


WYOMING DEPARTMENT OF TRANSPORTATION		OPERATING POLICY
ISSUED: March 3, 2006	POLICY NUMBER: 24-9	
DIRECTOR:		

SUBJECT: Purchasing and Contracting

Purpose: This policy defines the Wyoming Department of Transportation (WYDOT) bidding and negotiation processes for purchasing and contracting of materials, supplies, equipment, printing, services, and construction. It also outlines the procedure to follow for specific dollar amounts.

Purchasing and contracting are delegated at various levels of authority. Quotations may be solicited, advertised, and awarded by the Purchasing Program or the Contracts and Estimates Program or any district office depending on the individual circumstances, requirements, or location of work. District personnel are encouraged to use the services of the Purchasing and Contracts and Estimates programs whenever possible.

Procedures that advise applicable headquarters supervisory personnel concurrently when district personnel call for bids or quotations or make a substantial purchase must be followed.

Minority business enterprises are given full opportunity to submit bids and are not discriminated against on the grounds of race, color, or national origin.

The Federal Highway Administration (FHWA) imposes additional contracting requirements for projects receiving federal-aid highway funds. No resident bidder preference shall apply to contracts that use federal funds.

I. Definitions

- A. **Service Contracts:** Service contracts are made with an outside business or individuals and furnish specific services, routine maintenance, or limited services, with no construction work directly involved. The work is repetitive or periodic, (such as cleaning rest areas, spraying weeds, removing snow, and performing routine maintenance) but should not involve more than slight repairs.
- B. **Construction Contract:** Construction means any engagement in construction, reconstruction, improvement, enlargement, alteration, or repair of buildings, structures, highways, or their appurtenances. This work is not to be confused with routine maintenance, which may have slight repair work involved as indicated in the preceding service contract definition.
- C. **Resident Bidder:** A person, partnership, company, or corporation certified as a resident according to the provisions of W.S. 16-6-101 through W.S. 16-6-119 or W.S. 16-6-301.
- D. **Contracting Agent:** Reference to the contracting agent within this policy refers to:
 - 1. The purchasing manager or a member of the purchasing staff.

2. The contracts and estimates engineer or a member of that program's staff.
3. The district engineer or an employee within the district given the authority to negotiate contracts or purchases on the Department's behalf.

II. Methods of Procurement

A. Direct Pay Invoices (Up to \$2,500)

1. Direct pay invoices are limited to the purchase of materials, supplies, equipment, printing, services, and construction within prescribed limits for normal day to day operations. Direct pay invoices can be submitted only by authorized personnel—generally those designated as supervisors. Other personnel are eligible if approved by the appropriate district engineer or program manager.
2. At least three verbal quotations should be obtained whenever possible.
3. Using multiple direct pay invoices to circumvent the monetary limit is prohibited.
4. Direct pay invoices are **not** allowed for the following:
 - a. Anything in excess of \$2,500.
 - b. Items listed in the WYDOT Procurement Catalog.
 - c. Items requiring a property number (required for items costing \$500 and over).
 - d. Items on blanket purchase order contracts.
 - e. Computer hardware and software.

B. Informal Written Quotations (\$2,500 to \$7,500)

1. The purchasing manager, the contracts and estimates engineer, a district engineer, or their designees are allowed to solicit, advertise, and make the award for informal quotations within Department monetary limitations and approving authorities as designated in Operating Policy 24-1, Monetary Limitations and Approving Authority, for the purchase of materials, supplies, equipment, printing, services, and construction.
2. At least three informal written quotations should be obtained whenever possible. The written quotation must be documented and include:
 - a. The name and address of the vendor.
 - b. The vendor's authorized representative's name and signature.
 - c. Prices.
 - d. The FOB (free on board) point (which determines who pays freight charges).
 - e. The terms (Net 45 and so forth).
 - f. The date.
 - g. The delivery time.

3. A 5 percent preference (or 10 percent for printing contracts) shall be given to Wyoming resident bidders. To figure the preference, add 5 percent (or 10 percent for printing contracts) to the total quotation for any non-resident bidder(s) to determine the low bid.
4. If the district or program does not desire to solicit its own quotations, the Purchasing Program will solicit quotations upon receiving a requisition.
5. The purchasing manager, contracts and estimates engineer, or the district engineer reserves the right to reject any or all quotations.

