

Gourley Township Menominee County Michigan Minutes of August 12, 2024 Regular Meeting

Supervisor Steve Wery called the meeting to order at the Gourley Township Hall at 6:02 p.m. and then, asking all to stand, Steve led in the reciting of the Pledge of Allegiance.

Roll Call: Present: Steve Wery, Supervisor
Stephanie Walechka, Treasurer
Ivy Netzel, Clerk
Dan Cordy, Trustee
Jesse Wery, Trustee

Absent:

Also Attending: Fire Chief Brian Mack

Agenda: Steve presented the agenda and after review, Jesse made a motion to accept the agenda with Ivy supporting the motion; it carried.

Minutes: The minutes of the July 8, 2024, Regular Board Meeting were presented and after review, Stephanie made a motion to accept the minutes. Dan supported the motion; it carried.

Treasurer & Clerk Report:

NOTE: The clerk checks the tax fund check book monthly.

- The Financial Report for July 2024 was reviewed and there was \$561,265.11 in the General Fund and \$388,561.61 in the Fire Fund. Ivy made a motion to accept the Financial Report and place it on file. Dan supported the motion; it carried.

Fire Chief Report:

- There was 1 fire run for the month: a false alarm for a controlled burn in the township.
- New tires were installed on the fire trucks.
- Elijah Boerschinger joined the fire department.
- Paying mileage expenses for training: The Fire Chief will develop a policy to administer paying mileage expenses for training and present it to the board for approval.
- The Regular Meeting of the Gourley Township Volunteer Fire Department will be Wednesday, August 14, 2024 at the fire house at 7:00 p.m. CDT.

Supervisor's Report:

- Steve researched possible architect/engineering firms for the shed dormers. Roy Ness out of Escanaba was the only architect/engineering firm that showed interest in the project or had resources available to do the work before winter.
- County Road 557 has guard rails installed at the creek. There are a couple of areas that may be soft and may need repair. Darrell Cass, Menominee County Road Commission is going to wait and see if repairs are needed.
- County Road 551 has been repaved from Local Road 34.5 to the northern township border.
- A resident (Dennis West) has called and left a message that his fire sign was destroyed by grass cutting by the county. The township will replace the fire sign.
- Darrell Cass, Menominee County Road Commission provided the following information:
 - Resealing (chip sealing) Depas Lane
 - Segment 1 from CR 551 old chip over gravel: \$25,000
 - Segment 2 new chip over gravel: \$10,000
 - Resealing (chip sealing) Maple Lane: \$8,500
 - Gravel resurfacing on Kellogg Lane: \$5000
 - Widening the approach to CR 374 on Township Line Road: \$1000

New Business:

- The township's Bid Process policy was instituted in 1994 and requires projects over \$20,000 to go out for bid. The \$20,000 threshold that was established in 1994 should be revised to reflect the impact of inflation over the last 30 years. An amount of \$20,000 in 1994 would be worth \$43,000 today. Federal government procurement rules provide for a threshold of \$50,000 at or above which the township would be required to initiate a competitive bidding process for federal grants/projects. Dan made a motion to increase the township's Bid Process Policy threshold from \$20,000 to \$40,000. Ivy supported the motion and it passed.
- Hannahville Grants for September: the township will request video conference equipment for the township hall, so that the hall may be used for virtual meetings, training, etc.

Old Business:

- The State Primary Election was held on August 6th. Early voting began Saturday, July 27th and ran through Sunday, August 4th at the Stephenson Annex.
- Gourley Township Volunteer Fire Department banquet: Jesse provided draft written policy for discussion. October 19th at 6:00 p.m. central time will be the first banquet, to be held at the township hall. The banquet will be catered.
- Shed Dormer Project: Steve provided an update on the township and fire hall shed dormer project. An estimate of \$24,850 was provided by Roy Ness to design and install two shed dormers for the township and fire hall doors on the south side of the building. Jesse made a motion to hire Roy Ness to design, fabricate and install two shed dormers for the township and fire hall at a cost of \$24,850. Ivy supported the motion and it passed unanimously.

- Replacement Boilers: Brian is working on developing a plan to replace the heating boilers. The current township hall and fire hall heating boiler system is sized for 140,000 Btu's, however, the building needs a minimum of 235,000 Btu's. To replace the existing system with adequately sized boilers would cost approximately \$22k.

