



Administrative Policies and Procedures

Policy Title: Best Value Procurement	Policy Number: 209
Effective: March 2025	
Supersedes: APP #209, dated July 10, 2023	
Approval: <i>Milton Dohoney Jr.</i>	Page 1 of 8

1. Introduction and Purpose

The City Charter, Section 14.3(d) provides:

Except as provided by ordinance authorized by Section 14.2 of this chapter, each contract for public improvements or for supplies or materials **shall be let to the bidder that provides the best value to the City**, after reasonable opportunity for competitive bidding. All bids shall be opened in public by the City Administrator, or if the City Administrator is absent or incapacitated, by the City Clerk. The Council may reject any or all bids if deemed advisable. If all bids are rejected, or if no bids are received, the Council may obtain new bids or authorize the City Administrator to negotiate in the open market for a contract at a reasonable price, or to purchase in the open market, or to have the work performed by city employees. *(Amended by election of November 2, 2021.)*

This Policy is intended to establish guidance for determining which bidder provides the “best value to the City” for the purpose of providing a recommended bidder to City Council.

2. Policy

2.0 Definitions

Best Value Procurement (BVP) means a method of procurement required by the Charter Section 14.3(d) for contracts for Public Improvements, awards a contract to a competitive bidder based on a set of criteria the City has determined is essential for contractors to have to provide the overall best value to the City and is not based solely on the lowest bid price. The BVP selection criteria are outlined in the City’s code of ordinances.

Infrastructure means those structures and facilities related to public works, such as dams, bridges, streets, sidewalks, and water and sewer utilities.

Public Improvement means the construction of a permanent physical addition to or installation on real estate or infrastructure owned by the City, or the replacement or reconstruction of physical structures or infrastructure owned by the City through demolition and rebuilding, or resurfacing of all or a portion of the original structure or infrastructure. Public improvements do not include general routine or periodic non-routine repairs or maintenance of existing structures or infrastructure, but do include Major Repairs (repairs greater than \$50,000), such as resurfacing and reconstruction of roads and bridges, and lining sewer pipes. Only those contracts for the construction of Public Improvements and for the purchase of goods and materials used for the purpose of constructing Public Improvements require Best Value Procurement.

- 2.1 Only contracts for Public Improvements shall utilize the best value procurement process.

The City Administrator may exempt a contract for public improvements from best value scoring and instead award the contract to the lowest responsible bidder in instances when the contract will be partially or wholly funded by third parties such as another government entity, a non-profit, an individual, a philanthropy or other similar entity, when that entity requires their funding to be awarded on a lowest responsible bidder basis, and when proceeding on a best value basis may at the sole determination of the City Administrator jeopardize the receipt of third-party funding, cause costs to the City to increase by more than 10% of the total project cost, or jeopardize the participation of a funding partner in the project. Staff shall endeavor to advise the Administrator of these situations and ask them to make a determination before a bid is advertised, however the administrator may make this determination at any point in the bidding process.

- 2.2 When using the Best Value Procurement method, each responsive bidder shall have their bid evaluated based on the following categories:
- A. Price
 - B. Qualifications, Experience and Accountability
 - C. Workplace Safety
 - D. Workforce Development
 - E. Social Equity and Sustainability
 - F. Work Plan (optional)

All of these categories for evaluating bidders are individually referred to herein as "Criterion" and collectively referred to as "Criteria." Staff shall document in writing their reasoning for awarding points on a proportional basis when their own judgments and experience are the relevant factor.

2.3 When using the Best Value Procurement method, each bidder will be scored based on this policy and the bidder with the highest score shall be recommended to council. Each category of the Criteria shall be given equal weight in determining which bidder provides the best value to the City and shall be recommended to council. The scoring rubric used to evaluate bidders shall contain the same possible high and low scores for each of the Criteria (e.g., high score of 5 and low score of 0 for each Criterion). In communicating to Council its recommendations, staff shall include the scoring sheets and bids for each qualified bidder in the resolution packet that is provided to the Council.

2.4.1 Price

Using this Criterion in the evaluation is mandatory. When evaluating the price submitted by the bidder, the lowest bid shall receive the highest score for the category and all other bids shall receive a lower score based on their bid relative to the lowest bidder.

