

AN ORDINANCE TO AMEND CHAPTER 2, ADMINISTRATION, ARTICLE V, FINANCES, DIVISION 2, PURCHASING, CONTRACTING AND SELLING PROCEDURE, TO UPDATE PURCHASING THRESHOLDS AND REQUIREMENTS.

THE CITY OF ROCHESTER ORDAINS:

DIVISION 2. - PURCHASING, CONTRACTING AND SELLING PROCEDURE

Sec. 2-321. - Purchasing agent.

The manager shall act as purchasing agent of the city, unless he shall designate another officer or employee of the city to act as purchasing agent. Any such designation shall be in writing filed with the clerk. In the event of such designation, every purchase order in excess of \$500.00 shall be approved by the manager before being issued. The manager shall adopt any necessary rules respecting requisitions and purchase orders. Purchases under this Division are subject to any requirements set forth in the City Charter. Purchasing and selling thresholds set forth in this Division shall be adjusted annually by the manager utilizing the Consumer Price Index or other inflationary index as deemed applicable.

Sec. 2-322. - Purchases or contracts \$15,000.00 or less.

Purchases of supplies, materials or equipment, the cost of which is \$15,000.00 or less, may be made in the open market but such purchases shall, where practicable, be based on at least three competitive bids and shall be awarded to the lowest competent bidder. The purchasing agent or department head may solicit bids verbally, by direct contact with vendors, or by electronic bidding processes. Where bids are solicited by a formal request for proposals, said request shall also be available at city hall. A record shall be kept for six months of all formal requests for proposal and the bids submitted thereon, which records shall be available for public inspection. Any or all bids may be rejected.

Sec. 2-323. - Purchases or contracts over \$15,000.00.

Any expenditure for supplies, materials, equipment, construction project or contract obligating the city, where the amount of the city's obligation is in excess of \$15,000.00, shall be governed by the following provisions:

- (1) Such expenditure shall be made the subject of a written contract. A purchase order shall be a sufficient written contract only in cases where the expenditure is in the usual and ordinary course of the city's affairs and in no case, shall it be sufficient for the construction of public works or the contracting for supplies or services over any period of time or where the quality of the goods or materials or the scope of the services bargained for is not wholly standardized.
- (2) A brief notice inviting sealed competitive bids shall either be published in a newspaper of general circulation in the city or by electronic bidding processes at least five days before the final date for submitting bids thereon.

- (3) The purchasing agent may also solicit bids from a reasonable number of such qualified prospective bidders as are known to him by sending each a copy of the notice requesting bids.
- (4) Unless prescribed by the council, the manager shall prescribe the amount of any security to be deposited with any bid which deposit shall be in the form of cash, certified or cashier's check or bond written by a surety company authorized to do business in the state. Unless fixed by the council, the manager shall fix the amount of the performance bond and in the case of construction contracts, the amount of the labor and material bond to be required of the successful bidders.
- (5) Bids shall be opened in public at the time and place designated in the notice requesting bids in the presence of the manager, the clerk, or the treasurer and at least one other city official, preferably the head of the department most closely concerned with the subject of the contract. The bids shall thereupon be carefully examined and tabulated and reported to the council with the recommendation of the purchasing agent (as approved by the manager if the manager is not acting as purchasing agent). After tabulation, all bids may be inspected by the competing bidders.
- (6) When such bids are submitted to the council, the contract to be executed, in a form approved by the city attorney, shall also be submitted and if the council shall find any of the bids to be satisfactory, it shall award the contract to the lowest competent bidder and shall authorize execution of the contract upon execution of the contract by the successful bidder and the filing of any bonds which may have been required, which bonds shall first be approved by the city attorney as to form and content. Such award may be by resolution or ordinance. The council shall have the right to reject any or all bids and to waive irregularities in bidding and to accept bids which do not conform in every respect to the bidding requirements.
- (7) At the time the contract is executed, the contractor shall file a bond executed by a surety company authorized to do business in the state, to the city, conditioned upon the performance of said contract, and further conditioned to pay all laborers, mechanics, subcontractors and material providers as well as all just debts, dues and demands incurred in the performance of such work.
- (8) All bids, deposits of cash or certified or cashier's checks may be retained until the contract is awarded and signed. If any successful bidder fails or refuses to enter into the contract awarded to him within five days after the same has been awarded, or file any bond required within the same time, the deposit accompanying the bid shall be forfeited to the city and the council may, in its discretion, award the contract to the next lower competent bidder or such contract may be readvertised.

Sec. 2-324. - Exception to competitive bidding. [NO CHANGE]

Sec. 2-325. - Emergency purchases. [NO CHANGE]

Sec. 2-326. - Inspection of materials. [NO CHANGE]

Sec. 2-327. - Sale of personal property.

Whenever any personal property belonging to the city is no longer needed for corporate or public purposes, the property may be offered for sale on approval by the city council. Personal property not

exceeding \$15,000.00 in value may be sold for cash by the purchasing agent upon approval by the city council, after receiving quotations or competitive bids for the best price obtainable. Personal property with a value in excess of \$15,000.00 may be sold after advertising and receiving competitive bids in the same manner as herein prescribed in section 2-323 and after approval of the sale has been given by the council of the city. In the sale of equipment to be replaced, bidders may include in their bid a trade-in allowance for old equipment and such equipment may be disposed of in trade without further bidding requirements.

Sec. 2-328. - Sale or purchase of real estate. [NO CHANGE]

Sec. 2-329. - Service provider annual reports. [NO CHANGE]

THIS ORDINANCE shall become effective immediately upon publication.

A true copy of this ordinance may be purchased or inspected at the office of the City Clerk at the Rochester Municipal Building, 400 Sixth Street, Rochester, Michigan, 48307, during regular business hours, 8:00 a.m. to 5:00 p.m. daily, except weekends and holidays.

Made and passed by the City Council of the City of Rochester, State of Michigan, this _____ day of _____, 2017.

CITY OF ROCHESTER

A Michigan Municipal Corporation

By: _____
Cathy Daldin, Mayor

By: _____
Lee Ann O'Connor, Clerk