

# **APPROVED**

January 29, 2013

Michigan State  
Administrative Board

## **State Administrative Board**

### **Resolution 2013-1**

Effective

Rescinds Resolution 2008-1 dated February 5, 2008

### **APPROVAL OF CONSTRUCTION CONTRACTS BIDDING PROCEDURE**

Resolution 2013-1 incorporates the requirements of Act 430 of the Public Acts of 2012 into the State's construction contracts bidding procedure for the Department of Management and Budget (DTMB) Design and Construction Division.

#### **PURPOSE/OBJECTIVE**

- To select through open competition the responsive and responsible best value bidders for building construction projects (Projects). Objectives are: (1) to obtain competitive bidding on contracts for building construction, expansion, rehabilitation, repair, or demolition; site development and environmental remediation; (2) to assure that all bids received are consistent with the requirements of the bidding documents; (3) to award each contract to the responsive and responsible best value bidder.

#### **APPLICATION**

- All state departments and agencies except those state colleges and universities which have not designated the DTMB's Design and Construction Division as its agent for Projects.

#### **INFORMATION**

- All construction Project contracts are publicly advertised and competitively bid. An exception is made only for contracts that are necessary because of emergency conditions involving protection against potential injury or damages to persons and property. Each contract is awarded in accordance with existing applicable state statutes (including prevailing wage and fringe benefits, and nondiscrimination), and State Administrative Board resolutions.
- If the DTMB Director determines that the best interests of the state will be served, the DTMB Design and Construction Division may use a pre-qualification process to determine the acceptability of potential bidders, subject to a public advertisement stating such intent.

#### **PROCEDURES**

- The DTMB Design and Construction Division participates with the professional services contractor in the review process of bidding documents to assure that the documents provide for all statutory and standard language requirements of a state construction contract.
- When advised by the professional services contractor that a Project is ready for bidding, the DTMB Design and Construction Division establishes a time and date for the bid opening and extends a public invitation for bids through weekly advertisements on the DTMB procurement web site.

- The DTMB Design and Construction Division receives the proposals for each advertised Project and conducts a bid opening, either public or on-line for electronic bids, at the time and date set, if appropriate.
- The DTMB Design and Construction Division prepares a tabulation of all proposals received and reviews each proposal for irregularities or noncompliance with the bid requirements.
- The DTMB Design and Construction Division reviews the proposals and forwards copies of the proposals to the professional service contractor or the agency providing the professional services, for their review and recommendations relative to the award of contracts for construction.
- Except as provided below relative to veteran's preference, the award of construction contracts for projects funded in whole or in part with state funds shall be made to the responsive and responsible best value bidder. The bidders will be evaluated for responsiveness and responsibility based on the following:
  - Compliance with the bid specifications and requirements.
  - The bidder's financial resources.
  - The bidder's technical capabilities.
  - The bidder's technical experience.
  - The bidder's past performance.
  - The bidder's insurance and bonding capacity.
  - The bidder's business integrity.
- The bids will be evaluated for best value based on price and qualitative components by comparing the qualitative components of the three lowest responsive and responsible bidders. The comparison may also include other bidders whose bids are within 10% of the lowest responsive and responsible bidder. The qualitative components may include, but are not limited to the following:
  - Technical design.
  - Technical approach.
  - Quality of proposed personnel.
  - Management plans.
- For contracts under \$250,000, best value will primarily be based on the lowest responsive and responsible bid.
- If a qualified disabled veteran meets the requirements of the contract solicitation and with the veteran's preference is the lowest bidder the DTMB Design and Construction Division will enter into the construction contract with the qualified disabled veteran bidder.
- The DTMB Design and Construction Division submits the recommendations for contract awards by way of agendas to the State Administrative Board or the DTMB for approval, setting forth the reasons for the selection of the contractor as the responsive and responsible best value bidder or as the qualified disabled veteran with the low bid.
- Upon State Administrative Board approval of the recommendation for a contract award, DTMB's Design and Construction Division notifies the successful bidder in writing of the award and identifies the documents required for execution of the contract.

- Upon receipt of contract documents, DTMB Design and Construction Division makes final review and obtains signatures to complete the execution of the contract documents.