Public Comment

- none

Correspondence:

- none

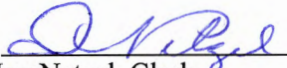
Pay the Bills:

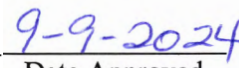
- Ivy made a motion to pay the bills. The motion was supported by Steve. The motion carried.

Adjourn:

- Stephanie moved to adjourn. Ivy supported the motion and the meeting adjourned at 8:10 pm CDT. The next meeting will be September 9th.

Respectfully submitted,


Ivy Netzel, Clerk


Date Approved

Gourley Township Bid Policy Revision 1

Be it resolved, that the Gourley Township Board shall solicit sealed bids for all contracts for which the township board anticipates a total township obligation of \$40,000 or more.

The requirement for sealed bids shall not apply to inter-governmental contracts, contracts for professional services or emergency repairs.

At such time as the solicitation of bids is authorized by the township board, the board shall determine if the authority to award a bid shall be delegated to a named official, or if the board reserves to itself the authority to award the bid.

When sealed bids are required, a "Request for Bids" shall be developed by the department head responsible for the purchase, which shall be approved by the township supervisor and/or the township board. The "Request for Bids" shall require interested bidders to provide the following information as appropriate:

- Description of service or goods desired
- Desired delivery date or commencement date
- Desired termination date
- Bidder's qualifications
- Warranties
- References
- Performance bonds
- Acquisition const, fees, or other township financial obligation

The "Request for Bids" shall also indicate the following information:

- Deadline to submit bids
- Date, time, and place that bids will be publicly opened
- Address to which bids are to be submitted

All requests for bids shall include a statement that the Gourley Township Board reserves the right to accept or reject any or all bids, to waive informalities or errors in the bidding process, and to accept any bid deemed to be in the best interest of the township, including bids that are not for the lowest amount.

Sealed bids shall be submitted to the purchasing director by a date and time specified and shall be marked on the outside "Sealed bid for _____".

Date of Adoption

I certify this is a correct record of the Bid Policy adopted by the Township Board of Gourley:



Ivy Netzel, Clerk
August 12, 2024

(Approved by the Gourley Township Board at the board meeting on August 12, 2024 – see meeting minutes)

CPI Inflation Calculator

\$ 20,000.00

in year1 month January ▼ year1 year 1994 ▼

has the same buying power as

in year2 month June ▼ year2 year 2024 ▼

Section 4: Finance

Chapter 20: Purchasing

Introduction

Purchasing departments exist to help governments manage their finances by making the best expenditure decisions possible. Elected officials have an important responsibility to monitor the finances of their organizations, part of which includes approving purchase transactions. There are several ways that the legislative body can support purchasing activity. First, the council establishes the vision for the organization, setting the tone for the day-to-day activities, as well as the ethical standards for the organization. Elected officials can set meaningful rules regarding fairness and open competition and work to keep these rules current. Finally, councils can support professional development and technological improvements.

This chapter will provide an understanding of the public purchase process through a review of enabling legislation and a discussion of the day-to-day aspects of the operation.

State Statute

There are no longer any state statutes requiring public bids on municipal contracts. 1993 PAs 167 & 168 which required municipalities to seek competitive bids for purchases over \$20,000 in order to receive state shared revenue money, were repealed in 1996. The state has relegated the task of developing public purchasing guidelines to local governments.

Charter Provisions

Local government officials must look to their charter for purchasing guidelines and restrictions. A charter may establish who is responsible for purchasing (such as the manager or administrator) and also include the maximum dollar amount that can be appropriated before advertising for competitive bids. Other local control

mechanisms for the allocation of municipal funds are through ordinances and policies. In recent years, in order to set more realistic spending limits, some municipalities have amended their charters (which requires review by the governor and a vote of the electors) to allow the purchasing function to be legislated by local ordinance.

Local Ordinances

Legislation has a major impact on the services that can be provided to residents. The activities conducted in public procurement are restricted to those authorized by law. Therefore, many public entities have an ordinance that defines important parameters of the purchasing process. Well-written legislation will allow the purchasing department flexibility in using criteria in addition to price as evaluation tools. This ordinance may discuss how responsibility for the purchasing function flows. For example, the ordinance may state that the organization's executive branch (manager, mayor, administrator, etc.) may enter into contracts based on the recommendation of the purchasing director with approval of the legislative body for certain dollar limits.

