

ANTRIM COUNTY
FORESTRY BID POLICY

Adopted: March 8, 2012

ANTRIM COUNTY FORESTRY BID POLICY

I. SCOPE OF AUTHORITY

This bid policy is established under Michigan Law (Board of Supervisors Act, 156 P.A. 1851 as amended) MCLA 46.11(j). The above referenced statute provides the Antrim County Board of Commissioners the responsibility for all County Budgetary decisions and gives the County Board of Commissioners authority to establish policies necessary to carry out those responsibilities, including the development of bid policy.

II. INTENT

The intention of the County Board of Commissioners in establishing a forestry bid policy is to assist with timber sale and forest management procedures consistent with the philosophy of obtaining, on behalf of the taxpayer, the best overall value for wood products being sold from County-owned forest lands and to implement / accomplish forest management practices.

III. PURPOSE

1. To establish consistent guidelines for the sale of forest products from County-owned forest lands.
2. To maintain public confidence and protect the interest of the County and its taxpayers.
3. To provide for the management and maintenance of designated County-owned forest land.

IV. DEFINITIONS

1. Appropriate Board Committee - The current Antrim County Board of Commissioner standing committee that has oversight responsibility over the department for which the bid was initiated.
2. Competitive Sealed Bid – A process which begins with the formulation of firm specifications, which lists all wood products to be sold, cut or removed from County forest land. The project will be advertised in the local paper along with possibly mailing the specifications directly to forest product producers. Bids remain sealed and are opened in a public meeting on a published date, time and place. The value offered for the designated wood products are recorded and any unusual components

of each bid are noted. If there are no unusual circumstances, the bid is awarded to the highest bidder. If there are unusual circumstances or inconsistencies, the award process may be stalled until the producer can be questioned.

3. Competitive Bid Notice – A process which notifies the forest products industry / potential bidders of wood products being made available on a pay-to-cut basis. The competitive bid notice spells out the property locations, designated wood products to be harvested and other sale parameters. The Competitive Bid Notice process allows the County Commissioners to not only consider the highest bidder but also the qualifications of the prospective purchaser.
4. Lump Sum Sale – A timber sale in which a single payment (the lump sum) is offered to the seller for designated forest products.
5. Scale Sale or Cut and Scale – A timber sale in which the seller is paid a certain amount for each unit of product cut (e.g. so many dollars per board feet, cord, per post, per pole, etc.) This type of sale requires someone to measure the products harvested.
6. Non-commercial Sale – A sale in which forest products have limited volumes or quality in which to attract commercial operations.
7. Salvage Sale – A sale in which forest products have been damaged or destroyed by fire, wind, insect or disease or other natural events.
8. Firewood Sale – A sale of tops or other designated wood products used for firewood by the general public.
9. Stumpage – Standing trees designated for harvest.
10. Agent - Either the County Forester or the County Administrator, whoever is working on behalf of the Board of Commissioners on a particular project.
11. Specification - A specification is a precise description of what the seller requires. Specifications should set out the essential characteristics of the item being sold so those bidders can accurately compute their bids or quotes. The specifications become an integral part of the timber sale or contract. A well-written set of specifications helps to ensure that maximum value is being obtained and that all qualified timber companies, large or small, are able to compete equally. Further, disputes over whether the delivered products are the same as ordered is minimized.
12. Timber Sale Contract – A contractual document that defines specifications, payment procedure, restoration, utilization, liabilities, performance and settlements, boundaries and other specifications agreed to by both seller and the purchaser. A timber sale contract is awarded to the successful bidder or contractor prior to working on County owned forest land.

V. EXEMPTIONS

This policy shall not apply to:

1. Sale contracts between the County Board of Commissioners and non-profit organizations, other governments, or other public entities.
2. Maintenance and service contracts.

VI. EXEMPTIONS FROM SEALED BIDS

No sales of commercial wood products equal to or over \$2,500.00 shall be made unless competitive sealed bids are received in the manner hereinafter prescribed, except:

1. If the Agent, along with the oversight committee, determines that the use of competitive sealed bidding is either not practicable nor advantageous to Antrim County, a contract may be entered into either by competitive sealed proposals or through sole source negotiations.
2. The Agent shall have the authority to cooperate with local governments or other public entities in the development and use of mutually cooperative contracts. Such contracts, irrespective of the sponsoring entity, as they pertain to Antrim County, shall be approved by the County Board of Commissioners.
3. A contract may be awarded for the harvest of trees without competitive bids when the Agent determines in writing that there is only one source for the required item. The Agent shall take all reasonable steps to insure that the specifications for an item to be procured are developed to permit competition among businesses whenever practicable.
4. The Agent, with concurrence of the Chair of the appropriate County Board Committee, may declare the existence of an emergency salvage sale, and, based thereon, suspend any or all of the provisions of this Policy and authorize an emergency sale; provided that such emergency sale shall be made with such competition as is practicable under the circumstance. When an emergency sale is authorized, the factual basis for the emergency and for the selection of the particular contractor shall be documented in the official contract file, maintained by Antrim County. A copy of such documentation shall be provided to the County Board Committee to which the department is responsible.
5. In the procurement of architectural, engineering, landscape architectural, or land surveying services.
6. In the procurement of services of an independent Certified Public Accountant selected to audit the County's operation.
7. In the procurement of consultant, advisory, or study activities by professionals other than those identified above.

8. Sales of firewood to the general public through the issuing of a firewood permit.
9. Non-commercial sales where the County has contracted to have trees cut and not removed from a property. (Timber stand improvements, management cuts, wildlife improvement, etc.)

VII. COMPETITIVE SEALED BID

1. Formal Sealed Bidding Procedures – General Description

Formal Sealed Bidding Procedures must be used where the sale stumpage dollar amount involved is estimated to be greater than \$2,500.00. Sales involving amounts in excess of \$2,500.00 shall not be segmented by a department into smaller lots for the purpose of avoiding formal bidding requirements. Formal bidding procedures involve:

- a. *Formal written specifications* (see Specifications and Standardization – Page 9)
- b. *Solicitation* can be initiated by the Agent upon approval by the appropriate Board Committee. Solicitations must include Invitation for Bids (IFB), including a sale description, formal written specifications, and all contractual terms and conditions applicable to the procurement.

Sealed bids are solicited from prospective buyers by:

- Sending copies of the Invitation for Bids to all qualified producers for the items to be sold, cut, harvested, and to all potential producers upon request.
- *Public notice* – Notices inviting sealed competitive bids shall be published by the Antrim County Procurement Representative in the Antrim Review, Elk Rapids News and/or any other appropriate medium as determined by the procurement representative. The Notice shall include the sales description, the place where bid documents containing sales specifications are available, and specify the date, time and location at which bids will be opened. A copy of the Notice and Invitation for Bids shall also be mailed to all parties who have requested an opportunity to bid. Any previous successful bidder, who failed to meet any of the bidder's responsibilities under a previous award, may be denied the right to bid on any County of Antrim procurement for a period of two (2) years, unless such suspension is waived by the County Board of Commissioners. Other methods established by the Board of Commissioners may also be used. The Agent is responsible for issuing the IFB to a group of potential vendors large enough to assure adequate competition.

Once an IFB has been mailed, no changes in the specifications or other changes in the IFB can be made unless all prospective bidders are notified by mail or email of said changes.

- c. *Bids and bid openings.* Sealed bids will be submitted to the County Clerk clearly marked on the outside of the envelope, as instructed in the IFB. All bids will remain sealed and locked in a safe place from the time of receipt until bid opening. **All bids will be stamped and initialed as to time and date of receipt. Bids submitted after the set deadline will not be accepted.** Any disclosure in advance of the opening of the bids of the terms of the bids submitter shall render the proceedings void. A bid may be withdrawn by written request and resubmitted, if desired, up to and until the set deadline for bid opening. At the time and date specified, the sealed bids will be opened in the presence of the appropriate Board Committee, the Agent, and the applicable Department Head in a public meeting and recorded. Tabulations will be prepared and made available for review by any interested party. Review and evaluation of bids will be prepared by the appropriate Board Committee upon consultation with the Department Heads and recommended to the Board of Commissioners. The Board of Commissioners will make the final award decision.
- d. *Bid deposits.* If the Committee deems it necessary, or desirable, a bid deposit may be required, to be forfeited only when the successful bidder fails to enter into a contract within the specified time after written notification of the bid award. The request for equal deposits of all bidders will be stated in the IFB. The Purchasing Agent shall be responsible for establishing procedures for maintaining accountability over bid deposits and their refunds.
- e. *Non-collusion requirement.* Any agreement or collusion among bidders or prospective bidders in restraint of freedom of competition by agreement to a fixed price, or otherwise, shall render the bids of such bidders void.

2. Evaluation of Bids

- a. *Correction or Withdrawal of Bids; Cancellation of Awards; Responsibility of the Bidder.* Information in a bid, which concerns the responsibility of the bidder, shall not necessarily be considered conclusive at the time of bid opening, except when the Invitation for Bid unequivocally states that the bid shall not be considered responsive unless the particular information is provided in the bid. When such information has not been so declared as a determinant of responsiveness of the bid:
- The appropriate Antrim County Board Committee may determine that the information submitted concerning the responsibility of the bidder is so administratively inadequate as to warrant a recommendation of rejection of the bid based on a lack of demonstrated bidder responsibility.
 - The Antrim County Agent may, within reason, after bid opening, request additional information of the bidder concerning his/her responsibility to perform; and the bidder may voluntarily, after opening, provide additional or corrective information concerning responsibility as a bidder that may be considered in making the bid award.

- b. *Default* - In the event the highest responsible and responsive bidder defaults on the contract awarded through the competitive sealed bid process, the County Board of Commissioners may award the contract to the next lowest responsible and responsive bidder.
- c. *Award Criteria* – Award contracts will be made to the highest responsive and responsible bidder. A responsive bid is one that does not vary from the specifications and terms required. A responsible bidder is one whose reputation, past performance, experience, business and financial capabilities, and ability to complete performance within a specified time limit are such that he/she is judged capable of satisfying the County's need for specific contract. The County will sell only to forest producers, mills, loggers, companies who have adequate financial strength, high ethical standards, and a record of adhering to specifications, maintaining shipping promises, and giving a full measure of service. Awards will be made to other than the high bidder if the high bidder is deemed not to be responsible or the submitted bids are not responsive. If higher bids are passed over in the award decision, the reasons must be documented in writing and placed on file. Final determination for award of contracts rests with the County Board of Commissioners.
- d. *Rejection of Bids* – The County Board of Commissioners may reject any or all bids or parts of bids. The County may waive minor irregularities in bids. If no acceptable bids or proposals are received, the Agent may sell in the open market, if appropriate, until a satisfactory bid is received.
- e. *Changes to Specifications* – Should it be found, after bids have been opened, that the market for wood products have changed substantially, all bids may be rejected and the specifications redrawn to allow all bidders an equal opportunity to submit proposals on an acceptable alternative.

3. Informal Bidding

- a. Any sales of wood products or the cutting of trees with an estimated stumpage value of less than \$2,500.00 but more than \$1,000.00, may be made in the open market, with cutting contracts awarded on the basis of the bid/quote most advantageous to the County. All bid/quotes shall be confirmed in writing. Bids/quotes shall be solicited by direct mail, telephone inquiry, and/or by public notice such as a newspaper publication or as specified by the Board of Commissioners to prospective vendors. The Agent will review and maintain a record of all open market orders and the bids/ quotes submitted (for a period of one year), and such records shall be open to public inspection. The minimum number of competitive bids/quotes required shall be determined based on availability and uniqueness of the product. A minimum of three competitive bids is required where availability of qualified timber companies and product can be determined to exist.