Rescinded 1-29-2013

**APPROVED**

FEB 05 2008

MICHIGAN STATE  
ADMINISTRATIVE BOARD

**State Administrative Board**

**Resolution 2008-1**

Effective February 5, 2008

Amending Prior Resolution dated October 13, 1999

**APPROVAL OF CONSTRUCTION CONTRACTS BIDDING PROCEDURE**

The purpose of the amendment to this resolution is to cease advertising for construction contracts in the Michigan Contractor and Builder magazine, because doing all advertisement on the State of Michigan website will reduce advertising costs.

**PURPOSE**

- To select through open competition the lowest responsive and responsible bidders for building construction projects.

**APPLICATION**

- All state departments and agencies except those state colleges and universities which have not designated the Design and Construction Division as their agent.

**INFORMATION**

- Each Project is publicly advertised and competitively bid. An exception is made only for contracts that are necessary because of emergency conditions involving protection against potential injury or damages to persons and property. Each contract is awarded in accordance with existing applicable state statutes (including prevailing wage and fringe benefits, and nondiscrimination), and State Administrative Board resolutions (including liquidated damages and certificate of awardability).
- Objectives are: (1) to obtain competitive bidding on contracts for building construction, expansion, rehabilitation, repair, or demolition; site development and environmental remediation; (2) to assure that all bids received are consistent with requirement of the bidding documents; (3) to award each contract to the lowest responsive and responsible bidder.

**INSTRUCTIONS**

- The Design and Construction Division participates with the professional services contractor in the review process of bidding documents to assure that the documents provide for all statutory and standard language requirements of a state construction contract.
- When advised by the professional services contractor that a construction project is ready for bidding, the Design and Construction Division establishes a time and date for the bid opening and extends a public invitation for bids through weekly advertisements on the Department of Management and Budget Buy Michigan First web site.
- The Design and Construction Division receives the proposals on each advertised project and conducts a public bid opening at the time and date set, if appropriate.

- The Design and Construction Division prepares a tabulation of all proposals received and reviews each proposal for irregularities or violations of the conditions for bidding.
- The Design and Construction Division reviews the bids and also forwards copies of the proposals received to the professional service contractor or the agency providing the professional services, for their review and recommendations relative to the award of contracts for construction.
- The Design and Construction Division submits the recommendations for contract awards by way of agendas to the State Administrative Board or the Director of the Department of Management and Budget for approval
- Upon approval of the recommendations for contract awards, the Design and Construction Division notifies the successful bidders in writing of the awards and identifies the documents required for execution of contracts. All unsuccessful bidders are notified in writing of the action taken.
- Upon receipt of contract documents, the Design and Construction Division makes final review and obtains signatures to complete execution of the contract documents.
- If the Director of the Department of Management and Budget deems the best interests of the state will be served, the Design and Construction Division may use a pre-qualification process to determine the acceptability of potential bidders, subject to a public advertisement stating such intent.

Oct. 13, 1999 Build  
October 19, 1999 No. 20 SAB

*Amended on*  
*2-5-2008*

# AGENDA

## BUILDING COMMITTEE STATE ADMINISTRATIVE BOARD

October 13, 1999, Meeting, 11:00 a.m.,  
Office of Design and Construction's Conference Room

*All*  
*Res.*  
*2008-1*

### APPROVAL OF CONSTRUCTION CONTRACTS BIDDING PROCEDURE

1. The Department of Management and Budget recommends approval of the submitted Construction Contracts Bidding Procedure. The substantive change to the current procedure, which was approved by the State Administrative Board in 1986, is the addition of section IV. I., which provides for the pre-qualification of potential bidders when deemed to be in the best interest of the State. The intent is to utilize the pre-qualification process on limited, sensitive, or complex projects. Minor housekeeping items have also been addressed.

### PROPOSED CONSTRUCTION CONTRACTS BIDDING PROCEDURE

- I. PURPOSE
  - A. To select through open competition the lowest responsive and responsible bidders for building construction projects.
- II. APPLICATION
  - B. All state departments and agencies except those state colleges and universities which have not designated the Office of Design and Construction as their agent.
- III. INFORMATION
  - A. Each project is publicly advertised and competitively bid. An exception is made only for contracts that are necessary because of emergency conditions involving protection against potential injury or damages to persons and property. Each contract is awarded in accordance with existing applicable state statutes (including prevailing wage and fringe benefits, and nondiscrimination); and State Administrative Board resolutions (including liquidated damages and certificate of awardability).

