

Glacier Electric Cooperative, Inc.

Policy No. 512

BIDDING AND FORMAL CONTRACT LETTING

I. OBJECTIVE:

To provide a standard procedure when the Cooperative requires Bidding, or Formal Contract letting, for any work or program.

II. POLICY:

- A. As part of the annual budget process, management shall prepare and present to the Board of Trustees for approval, a list of capital expenditures. It will be the responsibility of management/staff to draft specification requirements and obtain cost proposals. In an emergency situation, the manager is authorized to waive this requirement for proposals.
- B. A summary bid from one or more contractors will be obtained for all work or expenditures exceeding \$30,000 prior to commencement. Qualified contractors will be required to have, at a minimum, liability and property damage insurance of not less than \$1,000,000 each, and all appropriate licensing, and certification. Qualified contractors will also be required to provide the Cooperative with lien releases upon completion of work. Bids must be submitted in writing.
- C. Capital expenditures exceeding \$30,000 will require that notification be sent to qualified vendors and or contractors 30 days prior to final approval of the purchase. Local area vendors and contractors will have preference. Notification will consist of the following information:
 - a. Items to be purchased and or scope of work.
 - b. Contact person for specification requirements.
 - c. Terms of proposal.
 - d. Proposed delivery date requirements.
 - e. Final date for acceptance of proposals.
- D. In the event that no written proposals are received, management and staff shall make the necessary personal contacts with the appropriate vendors in order to secure cost estimates and arrange final purchase of the item.
- E. No bidding is required for any work estimated to cost less than \$30,000. Qualified alliance vendors may use an informal quote process for equipment and product purchases.

- F. All independent contractors submitting proposals or bids shall comply, in advance, with all applicable requirements of Montana's contractor Registration Act, Title 39, Chapter 9, including Contractor Registration, as required at 39-9-201, et seq. and shall provide a copy of Certificate of Registration, issued by the Montana Department of Labor and Industry to Glacier upon request.

39-9-201. Registration required – application. (1) Each construction contractor shall register with the department.

(2) An applicant for registration as a construction contractor shall submit an application under oath on a form to be provided by the department that must include the following information:

- (a) the applicant's social security number;
- (b) proof of compliance with workers' compensation laws;
- (c) the I.R.S. employer identification number, if any; and
- (d) the name and address of:
 - (e) each partner if the applicant is a firm or partnership;
 - (f) the owner if the applicant is an individual proprietorship;
 - (g) the corporate officers and registered agent if the applicant is a corporation;
 - (h) the manager of a manager-managed limited liability company or the member of a member-managed limited liability company and the registered agent if the applicant is a limited liability company.

- G. The General Manager is authorized to make necessary capital expenditures, which occur outside of the approved annual budget and do not exceed a limit of \$5,000. Purchases exceeding \$3,000 will be summerized at the next regular board meeting. The Board of Trustees will review purchases of non-budgeted items exceeding the \$5,000 limit on a case-by-case basis.

- H. The Cooperative reserves the right to waive irregularities and to accept or reject any or all bids with disregard to rate, and to accept any bid that will best serve the interests of the Cooperative.

III. RESPONSIBILITY:

It shall be the responsibility of the General Manager to see that the policy is carried out.

Date Adopted: May 30, 2002

Date

Signature

Title

Lee Holden

President