Authority

2.1 Contracting Authority

The Chief Procurement Officer (or designated manager) is the only recognized Representative to enter into a contract or issue a purchase order on behalf of GLWA for the procurement of goods, services, construction, leases or agreements for the disposal of surplus goods.

2.2 Delegation of Authority

The Chief Procurement Officer may delegate in writing to his/her designee(s) the authority to procure goods, services, surplus goods and construction (excluding the disposal of surplus goods). To ensure compliance with this Policy, all approved delegations and limits of authority shall be documented and submitted to the Board as a communication.



2.3 Authorization to Supply Goods/Services/Construction

The Chief Procurement Officer shall communicate the authorization to supply goods/services in the form of a written and fully approved Purchase Order except in extenuating circumstances including without limitation, emergency purchases, power outages and building closures. In those instances, a Vendor shall be given an informal authorization from the Chief Procurement Officer the written commitment that a Purchase Order will be issued as soon as circumstances allow. GLWA is not financially or otherwise responsible for goods, services or labor performed without proper authorization.

Section 3 – Procurement

3.1 Procurement of Goods and Services

GLWA procurement activities shall be performed using financially responsible methods, ethics, and fair business practices. Procurement shall not enter into a procurement contract for goods or services with a person who has been convicted of a criminal offense incident to the application for or performance of a contract or subcontract with a local government, state or federal governmental entity or with a person who has been held liable in a civil proceeding or has been convicted of a criminal offense that negatively reflects on the person's business integrity, based on a finding of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or violation of state or federal antitrust statutes, or similar laws.

3.2 Methods of Procurement

GLWA shall procure all goods and services through the use of competitive bidding as outlined in this policy, unless an express exception is indicated within this policy. The GLWA Chief Procurement Officer shall take all necessary measures to ensure adherence to this policy. Competitive bidding includes but is not limited to: Statement of Qualifications (SOQ), Request for Information (RFI), Request for Proposals (RFP), and Request for Quotes (RFQ).

3.3 Exceptions to Competitive Bidding

The Authority shall not be required to use competitive bidding when acquiring proprietary goods, services, equipment or information available from a single source, including but not limited to software license agreement, emergency repairs or to respond to a declared state of emergency or if procurement is necessary for the imminent protection of or mitigation of an imminent threat to public health or safety with subsequent notice to the Board relating to the justification for the action taken.



3.4 Vendor Involvement in Proposal Preparation

Vendors engaged or contracted to prepare a scope of work or solicitation shall be precluded from bidding on the underlying goods or services sought by GLWA.

3.5 Contract Length and Renewals

Excluding contracts involving capital improvements, the initial contract period shall be no greater than three (3) years with two (2) one-year renewal options to be reviewed annually if the Chief Procurement Officer is satisfied with the value of the goods and / or services received during the original contract period. Contracts exceeding five (5) years must be approved by the Board prior to entering into the contract.

3.6 Blanket Purchase Orders

Blanket purchase orders for pre-qualified vendors should be encouraged for emergency services (electrical failures; distribution network repairs; technology needs; etc.). Pre-qualification of vendors would permit a shortened period of vendor response for services whereby a limited response to the underlying scope of work and cost need be supplied by the vendor.

Section 4 – Solicitation

4.1 Solicitation development and advertisement

Competitive solicitations shall be prepared in a manner that allows and promotes open competition. Solicitations shall be advertised electronically and/or through newspaper or other media determined by GLWA that promotes vendor participation in the bid process.

Section 5 – Bidding

5.1 General

GLWA reserves the right to cancel or amend a solicitation prior to contract or purchase order issuance or reject any or all bids if it is determined that such action is in the best interests of GLWA. GLWA may allow a vendor to withdraw a bid if requested at any time prior to the bid opening.

5.2 Bid Submission

To participate in the bidding process, vendors shall submit bids/proposals/quotes in the method, format, and time frame specified in the solicitation. The bid shall be signed by an



individual within the bidding firm that has the authority to bind the Company or individual to a contract. Bids received after the due date and time will be rejected, will not be evaluated, will not be opened, will not be considered for award of contract, and will be returned to the vendor unopened.

5.3 Risk Management

GLWA shall mitigate risks such as limitations of liability, retainage, indemnities, warranties, terms of payment, termination, insurance and bonding requirements through contract or purchase order terms. Risks not addressed in the contract or purchase order are the sole responsibility of the vendor. Deviations to risk responsibility will not be accepted without specific approval by the GLWA CEO prior to contract award.

5.4 Insurance

Contract insurance requirements will be detailed in each solicitation request. In order to be considered a responsible vendor, vendor shall possess and maintain the required insurances which meets or exceeds the terms and conditions for each such policy during the term of the contract at its sole expense. In some instances, a vendor must also maintain specified policies after the conclusion of a contract for the duration as specified in the contract.

5.5 Bonds

To protect GLWA from bidders withdrawing their bids prior to the end of their bid validity period, refusing to sign the contract, failure to perform, failing to pay sub-contractors, or providing faulty workmanship/materials, bonds may be required. Bond requirements (bid, warranty, performance or payment) shall be indicated in the solicitation.

5.6 Alternative Technical Proposals

Where appropriate, the proposing vendor is required to comply with the submission of a technical proposal in accordance with the scope of work in the request for goods and / or services, but should also be encourage to and in addition provide an alternative proposal for goods and / or services that would better meet the needs of GLWA in the opinion of the vendor.

Section 6 – Evaluation of Competitive Bids

GLWA shall assess competitive solicitation responses in order to determine in its sole discretion, the most capable vendor(s) that will meet or exceed the requirements of the solicitation while providing the most value.



6.1 Evaluation Team

The Procurement Division shall nominate evaluators who shall be approved by the Chief Procurement Officer. The drafter of the solicitation and GLWA Board members shall not evaluate proposals. Where possible, at least one (1) evaluator shall be technically proficient in the field that is the subject of the procurement. GLWA will strive to include evaluators from the customer base. To participate in the evaluations of proposals, each nominated evaluator shall sign an Ethics and Confidentiality agreement. www.glwater.org/GLWAProcurementPolicy/Procedures

The evaluation scoring mechanism shall be completed and made available prior to the opening of the vendor proposals.

6.2 Bid Protest

A potential vendor, who has submitted a proposal and who is not awarded a contract after participating in GLWA's competitive solicitation process, may protest the award of the contract by filing a written notice of protest with the Chief Procurement Officer within seven (7) calendar days after the award. The written notice of protest shall reference the solicitation number and the basis for the protest.

- a) Upon receiving a Bid Protest, the GLWA Chief Procurement Officer shall immediately suspend the contract award process and activities until the protest has been resolved.
- b) The Bid Protest shall be reviewed by the Chief Procurement Officer in an expeditious manner. The Chief Procurement Officer shall make a determination to either accept or reject the bid protest within seven (7) calendar days after the date the protest was received.
- c) If the Chief Procurement Officer accepts the bid protest, the Chief Procurement Officer shall carry out actions accordingly. If the Chief Procurement Officer rejects the Bid Protest, the Chief Procurement Officer shall notify the protestor of that decision and advise the protestor of their opportunity to appeal to the Chief Administrative Officer. The protestor will have three (3) calendar days from the notification of the bid protest to appeal the decision.
- d) Upon receiving an appeal to a bid protest, the Chief Administrative Officer shall review the appeal and make a determination to either accept or reject the bid protest within fourteen (14) calendar days after the date when the appeal was received. If the Chief Administrative Officer accepts the bid protest, the Chief Procurement Officer shall act in accordance with the Chief Administrative Officer's findings. If the Chief Administrative Officer rejects the Bid Protest, the Chief



Procurement Officer shall notify the protestor of the decision. The Chief Administrative Officer's determination shall be final.

- e) Items excluded from Bid Protests and Appeals include:
- i. Bids/proposals under \$50,000;
 - ii. Failure of a potential vendor to submit bid by the date and time specified;
 - iii. Failure of a potential vendor to provide documents required to accompany a bid or proposal;
 - iv. Failure to have a required bid bond accompany a bid;
 - v. Failure to submit an appeal within the time defined in this policy;
 - vi. Failure of a potential vendor to meet minimum or mandatory requirements;
 - vii. A vendor that has a performance rating of unacceptable; and
 - viii. A vendor that has a status of debarred or suspended during any stage of the contract award process (advertisement of solicitation through the award of the contract) or at the time of the bid protest.

Section 7 – Approvals

Whether a contract or purchase order is awarded through competitive bidding or a permitted non-competitive process, approval levels listed below are required. In the absence of appropriate approval levels, no contract or purchase order exists between GLWA and any vendor. Prior to request for approval, all contracts shall be evaluated by the GLWA Risk Manager as to insurance requirements and by General Counsel for other terms and conditions.

7.1 Approval Levels

Procurements for goods, services and construction shall be recognized as “Authorized” where approval requirements listed below have been met. Amounts below represent the value for the initial contract or purchase order term and amendment/change order value (including the value of renewal options). Contracts and purchase orders shall not be artificially divided to bypass required approvals. All contract terms shall be defined. Contracts and purchase orders in which the initial term is equivalent to or exceeds three (3) years shall be reviewed every year by the GLWA Chief Procurement Officer to ensure contract and purchase order compliance. The GLWA Chief Procurement Officer shall submit to the GLWA CEO and the Board a contract and purchase order compliance review report. Procurement requirements shall not be artificially divided or fragmented so as to constitute a small purchase or to circumvent the approval levels listed below.

7.2 Unauthorized Purchases

GLWA shall not be liable financially or otherwise responsible for the unauthorized performance of services, shipment of goods or completion of construction projects.



Description	Total value including contract renewals and change orders	Authority to encumber funds
1) Initial Contract of Purchase Order having a duration of one (1) year or less for goods or services (excluding construction, disposal of surplus goods, assets or real estate).	< \$ 100,000.	Procurement Specialist
2) Initial Contract of Purchase Order having a duration of one (1) year or less for goods or services (excluding construction, disposal of surplus goods, assets or real estate).	< \$ 300,000.	Procurement Manager
3) Initial Contract or Purchase Order having a duration of three (3) years or less for: a) goods, services, b) disposal of surplus goods or assets, c) construction (excluding real estate)	< \$ 500,000.	*Chief Procurement Officer
4) Initial Contract or Purchase Order having a duration of three (3) years or less for: a) goods, services, b) disposal of surplus goods or assets, c) leases	< \$ 1,000,000.	*GLWA CEO
5) Initial Contract or Purchase Order for: a) goods, services, b) disposal of surplus goods or assets, c) leases	> \$ 1,000,000.	GLWA Board of Directors
6) Sale or purchase of Real Estate	Unlimited	GLWA Board of Directors
<p style="text-align: center;"><u>Contract renewals</u></p> For <u>approved</u> contracts or purchase orders where prior approval included renewal options. Total contract term cannot be beyond five (5) years including contract renewals. Initial contract term cannot be beyond three (3) years.	Unlimited	Chief Procurement Officer and GLWA CEO
<p style="text-align: center;"><u>Emergency procurements</u></p>	Unlimited authority – <u>The authorized approver of an emergency procurement must generate a report to include details surrounding the emergency procurement and submit it to the GLWA Board within 7 calendar days of the procurement.</u>	Chief Procurement Officer and GLWA CEO



Section 8 – Contract/Purchase Order Administration

8.1 Required Documents

Prior to the notice to proceed ("start of work" meeting, issuance of purchase order or contract) and in addition to providing evidence of the required insurance, the successful vendor shall produce required documents including but not limited to performance bonds and licenses. If the vendor is unwilling or unable to produce required documents in the time frame required by GLWA, GLWA may immediately revoke the award of business without financial or legal obligation to the vendor.

8.2 Change Orders/Extensions

In circumstances where the scope of work, services, materials or term of contract or purchase order requires a deviation from the contract or purchase order terms, an appropriately approved and budget verified change order shall be issued to the vendor. GLWA shall not be responsible for work, services or materials provided outside of an approved change order.

8.3 Contract Renewals

GLWA is not obligated to exercise contract or purchase order renewal options referenced in the contract. Prior to exercising a renewal option, GLWA Procurement shall consider the vendor's performance against the initial contract or purchase order. Vendors shall not provide goods, services, or materials against a contract or purchase order renewal option prior to GLWA's approval of the contract or purchase order renewal.

Section 9 – Contract/Purchase Order Compliance

9.1 Contract Performance

A contractor shall supply goods and services conforming to the specifications of the solicitation and award. Failure to perform within the specification and stated time of the contract or purchase order may result in contract or purchase order termination.

9.2 Vendor Suspension and Debarment

It is the policy of GLWA to solicit offers from, award contracts and purchase orders to and consent to subcontracts with responsible vendors only. Suspensions or debarments may be imposed at the discretion of the GLWA for purposes related to the good of the public interest, including maintaining the integrity of the bidding, contracting and procurement processes and protecting public trust and confidence in GLWA's operations. Suspensions and debarments will not be imposed as punitive measures. GLWA may suspend or debar a vendor based on a finding that the vendor is not a responsible vendor and shall report said finding to the Legal Committee. Causes which may result in a finding that a vendor is not a responsible vendor include, but are not limited to, any of the following:



- a) An indictment or conviction of the vendor under any federal, state or local law for any offense indicating a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct;
- b) An indictment or conviction of the vendor under any federal, state or local law for any serious criminal offense that affects the vendor's responsibility as a GLWA vendor;
- c) Judgment of civil liability entered against the vendor in any federal, state or local proceeding based upon facts indicating a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct;
- d) Results or preliminary findings of an investigation of the vendor initiated by the GLWA, federal, state or local law enforcement department, municipality or agency involving allegations of a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering, fraudulent conduct or any other serious misconduct;
- e) Use of an un-authorized subcontractor;
- f) A preliminary finding that the vendor engaged in theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct in connection with a GLWA contract;
- g) A preliminary finding that the vendor submitted, made or caused to be made a false, deceptive or fraudulent material statement in connection with a bid, certification, proposal, application, change order, charge, invoice, cost estimate, or payment request related to a GLWA contract;
- h) Refusal by the vendor to reasonably cooperate with the GLWA in connection with an investigation related to a GLWA contract;
- i) The vendor's failure to report to the Chief Procurement Officer, CEO, or the Chairperson of the GLWA Board any activity by elected officials, employees, or persons acting on their behalf related to a GLWA contract or purchase order that the vendor reasonably suspects to be improper, unethical or illegal;
- j) Demonstrated discrimination on the basis, including but not limited to race, religion, sexual orientation, marital status, gender, national origin or military status.
- k) Unlawful restraint or limitation on competition by the vendor;
- l) The vendor's violation of a material term of a GLWA contract, subcontract or purchase order;
- m) The vendor's history of documented unsatisfactory performance; and
- n) Any other conduct or activity by the vendor that has a harmful impact upon the integrity of the bidding, contracting or procurement processes of the GLWA or public trust and confidence in the operations of the GLWA.