- B. Objectives are: (1) to obtain competitive bidding on contracts for building construction, expansion, rehabilitation, repair, or demolition; site development and environmental remediation; (2) to assure that all bids received are consistent with requirements of the bidding documents; (3) to award each contract to the lowest responsive and responsible bidder.

#### IV. INSTRUCTIONS

- A. The Office of Design and Construction participates with the professional services contractor in the review process of bidding documents to assure that the documents provide for all statutory and standard language requirements of a state construction contract.
- B. When advised by the professional services contractor that a construction project is ready for bidding, the Office of Design and Construction establishes a time and date for the bid opening and extends a public invitation for bids through weekly advertisements in the Michigan Contractor and Builder and Office of Design and Construction web site.
- C. The Office of Design and Construction receives the proposals on each advertised project and conducts a public bid opening at the time and date set, if appropriate.
- D. The Office of Design and Construction prepares a tabulation of all proposals received and reviews each proposal for irregularities or violations of the conditions for bidding.
- E. The Office of Design and Construction reviews the bids and also forwards copies of the proposals received to the professional service contractor or the agency providing the professional services, for their review and recommendations relative to the award of contracts for construction.
- F. The Office of Design and Construction submits the recommendations for contract awards by way of agendas to the State Administrative Board or the Director of the Department of Management and Budget for approval.
- G. Upon approval of the recommendations for contract awards, the Office of Design and Construction notifies the successful bidders in writing of the awards and identifies the documents required for execution of contracts. All unsuccessful bidders are notified in writing of the action taken.
- H. Upon receipt of contract documents, the Office of Design and Construction makes final review and obtains signatures to complete execution of the contract documents.
- I. If the Director of the Department of Management and Budget deems the best interests of the state will be served, the Office of Design and Construction may use a pre-qualification process to determine the acceptability of potential bidders, subject to a public advertisement stating such intent.

Replaced by Resolution  
approved by the Ad Board  
on Oct. 13, 1999

APPROVAL OF CONSTRUCTION CONTRACTS BIDDING PROCEDURE  
Office of Facilities, Department of Management and Budget

The Department recommends that the procurement procedures submitted be approved as required by 1984 PA 431, Section 241.(1).

I. PURPOSE

To select through open competition the lowest responsible bidders for building construction projects.

II. APPLICATION

All state departments and agencies except those state colleges and universities which have not designated the Office of Facilities as their agent.

III. INFORMATION

- A. Each project is publicly advertised and competitively bid. An exception is made only for contracts that are necessary because of emergency conditions involving protection against potential injury or damages to persons and property. Each contract is awarded in accordance with existing applicable state statutes (including prevailing wage and fringe benefits, and nondiscrimination), and State Administrative Board resolutions (including liquidated damages and certificate of awardability).
- B. Objectives are: (1) to obtain competitive bidding on contracts for building construction, expansion, rehabilitation, repair, or demolition; and site development; (2) to assure that all bids received are consistent with requirements of the bidding documents; (3) to award each contract to the lowest responsible bidder.

IV. INSTRUCTIONS

- A. The Office of Facilities participates with the professional services contractor in the review process of bidding documents to assure that the documents provide for all statutory and standard language requirements of a state construction contract.
- B. When advised by the professional services contractor that a construction project is ready for bidding, the Office of Facilities establishes a time and date for the bid opening and extends a public invitation for bids through weekly advertisements in the Michigan Contractor & Builder.
- C. The Office of Facilities receives the proposals on each advertised project and conducts a public bid opening at the time and date set.
- D. The Administrative Section prepares a tabulation of all proposals received and reviews each proposal for irregularities or violations of the conditions for bidding.

Oct. 6, 1986 Builders  
Oct. 7, 1986 Ad Bd

- E. The Administrative Section forwards copies of the proposals received to the professional service contractor or the agency providing the professional services, for their review and recommendations relative to the award of contracts for construction.
- F. The Office of Facilities submits the recommendations for contract awards by way of agendas to the State Administrative Board or the Director of the Department of Management and Budget for approval.
- G. Upon approval of the recommendations for contract awards the Administrative Section notifies the successful bidders in writing of the awards and identifies the documents required for execution of contracts. All unsuccessful bidders are notified in writing of the action taken.
- H. Upon receipt of contract documents the Administrative Section makes final review and obtains signatures to complete execution of the contract documents.