

### **Process for Projects Less than \$25,000 (Direct Award)**

- Projects estimated to cost less than \$25,000 can be sent to one contractor for a bid.
- Do not go to the same contractor every time if that can be avoided. Spread the opportunities among multiple contractors with a positive track record.
- If the bid is over \$25,000 it cannot be awarded under this process without management approval.
- Sealed design documents by an architect or engineer are required per UM procedures with exceptions provided in those procedures i.e. paint, floor covering, etc.
- Design documents may be minimized but all work which includes code implications must be clearly described and detailed.
- A written description of the work is required.
- The description of the work should include links to IFB's for projects less than \$100k and the general conditions. Include these documents by reference in the description of work.
- The description of work should also include schedule, special conditions, references to drawings and specifications (if applicable) and other pertinent information to clarify and document requirements.
- A bid form is not required.
- The contractor is to provide a written, itemized bid on their letterhead. The itemization is to facilitate review of the bid to ensure fairness.
- MBE/WBE/SDVE Participation is not required. (See the IFB's for Projects less than \$100,000.) Even though MBE/WBE/SDVE Participation is not required, it should be reported if there is participation.
- A Good Faith Effort is not required.
- Permits and code inspections are required per UM procedures.
- Prevailing wage is not required.
- Certified payroll is not required.
- Bonds are not required.

- No optional change orders can be written that results in the adjusted contract amount exceeding \$25K.
- If a change order is required, the markup for bonds and insurance (2%) should be reduced to 1%.
- List of subcontractors and material suppliers is not required.
- All insurance requirements apply including builder's risk unless an exception is granted by the Director of FP&D.
- The standard construction contract can be modified to include (or exclude) pertinent documents as contract documents.
- Subject to campus expectations, a formal progress schedule, schedule of values, wage and equipment rates are not required.
- Progress payments may be made depending on circumstances but one payment after acceptance of the work is encouraged to reduce administrative burden.
- A final inspection is required to be conducted if sealed drawings/specifications are used.
- Final certification letters are required.