Ordinances will vary in the level of detail included. Some will establish a dollar amount for obtaining both written bids and legislative approval for purchase transactions; advertising requirements; and outlining the circumstances in which competitive bidding is not required. Ordinances may further detail specific responsibilities of the purchasing function such as encouraging competition; promoting standardization in the use of like products throughout the organization; barring vendors from bidding opportunities; and disposal of obsolete property. Some organizations have socially motivated buying policies, such as local preferences or disadvantaged business

programs.

In these cases, authorization for such programs will often be addressed within this enabling legislation.

Cradle to Grave Philosophy

Professionally staffed purchasing departments follow the “cradle to grave” philosophy. In other words, a purchasing department is responsible for obtaining all of the products and services needed by the organization at the right time, for the right price and in the right quantity (*cradle*). Purchasing should redistribute property, equipment and other resources among departments when necessary (*mid-life*). Finally, purchasing is responsible for disposing of the organizations’ assets once they have become obsolete and of no further use (*grave*).

The purchasing process begins with the adoption of the budget, which is the organization’s fiscal plan for the year. The budget document provides purchasing with information about upcoming capital projects, equipment and service needs, as well as daily operating supply item needs. Purchasing uses this financial perspective to plan the timing of purchase transactions and to combine the needs of several departments with the overall goal of taking advantage of quantity discounts.

The budget document can be used by purchasing to prepare a procurement calendar. This calendar is a plan for bidding all capital and recurring operating supply needs. The calendar helps purchasing meet the entity’s needs using an organized approach. The purchasing calendar, in conjunction with the budget, permits the organization to spread its expenditures throughout the fiscal year.

The next step involves developing specifications or an exact description of the product or service needed. This may be done by the end user, the purchasing department, an outside consultant if the item is complex in nature, or it may be a group effort. Purchasing reviews the specifications for completeness and clarity, and makes sure this description is open to competition and

not restrictive in nature. Competitive bidding has long been recognized as one of the best avenues to insure a healthy and equitable public purchasing process (*Public Procurement Management, First Edition*, NIGP, Herndon, VA 2000).

The specifications are combined with the appropriate terms and conditions into a bid document and are advertised in the local press and distributed to suppliers that are able to respond. Advertising is an expense, which in lean economic environments, may be considered expendable. It is important to note that posting public notices of purchase transactions is an essential component of maintaining an exemplary and inclusive process.

Bidders are informed of the date, the exact location, and the time of day responses must be submitted (often referred to as the bid due date or bid opening date). This is critical information in that if this deadline is missed, bidders run the risk of their bids not being accepted. In general, bids are submitted to the clerk’s office or some other area independent of the purchasing or requesting department. They are time-stamped and held in a secure location until the time of the scheduled bid opening. Such precautions help protect the integrity of the bid process by reducing the possibility of bid tampering. Bid openings are conducted in public and vendors are encouraged to attend and take advantage of the opportunity to review the responses submitted by their competitors.

Companies and their respective responses are evaluated to determine the lowest responsive and responsible bidder. This allows for a review of the product, its pricing and compliance with the specifications (*responsive*), as well as the offering firm’s financial standing, references and experience (*responsible*). Although price is always of primary concern, a vendor that delivers a quality product on time may prove to offer a lower overall product cost.

After the evaluation process, the purchasing transaction will be submitted to the legislative body for approval in accordance with the dollar limits set within

the charter, ordinance, or policy. Transactions below the specified limit will be approved administratively.

Purchasing departments are typically responsible for disposing of the organization's obsolete assets. Property disposal can be handled as a trade-in allowance toward the purchase of a new piece of equipment, using a sealed bid process or by conducting a live auction often with a professional auctioneer. The evaluation standards work in reverse of the purchase process, i.e., the highest bidder is selected.

Purchasing as a Corporate Citizen

Purchasing has a responsibility to and relationship with both internal and external customers. It often functions as an ambassador to the business community while at the same time working to protect the organization's interests. The purchasing department has a responsibility to its suppliers to be fair, accessible and to conduct its business with integrity.

Its internal customers are the employees that rely on purchasing to acquire the products and services needed to carry out their work. Purchasing works closely with the corporation counsel to make sure that policies, procedures, contracts, etc. properly protect the organization while being fair to vendors. The department has an impact on the municipality's financial health by fostering competition and making sure it pays a fair price for products and services. These efforts serve to instill behaviors that project the organization as business-friendly and well managed.

Trends

As with other areas, the impact of technology on the public purchasing arena has been substantial. Purchasing has incorporated technology into its processes in several ways. First, it is common for purchase orders to be generated using a software package specifically designed for this purpose, automatically routed through the approval process, and sent to the vendor electronically.