2.4.2 Qualifications, Experience and Accountability

Using this Category in the evaluation is mandatory unless an exemption is made by the Administrator. The following shall be considered in evaluating this Category. Bidders shall be evaluated based on the following criteria and points shall be awarded following the methods described below:

Criteria	Scoring Method
Qualifications and experience of the bidder and of key persons, management, and supervisory personnel to be assigned by the bidder	The staff evaluating the RFP may judge the quality of the qualifications and experience of the bidder and assign whatever points they deem appropriate based on their own understanding and judgements.
References from individuals or entities the bidder has worked for within the last 5 years including information regarding records of performance and job site cooperation.	The staff evaluating the RFP may judge the quality of the responses provided from references and assign whatever points they deem appropriate based on their own understanding and judgements.
A statement from the bidder as to any major subcontractors it expects to engage including the name, work, and amount	If an appropriate statement of sub-contractors is provided then the bidder shall receive full points for this sub-criteria. If it is not provided, they shall receive no points. If staff feels that any of the identified subcontractors are not qualified for the specified work, they may deduct points as they see fit.

2.4.3 Workplace Safety

Using this Category in the evaluation is mandatory. The following shall be considered in evaluating this Category. Bidders shall be evaluated based on the following criteria and points shall be awarded following the methods described below:

Criteria	Scoring Method
Provide evidence of a bidder's safety program (link to information on bidder's publicly available website preferred), and evidence of a safety-training program for employees addressing potential hazards of the proposed job site. Bidder must identify a designated qualified safety representative responsible for bidder's safety program who serves as a contact for safety related matters.	Full points shall be awarded for criteria if the bidder demonstrates that they have a safety training program led by a qualified safety professional. No points shall be awarded if they do not.
Provide the bidder's Experience Modification Rating ("EMR") for the last three consecutive years. Preference within this criterion will be given to an EMR of 1.0 or less based on a three-year average.	Bidders will receive points based on their EMR rating in the following manner: <ul style="list-style-type: none">• An EMR of 0.8 or lower would receive five points• An EMR above 0.8 up to 0.9 would receive four points• An EMR above 0.9 up to 1.0 would receive three points• An EMR above 1.0 up to 1.1 would receive two points• An EMR above 1.1 up to 1.2 would receive one point• An EMR above 1.2 would receive zero points
Evidence that all craft labor that will be employed by the bidder for the project has, or will have prior to project commencement, completed at least an authorized 10-hour OSHA Construction Safety Course.	Full points shall be awarded if the bidder provides evidence that all craft labor has or will have prior to project commencement completed the requisite training. A statement indicating that the bidder will complete the training prior to project commencement shall be sufficient, and evidence that the training is completed must be provided to the City prior to the project being started. No points shall be awarded if no response is provided. Staff will require documentation that all craft laborers have completed the required training prior to project commencement.

	Additionally, each instance of a violation, as determined solely by the City, of these safety training requirements shall result in a 50% reduction in the scoring for the Workplace Safety section of the best value procurement framework for a period of two years for the subject bidder, as determined by the City Administrator.
For the last three years provide a copy of any documented violations and the bidder's corrective actions as a result of inspections conducted by the Michigan Occupational Safety & Health Administration (MIOSHA), U.S. Department of Labor – Occupational Safety and Health Administration (OSHA), or any other applicable safety agency.	Staff shall award full points to the bidder with the least safety violations, and a proportional number of points to any other bidder based on the relative number of violations.