C. Competitive Sealed Bidding (\$7,500 and above)

1. Competitive sealed bidding is the preferred method of source selection, and it should be used whenever possible.
 - a. Bids or contracts for materials, supplies, equipment, printing, services, and construction shall be made by competitive sealed bidding when the configuration or performance specifications are sufficiently designed to permit award based on the lowest evaluated price as determined in accordance with objective measurable criteria set forth in the invitation for bids, and when available sources, the time and place of performance, and other conditions are appropriate for using competitive sealed bidding.
 - b. Requests for proposals (RFPs) may be used when configuration or performance specifications can not be clearly defined, when the Department has designed a need and requests the bidders to propose the best method for accomplishing it, when cost is only one criteria in determining award, or other factors as the purchasing manager deems appropriate.
2. Formal contracts over \$50,000 are awarded by the Transportation Commission of Wyoming. Below \$50,000 the approving authority is governed by expenditure limitations in Operating Policy 24-1, Monetary Limitations and Approving Authority. If the Commission declares an emergency condition, the contracting agent determines the best contracting method up to a maximum of \$100,000.
3. Professional consultants for contracted services are hired according to the guidelines established by Operating Policy 40-1, Consulting and Special Service Agreements.

D. Construction

1. All federally funded projects are processed through the Contracts and Estimates Program. State-funded projects are processed through the Purchasing Program.

2. Construction work over \$7,500 must be competitively bid. If the Commission declares an emergency condition, the contracting agent determines the best contracting method up to a maximum of \$100,000.
3. All contractors must be prequalified for road and bridge construction bids. The contracts and estimates engineer may waive prequalification if the contract is under \$100,000. For contracts over \$100,000, the Commission must approve a prequalification waiver. Only contractors selected from an approved bidders list are sent invitations to bid. WYDOT, however, will send bid applications to bidders who are not prequalified or not on the Department's bidders list if requested to do so in writing.
4. Expenditures for construction exceeding \$7,500 require a 10 percent bid bond. A bid bond may be retained as a performance guarantee bond up to a contract amount of \$25,000. A performance bond of 100 percent of the contract price is required for contracts over \$25,000. See Operating Policy 24-10, Bonding Requirements.
5. Construction work estimated to cost \$25,000 or more requires that the prevailing hourly wage be paid for labor. Labor rate determinations are available through the Construction Program.

E. Noncompetitive Negotiation

1. Noncompetitive negotiation may be used to purchase materials, supplies, equipment, printing, services, or construction, if the item or service to be purchased is:
 - a. For an emergency situation.
 - b. For compatibility with existing equipment or systems.
 - c. To support a special program for which the product has unique characteristics essential to the program's needs.
 - d. For items covered by patent or copyright.
 - e. For trial and evaluation prior to specification development.
 - f. The only known source. Documentation must be submitted with requisition.
 - g. One for which users have had extensive training and experience and the use of any other similar piece of equipment would require considerable reorientation and training.
 - h. To secure pre-negotiated cooperative contract pricing, such as with General Services Administration (GSA) pricing, state co-operative agreements, U.S. Communities contracts, WSCA contracts, and so forth. The contract number must be listed on the requisition.
2. All noncompetitive negotiated purchases up to and including \$7,500 must be substantiated in writing and approved by the Purchasing Program, the Contracts and Estimates Program, or applicable district personnel before purchases are made.

3. Noncompetitive purchases from \$7,500 to \$50,000 require chief engineer or administrator approval, and purchases over \$50,000 require Commission approval.
4. The individual making the purchase must not give any preference to one specific vendor if more are available.
5. The purchasing manager, contracts and estimates engineer, or the district engineer reserves the right to reject any noncompetitive negotiations.

F. General

1. The Transportation Commission of Wyoming has authorized WYDOT to remove bidders from the active bidders' mailing list as discussed in the following. Bidders retain the right to appeal decisions to the Commission as described in General Section, Chapter 3, Appeals and Hearings, Wyoming Department of Transportation Rules and Regulations.
2. A bid that is in possession of the purchasing manager may be withdrawn by the bidder up to the time of the bid opening. Bids may not be withdrawn after the bid opening. Failure of the bidder to furnish the materials, supplies, equipment, printing, services, and construction from a bid on which an award is made shall eliminate the bidder from the active bidders' mailing list for a period of one year. The Department, however, reserves the right to waive this sanction when it determines that extraordinary circumstances exist. The vendor will be responsible for requesting reinstatement on the active bidders' list after the one-year period.

References: Operating Policy 24-1, Monetary Limitations and Approving Authority.
Operating Policy 24-10, Bonding Requirements.
Operating Policy 24-15, Bidder Application and Resident Bid Preference.
Operating Policy 24-17, Purchasing Program.
Operating Policy 40-1, Consulting and Special Service Agreements.
W.S. 9-2-1016, General services division.
W.S. 16-6-101 through W.S. 16-6-119, Public Works and Contracts.
W.S. 16-6-301, Public Printing Contracts.
W.S. 24-2-108, Road and bridge construction.
W.S. 27-4-402, Prevailing wage definitions.
W.S. 27-4-403, Prevailing hourly wage on public works projects . . .
Transportation Commission of Wyoming, minutes of September 25, 1975,
paragraph 32.
Wyoming Department of Transportation Rules and Regulations, General Section,
Chapters 1, 2, 3, 6, 8, 10, 14, and 18.