

Subject:	Work Plan and Line Extension Contracting Procedure		
Policy No.:	B-18		
Original Issue Date:	Review Requirement:	Date of Last Review:	Date Last Revised:
March 14, 2024	3 years	March 14, 2024	March 14, 2024
Previous Revisions:			

I. OBJECTIVE

To establish a policy with regard to the bidding of projects and hiring of contractors for work plan and line extension projects

II. POLICY

- A. The cooperative will use qualified contractors to perform construction work for Line Extensions and Work Plan Projects. The Manager of Operations and Manager of Engineering will determine if a contractor is qualified.
- B. The cooperative will seek out competitive bids on all MPEI workplan projects estimated to have contractor costs in excess of \$250,000.
- C. When bidding, the cooperative will attempt to solicit multiple bids. Management will review bids received to determine if more bids are necessary.
- D. The cooperative will maintain a list of qualified bidders for construction contracts. The cooperative will request bids from appropriately qualified bidders and will also advertise contracts that are to be bid on.
- E. The cooperative will open bids either publicly or privately at the sole discretion of the cooperative. When required by a government agency, the cooperative will open bids publicly.
- F. The Operations Manager will review all bids to determine qualifications and reasonableness of the bid. The Operations Manager will award the contract accordingly. The Operations Manager is authorized to sign contracts under the amount established in section II.B of this policy. The GM will sign any contract in excess of the amount established in section II.B of this policy.
- G. All contractors will execute a contract with the cooperative. The contractor may not perform any work until an executed contract is in place. The cooperative will determine the appropriate contract for the work and will prepare the contract. Contracts will be for construction labor only.
- H. All construction contracts that meet the amount established under Section II.B of this policy will require either a construction bond in the amount of 100% of the contract amount or will require holding 10% retainage on all invoices until the

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work is complete to the satisfaction of the cooperative. The cooperative will determine whether to require a bond or hold retainage and include this as part of the contract terms.

- I. The contractor will demonstrate that they have a safety program. The contractor will furnish a copy of their safety program to the MPEI Safety Coordinator for review.
- J. Construction contracts will be priced on a unit price basis. Where applicable, the cooperative may price contracts on a lump sum basis if required to meet prerequisites established by granting/government authorities.

III. RESPONSIBILITY

The General Manager will be responsible for the administration and compliance of this policy.

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