Current Board Policy blacklined



PROCUREMENT 10-23-15 POLICY vs PROPOSED AMENDED POLICY 10.10.18

GLWA Board Policy
Procurement Policy Table of Contents

Section 1 - Introduction

- 1.1 – Purpose
- 1.2 – ~~Application~~ **Scope**
- 1.3 – ~~Scope~~ **Exclusions**
- 1.4 – Responsibility
- 1.5 – Review **and Revisions**
- 1.6 – ~~Revisions~~ **Ethics and Code of Conduct**
- 1.7 – ~~Ethics and Code of Conduct~~ **Competency**
- 1.8 – ~~Competency~~ **Definitions**
- 1.9 – ~~Definitions~~

Section 2 - Authority

- 2.1– Contracting Authority
- 2.2– ~~Delegation of Authority~~ **Management of Procurement**
- 2.3 – ~~Authorization to Supply Goods/Services/Construction~~ **Delegation of Authority**

Section 3 – ~~Emergency~~ **Procurements**

- 3.1– ~~Procurement of Goods and Services~~ **Waiver of Competitive Procurement**
- 3.2 – ~~Methods of Procurement~~ **Documentation of Emergency Procurement**
- 3.3 – ~~Exceptions to Competitive Bidding~~ **Report to the Board**
- 3.4 – ~~Vendor Involvement in Proposal Preparation~~
- 3.5 – ~~Contract Length and Renewals~~
- 3.6 – ~~Blanket Purchase Orders~~

Section 4 – ~~Solicitation~~ **Competitive Bidding**

- 4.1– ~~Solicitation Development and Advertisement~~ **Procurement of Goods and Services**
- 4.2 – ~~Exceptions to Competitive Bidding~~
- 4.3 – ~~Funding Sources~~
- 4.4 – ~~Pre-Qualification of Vendors~~
- 4.5 – ~~Intergovernmental Agreements and Cooperative Purchasing~~

Section 5 – ~~Bidding~~ **Solicitation Development**

- 5.1 – ~~General~~ **Solicitation Development and Advertisement**
- 5.2 – ~~Bid Submission~~ **Methods of Solicitation**
- 5.3 – ~~Risk Management~~ **Vendor Involvement in Preparing the Solicitation**
- 5.4 – ~~Insurance~~ **Professional Services**
- 5.5 – ~~Bonds~~ **Capital Program Methods and Alternatives**
- 5.6 – ~~Alternative Technical Proposals~~ **Risk Management**



- 5.7 – Insurance
- 5.8 – Bonds

Section 6 – ~~Evaluation of Competitive Bids~~ Public Solicitation

- 6.1 – ~~Evaluation Team~~ Advertisement
- 6.2 – ~~Bid Protest~~ Right to Amend, Withdraw or Cancel

Section 7 – ~~Approvals~~ Vendor Response

- 7.1 – ~~Approval Levels~~ Response to Solicitation
- 7.2 – ~~Unauthorized Purchases~~ Responses Submitted After Due Date and Time
- 7.3 – ~~Approval Levels Table~~

Section 8 – ~~Contract Administration~~ Evaluation Methods

- 8.1 – ~~Required Documents~~ Evaluation Methods
- 8.2 – ~~Change Orders/Extensions~~ Evaluation Team
- 8.3 – ~~Contract Renewals~~ Protest

Section 9 – ~~Contract Compliance~~ Development

- 9.1 – ~~Contract Performance~~ Required Documents
- 9.2 – ~~Vendor Suspension and Debarment~~ Contract Length and Renewals
- 9.3 – Vendor Performance
- 9.4 – Assumed Contracts

Section 10 – Contract Approval

- 10.1 – Approval Requirements
- 10.2 – Unauthorized Purchases
 - 10.2.1 – Approval Requirement Table

Section 11 – Contract Administration

- 11.1 – Contract Administration
- 11.2 – Change Orders
- 11.3 – Construction Change Orders (CCO)
- 11.4 – Liquidated Damages

Section 12 – Contract Compliance

- 12.1 – Contract Compliance
- 12.2 – Federal Uniform Guidance Procurement Standards

Section 13 – Vendor Suspension/Debarment

- 13.1 – Imposing Suspension/Debarment



PROCUREMENT POLICY

Section 1 – Introduction

1.1 Purpose

~~The purpose of the~~ **This Policy shall be known as the** Great Lakes Water Authority (GLWA) Procurement Policy. (“Policy”) ~~is to provide an overview of GLWA procurement activities. Procedures can be located via hyperlink as follows:~~

~~www.glwater.org/GLAWAProcurementPolicy/Procedures~~

The purpose of this Policy is to define the parameters for procurement of, and contracting for, Goods and Services.

1.2 Application 1.2 Scope

~~This Policy shall govern all procurement activities~~ **and encompass all phases of the procurement process.** ~~for members of the GLWA and their Representatives. It shall not apply to matters involving the procurement of goods and/or services that are specifically excluded within this Policy or to procurements involving GLWA’s investment activities.~~ **If there are additional procurement requirements for federal or state funded projects or initiatives, then those additional provisions shall also apply. This Policy applies to all current Vendors and Potential Vendors. If the Vendor uses Subcontractors, this Policy applies to them as well. This Policy shall not apply to matters involving the procurement of Goods or Services that are specifically excluded or exempted within this Policy.**

1.3 Scope 1.3 Exclusions

~~The Scope of this Policy is broad and includes procurement activities during every phase of the procurement process (as more fully reflected in the Procedures). These activities include, without limitation, purchase order issuance, bid development, bid solicitation, bid evaluation, awards and notifications, contract formation, contract management and enforcement.~~ **Exclusions to this Policy include (a) the selection of an independent certified public accounting firm to perform financial audits¹ and (b) the following Board adopted policies: (i) Investment Policy, (ii) Debt Management Policy, (iii) Settlement Policy, (iv) Asset Disposal Policy, and (v) any other Board adopted policy which states that it is excluded from this Policy.**

1.4 Responsibility

~~The GLWA Chief Executive Officer (CEO), CFO and the CPO Chief Procurement Officer are responsible for guaranteeing the effective implementation of this Policy. Specifically, the Chief Procurement Officer is responsible for establishing procedures in accordance with this Policy and training Representatives accordingly. The GLWA CEO is responsible for enforcing this Policy by taking all necessary measure to guarantee its purpose is accomplished.~~ **The CEO is responsible for enforcing this Policy by taking all necessary measures to guarantee its purpose is accomplished. The CPO is responsible for establishing Procedures in accordance with this**

¹ See Articles of Incorporation, Article 7(J).



Policy and training Representatives on both the Policy and Procedures. The CPO is a role defined by this Policy that is assigned to a Representative by the CEO based upon a recommendation from the CFO.

1.5 Review and Revisions

~~No later than~~ On December 31, 2017 and ~~two years~~ biennially thereafter, the ~~Board~~ GLWA administration and GLWA Audit Committee shall review the contents of ~~this Policy~~ the purchasing policies and affirm or revise the policies based on the GLWA conditions then present involving the financial policies, procedures and such other matters that may be pertinent under the circumstance impacting GLWA's procurement needs. ~~it as necessary.~~

Policy revisions, if any, will be made available to the public. A history of Policy revisions, comprised of Board approved dates and a generalized reason for the same, shall be maintained by the CPO.

1.6 Revisions

~~Revisions to the elements of this policy will be made from time to time as appropriate by the Chief Procurement Officer with the CEO and may be subject to the approval of the GLWA Board of Directors (Board). Approved revisions shall be incorporated by the Chief Procurement Officer and communicated to all Representatives and made available to the public. A history of revisions, with dates and reasons for the same, shall be maintained by the Chief Procurement Officer.~~

1.7 1.6 Ethics and Code of Conduct

At every level ~~phase~~ of procurement, this Policy ~~and its Procedures~~ shall ~~preserve~~ insure public trust by establishing, maintaining, and enforcing business practices that promote fair, ethical, and financially sound procurement practices.

1.6.1 Representatives

~~Representatives shall perform GLWA procurement activities with integrity by utilizing financially responsible methods, uncompromising ethics, and fair business practices to promote vendor participation and provide the public with outstanding services and products.~~

~~While performing in their official capacities, Representatives shall be free from real or perceived ~~e~~Conflicts of ~~i~~Interest that could adversely impact GLWA's reputation or influence and their judgment, objectivity, or fiduciary responsibilities or loyalty to the GLWA and the public; or otherwise adversely impact GLWA's reputation. GLWA business dealings All procurements shall be conducted in compliance with GLWA Policies and Procedures, GLWA the Articles of Incorporation, this Policy and its related Procedures, and other GLWA policies and procedures, and applicable laws.~~



Representatives shall immediately report ~~any~~ **their own and others'** real or perceived ~~e~~**Conflict of Interest** to ~~their Supervisor,~~ the Chief Procurement Officer, CEO, and General Counsel ~~CPO,~~ or the Executive Leadership.

~~Annually~~**Each December,** the members of the ~~GLWA Board of Directors,~~ **the Executive Leadship,** ~~the Chief Procurement Officer~~ **CPO,** and all Procurement personnel shall complete a **Conflict of Interest form.** ~~the CEO and the CFO/Treasurer will confirm any known conflict of interests involving current GLWA operations.~~ **The CPO shall maintain the form in the CPO's official records.**

1.6.2 Board Members

~~Members of the GLWA Board of Directors should be~~ **For Solicitations or for Solicitations** which the Board member has been advised or believes will be solicited within the next sixty (60) days, the Board member is discouraged in attending meetings with potential vendors in order to avoid the appearance of providing undue pressures on GLWA administration in the selection of that vendor ~~from having any contact with Potential Vendors related to the Solicitation.~~ In the event ~~a meeting is held~~ **contact is made,** the GLWA Board member shall, as soon as possible is obligated to report that ~~contact vendor meeting~~ **contact vendor** at the next regularly scheduled Board meeting. **In addition,** ~~The GLWA Board members~~ shall not **participate** ~~have involvement~~ in the development of **solicitations** and shall not participate as an Evaluator for any Solicitation, ~~in the selection of any vendor(s)~~ **except for the selection of an independent certified public accounting firm to conduct annual financial audits.**

1.6.3 Vendors

~~Once a request for goods or services has been released by the Chief Procurement Officer~~ **For** a Solicitation or for Solicitations which a current or Potential Vendor has been advised or believes will be solicited within the next sixty (60) days, ~~ALL~~ **all** ~~Vendor~~ **Vendor** contact relative to that solicitation shall solely be with the ~~Procurement Officer~~ **buyer.** GLWA employees providing information relative to the request for goods or services to ~~Potential~~ **Vendor** that contact Representatives, other than the Buyer identified in the Solicitation, relative to the Solicitation prior to award shall ~~during the period that a request for goods or services is outstanding will~~ **shall** be subject to disciplinary actions, including the disqualification from the Solicitation, termination of existing Contracts or Assumed Contracts, debarment and/or suspension ~~and the vendor potentially disqualified from that competitive bid.~~

1.8 1.7 Competency

The ~~CPO~~ **Chief Procurement Officer** shall ensure ~~that~~ Representatives are competent, knowledgeable about the Procurement ~~as well as know and understand this~~ **Policy** and ~~its related Procedures,~~ engaged in continuous professional development, and qualified to implement procurement activities efficiently, objectively and accurately.

1.9 1.8 Definitions



- a) ~~Administrative Revision~~— A revision to the Procurement Procedures document.
- b) ~~Authorized Sub-Contractor~~— A person or business which has a contract with a Vendor to provide some portion of the work or services on a project which the Vendor has agreed to perform for GLWA and which does not hold a suspended or debarred status.
- e) ~~Board~~— the Board of Directors of the GLWA and governing body to which the CEO and Procurement Officer are accountable for establishing, maintaining and monitoring procurement activities within the parameters of this policy.
- d) ~~Competitive Bids or Bidding~~— A transparent procurement method by which competing Vendors are invited to bid in an open advertisement of the scope, specifications, evaluation criteria, and terms and conditions of a proposed contract.
- e) ~~Competitive Quotations~~— A procurement method in which pricing is requested from several Vendors and the most competitive one is chosen. Competitive Quotations are generally used for smaller purchases where Competitive Bidding is impractical.
- f) ~~Conflict of Interest~~— A situation that has the potential to undermine the impartiality of a person because of the possibility of a divergence between the person's self-interest and professional interest or public interest.
- g) ~~Contract~~— A written agreement in which GLWA agrees to acquire goods or services from a Vendor in exchange for consideration. These written agreements specify each party's obligations in relation to the transaction including but not limited to the scope of work, payment information, duration of the agreement, prices, and other legal terms and conditions applicable to the transaction.
- h) ~~Contract Renewal~~— The exercise of a Contract renewal option where continuation of existing services or goods from an existing Vendor is desirable for purposes of continuity or compatibility. Procurement staff will supply market test data or key performance indicators to support continuation of existing goods or services from an incumbent Vendor.
- i) ~~Cooperative Purchases~~— An agreement for the procurement of goods, supplies, professional services or construction services with one or more Public Procurement Units (e.g. local, state or federal) in accordance with an agreement entered into between the participants. It may consist of joint or multi-party contracts between Public Procurement Units.
- j) ~~Emergency Procurement~~— A procurement method available when there exists an imminent threat to public health and welfare or to prevent an imminent violation of a required environmental permit or Administrative Consent Order under emergency conditions where Competitive Bidding and prior authorization would be impossible or impractical under the circumstances.
- K) ~~Goods~~— Any fixtures, items of furniture, supplies, materials, equipment, other personal property, and other items of a similar nature.
- l) ~~Initial Term~~— The length of the Contract or Purchase Order excluding renewals and/or extensions.
- m) ~~P-Card~~— A purchasing card is a form of company credit card regulated by the State (MCL 0510.17) that allows goods and services to be procured pursuant to the Procurement Card Policy [[Insert hyperlink here](#)] without using a traditional purchasing process.



- ~~n) Purchase Order or PO – A Purchase Order is a short form of contract issues by GLWA to a Vendor indicating types, quantities, payment terms and prices for goods or services the Vendor will provide to GLWA.~~
- ~~o) Public Procurement Unit – A Public Procurement Unit is defined as any local government or state government, whether or not located in the State of Michigan, or federal agencies of the United States.~~
- ~~p) Qualified Vendor – A Vendor that meets or exceeds the standards prescribed in the Solicitation and has not defaulted on a previous GLWA Contract or Purchase Order.~~
- ~~q) Representatives – include authorized individuals acting on behalf of GLWA including, but not limited to management, employees, agents and evaluators.~~
- ~~r) Responsible Vendor – A status achieved when a business meets each and every minimum qualification or other requirement set forth in the applicable Solicitation and does not hold a status of debarred or suspended.~~
- ~~s) Responsive Vendor – A status achieved when a timely submitted Bid, Proposal or Response conforms to all material requirements of the Solicitation in response to which it was submitted.~~
- ~~t) Single Source Procurement – A procurement in which there are multiple sources of supply, but for specific reasons including but not limited to: compatibility, equipment for which there is no comparable competitive product, technology requirements or uniqueness of the service, the item or service must be purchased from a single, specified vendor.~~
- ~~u) Small Purchases – A procurement that does not exceed \$50,000 and may be accomplished without securing competitive quotations if the prices are considered to be fair and reasonable. Procurement requirements shall not be artificially divided so as to constitute a small purchase.~~
- ~~v) Sole Source Procurements – A procurement in which the Chief Procurement Officer (or designate) certifies that only one (1) source of supply is available.~~
- ~~w) Solicitation – A manner of requesting goods and services including but not limited to a Request for Quote, Request for Information, Statement of Qualifications, or Request for Proposal.~~
- ~~x) Specialized Services – A unique expertise provided by an individual or firm and unattainable in the market in a competitive environment.~~
- ~~y) Surplus goods – Goods owned by the GLWA that have been determined to be unusable, defective (vendor will not accept return), obsolete (no longer conforms to local, State or Federal requirements), in excess quantity (one or more years of stock at normal or projected usage) and is not scrap. Scrap means any personal property owned by the GLWA that has little or no value and is uneconomical to store or offer for sale.~~
- ~~z) Vendor – A contractor, supplier, affiliate, subsidiary, parent company or other business entity that seeks to conduct or does conduct business with the GLWA.~~

- a) **Articles of Incorporation – The GLWA Articles of Incorporation.**
- b) **Assumed Contract – A contract or purchase order with a vendor that was originally executed by the Detroit Water & Sewerage Department and assumed by GLWA on**



the operational effective date of GLWA on January 1, 2016. Amendments, extensions, and renewals of assumed contracts are subject to the approval levels established by this Policy.