Another example is the use of the internet. Purchasing professionals can research products, locate distributors, and receive timely information online. Many public organizations have a website which can be used as a mechanism to reach a wider pool of vendors. Information can be posted to the internet on doing business with the organization as well as a list of currently available bid opportunities. Websites can be used as an alternative bid document distribution method. Rather than incurring duplicating, envelope insertion, and postage costs, bids can be generated electronically and posted to the website. Interested vendors can print these documents as needed.

Some advanced technology applications allow vendors to submit bid responses to the organization electronically while still following the established bid security procedures. Some departments are moving away from the practice of maintaining vendor databases and are placing the responsibility of researching opportunities on the business community.

Cooperative purchasing arrangements are another emerging trend. The concept behind cooperative buying is to seek and obtain the best deal possible by buying in volume. These arrangements cover the spectrum from being formal, dues paying groups to having informal alliances that meet on an as-needed basis. In order to be successful, members must agree on the types of products that can be of use to the group and incorporate the flexibility for each organization to fine tune its needs into the specifications.

Conclusion

The public purchasing process is conducted in accordance with the organization's enabling legislation, in an open, accessible, and competitive manner. Technology should be used to expedite the process, enhance the routine aspects of the operation and to conduct research.

A well run, professional purchasing operation reflects positively on the entire organization. As an elected official, you can encourage suppliers to contact the

purchasing department knowing they will be treated fairly. Taxpayers can be informed that their money is being handled responsibly.

Chapter provided by **Rae Townsel**, purchasing agent for the city of Southfield..

This content is from the eCFR and is authoritative but unofficial.



Displaying title 2, up to date as of 7/29/2024. Title 2 was last amended 5/30/2024. ⓘ

Title 2 – Grants and Agreements

Subtitle A – Office of Management and Budget Guidance for Grants and Agreements

Chapter II – Office of Management and Budget Guidance

Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Subpart D – Post Federal Award Requirements

Procurement Standards

§ 200.320 Methods of procurement to be followed.

The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§ 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

- (a) **Informal procurement methods.** When the value of the procurement for property or services under a Federal award does not exceed the *simplified acquisition threshold (SAT)*, as defined in § 200.1, or a lower threshold established by a non-Federal entity, formal procurement methods are not required. The non-Federal entity may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include:
- (1) **Micro-purchases –**
 - (i) **Distribution.** The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (See the definition of *micro-purchase* in § 200.1). To the maximum extent practicable, the non-Federal entity should distribute micro-purchases equitably among qualified suppliers.
 - (ii) **Micro-purchase awards.** Micro-purchases may be awarded without soliciting competitive price or rate quotations if the non-Federal entity considers the price to be reasonable based on research, experience, purchase history or other information and documents it files accordingly. Purchase cards can be used for micro-purchases if procedures are documented and approved by the non-Federal entity.
 - (iii) **Micro-purchase thresholds.** The non-Federal entity is responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures. The micro-purchase threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations. Non-Federal entities may establish a threshold higher than the Federal threshold established in the Federal Acquisition Regulations (FAR) in accordance with paragraphs (a)(1)(iv) and (v) of this section.
 - (iv) **Non-Federal entity increase to the micro-purchase threshold up to \$50,000.** Non-Federal entities may establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section. The non-Federal entity may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with § 200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:
 - (A) A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit;
 - (B) An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or
 - (C) For public institutions, a higher threshold consistent with State law.
 - (v) **Non-Federal entity increase to the micro-purchase threshold over \$50,000.** Micro-purchase thresholds higher than \$50,000 must be approved by the cognizant agency for indirect costs. The non-federal entity must submit a request with the requirements included in paragraph (a)(1)(iv) of this section. The increased threshold is valid until there is a change in status in which the justification was approved.
 - (2) **Small purchases –**
 - (i) **Small purchase procedures.** The acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity.
 - (ii) **Simplified acquisition thresholds.** The non-Federal entity is responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk and its documented procurement procedures which must not exceed the threshold established in the FAR. When applicable, a lower simplified acquisition threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations.
- (b) **Formal procurement methods.** When the value of the procurement for property or services under a Federal financial assistance award exceeds the SAT, or a lower threshold established by a non-Federal entity, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public advertising unless a non-competitive procurement can be used in accordance with § 200.319 or paragraph (c) of this section. The following formal methods of procurement are used for procurement of property or services above the simplified acquisition threshold or a value below the simplified acquisition threshold the non-Federal entity determines to be appropriate: