

CITY OF MARSHALL, MICHIGAN

ORDINANCE NO. 98-12

AN ORDINANCE TO AMEND DIVISION 2 OF ARTICLE VII OF CHAPTER 2 OF THE MARSHALL CITY CODE REGARDING PURCHASING BY AMENDING AND RESTATING SAID DIVISION BEING NEW SECTIONS 2-140 THROUGH 2-148 WHICH WILL ADD NEW PROVISIONS OR RESTATE AND REPLACE EXISTING PROVISIONS REGARDING THE PURCHASING PROCEDURE TO BE USED BY MARSHALL CITY BOARDS COMMISSIONS, COMMITTEES, AUTHORITIES, AND DEPARTMENTS.

NOW THEREFORE, THE CITY OF MARSHALL ORDAINS:

Section 1. Division 2 of Article VIII of Chapter 2 of the Marshall City Code is hereby amended and restated to establish new City of Marshall purchasing procedures and shall read **as** follows:

DIVISION 2. PURCHASING

Sec. 2-140. Definitions.

(a) **Agency:** Includes City boards, commissions, committees, and authorities.

(b) *Con tract:* Includes but is not limited to a purchase order for the procurement of supplies and equipment.

(c) *Formal Bid Limit:* An amount equal to two-thirds (2/3) of one (1) percent of the total local tax revenue of the immediately preceding fiscal year.

(d) *Purchasing Agent:* The city manager shall act as purchasing agent of the city, unless he/she shall designate another officer or city employee to act as purchasing agent. Every purchase order shall be approved by the purchasing agent before being issued. The purchasing agent may adopt rules regulating requisitions and purchase orders.

Sec. 2-141. Requisitions and estimates.

All agencies and departments of the city shall file with the purchasing agent detailed estimates of their requirements in supplies, materials, equipment and contractual services in such manner, at such times, and for such **future** periods as the city manager shall prescribe. The requirement for preparing estimates shall not prohibit any agency or department from filing with the purchasing agent at any time a requisition for any supplies, materials, equipment or contractual services the need for which was not foreseen when the detailed estimates were filed.

Sec. 2-142. Formal competitive bid process.

Except as exempted in Section 2-146,

(a) All supplies, equipment or contractual services amounting in value to more than the formal bid limit, shall be secured by competitive bids and written contract. Notices inviting sealed competitive bids shall be published at least once in a newspaper or journal in the city and at least five (5) days before the final date for submitting of bids. Such notices shall state the general description of the article or service to be purchased, where specifications can be obtained, and the time and place for the opening of bids. The purchasing agency or department may, in addition, solicit sealed bids from prospective suppliers by sending them copies of the bid forms and specifications to acquaint them with the proposed purchase.

(b) All bids shall be submitted to the clerk-treasurer. In cases of construction contracts, or purchases involving large sums of money, the city council may require that the successful bidder post a surety bond in the amount that it deems proper. The bids shall be opened publicly by the clerk-treasurer or designee at the time and place stated in the public notice. After examination and tabulation by the clerk-treasurer, all bids may be inspected by the competing bidders. The city council may reject any or all bids, or the bid for one (1) or more commodities included in the proposed contract, when the public interest will be served thereby, the city council may authorize the purchase of the commodities in the open market, provided the price paid in the open market shall not exceed any bid price submitted for the same commodity. Otherwise the contract shall be awarded by the city council on the basis of the bid most advantageous to the city. The city council shall take into consideration quality offered with the bid, delivery terms, and the service reputation of the vendor in making their award of the contract.

Sec. 2-143. Informal competitive quote process.

Except as exempted in Section 2-146,

(a) All purchases of supplies, equipment or contractual services the estimated cost of which is less than the formal bid limit, may be made in the open market, without newspaper advertisement and without the necessity of observing the procedure prescribed in section 2-142 for the award of the contracts.