- c) Best Value - A procurement method that emphasizes value over price by assessing the return that can be achieved based on the total life cycle cost of the item. This may include an analysis of the functionality of the item and/or cost-benefit analysis to define the best combinations of quality, services, time, and cost considerations over the useful life of the acquired item.
- d) Blanket Purchase Orders - A blanket purchase order allows for multiple delivery dates over a pre-determined period of time with negotiated standardized pricing. Blanket purchase orders are used where there is a recurring need or for emergency procurements.
- e) Board – the Board of Directors of GLWA and the governing body to which the CEO and the CPO are accountable for establishing, maintaining and monitoring procurement functions within the parameters of this Policy.
- f) Buyer – Representative authorized by the CPO to purchase, or contract for Goods and Services.
- g) CACO – The Chief Administrative and Compliance Officer of GLWA.
- h) CEO – The Chief Executive Officer of GLWA.
- i) CFO - The Chief Financial Officer/Treasurer of GLWA.
- j) Chief Security and Integrity Officer - The Chief Security and Integrity Officer of GLWA.
- k) Competitive Bids or Bidding – A transparent procurement method by which Potential Vendors are invited to bid in an open solicitation of the scope, specifications, Evaluation Criteria, and terms and conditions of a proposed Contract. Bids are sealed until after the posted due date and time.
- l) Competitive Quotations – A procurement method in which pricing is requested from several Potential Vendors and the most responsive one is chosen. Competitive quotations are generally used for Small Purchases as an Invitation to Quote (ITQ).
- m) Concentration Risk Evaluation – An evaluation of operational risk when a Vendor provides too great a percentage of a Good or Service that could negatively impact GLWA operations if that Vendor encountered a failure to deliver a Good or Service.
- n) Conflict of Interest – A potential situation that may undermine the impartiality of a person because of the possibility of a divergence between the person’s self-interest and professional or public interest.
- o) Contract – A written agreement in which GLWA agrees to acquire Goods or Services from a Vendor in exchange for consideration. These written agreements specify each party’s obligations in relation to the transaction. A Purchase Order is an acceptable form of Contract.
- p) Contract Amendment – A modification to the Contract terms and conditions.



- q) Contract Extension– An action to extend a Contract expiration date pursuant to a provision in the original Contract and upon written agreement by GLWA and the Vendor.
- r) Contract Renewal – The exercise of a Contract renewal option where continuation of existing Goods or Services from the Vendor is desirable for purposes of continuity or compatibility.
- s) Cooperative Procurement – The use of a purchasing program, in which GLWA is extended or extends the same pricing and terms of a contract for the purchase of Goods or Services.
- t) CPO - The Chief Procurement Officer of GLWA.
- u) Emergency Procurement – A procurement method available when there exists an imminent threat of public health and welfare or to prevent an imminent violation of a required environmental permit or Administrative Consent Order under emergency conditions where Competitive Bidding and prior authorization would be impossible or impractical under the circumstances.
- v) Enterprise Risk Management – GLWA’s operating group within the Administrative & Compliance Services Area.
- w) Evaluation Criteria - Qualitative factors that Evaluators will use to evaluate and score a proposal to select the most Vendor. The factors may include such factors as past performance, references, management and technical capability, price, quality, and performance requirements.
- x) Evaluator - A member of a committee established to conduct the evaluation of proposals, interviews, and negotiations during the Solicitation process for a Good or Service.
- y) Executive Leadership – The CEO, CFO, CACO, Chief Security and Integrity Officer, General Counsel, Chief Operating Officer - Water and Field Services, Chief Operating Officer- Wastewater, Chief Planning Officer, Chief Organizational Development Officer, Chief Public Affairs Officer, and Chief Information Officer of GLWA.
- z) General Counsel – The General Counsel of GLWA.
- aa) GLWA – The Great Lakes Water Authority.
- bb) Goods – Any fixtures, items of furniture, supplies, materials, equipment, other personal property, and other items of a similar nature provided to GLWA.
- cc) Initial Term – The original, approved length of the Contract excluding renewals and/or extensions.
- dd) Job Order Contract - A Contract for a specified time period for Goods or Services based the subsequent issuance of defined, written orders based upon previously bid or negotiated fees and unit prices.
- ee) Letter of Intent - An instrument used to commence work on a project that is emergent in nature, or Contract negotiations continual or where the Contract has not been fully executed. The CPO shall authorize Letters of Intent.



- ff) Liquidated Damages - A specific amount of compensation that GLWA may recover in the event the Vendor fails to complete the project in accordance with the Contract terms.
- gg) Notice to Proceed – Issued by the CPO indicating an approved Contract has been executed and work may begin.
- hh) Policy – This document setting forth the terms and conditions of the Board approved procurement policy.
- ii) Pre-Qualification - The screening of Potential Vendors in which such factors as financial capability, reputation, and management are considered to develop a list of qualified businesses who may then be allowed to submit bids and/or proposals.
- jj) Procedures - The document that sets forth the procedures by which the objectives of this Policy shall be carried out.
- kk) Professional Services – Services rendered by members of a recognized profession or possessing a special skill or professional license. Such services are generally acquired to obtain information, advice, training, or direct assistance. Architect or Engineer (A/E) Professional Services - Services that require performance by a registered architect or engineer. Professional services of an architectural or engineering nature that are associated with research, planning, development, and design for construction, alteration, or repair.
- ll) Purchase Order (PO) - A short form of Contract indicating types, quantities, payment terms and prices for Goods or Services.
- mm) Qualifications-Based Selection (QBS) – An evaluation method that facilitates the selection of A/E Professional Services based on qualifications and competence in relation to the scope and needs of a particular project.
- nn) Real Estate – Land, buildings, and appurtenances that is permanently affixed to the land. Fixtures include buildings, fences, and anything attached to buildings such as plumbing, heating, and light fixtures.
- oo) Representatives – Authorized individuals acting on behalf of GLWA including, but not limited to: GLWA Board of Directors, management, employees, authorized contractors, agents and Evaluators.
- pp) Request for Bid (RFB) – The Solicitation document used for Competitive Bidding the purchase of Goods and Services, awarding the Contract to the Vendor on a Low Bid evaluation method.
- qq) Request for Information (RFI) - A non-binding method whereby a jurisdiction publishes via newspaper, Internet, or direct mail its need for input from interested parties for an upcoming solicitation. A procurement practice used to obtain comments, feedback, or reactions from potential responders (suppliers, contractors) prior to the issuing of a solicitation. Generally, price or cost is not required. Feedback may include best practices, industry standards, technology issues, etc.



- rr) Request for Proposal (RFP) – The Solicitation document used in the competitive proposal process in which the proposals are evaluated based on their technical standards and other criteria. Negotiations with Potential Vendors, prior to final selection and award of a contract, is permissible.
- ss) Request for Qualifications (RFQ) – The Solicitation document used to obtain qualifications from Potential Vendors in advance of the issuance of an RFB or an RFP.
- tt) Requestor – The GLWA area, group, team, or stakeholder group for whom the Buyer collaborates with in procuring requested goods or services for use in carrying out the Requestor’s functional responsibilities.
- uu) Services – The performance of tasks to support GLWA. The performance of tasks shall be qualitatively different from anything necessarily done in connection with the sale of Goods or the performance of another service. Services include Professional Services, utilities, insurance, printing, information technology, janitorial, fleet management, construction, maintenance, real estate, legal, staffing services and any other services needed by GLWA.
- vv) Small Purchase - A procurement that does not exceed \$50,000 and may be accomplished with documented informal quotations from at least three Potential Vendors indicating that the prices are fair and reasonable. Procurement requirements shall not be artificially divided to constitute a Small Purchase. ITQ and telephone calls, which are documented, are acceptable methods of soliciting quotations.
- ww) Solicitation - A RFB, RFI, RFP, RFQ and competitive quotation requests for Small Purchases or any document used by the Buyer to obtain competitive bids or proposals for the purpose of entering into a Contract.
- xx) Specialized Procurement – A procurement in which there may be multiple sources of supply, but one Vendor possesses the unique ability or capability to meet the particular requirements of the Solicitation and/or where a unique expertise is provided by a Vendor that is unattainable in the market in a competitive environment. Specialized Procurements require written justification by the Requestor and must be approved by the CEO, CEO’s designee, or the CPO and must take into consideration Best Value. This decision to designate a procurement as a Specialized Procurement may be based on lack of competition, monopoly market, proprietary product or technology, licensing, copyright, standardization, warranty, or a supplier’s unique capability.
- yy) Subcontractor– A person or business which has a contract with a Vendor to provide some portion of the Goods or Services and which does not hold a suspended or debarred status.
- zz) Territory Area – The municipalities where GLWA provides water supply and sewage disposal services.



- aaa) Vendor – A contractor, supplier, affiliate, subsidiary, parent company or other business entity that provides Goods or Services.
 - i. Potential Vendor – A person or entity that submits a response to a Solicitation.
 - ii. Qualified Vendor – A Vendor that a) meets, or exceeds, the specifications prescribed in the Solicitation, b) has not defaulted on a previous Contract or Assumed Contract, c) has not been suspended or disbarred as defined in Section 12, and d) is not excluded pursuant to GLWA By-Laws, Article XIII – Conflicts of Interest, Section 2, which “prohibits the GLWA from entering into contracts with any individual who has been convicted of a criminal offense with respect to governmental contracting or any other crime that negatively reflects on the person’s business integrity.”
 - iii. Responsible Vendor – A status achieved when a Potential Vendor meets every minimum qualification, or other requirement, in the applicable Solicitation and does not hold a status of suspended or debarred.
 - iv. Responsive Vendor – A status achieved when a Potential Vendor timely submits bid, proposal or response conforms to all material requirements of the Solicitation.
- bbb) Vendor Debarment – See Section 13.1.2
- ccc) Vendor Suspension – See Section 13.1.1

Section 2 – Authority

2.1 Contracting Authority

~~The Chief Procurement Officer (or designated manager) is the only recognized Representative to enter into a contract or issue a purchase order on behalf of GLWA for the procurement of goods, services, construction, leases or agreements for the disposal of surplus goods.~~ **The Board shall approve all Contracts where; (a) the total compensation, including change orders, exceeds 1,000,000 dollars or (b) the term, including Contract Extensions or change orders, exceeds 5 years, prior to the CEO or the CEO’s designee signing or executing the Contract. Without Board approval, the CEO or the CEO’s designee may sign or execute Contracts, which do not exceed the total compensation and/or term referenced above. The CEO or the CEO’s designee shall not purposefully divide Contracts to avoid Board approval.**

Contract approvals by the Board contemplate all Contract Extensions.

2.2 ~~Delegation of Authority~~ Management of Procurement

~~The Chief Procurement Officer may delegate in writing to his/her designee(s) the authority to procure goods, services surplus goods and construction (excluding the disposal of surplus goods). To ensure compliance with this Policy, all approved delegations and limits of authority shall be documented and submitted to the Board as a communication.~~ **The CPO shall manage the procurement of Goods or Services. Except for Emergency Procurements, oral agreements are expressly prohibited and unenforceable against GLWA. Except for Emergency Procurements,**



GLWA only becomes financially and legally responsible when the Contract is fully executed. Work shall not begin until a Notice to Proceed is provided to the Qualified Vendor.

2.3 ~~Authorization to Supply Goods/Services/Construction~~ Delegation of Authority

~~The Chief Procurement Officer shall communicate the authorization to supply goods/services in the form of a written and fully approved Purchase Order except in extenuating circumstances including without limitation, emergency purchases, power outages, and building closures. In those instances, a Vendor shall be given an informal authorization from the Chief Procurement Officer the written commitment that a Purchase Order will be issued as soon as circumstances allow. GLWA is not financially or otherwise responsible for goods, services, or labor performed without proper authorization. The CEO delegates his/her authority to the CPO to manage the procurement of Goods and Services. The CEO's delegation of authority to the CPO can be revoked at any time. The CEO shall advise the Board of the revocation as a written communication.~~

Section 3 – Emergency Procurements

3.1 ~~Procurement of Goods and Services~~ Waiver of Competitive Procurement

~~GLWA procurement activities shall be performed using financially responsible methods, ethics, and fair business practices. Procurement shall not enter into a procurement contract for goods or services with a person who has been convicted of a criminal offense incident to the application for or performance of a contract or subcontract with a local government, state or federal governmental entity or with a person who has been held liable in a civil proceeding or has been convicted of a criminal offense that negatively reflects on the person's business integrity, based on a finding of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or violation of state or federal antitrust statutes, or similar laws. GLWA shall not be required to use competitive procurement for an Emergency Procurement. However, in the event of an Emergency Procurement, competitive procedures, as practicable, should be used to procure the Goods and/or Services.~~

3.2 ~~Methods of Procurement~~ Documentation of Emergency Procurement

~~GLWA shall procure all goods and services through the use of competitive bidding as outlined in this s, unless an express exception is indicated within this policy. The GLWA Chief Procurement Officer shall take all necessary measures to ensure adherence to this policy. Competitive bidding includes but is not limited to: Statement of Qualifications (SOQ), Request for Information (RFI), Request for Proposals (RFP), and Request for Quotes (RFQ).~~

- a. ~~In the event of an emergency requiring use of an Emergency Procurement, the Buyer authorizing an Emergency Procurement shall, as soon as possible but no later than 24 hours following that authorization, provide written notice to the CPO and CEO of the basis for the determination to utilize an Emergency Procurement.~~
- b. ~~If a Vendor is supplying Goods and/or Services pursuant to an Emergency Procurement, the Vendor shall as quickly as possible be given an authorized Letter of~~



Intent from the CPO stating the Emergency Procurement and that a Contract will be issued as soon as circumstances allow. GLWA is not financially, or otherwise responsible, for Goods and/or Services, unless authorized by the CPO.

3.3 ~~Exceptions to Competitive Bidding~~ Report to the Board

~~The Authority shall not be required to use competitive bidding when acquiring proprietary goods, services, equipment or information available from a single source, including but not limited to software license agreement, emergency repairs or to respond to a declared state of emergency or if procurement is necessary for the imminent protection of or mitigation of an imminent threat to public health or safety with subsequent notice to the Board relating to the justification for the action taken.~~ **The CEO or the CEO's designee shall generate a report to include details surrounding the emergency procurement and budgetary impact for submittal to the Board at or before the next regularly scheduled Board Meeting.**

3.4 ~~Vendor Involvement in Proposal Presentation~~

~~Vendors engaged or contracted to prepare a scope of work or solicitation shall be precluded from bidding on the underlying goods or services sought by GLWA~~

3.5 ~~Contract Length and Renewals~~

~~Excluding contracts involving capital improvements, the initial contract period shall be no greater than three (3) years with two (2) one-year renewal options to be reviewed annually if the Chief Procurement Officer is satisfied with the value of the goods and/or services received during the original contract period. Contracts exceeding five (5) years must be approved by the Board prior to entering into the contract.~~

3.6 ~~Blanket Purchase Orders~~

~~Blanket purchase orders for pre-qualified vendors should be encouraged for emergency services (electrical failures; distribution network repairs; technology needs; etc.). Pre-qualification of vendors would permit a shortened period of vendor response for services whereby a limited response to the underlying scope of work and cost need be supplied by the vendor.~~

Section 4 – Solicitation **Competitive Bidding**

4.1 ~~Solicitation Development and Advertisement~~ Procurement of Goods and Services

~~Competitive solicitations shall be prepared in a manner that allows and promotes open competition. Solicitations shall be advertised electronically and/or through newspaper or other media determined by GLWA that promotes vendor participation in the bid process.~~ **Procurement shall be performed using financially responsible methods, ethics, fair and best business practices to promote competitiveness and provide the public with outstanding services and products, and which efficiently and effectively meet the needs of GLWA.**



Unless an exception applies, all procurements shall use competitive transparent procurement methods to secure the best value for GLWA. Exceptions to Competitive Bidding shall follow all other provisions to this Policy.

4.2 Exceptions to Competitive Bidding

Exceptions to Competitive Bidding include: (a) Specialized Procurements, (b) Emergency Procurements and (c) Cooperative Procurements.

Specialized Procurements and Emergency Procurements require the written approval of the CEO, the CEO's designee, or the CPO. Information technology and legal Services are considered Specialized Procurements.

4.3 Funding Sources

Prior to the initiation of the procurement, the funding source must be established and approved by the CFO or the CFO's designee. Funding sources may include bond proceeds, federal, and/or state funding. Funding sources which have their own stated laws, regulations, and/or terms must be followed throughout the procurement process.

4.4 Pre-Qualification of Vendors

Pre-qualification of Vendors permits a shortened period of a Vendor's response for Services where a limited response to the underlying scope of work and cost are provided by the Potential Vendor. A Job Order Contract is the type of contract that may be used after prequalifying vendors.

4.5 Intergovernmental Agreements and Cooperative Purchasing

The CEO or the CEO's designee may enter into intergovernmental agreements with other local units of government to achieve regional infrastructure objectives increase efficiency, reduce administrative expenses, and to leverage economies of scale.

The CEO or the CPO may select Vendors available through the use of Cooperative Procurements.

All procurements via intergovernmental agreements or Cooperative Procurements are subject to the same approval requirements as other procurements.

GLWA may sponsor, conduct or administer a Cooperative Procurement program.

Section 5 – Bidding Solicitation Development

5.1 ~~General~~ Solicitation Development and Advertisement



~~GLWA reserves the right to cancel or amend a solicitation prior to contract or purchase order issuance or reject any or all bids if it is determined that such action is in the best interests of GLWA. GLWA may allow a vendor to withdraw a bid if requested at any time prior to the bid opening.~~ Solicitations shall be developed in a manner that allows and promotes open competition. To the extent allowable by law, GLWA will use its best efforts within the competitive solicitation requirements to achieve fairness in the number and value of contracts for Goods and Services by GLWA with Potential Vendors from the Territory Area. The Buyer's role is to facilitate, inform, control, and manage the solicitation process. The Requestor's role is to interact only with the Buyer to provide the Solicitation's content to ensure that operational objectives, criteria for success, and operational considerations are clearly conveyed to the Vendor community by the Buyer. The Solicitation issued by the Buyer must provide sufficient information for Potential Vendors to provide cost-effective responses for a preferred outcome.

5.2 ~~Bid Submission~~ Methods of Solicitation

~~To participate in the bidding process, vendors shall submit bids/proposals/quotes in the method, format, and time frame specified in the solicitation. The bid shall be signed by an individual within the bidding firm that has the authority to bind the Company or individual to a contract. Bids received after the due date and time will be rejected, will not be evaluated, will not be opened, will not be considered for award of contract, and will be returned to the vendor unopened.~~ Unless there is an exclusion or exception applies, GLWA shall procure all Goods and Services using the Solicitations as outlined in this Policy.

5.3 Vendor Involvement in Preparing the Solicitation

Vendors engaged or contracted to prepare the Solicitation, including the scope of work, shall be precluded from (a) bidding on the Solicitation, (b) being listed as a Subcontractor by a Potential Vendor.

5.4 Professional Services

A/E Professional Services shall be in accordance with a competitive QBS method of procurement. Further, all other Professional Services shall be in accordance with a Best Value method of procurement.

5.5 Capital Program Methods and Alternatives

The capital investment intensive nature of GLWA's operations necessitates the procurement process to provide for contracting methods and alternatives that should be identified in the Solicitation to foster innovation and best practices in the delivery of the capital program.

5.5.1 Traditional Project Delivery Methods

Traditional contracting methods may include design-bid-build or design-build.

5.5.2 Alternative Technical Proposals (ATP)

In addition to submitting a technical proposal in accordance with the Solicitation to be considered Responsible Vendors, Potential Vendors are encouraged (where



specified in the solicitation) to provide an alternative proposal(s) that may better meet the needs of GLWA.

5.5.3 Value Engineering (VE)

In addition to submitting a technical proposal in accordance with the Solicitation to be considered Responsible Vendors, Potential Vendors may a) voluntarily suggest methods for performing more economically and may share in any resulting savings or b) be required to establish a program or identify and submit methods for performing more economically.

5.5.4 Alternative Project Delivery Methods (APDM)

Non-traditional contracting methods (Alternative Project Delivery Methods) provide for the Potential Vendor to participate in or advise on the design or may be entirely responsible for the design. The Potential Vendor's selection is based on qualifications or best value and may include construction management or an alliance between two or more entities to deliver the project.

5.6 Risk Management

GLWA shall mitigate risks such as limitations of liability, retainage, indemnities, warranties, terms of payment, termination, ~~insurance~~ and bonding requirements through ~~the eContract or purchase order terms~~ and conditions. ~~Risks not addressed in the contract or purchase order are the sole responsibility of the vendor.~~ Deviations to risk responsibility will not be accepted without specific approval by the **General Counsel in appropriate consultation with Enterprise Risk Management, GLWA CEO** prior to eContract award.

Prior to issuance, the Solicitation should consider the likelihood of Concentration Risk and strategies to mitigate that risk.

5.7 Insurance

Contract insurance requirements will be detailed in each ~~sSolicitation request~~. ~~In order t~~To be considered a ~~rResponsible vVendor~~, **the Potential vVendor** shall possess and maintain the required insurances which meets or exceeds the **Contract's** terms and conditions for each ~~such~~ **insurance** policy during the term of the contract at its sole expense. In some instances, a ~~vVendor~~ must also maintain specified policies after the conclusion of a eContract for the duration as specified in the eContract. **GLWA shall be named insured on such policies.**

Deviations to the insurance requirement will not be accepted without specific approval from Enterprise Risk Management, in writing, prior to Contract award.

5.8 Bonds

~~Bonds may be required T~~To protect GLWA from ~~bidders~~ **Potential Vendors** withdrawing their bids prior to the end of their bid validity period, refusing to sign the contract; failure to perform; failing to pay ~~sSub-contractors;~~ or providing faulty workmanship/materials, ~~bonds may be required.~~ **The**



type of Bond requirements (bid, warranty, performance or payment) shall be indicated in the Solicitation.

5.6 ~~Alternative Technical Proposals~~

~~Where appropriate, the proposing vendor is required to comply with the submission of a technical proposal in accordance with the scope of work in the request for goods and/or services, but should also be encouraged to and in addition provide an alternative proposal for goods and/or services that would better meet the needs of GLWA in the opinion of the vendor.~~

Section 6 – Evaluation of Competitive Bids **Public Solicitation**

~~GLWA shall assess competitive solicitation responses in order to determine in its sole discretion, the most capable vendor(s) that will meet or exceed the requirements of the solicitation while providing the most value.~~

6.1 ~~Evaluation Team~~ **Advertisement**

~~The Procurement Division shall nominate evaluators who shall be approved by the Chief Procurement Officer. The drafter of the solicitation and GLWA Board members shall not evaluate proposals. Where possible, at least one (1) evaluator shall be technically proficient in the field that is the subject of the procurement. GLWA will strive to include evaluators from the customer base. To participate in the evaluations of proposals, each nominated evaluator shall sign an Ethics and Confidentiality agreement. www.glwater.org/GLWAProcurementPolicy/Procedures **Solicitations shall be advertised electronically, and/or using other media as determined by GLWA that promotes vendor participation and fair competition.**~~

~~The evaluation scoring mechanism shall be completed and made available prior to the opening of the vendor proposals.~~

6.2 ~~Bid Protest~~ **Right to Amend, Withdraw or Cancel**

~~A potential vendor, who has submitted a proposal and who is not awarded a contract after participating in FLWA's competitive solicitation process, may protest the award of the contract by filing a written notice of protest with the Chief Procurement Officer within seven (7) calendar days after the award. The written notice of protest shall reference the solicitation number and the basis for the protest.~~

- ~~a) Upon receiving a Bid Protest, the GLWA Chief Procurement Officer shall immediately suspend the contract award process and activities until the protest has been resolved.~~
- ~~b) The Bid Protest shall be reviewed by the Chief Procurement Officer in an expeditious manner. The Chief Procurement Officer shall make a determination to either accept or reject the bid protest within seven (7) calendar days after the date the protest was received.~~
- ~~c) If the Chief Procurement Officer accepts the bid protest, the Chief Procurement Officer shall carry out actions accordingly. If the Chief Procurement Officer rejects the Bid Protest, the Chief Procurement Officer shall notify the protestor of that decision and advise~~



~~the protestor of their opportunity to appeal to the Chief Administrative Officer. The protestor will have three (3) calendar days from the notification of the bid protest to appeal the decision.~~

- ~~d) Upon receiving an appeal to a bid protest, the Chief Administrative Officer shall review the appeal and make a determination to either accept or reject the bid protest within fourteen (14) calendar days after the date when the appeal was received. If the Chief Administrative Officer accepts the bid protest, the Chief Procurement Officer shall act in accordance with the Chief Administrative Officer's findings. If the Chief Administrative Officer rejects the Bid Protest, the Chief Procurement Officer shall act in accordance with the Chief Administrative Officer's findings. If the Chief Administrative Officer rejects the Bid Protest, the Chief Procurement Officer shall notify the protestor of the decision. The Chief Administrative Officer's determination shall be final.~~
- ~~e) Items excluded from Bid Protests and Appeals include:
 - ~~i. Bids/proposals under \$50,000;~~
 - ~~ii. Failure of a potential vendor to submit bid by the date and time specified;~~
 - ~~iii. Failure of a potential vendor to provide documents required to accompany a bid or proposal;~~
 - ~~iv. Failure to have a required bid bond accompany a bid;~~
 - ~~v. Failure to submit an appeal within the time defined in this policy;~~
 - ~~vi. Failure of a potential vendor to meet minimum or mandatory requirements;~~
 - ~~vii. A vendor that has a performance rating of unacceptable; and~~
 - ~~viii. A vendor that has a status of debarred or suspended during any stage of the contract award process (advertisement of solicitation through the award of the contract) or at the time of the bid protest.~~~~

GLWA reserves the right to amend, withdraw or cancel a Solicitation, without any financial or legal obligation to a Potential Vendor, prior to Contract or reject any or all bids if it is determined that such action is in the best interests of GLWA.

GLWA may allow a Vendor to withdraw a bid/submittal if requested at any time prior to the Solicitation opening.

Section 7 – Approvals Vendor Response

~~Whether a contract or purchase order is awarded through competitive bidding or a permitted non-competitive process, approval levels listed below are required. In the absence of appropriate approval levels, no contract or purchase order exists between GLWA and any vendor. Prior to request for approval, all contracts shall be evaluated by the GLWA Risk Manager as to insurance requirements and by General Counsel for other terms and conditions.~~

7.1 Approval Levels Response to Solicitation



~~Procurements for goods, services and construction shall be recognized as “Authorized” where approval requirements listed below have been met. Amounts below represent the value for the initial contract or purchase order term and amendment/change order value (including the value of renewal options). Contracts and purchase orders shall not be artificially divided to bypass required approvals. All contract terms shall be defined. Contracts and purchase orders in which the initial term is equivalent to or exceeds three (3) years shall be reviewed every year by the GLWA Chief Procurement Officer to ensure contract and purchase order compliance. The GLWA Chief Procurement Officer shall submit to the GLWA CEO and the Board a contract and purchase order compliance review report. Procurement requirements shall not be artificially divided or fragmented so as to constitute a small purchase or to circumvent the approval levels listed below.~~ **To participate in the Solicitation process, Potential Vendors shall submit a response to the Solicitation in the method, format, and time frame specified. The response shall be signed by an individual that has the authority to bind the Potential Vendor to a Contract.**

7.2 ~~Unauthorized Purchases~~ Responses Submitted After Due Date and Time

~~GLWA shall not be liable financially or otherwise responsible for the unauthorized performance of services, shipment of goods or completion of construction projects.~~ **Potential Vendor's responses submitted after the due date and time shall be immediately rejected. The rejected response will not be opened, considered for award of contract, or evaluated.**



7.3 Approval Levels Table

Description	Total value including contract renewals and change orders	Authority to encumber funds
1) Initial Contract or Purchase Order having a duration of one (1) year or less for goods or services (excluding construction, disposal of surplus goods, assets or real estate).	< \$100,000.	Procurement Specialist
2) Initial Contract or Purchase Order having a duration of one (1) year or less for goods or services (excluding construction, disposal of surplus goods, assets or real estate).	< \$300,000.	Procurement Manager
3) Initial Contract or Purchase Order having a duration of three (3) years or less for: a) goods, services, b) disposal of surplus goods or assets, c) construction (excluding real estate)	\$500,000.	*Chief Procurement Officer
4) Initial Contract or Purchase Order having a duration of three (3) years or less for: a) goods, services, b) disposal of surplus goods or assets, c) leases	< \$ 1,000,000.	*GLWA CEO
5) Initial Contract or Purchase Order for: a) goods, services, b) disposal of surplus goods or assets, c) leases	> \$ 1,000,000.	GLWA Board of Directors
6) Sale or purchase of Real Estate	Unlimited	GLWA Board of Directors
<p align="center">Contract renewals</p> <p>For approved contracts or purchase orders where prior approval included renewal options. Total contract term cannot be beyond five (5) years including contract renewals. Initial contract term cannot be beyond three (3) years.</p>	Unlimited	Chief Procurement Officer and GLWA CEO
<p align="center"><u>Emergency procurements</u></p>	Unlimited authority - The authorized approver of an emergency procurement must generate a report to include details surrounding the emergency procurement and submit it to the GLWA Board within 7 calendar days of the procurement.	Chief Procurement Officer and GLWA CEO



Section 8 – Contract/Purchase Order Administration Evaluation Methods

GLWA shall assess Solicitation responses to determine, in its sole discretion, the most Responsive and Responsible Vendor(s) that will meet or exceed the requirements of the Solicitation while obtaining the most value for GLWA.

8.1 ~~Required Documents~~ Evaluation Methods

~~Prior to the notice to proceed (“start of work” meeting, issuance of purchase order or contract) and in addition to providing evidence of the required insurance, the successful vendor shall produce required documents including but not limited to performance bonds and licenses. If the vendor is unwilling or unable to produce required documents in the time frame required by GLWA, GLWA may immediately revoke the award of business without financial or legal obligation to the vendor.~~ There are three major scoring methods that may be used under this Policy:

- 1) Low Bid – A RFB award based on the lowest, Qualified, Responsive, and Responsible Vendor.
- 2) QBS – An award for A/E Professional Services based on demonstrated qualifications, competence through the QBS process. After the Potential Vendor has been selected using the QBS process, the fee proposal will be analyzed for competitiveness and may be negotiated. GLWA shall have the right to exclude a Potential Vendor from consideration if the parties cannot agree to a fair and reasonable price.
- 3) All Factors – A RFP award based on predetermined evaluation factors and weights. These factors and weights shall be tailored to each procurement and include only those factors that will have an impact on the source selection decision. These factors and weights are identified in the Solicitation.

8.2 ~~Change Orders/Extensions~~ Evaluation Team

~~In circumstances where the scope of work, services, materials or term of contract or purchase order requires a deviation from the contract or purchase order terms, an appropriately approved and budget verified change order shall be issued to the vendor. GLWA shall not be responsible for work, services, or materials provided outside of an approved change order.~~ Prior to issuance of the Solicitation, the Requestor shall nominate Evaluators who will be presented to the CPO for approval. Where applicable, the Requestor will also be responsible to recruit Evaluators from its member partner community. Evaluators shall be technically proficient in the field that is the subject of the procurement and/or end users of the procurement. To participate in the evaluation of proposals, each nominated Evaluator shall sign an Ethics and Confidentiality agreement for each evaluation team for which they are nominated. Solicitation drafters may be Evaluators.

8.3 ~~Contract Renewals~~ Protest

~~GLWA is not obligated to exercise contract or purchase order renewal options reference in the contract. Prior to exercising a renewal option, GLWA Procurement shall consider the vendor’s~~



~~performance against the initial contract or purchase order. Vendors shall not provide goods, services, or materials against a contract or purchase order renewal option prior to GLWA's approval of the contract or purchase order renewal.~~ A Potential Vendor, who has submitted a response to a Solicitation and is not awarded a Contract after participating in the Solicitation, may protest the award of the Contract by filing a written notice of protest with the CPO within seven (7) business days after the Notice of Intent to Award. The written notice of protest shall reference the Solicitation number and the detailed reason for the protest.

