

CITY OF ST. IGNACE  
Purchasing/Selling Policy

This policy is adopted by the City of St. Ignace in order to provide guidelines for the purchase of supplies, equipment and procurement of contracted services and the selling or leasing of City property during the normal course of business conducted by the City.

The City of St. Ignace Charter (adopted November 4, 1969) under Chapter VII and XII sets forth criteria to be used by the City for the purchasing, selling or leasing of property by the City. Administration of this policy shall conform to the requirements of the Charter.

SECTION I: Purchasing Agent

The City Manager or the Manager's designated representative shall act as the Purchasing Agent of the City. Every purchase order shall be approved by the Purchasing Agent before being issued. The Purchasing Agent may adopt rules regulating requisitions and purchase orders. Purchases of \$200 or less are subject to "Purchase Order Policy" adopted February 7, 1983 and July 30, 1987.

SECTION II: Purchases or Contracts Over \$200 but not to Exceed \$1,000

Purchases of supplies, materials, equipment or services, the cost of which is more than \$200 but less than or equal to \$1,000 may be made in the open market, but such purchases shall, where practical, be based on at least three competitive bids and shall be awarded to the lowest qualified bidder. An award to a bidder other than the lowest must be explained to the City Council in writing before payment is issued. Such bids may be solicited over the telephone, by mail or in person, but in all cases such competitive bids shall be recorded by the department affected and maintained during the current budget year.

SECTION III: Purchases or Contracts Over \$1,000 but not to Exceed \$5,000

Purchases of supplies, materials, equipment or services, the cost of which is more than \$1,000 but less than or equal to \$5,000, shall be made based on three competitive bids, solicited in the open market and approved by a majority vote of the City Council. The approval of a bid by City Council is not approval to issue payment. Payment must be approved by City Council as part of the regular billing cycle, but in all cases such competitive bids shall be recorded and included in the request for payment to the City Council and kept on file.

#### SECTION IV: Purchases or Contracts Over \$5,000

Purchases of supplies, materials, equipment or services, the cost of which is more than \$5,000 shall be made based on the formal solicitation of sealed bids as set forth below.

- A. A notice inviting bids shall be published in a suitable publication as determined by the Purchasing Agent. The notice shall indicate where complete specifications are available and when and where bids will be accepted.
- B. A Notice inviting bids may be sent by mail to all vendors identified by the Purchasing Agent as likely to be interesting in bidding.
- C. Bid deposits or Bid Bonds, may be required by the Purchasing Agent as evidence of good faith. Unsuccessful bidders shall be entitled to the return of any deposit made with the bid. A successful bidder shall forfeit any deposit or be subject to the calling of any bond upon failure to enter into a contract within ten days of award.
- D. All bids are to be opened by the City Council during the first meeting immediately following the deadline of bid receipt, unless authorized otherwise by City Council in advance.
- E. A bid tabulation shall be prepared by the City Clerk and submitted to the Purchasing Agent, the City Manager and the City Council. The City Manager may make a recommendation to the City Council to accept or reject any or all bids at the regularly scheduled meeting of the City Council following the bid opening.
- F. The City Council may direct that the formal bid opening be held at a regular meeting of the full City Council, but such direction shall be made prior to the issuance of notice pursuant to Section IV A.
- G. The City Council shall have the right to reject any or all bids, or to waive irregularities in bidding, and to accept bids which do not conform in every respect to bidding requirements.
- H. Performance guarantees in the form of bond, deposit or other forms acceptable to the Purchasing Agent shall be required on all contracts entered into under this section.
- I. Contracts, bonds and other legal instruments relating to purchases under this section shall be reviewed and approved by the City Attorney.

## SECTION V: Lowest Qualified Bidder

The "Lowest qualified bidder" shall be the bidder submitting the lowest bid, provided that

- A. The bidder is not disqualified pursuant to Section X
- B. The Purchasing Agent determines that the bidder is able to provide the goods and/or services in a timely, satisfactory manner, and
- C. The bidder satisfied local preference criteria established by the Purchasing Agent or the City Council. Local preference criteria are based on a belief that local vendors contribute positive economic benefit to the City of St. Ignace and its citizens and such benefits should be formally recognized by local authorities.

## SECTION VI: Blanket Orders

Periodic purchases from a single vendor 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.

## SECTION VII: Emergency Purchases

In the event of an emergency, the City Manager is authorized to make purchases of supplies, materials, equipment or services which are deemed necessary to protect the public health, safety and welfare without complying with the purchasing requirements set forth in this chapter. In the event of such emergency purchases, the City Manager shall report the details of the emergency to the City Council at the next regular meeting.

## SECTION VIII: 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 purchases are at the same cost 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.

#### SECTION IX: Sole Source Vendors

Supplies, materials, equipment and services may be purchased without formal bidding when the City Manager demonstrates to the City Council, annually in writing, that there is only one practical source for the supply, material, equipment or service.

#### SECTION X: 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 the City or who has previously demonstrated bad faith in dealings with the City.

#### SECTION XI: Cooperative Purchasing

The City may participate in cooperative purchasing arrangements with other public bodies provided that the purchasing policies and practices of the other public bodies are deemed to be fair and competitive by the Purchasing Agent and City Manager.

#### SECTION XII: Sale of Surplus City Property Up To \$250

The Purchasing Agent may sell surplus City personal property valued at less than \$250 upon the successful negotiation of a reasonable sale price with an interested buyer.

#### SECTION XIII: Sale of City Property Over \$250

City personal property valued at over \$250 shall be sold using the following guidelines:

A. Notice of sale shall be printed in a suitable publication determined by the Purchasing Agent. Such notice shall include a description of the property offered for sale, a time and place for the inspection of the property, a deadline for the submission of bids and the time and place of a public bid opening.

B. All bids are to be opened by the City Council during the first meeting immediately following the deadline of bid receipt.

C. All bid notices are to contain the disclaimer wording that the "City of St. Ignace reserves the right to reject any and all bids or to accept the bid which is

most advantageous to the City as determined by the City Council.”

**SECTION XIV: Sale or Lease of City Real Estate**

City owned Real Estate which is available for sale or lease shall be subject to the requirements of Chapters 7 and 12 of the St. Ignace City Charter.

**Adopted: 4/6/98**