



PROCUREMENT POLICY

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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

This Policy may be amended from time-to-time, as is necessary, to meet GLWA's Procurement needs. No later than five (5) years after the Board's approval of this Policy, GLWA administration shall conduct a comprehensive review of this Policy, report to the Board on the results of that review, and if necessary, recommend amendments or revisions to the Policy to the Board for its review and approval.

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).
Procurement Policy Draft 11.14.18



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 could be subject to disciplinary action, that could include 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 as well as their professional and 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-qualified Vendor. The factors may include: 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) Intergovernmental Agreement – An agreement between GLWA and another governmental entity or entities.

- ee) 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.
- ff) 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.
- gg) 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.
- hh) Notice of Intent to Award – Notification by GLWA to a Vendor of its intended contract award. The Contract still has to be formally approved.
- ii) Notice to Proceed – Issued by the CPO indicating an approved Contract has been executed and work may begin.
- jj) Policy – This document setting forth the terms and conditions of the Board approved procurement policy.
- kk) 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.
- ll) Procedures - The document that sets forth the procedures by which the objectives of this Policy shall be carried out.
- mm) 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.
- nn) Purchase Order (PO) - A short form of Contract indicating types, quantities, payment terms and prices for Goods or Services.
- oo) 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.
- pp) 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.
- qq) Representatives – Authorized individuals acting on behalf of GLWA including, but not limited to: GLWA Board of Directors, management, employees, authorized contractors, agents and Evaluators.
- rr) 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.

- ss) 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.
- tt) 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.
- uu) 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.
- vv) 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.
- ww) Scope of Work – Initiated by the Requestor and is a written description of the entity’s needs and desired outcomes for the procurement and becomes the basis for any resulting solicitation.
- xx) 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.
- yy) Small Purchase - A procurement that does not exceed \$50,000 and may be accomplished through informal quotations, benchmarking, or Specialized Procurement. 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.
- zz) 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.



- aaa) 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.
- bbb) 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.
- ccc) Territory Area – The municipalities where GLWA provides water supply and sewage disposal services.
- ddd) 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.
- eee) Vendor Debarment – See Section 13.1.2
- fff) 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 executing the Contract. Without Board approval, the CEO or the CEO's designee may 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.
- c. Blanket Purchase Orders may be used for Emergency Procurements.



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) Intergovernmental Agreements and 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 within an approved budget and approved by the CFO or the CFO's designee. Funding sources may include Operation & Maintenance funds, 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 Procurements

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 (1) with Potential Vendors from the Territory Area; and (2) try to meet the needs of the small business community by providing opportunities, when economically feasible, that may include, but are not limited to, unbundling large contracts, pre-qualification of vendors, and cooperative procurement.

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 bidding on the Solicitation as a Vendor or as a Subcontractor,

5.4 Professional Services

A/E Professional Services shall be in accordance with a competitive QBS method of procurement. Further, all other Professional Services, including legal, accounting, and actuarial 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. The alternative proposal may include evolving technology not contemplated in the Solicitation, but still meets the overall scope of the project.

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 also submit an alternative proposal that provides a more economical, efficient, and/or effective approach to the scope of work specified in the solicitation. Any cost savings should be clearly identified.

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) is based upon a recommendation from the Enterprise Risk Management and will 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 by email notification.
- 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.
- e) Items excluded from Protests and Appeals include:
 - i. Small Purchases;
 - ii. Emergency Procurements;
 - iii. Cooperative Procurements;
 - iv. Specialized Procurements;
 - v. Intergovernmental Agreements;
 - vi. Failure of a Vendor or Potential Vendor to submit a response to a Solicitation by the date and time specified;
 - vii. Failure of a Vendor or Potential Vendor to provide documents required to accompany a bid or proposal;
 - viii. Failure of a Vendor or Potential Vendor to have a required bid bond accompany a bid;
 - ix. Failure of a Vendor or Potential Vendor to submit an appeal within the time defined in this Policy;
 - x. Failure of a Vendor or Potential Vendor to meet minimum or mandatory requirements;
 - xi. A Vendor or Potential Vendor who has a performance rating of unacceptable; and
 - xii. 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 10.3 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.

10.3 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 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.

For any other reason, not listed in the preceding paragraph, 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.