- a) Upon receiving a protest, the CPO shall immediately suspend the Contract award process until the protest has been resolved.
- b) The protest shall be reviewed by the CPO in an expeditious manner. The CPO shall determine to either accept or reject the protest within seven (7) business days after the date the protest was received.
- c) If the CPO accepts the protest, he/she shall act accordingly. If the CPO rejects the protest, he/she shall notify the Potential Vendor of the decision and inform the Potential Vendor of their right to appeal to the CACO. The protestor will have three (3) business days from the notification of the protest decision to appeal.
- d) Upon receiving an appeal of a protest decision made by the CPO, the CACO shall review the appeal and determine to either accept or reject the protest within fourteen (14) business days after the date the appeal was received. If the CACO accepts the protest, he shall notify the protester and the CPO of that decision, and the CPO shall act in accordance with the CACO's findings. If the CACO rejects the protest, he/she shall notify the protestor of the decision. The CACO's determination shall be final. A communication will be sent to the Board notifying them of the protest and the decision.
- e) Items excluded from Protests and Appeals include:
 - a. Small Purchases;
 - b. Emergency Procurements;
 - c. Cooperative Procurements;
 - d. Specialized Procurements;
 - e. Failure of a Vendor or Potential Vendor to submit response to a Solicitation by the date and time specified;
 - f. Failure of a Vendor or Potential Vendor to provide documents required to accompany a bid or proposal;
 - g. Failure of a Vendor or Potential Vendor to have a required bid bond accompany a bid;
 - h. Failure of a Vendor or Potential Vendor to submit an appeal within the time defined in this Policy;
 - i. Failure of a Vendor or Potential Vendor to meet minimum or mandatory requirements;
 - j. A Vendor or Potential Vendor who has a performance rating of unacceptable; and



- k. A Vendor or Potential Vendor who has a status of debarred or suspended during any stage of the Solicitation through the Contract award or at the time of the bid protest.

Section 9 – ~~Contract/Purchase Order Compliance~~ Development

9.1 ~~Contract Performance~~ Required Documents

~~A Contractor shall supply goods and services conforming to the specifications of the solicitation and award. Failure to perform within the specification and stated time of the contract or purchase order may result in contract or purchases order termination.~~ The Vendor shall produce all required documents including, but not limited to, performance bonds, insurance, and licenses. If the Vendor is unwilling or unable to produce required documents in the time frame required by GLWA, GLWA reserves the right to rescind and/or revoke the award without financial or legal obligation to the Vendor.

9.2 ~~Vendor Suspension and Debarment~~ Contract Length and Renewals

~~It is the policy of GLWA to solicit offers from, award contracts and purchase orders to and consent to subcontracts with responsible vendors only. Suspensions or debarments may be imposed at the discretion of the GLWA for purposes related to the good of the public interest, including maintaining the integrity of the bidding, contracting and procurement processes and protecting public trust and confidence in GLWA's operations. Suspensions and debarments will not be imposed as punitive measures. GLWA may suspend or debar a vendor based on a finding that the vendor is not a responsible vendor and shall report said finding to the Legal Committee. Causes which may result in a finding that a vendor is not a responsible vendor include, but are not limited to, any of the following:~~

- ~~a) An indictment or conviction of the vendor under any federal, state or local law for any offense indicating a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct;~~
- ~~b) An indictment or conviction of the vendor under any federal, state or local law for any serious criminal offense that affects the vendor's responsibility as a GLWA vendor;~~
- ~~c) Judgment of civil liability entered against the vendor in any federal, state or local proceeding based upon facts indicating a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct;~~
- ~~d) Results or preliminary findings of an investigation of the vendor initiated by the GLWA, federal, state or local law enforcement department, municipality or agency involving allegations of a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering, fraudulent conduct or any other serious misconduct;~~
- ~~e) Use of an un authorized subcontractor;~~



- ~~f) A preliminary finding that the vendor engaged in theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct in connection with a GLWA contract;~~
- ~~g) A preliminary finding that the vendor submitted, made or caused to be made a false, deceptive or fraudulent material statement in connection with a bid, certification, proposal, application, change order, charge, invoice, cost estimate, or payment request related to a GLWA contract;~~
- ~~h) Refusal by the vendor to reasonably cooperate with the GLWA in connection with an investigation related to a GLWA contract;~~
- ~~i) The vendor's failure to report to the Chief Procurement Officer, CEO, or the Chairperson of the GLWA Board any activity by elected officials, employees, or persons acting on their behalf related to a GLWA contract or purchase order that the vendor reasonably suspects to be improper, unethical or illegal;~~
- ~~j) Demonstrated discrimination on the basis, including but not limited to race, religion, sexual orientation, marital status, gender, national origin or military status.~~
- ~~k) Unlawful restraint or limitation on competition by the vendor;~~
- ~~l) The vendor's violation of a material term of a GLWA contract, subcontract or purchase order;~~
- ~~m) The vendor's history of documented unsatisfactory performance; and~~
- ~~n) Any other conduct or activity by the vendor that has a harmful impact upon the integrity of the bidding, contracting or procurement processes of the GLWA or public trust and confidence in the operations of the GLWA.~~

The CEO or CPO is not obligated to exercise Contract renewal options referenced in the Contract or Assumed Contract. Prior to exercising a renewal option, the CEO or CPO shall consider the Vendor's performance in complying with the Contract. A Vendor must have GLWA written approval before providing Goods or Services for a renewal option. Unless the Contract term exceeds five years, GLWA's exercise of a renewal option shall not require Board approval.

Contracts in which the initial term is equivalent to, or exceeds three (3) years, shall be reviewed every year by the CPO to ensure Contract compliance. All approved procurements from the preceding fiscal year, shall be made available to the public and posted to the GLWA website.

9.3 Vendor Performance

Contracts may not be executed if a Vendor or Potential Vendor has a history of non-performance with GLWA, another governmental entity, or utility. Communication of Vendor performance will be documented by Requestors with a form provided by the CPO. The CPO will maintain a centralized vendor performance file.

9.4 Assumed Contracts

GLWA form of contracts will be executed when Assumed Contracts are eligible for renewal or extension.



SECTION 10 – CONTRACT APPROVAL

Contract approvals shall comply with the Approval Requirement Table. In the absence of appropriate approval, no agreement exists between GLWA and any Vendor. Prior to the request for approval, all Contracts shall be evaluated by the Enterprise Risk Management for insurance requirements. In addition, the Contract shall be approved as to form by the General Counsel for other terms and conditions.

10.1 Approval Requirements

All procurements shall be recognized as “Authorized” when approval requirements have been met. Amounts in the Approval Requirement Table represent the total value for the initial Contract duration, renewal options, and change orders. Contracts shall not be artificially divided or fragmented to constitute a Small Purchase or to circumvent the Approval Requirements in this Policy. All Contract terms shall be defined.

10.2 Unauthorized Purchases

GLWA shall not be liable financially or otherwise responsible for any unauthorized procurements.



10.2.1 Approval Requirement Table

Description	Total value including contract renewals and change orders	Authority to Encumber funds
Initial Contract for no more than five (5) years of which the initial term cannot exceed three (3) years for Goods or Services.	Less than \$ 25,000	Procurement Specialist
Initial Contract having for no more than five (5) years of which the initial term cannot exceed three (3) years for Goods or Services.	Between \$25,000 & \$99,999	Procurement Management Professional
Initial Contract for no more than five (5) years of which the initial term cannot exceed three (3) years for Goods or Services.	Between \$100,000 & \$299,999	Procurement Manager
For no more than five (5) years of which the initial term cannot exceed three (3) years for leases of Real Estate or personal property.	Between \$1 & \$499,999	CPO
Initial Contract for no more than five (5) years of which the initial term cannot exceed three (3) years for Goods or Services.	Between \$300,000 & \$499,999	CPO
For no more than five (5) years of which the initial term cannot exceed three (3) years for leases of Real Estate or personal property.	Between \$500,000 & \$999,999	CEO
Initial Contract for no more than five (5) years of which the initial term cannot exceed three (3) years for Goods or Services.	Between \$500,000 & \$999,999	CEO
Contracts for Goods or Services, personal property, leases of Real Estate or personal property	\$1,000,000 or more	Board
Purchase or the disposal of Real Estate.	Unlimited	Board
Contracts which exceed a total term of five (5) years or where the initial term exceeds three (3) years, including renewal options.	Unlimited	Board
Contract renewals For approved Contracts where prior approval included renewal options.	Unlimited	CPO or CEO
Emergency Procurements	Unlimited- The Requestor of an Emergency Procurement must generate a report to include details surrounding the Emergency Procurement and submit it to the Board at or before the next Board Meeting.	CEO or CPO



SECTION 11 – CONTRACT ADMINISTRATION

11.1 Contract Administration

The CPO shall supervise, administer, and oversee every GLWA approved Contract. The CPO is authorized to adopt systems, procedures, standards, performance evaluation tools, and reporting of Vendors.

Each procurement may be monitored to assure execution of the Contract within the approved budget and scope within the terms of the procurement, the Articles of Incorporation as well as federal and state procurement law.

11.2 Change Orders

11.2.1 Term Change Orders (Only Extending Time)

Change orders or amendments that extend the term of a Contract may require re-authorization. Change orders that shorten the term of a Contract do not require re-authorization.

11.2.2 Monetary Change Orders

In circumstances where there are increased costs for Goods or Services under a Contract, a change order or Contract amendment shall be issued to the Vendor prior to payment. Unless a Letter of Intent has been issued for an Emergency Procurement, GLWA shall not be responsible for Goods or Services provided outside of an approved change order or Contract amendment. Change orders or Contract amendments that increase the initially approved monetary value of a Contract may require reauthorization as well. Change orders or Contract amendments that reduce the monetary value or reallocates funds within the monetary value of a Contract, including any previously approved change orders and Contract amendments, do not require reauthorization.

11.3 Construction Change Directive (CCD)

A CCD is a written order generated by the project manager directing a change in the project and stating a proposed basis for adjustment, if any, to the contract sum or contract time. All CCDs must be approved by the CPO prior to the start of work.

11.4 Liquidated Damages

Where Liquidated Damages are specified and/or sought out, they shall only be imposed by the CPO or the CEO.



SECTION 12 – CONTRACT COMPLIANCE

12.1 Contract Compliance

A Vendor shall supply Goods and Services conforming to the specifications and performance requirements of the award. Failure to perform within the specification and performance requirements may result in Contract termination at any time by the CEO or CPO.

12.2 Federal Uniform Guidance Procurement Standards

All projects funded in full, or in part, by federal funds, are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Federal Procurement Standards CFR 200.318 – 200.326 or as may be amended). The CPO shall establish procedures to incorporate the required federal provisions for federally funded projects, regardless of the amount of funding.

SECTION 13 – VENDOR SUSPENSION/DEBARMENT

13.1 Imposing Suspension/Debarment

GLWA shall solicit responses from, award Contracts to, and consent to the use of Subcontractor who are Responsible Vendors and comply with this Policy. GLWA may suspend or debar Vendors², at GLWA’s discretion, for purposes related to: the good of the public interest; maintaining the integrity of the bidding, contracting and procurement processes; and protecting public trust and confidence in GLWA’s operations. Suspensions and debarments will not be arbitrarily imposed. GLWA may suspend or debar a Vendor based on a finding that the Vendor is not a Responsible Vendor and shall report said finding to the Legal Committee in writing. The CEO and the CPO have the authority to suspend or debar a Vendor, with suspension being the first step to debarment. Causes which may result in a finding that a Vendor is not a Responsible Vendor include:

- a) An indictment or conviction of the Vendor under any federal, state or local law for any offense indicating a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct;
- b) An indictment or conviction of the Vendor under any federal, state or local law for any serious criminal offense that affects the Vendor’s responsibility as a Vendor;
- c) Judgment of civil liability entered against the Vendor in any federal, state or local proceeding based upon facts indicating a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct;

² For purposes of this section, a Vendor includes (1) the business or individual providing the Good or Service, (2) the business’ executive leadership and (3) the business’ employees and Subcontractors that interact with Representatives.



- d) Results or preliminary findings of an investigation of the Vendor initiated by the GLWA, federal, state or local law enforcement department, municipality or agency involving allegations of a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering, fraudulent conduct or any other serious misconduct;
- e) Results or a preliminary finding of an investigation of the Vendor using of an unauthorized Subcontractor;
- f) A preliminary finding of an investigation that the Vendor engaged in theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct in connection with a Contract or Assumed Contract;
- g) A preliminary finding of an investigation that the Vendor submitted, made or caused to be made a false, deceptive or fraudulent material statement in connection with a bid, certification, proposal, application, change order, charge, invoice, cost estimate, or payment request related to a Contract or Assumed Contract;
- h) Refusal by the Vendor to reasonably cooperate with the GLWA in connection with an investigation related to a Contract or Assumed Contract;
- i) Failure by the Vendor to report to the Buyer any activity by elected officials, employees, or persons acting on their behalf related to a Contract or Assumed Contract that the Vendor reasonably suspects to be improper, unethical or illegal;
- j) Demonstrated discrimination on the basis, including but not limited to race, religion, sexual orientation, marital status, gender, national origin or military status by the Vendor.
- k) Unlawful restraint or limitation on competition by the Vendor;
- l) Violation of a material term by the Vendor of a Contract or Assumed Contract;
- m) History of documented unsatisfactory performance by the Vendor;
- n) Violation of any local, state or federal statute by the Vendor;
- o) Violation of any applicable ethics standards, including the ethical standards set forth in the profession for which a Vendor is licensed and/or certified b; and
- p) Any other conduct or activity by the Vendor that has a harmful impact upon the integrity of procurement process or public trust and confidence in the GLWA operations.

13.1.1 Vendor Suspension

Vendors are immediately prohibited from participating in any GLWA procurement activity pending completion of an investigation initiated by the CPO.

If it is determined that there was a violation, a suspension shall be imposed for no less than thirty (30) days and nor more than twelve (12) months from the date of said determination.



13.1.2 Vendor Debarment

A Vendor that has been convicted of a criminal offense incident to the application for or performance of a contract or subcontract with GLWA or a local government, state or federal governmental entity or with a Vendor who has been held liable in a civil proceeding or has been convicted of a criminal offense that negatively reflects on the Vendor's business integrity, based on a finding of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or violation of state or federal antitrust statutes, or similar laws shall be precluded from entering into a procurement with GLWA for all time.

The debarment period shall be for no less than one (1) year and no more than five (5) years. During this time, a Vendor is not eligible to participate in any GLWA procurement activity.

13.1.3 Suspension or Debarment Protest

A Vendor who has been suspended or debarred may file a written notice of protest with the CPO within seven (7) business days after the date of the suspension or debarment. The written notice of protest shall reference the notice and the basis for the protest.

The protest shall be reviewed by a third-party hearing officer selected by the CEO in an expeditious manner. The decision of the third-party hearing officer shall be final.



