

## **2300.11: Bidding Procedures – Establishing and Conducting a Competitive Bid Process**

**Authority: P.A. 167 of 1993;  
P.A. 168 of 1993;  
Oakland County Board of Commissioners Miscellaneous Resolution #92027  
adopted March 5, 1992;  
Oakland County Board of Commissioners Miscellaneous Resolution #94006  
adopted January 6, 1994;  
Oakland County Board of Commissioners Miscellaneous Resolution #94015  
adopted February 10, 1994;  
Department of Management and Budget directive  
dated May 23, 1984**

### **PURPOSE**

This policy was adopted to conform to recent legislation requiring local units of government to establish a competitive bidding process to ensure compliance, uniform use, and application to qualify for state revenue sharing payments.

### **APPLICATION**

Applies to all County employees and officials involved in the procurement of goods and services. The following paragraphs outline the types of bids currently being utilized and their appropriate applicability.

#### **➤ Informal Bids – Expenditures \$1,500.00 or Less**

Informal bids are used for expenditures of \$1,500 or less. Types of informal bids include quotes received verbally, fax, etc.

#### **➤ Formal Bids – Expenditures Between \$1,500 and \$20,000**

Formal bids are used for expenditures between \$1,500 and \$20,000. Competitive bids are secured through formal typed quotations generated by Purchasing Division personnel. Three (3) to six (6) bids are normally requested. These bids contain standard terminology and specify a date that formal quotes must be received by.

#### **➤ Sealed Bids – Expenditures Greater Than \$20,000**

Sealed bids are used when expenditures are greater than or equal to \$20,000. Three (3) to nine (9) bids are normally requested. These bids contain standard terminology and specify a due date and time the bid must be received by. In order to be considered, these bids must be received at the Purchasing Division offices by that due date and time. These bids are opened and read publicly at the specific time and date they are due.

#### **➤ Request for Proposals**

Requests for proposals (RFPs) are normally used in the same context as a sealed bid to secure outside services. RFP specifications usually define a problem or a specific need which provide competing vendors latitude in submitting a custom proposal on how to satisfy the user department's specific need in the most effective and efficient manner.

➤ **Single Source Bids**

Single source bids are utilized when a particular item or service must be procured and is only available from one source. Examples which may justify a single source include:

- Material or service is recognized in its field as one-of-a-kind;
- Manufacture direct product with no distributors;
- Patented or proprietary items;
- Modification or user requirements would outweigh drawbacks or expense of single source purchasing;
- Research of material or services clearly points to a single source.

Prior to the actual purchase, the user department must provide extensive research and documentation to the Purchasing Division to justify this type of purchase.

Procurement of goods and services through the single source bidding process that exceed \$5,000.00 in cost must be approved by the manager or chief of the Purchasing Division. Contracts executed through the single source bidding process will be reported to the Board of Commissioners in accordance with Miscellaneous Resolution #92027.

**PROCEDURE**

Upon receipt of a requisition to procure goods or services, the buyer assigned to the commodity(ies) contained within the requisition shall issue solicitations to bid in accordance with bidding requirements as outlined in the application above.