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| Michigan Economic Development Corporation Policy | |
| Procurement | Effective 10/09/2018 |

Information: Contracts Services and Procurement Services obtain the resources required for Michigan Economic Development Corporation (MEDC) staff. These resources include (and are not limited to) all commodities, contractual services, sponsorships and other items as assigned. Contracts Services and Procurement Services staff follow all MEDC policy decisions and legislative mandates as applicable.

Competitive Solicitation The process of obtaining at least two (2) written quotes, bids or proposals from vendors to determine contract award based on factors such as pricing, product cost, supply situation, quality, timeliness, and best value from responsive and responsible vendors. If the services are provided by or contracted by an internal business unit, that business unit must be contacted in advance of competitive solicitation. The MEDC determines the appropriate solicitation process as follows:

- \$0.00 - \$5,000.00 – Competitive solicitation is not required. Business Unit staff may proceed with the purchase. Credit Card Payment, Direct Payment or Award Document and Payment are allowed.
- \$5,000.01 - \$150,000.00 – Competitive solicitation is required. Business Unit staff may obtain the proposals. If necessary, Contracts Services staff will assist Business Unit staff in obtaining the proposals. A Purchase Request and Award Document are required.
- Greater than \$150,000.00 – Competitive solicitation is required. In consultation with Business Unit staff, Contracts Services staff will issue a Request for Proposal (RFP) to obtain proposals. Standard process and support material administered by Contract Services shall be utilized. A Purchase Request and Award Document are required.
 - In all cases, MEDC staff shall not “split” purchases which might allow processing in a lesser amount category.
 - The values listed above refer to the entire life of the contract.

Direct Solicitation The process of obtaining a proposal from only one vendor. In certain circumstances, direct solicitation is permissible for consideration, as follows:

- A particular commodity or service that can only be purchased from one source as a result of its specialized or unique characteristics. The Business Unit staff will provide documentation that adequately justifies that the competitive bidding process would reveal no additional sources.
- A particular contractor has provided a history of exemplary service to the MEDC and would be providing an identical or similar service. The Business Unit staff will provide documentation that adequately justifies that the competitive bidding process would reveal no more valuable sources.

- Prior to any direct solicitation, commitment or purchase, Business Unit staff shall request approval for direct solicitation by completing a “Non-Competitive Solicitation Request” form. This document will detail how the requested purchase meets either of the direct solicitation criteria. Once created, Business Unit staff will submit this form to the General Counsel for consideration, and to the CEO who will determine if direct solicitation is permissible.
- Upon receipt of the “Non-Competitive Solicitation Request” form, and prior to any Purchase Request, commitment or purchase, the CEO will determine if a direct solicitation is allowable.
- If the CEO approves the request, the Business Unit may proceed.
- A Purchase Request and Award Document are required.
- Business Unit shall attach a copy of the approved “Non-Competitive Solicitation Request” form to the Purchase Request.

Alternatives to Competitive Solicitation The MEDC allows certain alternatives to the Competitive Solicitation Process as shown below.

- **Chief Executive Officer (CEO) Authorization** - The CEO may authorize an alternative at his/her discretion.
 - Prior to any Purchase Request, commitment or purchase, Authorized Business Unit staff may request CEO approval for an alternative using the “Non-Competitive Solicitation Request” form.
 - Upon receipt of the “Non-Competitive Solicitation Request” form, and prior to any Purchase Request, commitment or purchase, the CEO will determine if an alternative is allowable.
 - If the CEO approves the request, the Business Unit may proceed.
 - A Purchase Request and Award Document are required.
 - Business Unit shall attach a copy of the approved “Non-Competitive Solicitation Request” form to the Purchase Request.
- **Amendments to Existing Contracts** - A Business Unit may request an alternative for an amendment to an existing contract if, at a minimum, both of the following conditions are met:
 - The amendment’s value represents an increase to the contract’s value of no more than 50%.
 - The amendment features no substantial modification in the current scope of work.
 - A Purchase Request and Award Document are required.
- **Memberships in External Organizations** – When the Business Unit follows the current MEDC Memberships in External Organizations policy.
 - Neither a Purchase Request nor Award Document are required.
- **Sponsorships** - When the Business Unit and sponsored organization follow the current MEDC sponsorship approval process.
 - In most cases, a Purchase Request and Award Document required.
- **Existing State Contract** - When purchasing goods or services from an existing State of Michigan contract.
 - If the contract requires it, a Purchase Request and Award Document are required.

- **Protection of Public Health or Safety** - When the purchase is necessary for the imminent protection of public health or safety or to mitigate an imminent threat to public health or safety.
 - A follow up Purchase Request and Award Document are required, as soon as possible.
- **Emergency Repair or Construction** - When the purchase is for emergency repair or construction caused by unforeseen circumstances and is necessary to protect life or property.
 - A follow up Purchase Request and Award Document are required, as soon as possible.
- **Declared State of Emergency or Disaster** - When the purchase is in response to a declared state of emergency or state of disaster.
 - A follow up Purchase Request and Award Document are required, as soon as possible.
- **As Otherwise Provided by Statute** - When the purchase authorized by a statute that, or the provider of the funds for the good or service, imposes clear and specific restrictions on the use of the funds in a way that requires that the MEDC contract with only one vendor.
 - A Purchase Request and Award Document are required.
- **Company Credit Card** – When the purchase does not require competitive solicitation and does not exceed \$5,000.00.
 - MEDC staff shall follow all appropriate procurement policies and procedures when determining whether or not a credit card purchase is allowable.
 - MEDC staff shall not “split” purchases which might allow purchases exceeding \$5,000.00 to made using the Company Credit Card.
 - A Purchase Request is required, if applicable. An Award Document is not issued.

Federal Procurement Standards If a procurement utilizes federal funds, the MEDC will observe federal procurement standards. In the event of a conflict between federal procurement standards and MEDC procurement policy and process, federal procurement standards will control.

Approved by: _____

A handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to be the name of an official.