Clean version of the Proposed, Amended Policy



**PROPOSED, AMENDED PROCUREMENT POLICY
FOR GLWA BOARD REVIEW**

As of October 10, 2018



Table of Contents

SECTION 1 - INTRODUCTION..... 1

1.1 Purpose..... 1

1.2 Scope..... 1

1.3 Exclusions 1

1.4 Responsibility..... 1

1.5 Review and Revisions..... 1

1.6 Ethics and Code of Conduct..... 2

1.6.1 Representatives..... 2

1.6.2 Board Members 2

1.6.3 Vendors..... 2

1.7 Competency..... 2

1.8 Definitions 3

2.1 Contracting Authority..... 7

2.2 Management of Procurement..... 7

2.3 Delegation of Authority 7

SECTION 3 – EMERGENCY PROCUREMENTS 8

3.1 Waiver of Competitive Procurement 8

3.2 Documentation of Emergency Procurement..... 8

3.3 Report to Board 8

SECTION 4 – COMPETITIVE BIDDING 8

4.1 Procurement of Goods and Services 8

4.2 Exceptions to Competitive Bidding 8

4.3 Funding Sources 9

4.4 Pre-Qualification of Vendors 9

4.5 Intergovernmental Agreements and Cooperative Purchasing..... 9

SECTION 5 – SOLICITATION DEVELOPMENT..... 9

5.1 Solicitation Development and Advertisement 9

5.2 Methods of Solicitation 9

5.3 Vendor Involvement in Preparing the Solicitation..... 10

5.4 Professional Services..... 10

5.5 Capital Program Methods and Alternatives 10

5.5.1 Traditional Project Delivery Methods..... 10

5.5.2 Alternative Technical Proposals (ATP)..... 10

5.5.3 Value Engineering (VE) 10



5.5.4 Alternative Project Delivery Methods (APDM)	10
5.6 Risk Management.....	10
5.7 Insurance	11
5.8 Bonds.....	11
SECTION 6 – PUBLIC SOLICITATION	11
6.1 Advertisement.....	11
6.2 Right to Amend, Withdraw or Cancel.....	11
SECTION 7 – VENDOR RESPONSE.....	11
7.1 Response to Solicitation	11
7.2 Responses Submitted After Due Date and Time	11
SECTION 8 – VENDOR SELECTION	12
8.1 Evaluation Methods.....	12
8.2 Evaluation Team.....	12
8.3 Protest.....	12
SECTION 9 – CONTRACT DEVELOPMENT	13
9.1 Required Documents	13
9.2 Contract Length and Renewals.....	14
9.3 Vendor Performance	14
9.4 Assumed Contracts.....	14
SECTION 10 – CONTRACT APPROVAL.....	14
10.1 Approval Requirements.....	14
10.2 Unauthorized Purchases.....	14
10.2.1 Approval Requirement Table.....	15
SECTION 11 – CONTRACT ADMINISTRATION	16
11.1 Contract Administration.....	16
11.2 Change Orders	16
11.2.1 Term Change Orders (Only Extending Time).....	16
11.2.2 Monetary Change Orders.....	16
11.3 Construction Change Directive (CCD)	16
11.4 Liquidated Damages.....	16
SECTION 12 – CONTRACT COMPLIANCE	17
12.1 Contract Compliance	17
12.2 Federal Uniform Guidance Procurement Standards	17
SECTION 13 – VENDOR SUSPENSION/DEBARMENT	17
13.1 Imposing Suspension/Debarment.....	17



13.1.1 Vendor Suspension	18
13.1.2 Vendor Debarment	18
13.1.3 Suspension or Debarment Protest	19



SECTION 1 - INTRODUCTION

1.1 Purpose

This Policy shall be known as the Great Lakes Water Authority (GLWA) Procurement Policy. The purpose of this Policy is to define the parameters for procurement of, and contracting for, Goods and Services.

1.2 Scope

This Policy shall govern all GLWA procurement activities and encompass all phases of the procurement process. This Policy is implemented through Procedures. If there are additional procurement requirements for federal or state funded projects or initiatives, then those additional provisions shall also apply. This Policy applies to all current Vendors and Potential Vendors. If the Vendor uses Subcontractors, this Policy applies to them as well. This Policy shall not apply to matters involving the procurement of Goods or Services that are specifically excluded or exempted within this Policy.

1.3 Exclusions

Exclusions to this Policy include (a) the selection of an independent certified public accounting firm to perform financial audits¹ and (b) the following Board adopted policies: (i) Investment Policy, (ii) Debt Management Policy, (iii) Settlement Policy, (iv) Asset Disposal Policy, and (v) any other Board adopted policy which states that it is excluded from this Policy.

1.4 Responsibility

The CEO, CFO, and the CPO are responsible for guaranteeing the effective implementation of this Policy. The CEO is responsible for enforcing this Policy by taking all necessary measures to guarantee its purpose is accomplished. The CPO is responsible for establishing Procedures in accordance with this Policy and training Representatives on both the Policy and Procedures. The CPO is a role defined by this Policy that is assigned to a Representative by the CEO based upon a recommendation from the CFO.

1.5 Review and Revisions

On December 31, 2017 and biennially thereafter, the Board shall review the contents of this Policy and affirm or revise it as necessary.

Policy revisions, if any, will be made available to the public. A history of Policy revisions, comprised of Board approved dates and a generalized reason for the same, shall be maintained by the CPO.

¹ See Articles of Incorporation, Article 7(J).
Proposed, Amended Procurement Policy Draft 10.10.18



1.6 Ethics and Code of Conduct

At every phase of procurement, this Policy and its Procedures shall insure public trust by establishing, maintaining, and enforcing business practices that promote fair, ethical, and financially sound procurement practices.

1.6.1 Representatives

Representatives shall be free from real or perceived Conflicts of Interest that could adversely impact their judgment, objectivity, or fiduciary responsibilities to GLWA and the public or otherwise adversely impact GLWA's reputation. All procurements shall be conducted in compliance with the Articles of Incorporation, this Policy and its related Procedures, and other GLWA policies and procedures, and applicable laws.

Representatives shall immediately report their own and others' real or perceived Conflict of Interest to their supervisor, the CPO, or the Executive Leadership.

Each December, the Board, the Executive Leadership, the CPO, and all procurement personnel shall complete a Conflict of Interest form. The CPO shall maintain the form in the CPO's official records.

1.6.2 Board Members

For Solicitations or for Solicitations which the Board member has been advised or believes will be solicited within the next sixty (60) days, the Board member is discouraged from having any contact with Potential Vendors related to the Solicitation. In the event contact is made, the Board member shall, as soon as possible, report that contact at the next regularly scheduled Board meeting. In addition, Board members shall not participate in the development of Solicitations and shall not participate as an Evaluator for any Solicitation, except for the selection of an independent certified public accounting firm to conduct annual financial audits.

1.6.3 Vendors

For a Solicitation or for Solicitations which a current or Potential Vendor has been advised or believes will be solicited within the next sixty (60) days, all Vendor contact relative to that Solicitation shall solely be with the Buyer. Potential Vendors that contact Representatives, other than the Buyer identified in the Solicitation, relative to the Solicitation prior to award shall be subject to disciplinary action, including the disqualification from the Solicitation, termination of existing Contracts or Assumed Contracts, debarment and/or suspension.

1.7 Competency

The CPO shall ensure that Representatives are competent, as well as know and understand this Policy and its related Procedures to implement procurement activities efficiently, objectively, and accurately.

1.8 Definitions

- a) Articles of Incorporation – The GLWA Articles of Incorporation.
- b) Assumed Contract – A contract or purchase order with a vendor that was originally executed by the Detroit Water & Sewerage Department and assumed by GLWA on the operational effective date of GLWA on January 1, 2016. Amendments, extensions, and renewals of assumed contracts are subject to the approval levels established by this Policy.
- c) Best Value - A procurement method that emphasizes value over price by assessing the return that can be achieved based on the total life cycle cost of the item. This may include an analysis of the functionality of the item and/or cost-benefit analysis to define the best combinations of quality, services, time, and cost considerations over the useful life of the acquired item.
- d) Blanket Purchase Orders - A blanket purchase order allows for multiple delivery dates over a pre-determined period of time with negotiated standardized pricing. Blanket purchase orders are used where there is a recurring need or for emergency procurements.
- e) Board – the Board of Directors of GLWA and the governing body to which the CEO and the CPO are accountable for establishing, maintaining and monitoring procurement functions within the parameters of this Policy.
- f) Buyer – Representative authorized by the CPO to purchase, or contract for Goods and Services.
- g) CACO – The Chief Administrative and Compliance Officer of GLWA.
- h) CEO – The Chief Executive Officer of GLWA.
- i) CFO - The Chief Financial Officer/Treasurer of GLWA.
- j) Chief Security and Integrity Officer - The Chief Security and Integrity Officer of GLWA.
- k) Competitive Bids or Bidding – A transparent procurement method by which Potential Vendors are invited to bid in an open solicitation of the scope, specifications, Evaluation Criteria, and terms and conditions of a proposed Contract. Bids are sealed until after the posted due date and time.
- l) Competitive Quotations – A procurement method in which pricing is requested from several Potential Vendors and the most responsive one is chosen. Competitive quotations are generally used for Small Purchases as an Invitation to Quote (ITQ).
- m) Concentration Risk Evaluation – An evaluation of operational risk when a Vendor provides too great a percentage of a Good or Service that could negatively impact GLWA operations if that Vendor encountered a failure to deliver a Good or Service.
- n) Conflict of Interest – A potential situation that may undermine the impartiality of a person because of the possibility of a divergence between the person’s self-interest and professional or public interest.
- o) Contract – A written agreement in which GLWA agrees to acquire Goods or Services from a Vendor in exchange for consideration. These written agreements specify



- each party's obligations in relation to the transaction. A Purchase Order is an acceptable form of Contract.
- p) Contract Amendment – A modification to the Contract terms and conditions.
 - q) Contract Extension– An action to extend a Contract expiration date pursuant to a provision in the original Contract and upon written agreement by GLWA and the Vendor.
 - r) Contract Renewal – The exercise of a Contract renewal option where continuation of existing Goods or Services from the Vendor is desirable for purposes of continuity or compatibility.
 - s) Cooperative Procurement – The use of a purchasing program, in which GLWA is extended or extends the same pricing and terms of a contract for the purchase of Goods or Services.
 - t) CPO - The Chief Procurement Officer of GLWA.
 - u) Emergency Procurement – A procurement method available when there exists an imminent threat of public health and welfare or to prevent an imminent violation of a required environmental permit or Administrative Consent Order under emergency conditions where Competitive Bidding and prior authorization would be impossible or impractical under the circumstances.
 - v) Enterprise Risk Management – GLWA's operating group within the Administrative & Compliance Services Area.
 - w) Evaluation Criteria - Qualitative factors that Evaluators will use to evaluate and score a proposal to select the most Vendor. The factors may include such factors as past performance, references, management and technical capability, price, quality, and performance requirements.
 - x) Evaluator - A member of a committee established to conduct the evaluation of proposals, interviews, and negotiations during the Solicitation process for a Good or Service.
 - y) Executive Leadership – The CEO, CFO, CACO, Chief Security and Integrity Officer, General Counsel, Chief Operating Officer - Water and Field Services, Chief Operating Officer- Wastewater, Chief Planning Officer, Chief Organizational Development Officer, Chief Public Affairs Officer, and Chief Information Officer of GLWA.
 - z) General Counsel – The General Counsel of GLWA.
 - aa) GLWA – The Great Lakes Water Authority.
 - bb) Goods – Any fixtures, items of furniture, supplies, materials, equipment, other personal property, and other items of a similar nature provided to GLWA.
 - cc) Initial Term – The original, approved length of the Contract excluding renewals and/or extensions.
 - dd) Job Order Contract - A Contract for a specified time period for Goods or Services based the subsequent issuance of defined, written orders based upon previously bid or negotiated fees and unit prices.



- ee) Letter of Intent - An instrument used to commence work on a project that is emergent in nature, or Contract negotiations continual or where the Contract has not been fully executed. The CPO shall authorize Letters of Intent.
- ff) Liquidated Damages - A specific amount of compensation that GLWA may recover in the event the Vendor fails to complete the project in accordance with the Contract terms.
- gg) Notice to Proceed – Issued by the CPO indicating an approved Contract has been executed and work may begin.
- hh) Policy – This document setting forth the terms and conditions of the Board approved procurement policy.
- ii) Pre-Qualification - The screening of Potential Vendors in which such factors as financial capability, reputation, and management are considered to develop a list of qualified businesses who may then be allowed to submit bids and/or proposals.
- jj) Procedures - The document that sets forth the procedures by which the objectives of this Policy shall be carried out.
- kk) Professional Services – Services rendered by members of a recognized profession or possessing a special skill or professional license. Such services are generally acquired to obtain information, advice, training, or direct assistance. Architect or Engineer (A/E) Professional Services - Services that require performance by a registered architect or engineer. Professional services of an architectural or engineering nature that are associated with research, planning, development, and design for construction, alteration, or repair.
- ll) Purchase Order (PO) - A short form of Contract indicating types, quantities, payment terms and prices for Goods or Services.
- mm) Qualifications-Based Selection (QBS) – An evaluation method that facilitates the selection of A/E Professional Services based on qualifications and competence in relation to the scope and needs of a particular project.
- nn) Real Estate – Land, buildings, and appurtenances that is permanently affixed to the land. Fixtures include buildings, fences, and anything attached to buildings such as plumbing, heating, and light fixtures.
- oo) Representatives – Authorized individuals acting on behalf of GLWA including, but not limited to: GLWA Board of Directors, management, employees, authorized contractors, agents and Evaluators.
- pp) Request for Bid (RFB) – The Solicitation document used for Competitive Bidding the purchase of Goods and Services, awarding the Contract to the Vendor on a Low Bid evaluation method.
- qq) Request for Information (RFI) - A non-binding method whereby a jurisdiction publishes via newspaper, Internet, or direct mail its need for input from interested parties for an upcoming solicitation. A procurement practice used to obtain comments, feedback, or reactions from potential responders (suppliers, contractors) prior to the issuing of a solicitation. Generally, price or cost is not



- required. Feedback may include best practices, industry standards, technology issues, etc.
- rr) Request for Proposal (RFP) – The Solicitation document used in the competitive proposal process in which the proposals are evaluated based on their technical standards and other criteria. Negotiations with Potential Vendors, prior to final selection and award of a contract, is permissible.
 - ss) Request for Qualifications (RFQ) – The Solicitation document used to obtain qualifications from Potential Vendors in advance of the issuance of an RFB or an RFP.
 - tt) Requestor – The GLWA area, group, team, or stakeholder group for whom the Buyer collaborates with in procuring requested goods or services for use in carrying out the Requestor’s functional responsibilities.
 - uu) Services – The performance of tasks to support GLWA. The performance of tasks shall be qualitatively different from anything necessarily done in connection with the sale of Goods or the performance of another service. Services include Professional Services, utilities, insurance, printing, information technology, janitorial, fleet management, construction, maintenance, real estate, legal, staffing services and any other services needed by GLWA.
 - vv) Small Purchase - A procurement that does not exceed \$50,000 and may be accomplished with documented informal quotations from at least three Potential Vendors indicating that the prices are fair and reasonable. Procurement requirements shall not be artificially divided to constitute a Small Purchase. ITQ and telephone calls, which are documented, are acceptable methods of soliciting quotations.
 - ww) Solicitation - A RFB, RFI, RFP, RFQ and competitive quotation requests for Small Purchases or any document used by the Buyer to obtain competitive bids or proposals for the purpose of entering into a Contract.
 - xx) Specialized Procurement – A procurement in which there may be multiple sources of supply, but one Vendor possesses the unique ability or capability to meet the particular requirements of the Solicitation and/or where a unique expertise is provided by a Vendor that is unattainable in the market in a competitive environment. Specialized Procurements require written justification by the Requestor and must be approved by the CEO, CEO’s designee, or the CPO and must take into consideration Best Value. This decision to designate a procurement as a Specialized Procurement may be based on lack of competition, monopoly market, proprietary product or technology, licensing, copyright, standardization, warranty, or a supplier’s unique capability.
 - yy) Subcontractor– A person or business which has a contract with a Vendor to provide some portion of the Goods or Services and which does not hold a suspended or debarred status.
 - zz) Territory Area – The municipalities where GLWA provides water supply and sewage disposal services.



