

LAKE DELHI COMBINED RECREATIONAL FACILITY &
WATER QUALITY DISTRICT
PROCUREMENT POLICY

PURPOSE

The purpose of this Procurement Policy is to ensure that sound business judgment is utilized in all procurement transactions and that supplies, equipment, construction, and services are obtained efficiently and economically and in compliance with applicable state and federal law where applicable and to ensure that all procurement transactions will be conducted in a manner that provides full and open competition.

APPLICATION

This policy applies to the procurement of all supplies, equipment, construction, and services of and for Lake Delhi. All procurement will be done in accordance with this policy, Iowa Code Chapter 26 or when applicable, federal procurement regulations.

POLICY

METHODS OF PROCUREMENT

Procurement under grants shall be made by one of the following methods, as described herein:

(a) small purchase procedures; (b) sealed bids (formal advertising); (c) competitive proposals; (d) noncompetitive proposals.

A. Small purchase procedures are relatively simple and informal procurement methods that are sound and appropriate for the procurement of services, supplies, or other property, costing in aggregate not more than \$5,000. If small purchase procedures are used for a procurement under a grant, price or rate quotations shall be obtained from an adequate number of qualified sources as determined by the Trustees.

B. In sealed bids (formal advertising), sealed bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all of the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bids method is the preferred method for procuring construction. Competitive quotations may be used for public improvement contracts that are less than the threshold mandated by Iowa Code Chapter 26 unless federal regulations apply.

1. In order for formal advertising to be feasible, appropriate conditions must be present, including, at a minimum, the following:

(a) A complete, adequate and realistic specification or purchase description is available.

(b) Two or more responsible bidders are willing and able to compete effectively for the District's business; and

(c) The procurement lends itself to a firm-fixed-price contract, and the selection of the successful bidder can be made principally on the basis of price.

2. When sealed bids are used for a procurement under a grant, the following requirements apply:

(a) A sufficient time prior to the date set for opening of bids, bids shall be solicited (publicly advertised) from an adequate number of known suppliers.

(b) The invitation for bids, including specifications and pertinent attachments, shall clearly define the items or services needed in order for the bidders to properly respond to the invitation for bids.

(c) All bids shall be opened publicly at the time and place stated in the invitation for bids.

(d) A firm-fixed-price contract award shall be made by written notice to that responsible bidder whose bid, conforming to the invitation for bids, is lowest. Where specified in the bidding documents, factors such as discounts, transportation costs, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may only be used to determine low bid when prior experience of the District indicates that such discounts are generally taken.

(e) Any or all bids may be rejected if there are sound documented business reasons in the best interest of the program.

C. Procurement by competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursable type contract is awarded, as appropriate. Competitive proposals are generally used when conditions are not appropriate for the use of sealed bids. If the competitive proposals method is used for a procurement under a grant, the following requirements apply:

1. Requests for Proposals shall be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical.

2. Requests for Proposals shall be solicited from an adequate number of qualified sources.

3. The District shall have a method for conducting evaluations of the proposals received and for selecting awardees.

4. Awards will be made to the responsible offeror whose proposal will be most advantageous to the procuring party, with price (other than architectural/engineering) and other factors considered. Unsuccessful offerors will be promptly notified in writing.

5. The District may use competitive proposal procedures for qualification-based procurement of architectural/engineering (A/E) professional services whereby competitor's qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in the procurement of A/E professional services. It can not be used to procure other types of services (e.g., administration professional services) even though A/E firms are a potential source to perform the proposed effort.

6. In the case of construction contracts for public improvements, the competitive quotation procedure set out in Iowa Code Chapter 26 will be followed, where applicable, except where federal regulations require a different procedure.

D. Noncompetitive proposals is procurement through solicitation of a proposal from only one source, or after solicitation from a number of sources, competition is determined inadequate. Noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids (formal advertising), or competitive proposals. Circumstances under which a contract may be awarded by noncompetitive proposals are limited to the following:

1. The item is available from only a single source;
2. After solicitation of a number of sources, competition is determined inadequate;
3. A public exigency or emergency exists when the urgency for the requirement will not permit a delay incident to competitive solicitation; and
4. Any grant awarding agency authorizes noncompetitive proposals.

E. The District will provide, to the greatest extent possible, that contracts be awarded to qualified small and minority firms, women business enterprises, and labor surplus area firms whenever they are potential sources.

CONTRACT PRICING

A. The cost plus a percentage of cost and percentage of construction cost method of contracting shall not be used.

B. The District shall perform some form of cost/price analysis for every procurement action, including modifications, amendments or change orders.

PROCUREMENT RECORDS

The District shall maintain records sufficient to detail the significant history of a procurement, including the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

CONFLICT OF INTEREST

No employee, officer or agent of the District shall participate in selection, or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when: The employee, officer or agent, any member of his immediate family, his or her partner, or an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. Also see Iowa Code Section 68B.22.

The District's Trustees, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. The District may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value.

Passed and adopted this 5th day of May, 2011.

Jan H. Hala

ATTEST:

Bruce Schneider