

**LIVONIA PUBLIC SCHOOLS
2013 BOND PROGRAM
ACCOUNTING AND BID PROCEDURES**

REQUEST FOR PROPOSAL (RFP) AND BID PROCESS FOR BOND FUND PROJECTS

This process follows the requirements from the State of Michigan (Bulletin for School District Audits of Bonded Construction Funds) and Livonia Public Schools ("LPS"). The stricter set of the two guidelines will be applied. The following is a synopsis:

1. Plante Moran Cresa ("PMC") will prepare a proposed Request for Proposals (RFP) / Bids and a scope of work with input and involvement from LPS Administration staff.
 - Competitive Bids must be taken for construction of a proposed new building; or the addition to, repair or renovation of an existing school building where material and/or labor costs exceed the State of Michigan Limit (\$22,766 for 2014) or Board Policy.
 - Any bond purchases for less than the State of Michigan annual competitive bid limit will follow LPS Procedures for Purchases at Specified Dollar Amounts published annually by LPS Business Office in the form of a Notice Number.
 - LPS must advertise bids once (1) in a newspaper of general circulation in the area where the construction renovation or repair is to take place.
 - LPS must post an advertisement for bids for at least 2 weeks on the Department of Michigan Management and Budget website on a page on the website maintained for this purpose or post on a website maintained by a school organization and designated by the Department of Michigan Management and budget for this purpose or
 - LPS will also post the advertisement for bids on www.livoniapublicschools.org
 - ❖ Advertisement must state the following information and must be reviewed by Administrator of Finance or Director of Business:
 - Date, time and place where all bids must be received.
 - The bid shall be accompanied by a sworn and notarized statement disclosing any familial relations that exists between the owner or any employee of the bidder and any member of the Board or the Superintendent.
 - The bid shall be accompanied by a sworn and notarized statement disclosing any relationship that exists between the owner or any employee of the bidder and the country of Iran.
 - LPS will not consider or accept a bid received after the date and time specified for bid submission and that does not include these sworn and notarized disclosure statements.
 - Time, date, and place at which Proposals/Bids are due. For Construction Bids the time, date, and place of the public meeting at which all bids will be opened and read aloud by the Board or its designee.
 - Each Bidder is required to have a 5% Bid Bond, 100% Performance, 100% Labor and Material (Payment) Bonds, and a sworn and notarized statement disclosing any familial relations that exists between the owner or any employee of the bidder and any member of the Board or the Superintendent.
 - LPS's local preference resolution will be followed.
2. The following information must be contained in the RFP/Bid:
 - Bid, Performance and Payment Bond requirements.
 - Familial Disclosure Statement

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- Iran Disclosure Statement
 - Insurance per the required limits
3. All Bids are to be received at the LPS Administration Building to the attention of Director of Business Services.
 4. All Construction Bids will be public bid openings held at the LPS Administration Building. Members of LPS staff must be present.
 5. LPS reserves the right, in its sole and absolute discretion to accept or reject, in whole or in part, any or all Proposals with or without cause. LPS further reserves the right to waive any irregularity or informality in this RFP / Bid process, and the right to award the Contract to a Firm other than the Firm submitting the best financial Proposal (low bidder).
 6. PMC will review, evaluate and recommend all awards to the LPS Board of Education via a written award recommendation letter. Board of Education approval is required for any bond purchase equal to or greater than the State of Michigan annual competitive bid limit.
 7. For all vendors (i.e. Construction Managers, etc.) which bid services out on behalf of LPS, the same procedures shall apply.

PURCHASE ORDERS / CONTRACTS

1. Upon Board approval, a copy of the Board resolution with all back up documentation will be provided to the Administrator of Finance, who will be responsible for creating a Purchase Order (PO).
2. Prior to being issued, all PO's will be reviewed by the Director of Business Services to insure that all bidding procedures were followed, appropriate back-up is included and complete and there are adequate unencumbered funds remaining.
3. A copy of the Board resolution, Project # and PO will be sent to PMC.
4. Upon receipt of a PO, PMC and/or the CM will draft a Contract to the Board approved vendor. All Contracts will be reviewed and approved by LPS's legal counsel prior to being issued.
5. PMC will ensure that the PO # and Project # is referenced on all payment applications / invoices submitted to LPS for payment.

CHANGE ORDERS

PMC Process:

Upon receiving a Vendor's Change Order request for services and goods for an existing PO, PMC will complete the following:

- PMC will review, substantiate, and make a recommendation on the validity of the Vendor's Change Order request, per the governing Contract Documents.

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- PMC approvals are based on LPS Change Order Process (as outlined below).

LPS Process:

- 1) Any change order request recommended by PMC will be submitted to Director of Business Services for approval and will contain the following detailed support documents:
 - The Vendor's Change Order with appropriate back-up.
 - The Vendor, Construction Manager, Architect and PMC signature sign-offs.
 - A recommendation letter from PMC summarizing the reason, cost and schedule implications of the change.
- 2) Any change order that will result in an increase to the original Board approved Project Budget must be approved by the Board of Education.
- 3) Any change order less than \$100,000 but within the Board approved Project Contingency amount may be approved by either the Superintendent or Director of Business Services.
- 4) Any single change order \$100,000 or greater but within the Board approved Project Contingency amount may be approved by both the Superintendent and Director of Business Services and will be reported to the Board of Education.

INVOICING

1. The Vendor (CM, Prime Contractor, etc.) will submit invoices broken down by scope of work per project to PMC. For pay applications, which must be certified the Vendor will submit to the Architect of record who will certify and then forward to PMC.
2. The Invoices will be sent to PMC and then provided to LPS with a recommendation for payment or explanation of rejection.
3. PMC will review the invoices for accuracy and completeness.
 - PMC will review and recommend invoices for payment after certification by Architect (if applicable) including a review of waivers of lien, sworn statements, percent complete, approved change orders and PO balance.
 - PMC will make recommendations on any variance for LPS approval.
 - LPS will make payment by Electronic Fund Transfer (ETF) or hard check by mail.
 - LPS Business Office Staff will notify PMC when payment has been made.
4. All LPS initiated invoices will be reviewed and processed via LPS's normal payment procedures and PMC will be copied for record and budget management purposes.

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5. Final Payment procedures are as above with the following additions:

- The CM(s) will collect and compile and turn over all closeout documents to LPS. PMC and LPS will review for completeness.
- PMC will provide recommendation for payment and reference the PO number and indicate as final payment. This will include a review of all final waivers of lien, sworn statements, general releases and a review of the final balance on the Contract / PO.
- LPS will also review the final payment to insure the amount does not exceed the balance on the Contract / PO.

BUDGET RESPONSIBILITY

1. LPS will be responsible for the following budgets:

- Buses and Other Vehicles
- Maintenance and Operational Equipment
- Loose Furniture and Instructional Equipment
- Legal Fees and Bond Issuance Expense

2. PMC will be responsible for the following budgets:

- New construction, remodeling, site work, contingencies, permits, material testing, printing, exterior improvements, abatement, professional fees and costs and CM fees and costs

LPS and PMC will meet at a minimum of once per quarter to reconcile budgets, expenses and encumbrances. PMC will provide LPS with an electronic file which includes the budget for each of the categories mentioned above that PMC is responsible for. LPS will provide PMC with a transaction journal for all expenditures processed quarterly.

CLOSEOUT

PMC and LPS to discuss and document the Bond Project Closeout procedures at a later date.