- aaa) Vendor – A contractor, supplier, affiliate, subsidiary, parent company or other business entity that provides Goods or Services.
 - i. Potential Vendor – A person or entity that submits a response to a Solicitation.
 - ii. Qualified Vendor – A Vendor that a) meets, or exceeds, the specifications prescribed in the Solicitation, b) has not defaulted on a previous Contract or Assumed Contract, c) has not been suspended or disbarred as defined in Section 12, and d) is not excluded pursuant to GLWA By-Laws, Article XIII – Conflicts of Interest, Section 2, which “prohibits the GLWA from entering into contracts with any individual who has been convicted of a criminal offense with respect to governmental contracting or any other crime that negatively reflects on the person’s business integrity.”
 - iii. Responsible Vendor – A status achieved when a Potential Vendor meets every minimum qualification, or other requirement, in the applicable Solicitation and does not hold a status of suspended or debarred.
 - iv. Responsive Vendor – A status achieved when a Potential Vendor timely submits bid, proposal or response conforms to all material requirements of the Solicitation.
- bbb) Vendor Debarment – See Section 13.1.2
- ccc) Vendor Suspension – See Section 13.1.1

SECTION 2 - AUTHORITY

2.1 Contracting Authority

The Board shall approve all Contracts where; (a) the total compensation, including change orders, exceeds 1,000,000 dollars or (b) the term, including Contract Extensions or change orders, exceeds 5 years, prior to the CEO or the CEO’s designee signing or executing the Contract. Without Board approval, the CEO or the CEO’s designee may sign or execute Contracts, which do not exceed the total compensation and/or term referenced above. The CEO or the CEO’s designee shall not purposefully divide Contracts to avoid Board approval.

Contract approvals by the Board contemplate all Contract Extensions.

2.2 Management of Procurement

The CPO shall manage the procurement of Goods or Services. Except for Emergency Procurements, oral agreements are expressly prohibited and unenforceable against GLWA. Except for Emergency Procurements, GLWA only becomes financially and legally responsible when the Contract is fully executed. Work shall not begin until a Notice to Proceed is provided to the Qualified Vendor.

2.3 Delegation of Authority

The CEO delegates his/her authority to the CPO to manage the procurement of Goods and Services. The CEO’s delegation of authority to the CPO can be revoked at any time. The CEO shall advise the Board of the revocation as a written communication.



SECTION 3 – EMERGENCY PROCUREMENTS

3.1 Waiver of Competitive Procurement

GLWA shall not be required to use competitive procurement for an Emergency Procurement. However, in the event of an Emergency Procurement, competitive procedures, as practicable, should be used to procure the Goods and/or Services.

3.2 Documentation of Emergency Procurement

- a. In the event of an emergency requiring use of an Emergency Procurement, the Buyer authorizing an Emergency Procurement shall, as soon as possible but no later than 24 hours following that authorization, provide written notice to the CPO and CEO of the basis for the determination to utilize an Emergency Procurement.
- b. If a Vendor is supplying Goods and/or Services pursuant to an Emergency Procurement, the Vendor shall as quickly as possible be given an authorized Letter of Intent from the CPO stating the Emergency Procurement and that a Contract will be issued as soon as circumstances allow. GLWA is not financially, or otherwise responsible, for Goods and/or Services, unless authorized by the CPO.

3.3 Report to Board

The CEO or the CEO's designee shall generate a report to include details surrounding the emergency procurement and budgetary impact for submittal to the Board at or before the next regularly scheduled Board Meeting.

SECTION 4 – COMPETITIVE BIDDING

4.1 Procurement of Goods and Services

Procurement shall be performed using financially responsible methods, ethics, fair and best business practices to promote competitiveness and provide the public with outstanding services and products, and which efficiently and effectively meet the needs of GLWA.

Unless an exception applies, all procurements shall use competitive transparent procurement methods to secure the best value for GLWA. Exceptions to Competitive Bidding shall follow all other provisions to this Policy.

4.2 Exceptions to Competitive Bidding

Exceptions to Competitive Bidding include: (a) Specialized Procurements, (b) Emergency Procurements and (c) Cooperative Procurements.

Specialized Procurements and Emergency Procurements require the written approval of the CEO, the CEO's designee, or the CPO . Information technology and legal Services are considered Specialized Procurements.



4.3 Funding Sources

Prior to the initiation of the procurement, the funding source must be established and approved by the CFO or the CFO's designee. Funding sources may include bond proceeds, federal, and/or state funding. Funding sources which have their own stated laws, regulations, and/or terms must be followed throughout the procurement process.

4.4 Pre-Qualification of Vendors

Pre-qualification of Vendors permits a shortened period of a Vendor's response for Services where a limited response to the underlying scope of work and cost are provided by the Potential Vendor. A Job Order Contract is the type of contract that may be used after prequalifying vendors.

4.5 Intergovernmental Agreements and Cooperative Purchasing

The CEO or the CEO's designee may enter into intergovernmental agreements with other local units of government to achieve regional infrastructure objectives increase efficiency, reduce administrative expenses, and to leverage economies of scale.

The CEO or the CPO may select Vendors available through the use of Cooperative Procurements.

All procurements via intergovernmental agreements or Cooperative Procurements are subject to the same approval requirements as other procurements.

GLWA may sponsor, conduct or administer a Cooperative Procurement program.

SECTION 5 – SOLICITATION DEVELOPMENT

5.1 Solicitation Development and Advertisement

Solicitations shall be developed in a manner that allows and promotes open competition. To the extent allowable by law, GLWA will use its best efforts within the competitive solicitation requirements to achieve fairness in the number and value of contracts for Goods and Services by GLWA with Potential Vendors from the Territory Area. The Buyer's role is to facilitate, inform, control, and manage the solicitation process. The Requestor's role is to interact only with the Buyer to provide the Solicitation's content to ensure that operational objectives, criteria for success, and operational considerations are clearly conveyed to the Vendor community by the Buyer. The Solicitation issued by the Buyer must provide sufficient information for Potential Vendors to provide cost-effective responses for a preferred outcome.

5.2 Methods of Solicitation

Unless there is an exclusion or exception applies, GLWA shall procure all Goods and Services using the Solicitations as outlined in this Policy.



5.3 Vendor Involvement in Preparing the Solicitation

Vendors engaged or contracted to prepare the Solicitation, including the scope of work, shall be precluded from (a) bidding on the Solicitation, (b) being listed as a Subcontractor by a Potential Vendor.

5.4 Professional Services

A/E Professional Services shall be in accordance with a competitive QBS method of procurement. Further, all other Professional Services shall be in accordance with a Best Value method of procurement.

5.5 Capital Program Methods and Alternatives

The capital investment intensive nature of GLWA's operations necessitates the procurement process to provide for contracting methods and alternatives that should be identified in the Solicitation to foster innovation and best practices in the delivery of the capital program.

5.5.1 Traditional Project Delivery Methods

Traditional contracting methods may include design-bid-build or design-build.

5.5.2 Alternative Technical Proposals (ATP)

In addition to submitting a technical proposal in accordance with the Solicitation to be considered Responsible Vendors, Potential Vendors are encouraged (where specified in the solicitation) to provide an alternative proposal(s) that may better meet the needs of GLWA.

5.5.3 Value Engineering (VE)

In addition to submitting a technical proposal in accordance with the Solicitation to be considered Responsible Vendors, Potential Vendors may a) voluntarily suggest methods for performing more economically and may share in any resulting savings or b) be required to establish a program or identify and submit methods for performing more economically.

5.5.4 Alternative Project Delivery Methods (APDM)

Non-traditional contracting methods (Alternative Project Delivery Methods) provide for the Potential Vendor to participate in or advise on the design or may be entirely responsible for the design. The Potential Vendor's selection is based on qualifications or best value and may include construction management or an alliance between two or more entities to deliver the project.

5.6 Risk Management

GLWA shall mitigate risks such as limitations of liability, retainage, indemnities, warranties, terms of payment, termination, and bonding requirements through the Contract terms and conditions. Deviations to risk responsibility will not be accepted without specific approval by the General Counsel in appropriate consultation with Enterprise Risk Management, prior to Contract award.

Prior to issuance, the Solicitation should consider the likelihood of Concentration Risk and strategies to mitigate that risk.



5.7 Insurance

Contract insurance requirements will be detailed in each Solicitation. To be considered a Responsible Vendor, the Potential Vendor shall possess and maintain the required insurances which meets or exceeds the Contract's terms and conditions for each insurance policy during the term of the contract at its sole expense. In some instances, a Vendor must also maintain specified insurance policies after the conclusion of a Contract for the duration specified in the Contract. GLWA shall be named insured on such policies.

Deviations to the insurance requirement will not be accepted without specific approval from Enterprise Risk Management, in writing, prior to Contract award.

5.8 Bonds

Bonds may be required to protect GLWA from Potential Vendors withdrawing their bids prior to the end of their bid validity period, refusing to sign the contract; failure to perform; failing to pay Subcontractors; or providing faulty workmanship/materials. The type of bond required (bid, warranty, performance or payment) shall be indicated in the Solicitation.

SECTION 6 – PUBLIC SOLICITATION

6.1 Advertisement

Solicitations shall be advertised electronically, and/or using other media as determined by GLWA that promotes vendor participation and fair competition.

6.2 Right to Amend, Withdraw or Cancel

GLWA reserves the right to amend, withdraw or cancel a Solicitation, without any financial or legal obligation to a Potential Vendor, prior to Contract or reject any or all bids if it is determined that such action is in the best interests of GLWA.

GLWA may allow a Vendor to withdraw a bid/submittal if requested at any time prior to the Solicitation opening.

SECTION 7 – VENDOR RESPONSE

7.1 Response to Solicitation

To participate in the Solicitation process, Potential Vendors shall submit a response to the Solicitation in the method, format, and time frame specified. The response shall be signed by an individual that has the authority to bind the Potential Vendor to a Contract.

7.2 Responses Submitted After Due Date and Time

Potential Vendor's responses submitted after the due date and time shall be immediately rejected. The rejected response will not be opened, considered for award of contract, or evaluated.



SECTION 8 – VENDOR SELECTION

GLWA shall assess Solicitation responses to determine, in its sole discretion, the most Responsive and Responsible Vendor(s) that will meet or exceed the requirements of the Solicitation while obtaining the most value for GLWA.

8.1 Evaluation Methods

There are three major scoring methods that may be used under this Policy:

- 1) Low Bid – A RFB award based on the lowest, Qualified, Responsive, and Responsible Vendor.
- 2) QBS – An award for A/E Professional Services based on demonstrated qualifications, competence through the QBS process. After the Potential Vendor has been selected using the QBS process, the fee proposal will be analyzed for competitiveness and may be negotiated. GLWA shall have the right to exclude a Potential Vendor from consideration if the parties cannot agree to a fair and reasonable price.
- 3) All Factors – A RFP award based on predetermined evaluation factors and weights. These factors and weights shall be tailored to each procurement and include only those factors that will have an impact on the source selection decision. These factors and weights are identified in the Solicitation.

8.2 Evaluation Team

Prior to issuance of the Solicitation, the Requestor shall nominate Evaluators who will be presented to the CPO for approval. Where applicable, the Requestor will also be responsible to recruit Evaluators from its member partner community. Evaluators shall be technically proficient in the field that is the subject of the procurement and/or end users of the procurement. To participate in the evaluation of proposals, each nominated Evaluator shall sign an Ethics and Confidentiality agreement for each evaluation team for which they are nominated. Solicitation drafters may be Evaluators.

8.3 Protest

A Potential Vendor, who has submitted a response to a Solicitation and is not awarded a Contract after participating in the Solicitation, may protest the award of the Contract by filing a written notice of protest with the CPO within seven (7) business days after the Notice of Intent to Award. The written notice of protest shall reference the Solicitation number and the detailed reason for the protest.

- a) Upon receiving a protest, the CPO shall immediately suspend the Contract award process until the protest has been resolved.
- b) The protest shall be reviewed by the CPO in an expeditious manner. The CPO shall determine to either accept or reject the protest within seven (7) business days after the date the protest was received.

- c) If the CPO accepts the protest, he/she shall act accordingly. If the CPO rejects the protest, he/she shall notify the Potential Vendor of the decision and inform the Potential Vendor of their right to appeal to the CACO. The protestor will have three (3) business days from the notification of the protest decision to appeal.
- d) Upon receiving an appeal of a protest decision made by the CPO, the CACO shall review the appeal and determine to either accept or reject the protest within fourteen (14) business days after the date the appeal was received. If the CACO accepts the protest, he shall notify the protester and the CPO of that decision, and the CPO shall act in accordance with the CACO's findings. If the CACO rejects the protest, he/she shall notify the protestor of the decision. The CACO's determination shall be final. A communication will be sent to the Board notifying them of the protest and the decision.
- e) Items excluded from Protests and Appeals include:
 - i. Small Purchases;
 - ii. Emergency Procurements;
 - iii. Cooperative Procurements;
 - iv. Specialized Procurements;
 - v. Failure of a Vendor or Potential Vendor to submit a response to a Solicitation by the date and time specified;
 - vi. Failure of a Vendor or Potential Vendor to provide documents required to accompany a bid or proposal;
 - vii. Failure of a Vendor or Potential Vendor to have a required bid bond accompany a bid;
 - viii. Failure of a Vendor or Potential Vendor to submit an appeal within the time defined in this Policy;
 - ix. Failure of a Vendor or Potential Vendor to meet minimum or mandatory requirements;
 - x. A Vendor or Potential Vendor who has a performance rating of unacceptable; and
 - xi. A Vendor or Potential Vendor who has a status of debarred or suspended during any stage of the Solicitation through the Contract award or at the time of the bid protest.

SECTION 9 – CONTRACT DEVELOPMENT

9.1 Required Documents

The Vendor shall produce all required documents including, but not limited to, performance bonds, insurance, and licenses. If the Vendor is unwilling or unable to produce required documents in the time frame required by GLWA, GLWA reserves the right to rescind and/or revoke the award without financial or legal obligation to the Vendor.



9.2 Contract Length and Renewals

The CEO or CPO is not obligated to exercise Contract renewal options referenced in the Contract or Assumed Contract. Prior to exercising a renewal option, the CEO or CPO shall consider the Vendor's performance in complying with the Contract. A Vendor must have GLWA written approval before providing Goods or Services for a renewal option. Unless the Contract term exceeds five years, GLWA's exercise of a renewal option shall not require Board approval.

Contracts in which the initial term is equivalent to, or exceeds three (3) years, shall be reviewed every year by the CPO to ensure Contract compliance. All approved procurements from the preceding fiscal year, shall be made available to the public and posted to the GLWA website.

9.3 Vendor Performance

Contracts may not be executed if a Vendor or Potential Vendor has a history of non-performance with GLWA, another governmental entity, or utility. Communication of Vendor performance will be documented by Requestors with a form provided by the CPO. The CPO will maintain a centralized vendor performance file.

9.4 Assumed Contracts

GLWA form of contracts will be executed when Assumed Contracts are eligible for renewal or extension.

SECTION 10 – CONTRACT APPROVAL

Contract approvals shall comply with the Approval Requirement Table. In the absence of appropriate approval, no agreement exists between GLWA and any Vendor. Prior to the request for approval, all Contracts shall be evaluated by the Enterprise Risk Management for insurance requirements. In addition, the Contract shall be approved as to form by the General Counsel for other terms and conditions.

10.1 Approval Requirements

All procurements shall be recognized as "Authorized" when approval requirements have been met. Amounts in the Approval Requirement Table represent the total value for the initial Contract duration, renewal options, and change orders. Contracts shall not be artificially divided or fragmented to constitute a Small Purchase or to circumvent the Approval Requirements in this Policy. All Contract terms shall be defined.

10.2 Unauthorized Purchases

GLWA shall not be liable financially or otherwise responsible for any unauthorized procurements.