2.4.4 Workforce Development

Using this Category in the evaluation is mandatory. The following shall be considered in evaluating this Category. Bidders shall be evaluated based on the following criteria and points shall be awarded following the methods described below:

Criteria	Scoring Method
Documentation as to bidder's pay rates, health insurance, pension or other retirement benefits, or other fringe benefits to its employees	Award points as follows: documentation as to bidder's pay rates (1 pt.), health insurance (2 pts.), pension or other retirement benefits (2 pts.), other fringe benefits (2 pts.). It is noted that all bidders must comply with Davis-Bacon compensation requirements under federal law already, and would be disqualified if they do not.
Documentation that the bidder participates in a Registered Apprenticeship Program that is registered with the United States Department of Labor Office of Apprenticeship or by a State Apprenticeship Agency recognized by the USDOL Office of Apprenticeship. USDOL apprenticeship agreements shall be disclosed to the City in the solicitation response.	Full points shall be awarded if evidence of participation in a Registered Apprenticeship Program is provided and zero points if not.
Bidders shall disclose the number of non-	Staff shall award full points to the bidder

craft employees who will work on the project on a 1099 basis, and the bidders shall be awarded points based on their relative reliance on 1099 work arrangements with more points assigned to companies with fewer 1099 arrangements. Bidders will acknowledge that the City may ask them to produce payroll records at points during the project to verify compliance with this section.	with the least reliance on 1099 labor, and a proportional number of points to any other bidder based on the relative number of 1099 laborers.
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2.4.5 Social Equity and Sustainability

Using this Category in the evaluation is mandatory. The following shall be considered in evaluating this Category. Bidders shall be evaluated based on the following criteria and points shall be awarded following the methods described below:

Criteria	Scoring Method
A statement from the bidder as to what percentage of its workforce resides in the City of Ann Arbor and in Washtenaw County, Michigan. The City will consider in evaluating which bids best serve its interests, the extent to which responsible and qualified bidders employ individuals in either the city or the county. Which jurisdiction is prioritized for scoring purposes will be indicated in the solicitation.	Staff shall award full points to any firm with 50% or more of their workforce residing in Washtenaw County; half points to any firm with 15% or more and under 50% of their workforce residing in Washtenaw County, and no points to any firm with less than 15% of their workforce residing in Washtenaw County.
Evidence of Equal Employment Opportunity Programs for minorities, women, veterans, returning citizens, and small businesses.	If evidence indicating full compliance is provided, then full points shall be awarded. Otherwise, zero points shall be awarded.
Evidence that the bidder is an equal opportunity employer and does not discriminate on the basis of race, sex, pregnancy, age, religion, national origin, marital status, sexual orientation, gender identity or expression, height, weight, or disability.	If evidence indicating full compliance is provided, then full points shall be awarded. Otherwise, zero points shall be awarded.
The bidder's environmental record, including findings of violations and penalties imposed by government agencies.	Any bidder who in the last ten years has been subject to enforcement actions taken against them by the Michigan Department of Environment, Great Lakes, and Energy in the form of administrative consent

	orders, civil enforcement actions, or criminal enforcement actions shall receive no points. Otherwise, full points shall be awarded. Bidders shall be required to disclose this information, and failure to do so will result in disqualification.
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2.4.6 Work Plan

Using this Criterion in the evaluation is optional. However, if the Work Plan Criterion is included in the evaluation of one bidder, it must be included in the evaluation of all responsive bidders in the same ITB/RFP. The members of the evaluation committee shall judge any proposed work plan based on their own experiences, knowledge, and understanding of the project, however must be able to justify their scoring with a strong business case. The following shall be considered in evaluating this Criterion:

1. Schedule
2. Staging
3. Materials and equipment to be used
4. Methods and techniques for completing the work that will be employed
5. Plans to maintain operations at City facilities or access to City infrastructure during construction (if desired by the City)
6. Other criteria as determined by the City in the bid documents

3. Procedures

3.1 Responsibilities of Contract Administrator

3.1.1 Issue this policy and update it as needed from time to time.

3.1.2 Ensure scoring rubric is applied to each bidder

3.2 Responsibilities of Procuring Agent

3.2.1 Ensure scoring rubric is applied to each bidder

3.2.2 Communicate with the City Administrator as to proposed edits or updates to this policy.

3.3 Responsibilities of Evaluation Committee

3.3.1 Utilize this policy in the evaluation of bids.

3.4 Responsibilities of Staff managing the bid process

- 3.4.1 To ensure that all bid documents, including scoring sheets and the bids of each evaluated bidder, are communicated to the Council with the resolution that recommends the chosen bidder.
- 3.4.2 To advise the Administrator in a timely manner of instances when an exception to the best value procurement process may be necessary.