(b) All open market purchases shall, whenever possible, be based on at least three (3) competitive quotes and shall be awarded on the basis of the quote most advantageous to the city. The purchasing agent shall keep a record of all open market orders and such records shall also be open to public inspection.

Sec. 2-144. Expenditure of city funds.

Except as exempted in section 2-145, the purchasing agent shall not issue any order for delivery on a contract or **any** open market order unless and until the clerk-treasurer certifies that there is to the credit of each of the agencies or departments concerned a sufficient appropriation balance in excess of all unpaid obligations, to defray the cost of such supplies, equipment or contractual services.

Sec. 2-145. Emergency purchases.

In an emergency or an apparent emergency endangering the public peace, health or safety of the city, the designated purchasing agent, the city manager or any department head may purchase directly any supplies, materials, equipment or services which he/she deems immediately necessary. A full report shall be filed by the city manager with the city council within a thirty day period.

Sec. 2-146. Exceptions to formal competitive bidding and informal competitive quotes.

Formal Competitive bidding and informal competitive quotes shall not be required in the following cases:

(a) Where the subject of the contract is other than a public work or improvement and the product or material contracted for is not competitive in nature or no advantage to the city would result **from** requiring competitive bidding or informal competitive quotes and the city council by resolution authorizes execution of the contract without competitive bidding or competitive quotes.

(b) In the employment of professional services including but not limited to medical, accounting, auditing, data processing, legal, planning, engineering, and architectural and the city council by resolution authorizes execution of the contract without competitive bidding or competitive quotes.

(c) Where the scope of the work is not definitive and as a result a request for proposal is difficult to prepare **and/or** the cost of preparing such request for proposal is expected to exceed the cost of the contract and the city council by resolution authorizes execution of the contract without competitive bidding or competitive quotes.

(d) For purchases from or joint purchases with another unit of government.

(e) When the city elects to perform the work using city employees.

(f) For purchases of supplies, equipment or contractual services the estimated cost of which is less than ten (10) percent of the formal bid limit.

Sec. 2-147. Additional purchases after competitive bidding.

The purchasing agent may make additional purchases of supplies, materials, equipment or services from a successful bidder provided that:

- (a) Amounts of additional purchase are at the same cost or less per quantity as originally bid by the vendor, and
- (b) Amounts of additional purchase do not exceed the cost of the original purchase, and
- (c) The purchase occurs not more than 12 months after the date of the original purchase, and
- (d) The purchasing agent is reasonably certain that the same supply, material, equipment or service is not available at a lesser cost from any source.

Sec. 2-148. Blanket orders.

Periodic purchases from a single vendor as set forth in a single purchase order for reasons of time savings, availability and competitive pricing may be made using a blanket order. The competitive pricing of such goods or services shall be reviewed no less frequently than every 24 months.

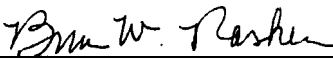
Sec. 2-149. Disqualification.

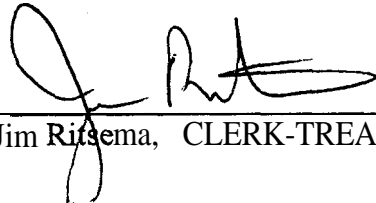
No bid shall be accepted from or contract awarded to a bidder who is in arrears to the city, who is in default on any contract with or payment due to the city or who has previously demonstrated bad faith in dealings with the city.

Section 2. This Ordinance shall be published in full in the Marshall Chronicle, a newspaper of general circulation in the City of Marshall qualified under state law to publish legal notices, within ten (10) days after its adoption. This Ordinance shall be recorded in the Ordinance Book and such recording shall be authenticated by the signatures of the Mayor and the City Clerk.

Section 3. This Ordinance is declared to be effective immediately upon publication.

Adopted and signed this 21st day of December, 1998.


Bruce Rasher, MAYOR


Jim Ritsema, CLERK-TREASURER