10.2.1 Approval Requirement Table

Description	Total value including contract renewals and change orders	Authority to Encumber funds
Initial Contract for no more than five (5) years of which the initial term cannot exceed three (3) years for Goods or Services.	Less than \$ 25,000	Procurement Specialist
Initial Contract having for no more than five (5) years of which the initial term cannot exceed three (3) years for Goods or Services.	Between \$25,000 & \$99,999	Procurement Management Professional
Initial Contract for no more than five (5) years of which the initial term cannot exceed three (3) years for Goods or Services.	Between \$100,000 & \$299,999	Procurement Manager
For no more than five (5) years of which the initial term cannot exceed three (3) years for leases of Real Estate or personal property.	Between \$1 & \$499,999	CPO
Initial Contract for no more than five (5) years of which the initial term cannot exceed three (3) years for Goods or Services.	Between \$300,000 & \$499,999	CPO
For no more than five (5) years of which the initial term cannot exceed three (3) years for leases of Real Estate or personal property.	Between \$500,000 & \$999,999	CEO
Initial Contract for no more than five (5) years of which the initial term cannot exceed three (3) years for Goods or Services.	Between \$500,000 & \$999,999	CEO
Contracts for Goods or Services, personal property, leases of Real Estate or personal property	\$1,000,000 or more	Board
Purchase or the disposal of Real Estate.	Unlimited	Board
Contracts which exceed a total term of five (5) years or where the initial term exceeds three (3) years, including renewal options.	Unlimited	Board
Contract renewals For approved Contracts where prior approval included renewal options.	Unlimited	CPO or CEO
Emergency Procurements	Unlimited- The Requestor of an Emergency Procurement must generate a report to include details surrounding the Emergency Procurement and submit it to the Board at or before the next Board Meeting.	CEO or CPO



SECTION 11 – CONTRACT ADMINISTRATION

11.1 Contract Administration

The CPO shall supervise, administer, and oversee every GLWA approved Contract. The CPO is authorized to adopt systems, procedures, standards, performance evaluation tools, and reporting of Vendors.

Each procurement may be monitored to assure execution of the Contract within the approved budget and scope within the terms of the procurement, the Articles of Incorporation as well as federal and state procurement law.

11.2 Change Orders

11.2.1 Term Change Orders (Only Extending Time)

Change orders or amendments that extend the term of a Contract may require re-authorization. Change orders that shorten the term of a Contract do not require re-authorization.

11.2.2 Monetary Change Orders

In circumstances where there are increased costs for Goods or Services under a Contract, a change order or Contract amendment shall be issued to the Vendor prior to payment. Unless a Letter of Intent has been issued for an Emergency Procurement, GLWA shall not be responsible for Goods or Services provided outside of an approved change order or Contract amendment. Change orders or Contract amendments that increase the initially approved monetary value of a Contract may require reauthorization as well. Change orders or Contract amendments that reduce the monetary value or reallocates funds within the monetary value of a Contract, including any previously approved change orders and Contract amendments, do not require reauthorization.

11.3 Construction Change Directive (CCD)

A CCD is a written order generated by the project manager directing a change in the project and stating a proposed basis for adjustment, if any, to the contract sum or contract time. All CCDs must be approved by the CPO prior to the start of work.

11.4 Liquidated Damages

Where Liquidated Damages are specified and/or sought out, they shall only be imposed by the CPO or the CEO.



SECTION 12 – CONTRACT COMPLIANCE

12.1 Contract Compliance

A Vendor shall supply Goods and Services conforming to the specifications and performance requirements of the award. Failure to perform within the specification and performance requirements may result in Contract termination at any time by the CEO or CPO.

12.2 Federal Uniform Guidance Procurement Standards

All projects funded in full, or in part, by federal funds, are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Federal Procurement Standards CFR 200.318 – 200.326 or as may be amended). The CPO shall establish procedures to incorporate the required federal provisions for federally funded projects, regardless of the amount of funding.

SECTION 13 – VENDOR SUSPENSION/DEBARMENT

13.1 Imposing Suspension/Debarment

GLWA shall solicit responses from, award Contracts to, and consent to the use of Subcontractor who are Responsible Vendors and comply with this Policy. GLWA may suspend or debar Vendors², at GLWA’s discretion, for purposes related to: the good of the public interest; maintaining the integrity of the bidding, contracting and procurement processes; and protecting public trust and confidence in GLWA’s operations. Suspensions and debarments will not be arbitrarily imposed. GLWA may suspend or debar a Vendor based on a finding that the Vendor is not a Responsible Vendor and shall report said finding to the Legal Committee in writing. The CEO and the CPO have the authority to suspend or debar a Vendor, with suspension being the first step to debarment. Causes which may result in a finding that a Vendor is not a Responsible Vendor include:

- a) An indictment or conviction of the Vendor under any federal, state or local law for any offense indicating a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct;
- b) An indictment or conviction of the Vendor under any federal, state or local law for any serious criminal offense that affects the Vendor’s responsibility as a Vendor;
- c) Judgment of civil liability entered against the Vendor in any federal, state or local proceeding based upon facts indicating a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct;
- d) Results or preliminary findings of an investigation of the Vendor initiated by the GLWA, federal, state or local law enforcement department, municipality or agency

² For purposes of this section, a Vendor includes (1) the business or individual providing the Good or Service, (2) the business’ executive leadership and (3) the business’ employees and Subcontractors that interact with Representatives.



- involving allegations of a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering, fraudulent conduct or any other serious misconduct;
- e) Results or a preliminary finding of an investigation of the Vendor using of an unauthorized Subcontractor;
 - f) A preliminary finding of an investigation that the Vendor engaged in theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct in connection with a Contract or Assumed Contract;
 - g) A preliminary finding of an investigation that the Vendor submitted, made or caused to be made a false, deceptive or fraudulent material statement in connection with a bid, certification, proposal, application, change order, charge, invoice, cost estimate, or payment request related to a Contract or Assumed Contract;
 - h) Refusal by the Vendor to reasonably cooperate with the GLWA in connection with an investigation related to a Contract or Assumed Contract;
 - i) Failure by the Vendor to report to the Buyer any activity by elected officials, employees, or persons acting on their behalf related to a Contract or Assumed Contract that the Vendor reasonably suspects to be improper, unethical or illegal;
 - j) Demonstrated discrimination on the basis, including but not limited to race, religion, sexual orientation, marital status, gender, national origin or military status by the Vendor.
 - k) Unlawful restraint or limitation on competition by the Vendor;
 - l) Violation of a material term by the Vendor of a Contract or Assumed Contract;
 - m) History of documented unsatisfactory performance by the Vendor;
 - n) Violation of any local, state or federal statute by the Vendor;
 - o) Violation of any applicable ethics standards, including the ethical standards set forth in the profession for which a Vendor is licensed and/or certified b; and
 - p) Any other conduct or activity by the Vendor that has a harmful impact upon the integrity of procurement process or public trust and confidence in the GLWA operations.

13.1.1 Vendor Suspension

Vendors are immediately prohibited from participating in any GLWA procurement activity pending completion of an investigation initiated by the CPO.

If it is determined that there was a violation, a suspension shall be imposed for no less than thirty (30) days and nor more than twelve (12) months from the date of said determination.

13.1.2 Vendor Debarment

A Vendor that has been convicted of a criminal offense incident to the application for or performance of a contract or subcontract with GLWA or a local government, state or federal governmental entity or with a Vendor who has been held liable in a civil



proceeding or has been convicted of a criminal offense that negatively reflects on the Vendor's business integrity, based on a finding of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or violation of state or federal antitrust statutes, or similar laws shall be precluded from entering into a procurement with GLWA for all time.

The debarment period shall be for no less than one (1) year and no more than five (5) years. During this time, a Vendor is not eligible to participate in any GLWA procurement activity.

13.1.3 Suspension or Debarment Protest

A Vendor who has been suspended or debarred may file a written notice of protest with the CPO within seven (7) business days after the date of the suspension or debarment. The written notice of protest shall reference the notice and the basis for the protest.

The protest shall be reviewed by a third-party hearing officer selected by the CEO in an expeditious manner. The decision of the third-party hearing officer shall be final.



Current Policy to Proposed, Amended Procurement Policy Crosswalk

Current Policy 10-23-15	Proposed, Amended Policy	Comments
<p>The Proposed, Amended Policy has significantly restructured the Current Policy to take one through the Procurement workflow process.</p> <p>The Proposed, Amended Policy also includes all sections of Article 9(K) of the GLWA Articles of Incorporation.</p>		
<u>SECTION 1 - INTRODUCTION</u>		
1.1 Purpose	1.1	
1.2 Application	1.2	
1.3 Scope	1.2	
	1.3	NEW: Exclusions
1.4 Responsibility	1.4	Adds CFO
1.5 Review	1.5	
1.6 Revisions	1.5	
1.7 Ethics and Code of Conduct	1.6	Conflict of Interest form has been expanded to the Executive Leadership Team and will be sent each December. Interaction with vendors, and by vendors, has been clarified.
1.8 Competency	1.7	
1.9 Definitions	1.8	Definitions have been significantly expanded to include all terms used throughout the revised Policy. These terms will also be used in the Procedures.
<u>SECTION 2 - AUTHORITY</u>		
2.1 Contracting Authority	2.1	Authority to enter into contracts is further spelled out.
2.2 Delegation of Authority	2.3	The CEO's Authority is defined.
2.3 Authorization to Supply Goods/Services/Construction	2.2	Name of section changed to "Management of Procurement."
<u>SECTION 3 - PROCUREMENT</u>		
3.1 Procurement of Goods and Services	4.1 & 13.1.2	
3.2 Methods of Procurement	5.1 & 5.2	5.1 points out that GLWA will use its best efforts, within the competitive solicitation process, to enter into contracts within the Authority's Territory Area. This is consistent with Article 9(K)(3).
3.3 Exceptions to Competitive Bidding	Section 3 & 4.2	The new Section 3 (Emergency Procurements) is only devoted to emergencies.

Current Policy 10-23-15	Proposed, Amended Policy	Comments
	4.3	NEW: Funding Sources. All procurements must have an approved funding source.
3.4 Vendor Involvement in Proposal Preparation	5.3	
3.5 Contract Length and Renewals	9.2	
3.6 Blanket Purchase Orders	4.4	4.4 is a new section, "Pre-Qualification of Vendors."
	4.5	NEW: Intergovernmental Agreements and Cooperative Purchasing.
<u>SECTION 4 - SOLICITATION</u>		
4.1 Solicitation Development and Advertisement	5.1 & 6.1	
<u>SECTION 5 - BIDDING</u>		
5.1 General	6.2	
5.2 Bid Submission	Section 7	
	5.4	NEW: Professional Services. A/E professional services shall be evaluated using QBS.
	5.5	NEW: Capital Program Methods and Alternatives
5.3 Risk Management	5.6	
5.4 Insurance	5.7	
5.5 Bonds	5.8	
5.6 Alternative Technical Proposals	5.5.2	
<u>SECTION 6 - EVALUATION OF COMPETITIVE BIDS</u>		
Introduction Section	Sec 8 Intro	
	8.1	NEW: Evaluation Methods. Outlines each of the evaluation methods.
6.1 Evaluation Team	8.2	This section now allows solicitation drafters to participate as evaluators.
	8.3	The following has been added as being excluded from a bid protest: Small Purchases, Emergency Procurements, & Cooperative Procurements.
6.2 Bid Protest	8.3	Calendar days have also been changed to business days.

Current Policy 10-23-15	Proposed, Amended Policy	Comments
<u>SECTION 7 - APPROVALS</u>		
7.1 Approval Levels	10.1	
7.2 Unauthorized Purchases	10.2	
Authority to Approve Table	10.2.1	Now Labeled: "Approval Requirement Table." Table has changed to reflect new Procurement classifications & easier to read.
<u>SECTION 8 - Contract/Purchase Order Administration</u>		
8.1 Required Documents	9.1	
8.2 Change Orders/Extensions	11.2	
8.3 Contract Renewals	9.2 & 9.3	9.3, Vendor Performance: A new form has been added to measure vendor performance.
	9.4	NEW: Assumed Contracts. Active contracts originating at DWSD.
	11.3	NEW: Construction Change Directive (CCD)
	11.4	NEW: Liquidated Damages
<u>SECTION 9 - Contract/Purchase Order Compliance</u>		
9.1 Contract Performance	11.1	
	12.1	NEW: Contract Compliance
	12.2	NEW: Federal Uniform Guidance Procurement Standards
9.2 Vendor Suspension and Debarment	Sec 13	13.1.3 refers to a third party hearing officer for suspension/debarment protests.



Special Consideration
Michigan Based Language



- ee) Letter of Intent - An instrument used to commence work on a project that is emergent in nature, or Contract negotiations continual or where the Contract has not been fully executed. The CPO shall authorize Letters of Intent.
- ff) Liquidated Damages - A specific amount of compensation that GLWA may recover in the event the Vendor fails to complete the project in accordance with the Contract terms.
- gg) Michigan Based Vendor – Those businesses that are licensed to do business in the State of Michigan, and their headquarters is based in Michigan.
- hh) Notice to Proceed – Issued by the CPO indicating an approved Contract has been executed and work may begin.
- ii) Policy – This document setting forth the terms and conditions of the Board approved procurement policy.
- jj) Pre-Qualification - The screening of Potential Vendors in which such factors as financial capability, reputation, and management are considered to develop a list of qualified businesses who may then be allowed to submit bids and/or proposals.
- kk) Procedures - The document that sets forth the procedures by which the objectives of this Policy shall be carried out.
- ll) Professional Services – Services rendered by members of a recognized profession or possessing a special skill or professional license. Such services are generally acquired to obtain information, advice, training, or direct assistance. Architect or Engineer (A/E) Professional Services - Services that require performance by a registered architect or engineer. Professional services of an architectural or engineering nature that are associated with research, planning, development, and design for construction, alteration, or repair.
- mm) Purchase Order (PO) - A short form of Contract indicating types, quantities, payment terms and prices for Goods or Services.
- nn) Qualifications-Based Selection (QBS) – An evaluation method that facilitates the selection of A/E Professional Services based on qualifications and competence in relation to the scope and needs of a particular project.
- oo) Real Estate – Land, buildings, and appurtenances that is permanently affixed to the land. Fixtures include buildings, fences, and anything attached to buildings such as plumbing, heating, and light fixtures.
- pp) Representatives – Authorized individuals acting on behalf of GLWA including, but not limited to: GLWA Board of Directors, management, employees, authorized contractors, agents and Evaluators.
- qq) Request for Bid (RFB) – The Solicitation document used for Competitive Bidding the purchase of Goods and Services, awarding the Contract to the Vendor on a Low Bid evaluation method.
- rr) Request for Information (RFI) - A non-binding method whereby a jurisdiction publishes via newspaper, Internet, or direct mail its need for input from interested parties for an upcoming solicitation. A procurement practice used to obtain comments, feedback, or reactions from potential responders (suppliers,



4.3 Funding Sources

Prior to the initiation of the procurement, the funding source must be established and approved by the CFO or the CFO's designee. Funding sources may include bond proceeds, federal, and/or state funding. Funding sources which have their own stated laws, regulations, and/or terms must be followed throughout the procurement process.

4.4 Pre-Qualification of Vendors

Pre-qualification of Vendors permits a shortened period of a Vendor's response for Services where a limited response to the underlying scope of work and cost are provided by the Potential Vendor. A Job Order Contract is the type of contract that may be used after prequalifying vendors.

4.5 Intergovernmental Agreements and Cooperative Purchasing

The CEO or the CEO's designee may enter into intergovernmental agreements with other local units of government to achieve regional infrastructure objectives increase efficiency, reduce administrative expenses, and to leverage economies of scale.

The CEO or the CPO may select Vendors available through the use of Cooperative Procurements.

All procurements via intergovernmental agreements or Cooperative Procurements are subject to the same approval requirements as other procurements.

GLWA may sponsor, conduct or administer a Cooperative Procurement program.

SECTION 5 – SOLICITATION DEVELOPMENT

5.1 Solicitation Development and Advertisement

Solicitations shall be developed in a manner that allows and promotes open competition. To the extent allowable by law, GLWA will use its best efforts within the competitive solicitation requirements to achieve fairness in the number and value of contracts for Goods and Services by GLWA with Potential Vendors from the Territory Area. **In a continued effort to extend fairness in contracts, Michigan Based Vendors not in the GLWA Territory Area, shall also be given consideration within the competitive solicitation process.**

The Buyer's role is to facilitate, inform, control, and manage the solicitation process. The Requestor's role is to interact only with the Buyer to provide the Solicitation's content to ensure that operational objectives, criteria for success, and operational considerations are clearly conveyed to the Vendor community by the Buyer. The Solicitation issued by the Buyer must provide sufficient information for Potential Vendors to provide cost-effective responses for a preferred outcome.