This should not preclude the use of formal bidding procedures for timber cuts in this dollar range (to be determined by the Department Head in consultation with the appropriate Board Committee) if:

- It reasonably appears that the potential income will be worth the extra costs.
 - The purchase is not so urgent that the timeline for a formal sealed bid process could not be accommodated.
- b. *Award* – The Agent, with the approval of the Parks and Lands Committee, may exercise discretion in making awards. The Agent will document the decision in writing where the high bid was not awarded a contract, according to criteria to be established by the Agent. Such documentation filed with the agent will become part of the purchasing record open for public inspection.
4. *Small Sales*

The Agent may, at his/her discretion, *sell timber with stumpage values less than \$1,000 without obtaining bids or quotations*, provided the items sold are in the best interest of the forest and the County.

VIII COMPETITIVE SEALED PROPOSALS

1. *Conditions for Use*. When an Agent, along with the appropriate Board Committee, determines that the use of competitive sealed bidding is either not practicable nor advantageous to Antrim County, a contract may be entered into by competitive sealed proposals.
2. *Request for Proposals (RFP)*. Competitive sealed proposals shall be solicited through a RFP.
3. *Public Notices*. Notices inviting competitive sealed proposals shall be published by the Antrim County Administration Office in the Antrim Review, Elk Rapids and/or any other medium the Agent deems suitable. The Notice shall include the cutting parameters, description, the place where proposal documents containing harvest specifications are available, and specify the date, time and location at which proposals will be opened. A copy of the RFP shall also be mailed to all parties who have requested an opportunity to submit a proposal. Any previous successful producer vendor, who failed to meet any of their responsibilities under a previous award, may be denied the right to submit a proposal on any County of Antrim procurement for a period of two (2) years, unless such suspension is waived by the Antrim County Board of Commissioners. Other methods established by the Board of Commissioners may also be used. The Procurement Representative is responsible for issuing the RFP to a group of potential vendors large enough to assure adequate competition.

Once an RFP has been mailed, no changes in the specifications or other changes in the RFP can be made unless all prospective vendors are notified by mail of said changes.

4. *Evaluation Factors*. The Request for Proposals shall state the relative importance of price and other evaluation criteria.

5. Discussion with Responsible Offerors and Revisions to Proposals. As provided in the Request for Proposals, discussions may be conducted with responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revisions of proposals. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offers.
6. Award. Awards shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to Antrim County. A summary of the basis on which the award is made shall be included in the official contract file.

IX Specifications and Standardization

1. Responsibility for Preparing Specifications

The Agent determines the needs and basic requirements and is responsible for the preparation of first draft specifications. The responsibility for the type and quality of the material or services to be sold rests with the Agent in accordance with a forest management plan. The Agent will provide aid in writing specifications and is responsible for creating and maintaining a complete and up-to-date file of prepared specifications and identification of resources available to be used in the preparation of new specifications, including specifications used by other governments. To avoid organizational conflicts of interest and to assure objective specifications, timber companies will not be permitted to prepare the specifications except by furnishing requested data concerning their product(s) or general product and material information that can be used to assist in the preparation of objective and fair specifications. Evidence that the timber company has provided information advice on specifications that would give him/her an unfair advantage shall be considered to constitute a conflict of interest situation. The primary concern in the preparation of specifications is that they not be overly restrictive and will be composed or designed solely for the purpose of eliminating competition other than those able to supply a specific service should be avoided. Actual brand name or common description specifications should be limited insofar as feasible. Specifications should be sufficiently detailed to be used as a basis for full and fair competition bidding upon a common standard and free from restrictions that limit competition.

2. Standardization of Specifications

Standardization of specifications is the process of examining specifications and needs for timber cuts or similar end usage and drawing up a specification that will meet the needs for most or all forestry related activities. If a standardized specification can be established and used, it allows for more efficient operation that most timber cuts can bid out on.

X. AMENDMENTS

All amendments or additions to this policy are to be reviewed and approved by the Antrim County Board of Commissioners as recommended by the Finance Committee.

XI. EFFECTIVE DATE

The effective date of this policy is February 1, 2012. This policy shall be reviewed and revised as necessary.

XII. SEVERABILITY

If any provision of this policy is for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such provisions shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining provisions.