

VILLAGE OF ARMADA
MACOMB COUNTY, MICHIGAN

ORDINANCE NO. 143

AN ORDINANCE AMENDING TITLE I, CHAPTER 7 OF THE VILLAGE CODE OF ORDINANCES, ENTITLED "PURCHASES, CONTRACTS, AND SALES," FOR THE PURPOSE OF REVISING AND UPDATING THE RULES AND PROCEDURES FOR THE PURCHASE AND DISPOSITION OF VILLAGE PROPERTY, CONTRACTUAL SERVICES, AND PUBLIC IMPROVEMENTS.

THE VILLAGE OF ARMADA ORDAINS:

Section 1. Chapter 7 of Title I of the Village Code of Ordinances is repealed and replaced to read as follows:

Sec. 7-1. Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Cooperative Purchasing means the ability of the village to purchase village property, through an agreement the state of Michigan or another public entity (county, municipality, school district, or an association or trade network comprised of such public entities) has with a contractor or vendor following a competitive procurement process.

Competitive Bid means purchase of village property, contractual services, or public improvements by a competitive process where the award of bid is made to the lowest responsible and responsive bidder.

Contractual Services means the rental or leasing of village property, services rendered to design, construct, install, repair or maintain village property, or the performance of a service for the village. Contractual services do not include professional services.

Emergency Purchase means the purchase of village property as authorized by a village commissioner or trustee when a delay in making the purchase in order to comply with the rules and procedures of this chapter creates an imminent threat to the public health, safety, or welfare of the village and its residents. An emergency purchase requires that the village commissioner or trustee, or in their absence the village president, complete a request for quotations, if possible.

Invitation to Bid (ITB) means a published solicitation to prospective bidders requesting the submission of a competitive bid for the purchase of village property, contractual services, or public improvements.

Professional Services means services rendered to or for the benefit of the village by a member or members of a recognized profession which involve extended analysis, exercise of discretion, and independent judgment in their performance. The procurement of professional services is based on considerations other than the expected cost. Professional services include, but are not limited to: accounting, architectural, engineering, construction management, insurance, investment, legal, marketing, and information technology.

Public Improvements means the construction of public works, including streets, sidewalk, sewer, water, drain, park, and building projects.

Request for Proposals (RFP) means a written solicitation issued by the village where factors other than price will be considered in the selection of a contractor, vendor, or professional, or where negotiations with one or more contractor, vendor, or professional are anticipated to reach a final purchasing decision. An RFP may not be used where competitive bids are required by law.

Request for Quotations (RFQ) means a request by the village to prospective contractors, vendors or professionals to obtain prices for village property, contractual services, or public improvements.

Responsible Bidder means a prospective contractor, vendor or professional that exhibits the experience, integrity, reliability, capacity, facilities, equipment, and financial resources to maximize the likelihood of a satisfactory outcome or performance.

Responsive Bidder means a prospective contractor, vendor or professional that in all respects satisfies the specifications established by the village's ITB.

Sole Source means the purchase of village property, contractual services or public improvements without satisfying the requirements of this chapter for a competitive bid, RFP or RFQ based on a justification that only one known source exists or that only one single contractor, vendor or professional can fulfill the requirements.

Village Property means facilities, vehicles, materials, goods, supplies, equipment, and contractual services necessary to be purchased or leased by the village for operations and public services.

Sec. 7-2. Rules and Procedures for the Purchase of Village Property, Contractual Services and Public Improvements.

The following rules and procedures shall be used for the purchase of village property, contractual services and public improvements:

(a) Purchases less than three thousand (\$3,000) dollars may be authorized by the administrative officer or department head for whose office or department the purchase is intended. Such a purchase requires that the administrative officer or department head complete a

RFQ for comparative pricing from at least two (2) contractors, vendors, or professionals in the open market, unless it is a sole source purchase. A record of the comparative prices obtained from the RFQ shall be maintained for six months and available for public inspection.

(b) Purchases exceeding three thousand (\$3,000) dollars, but less than ten thousand (\$10,000) dollars may be authorized by the village commissioner or trustee assigned the responsibility for an office or department. Such a purchase requires that the administrative officer or department head complete a RFQ for comparative pricing from at least two (2) contractors, vendors, or professionals in the open market, unless it is a sole source purchase. The village commissioner or trustee may, but is not required to, conduct an ITB or RFP as provided for in this chapter to make a purchase within the limits of their authorized purchasing authority.

(c) Purchases exceeding ten thousand dollars (\$10,000) may be authorized by the village council after one of the following competitive purchasing procedures have been completed:

- (1) Competitive bids are solicited through an ITB advertised or directly delivered to prospective contractors, vendors or professionals; or,
- (2) Proposals are solicited through a RFP advertised or directly delivered to prospective contractors, vendors or professionals.
- (3) Competitive bids or proposals shall not be required with respect to the following purchases unless otherwise required by law:
 - (i) Purchases with an estimated cost of less than ten thousand dollars (\$10,000).
 - (ii) Utility services.
 - (iii) Professional services.
 - (iv) Sole source purchases.
 - (v) Cooperative purchases.
 - (vi) Emergency purchases.
 - (vii) Purchases where the village council determines by a five-sevenths (5/7ths) vote that based on time constraints, availability of contractors, vendors or professionals, or cost considerations, the results of a RFQ will be the basis for purchasing village property, contractual services, or public improvements.
- (4) Bids or proposals received in response to an ITB or RFP shall be opened in public at the time and place designated in the ITB or RFP. The bids or

proposals shall be reviewed, evaluated, and tabulated and a recommendation made to the village council. An award of a bid shall be made by motion to the lowest responsible and responsive bidder, unless by a five-sevenths (5/7ths) vote, the village council determines that the public interest is best served by accepting a higher bid. The acceptance of a proposal shall be made by motion to the contractor, vendor or professional whose proposal and pricing, in combination, is determined by the village council to be in the best interests of the village.

- (5) The village council has the right to reject any and all bids or proposals, waive irregularities in bids or proposals, and accept bids or proposals that do not conform in all respects to the ITB or RFP.
- (6) No award of bid or acceptance of a proposal shall be made to any person or firm that is in default with respect to an obligation to the village, including but not limited to, breaches of contract and non-payment of taxes, utility charges, fees, or other charges owed the village.

Sec. 7-3. Prohibition on Subdivision of Purchases.

No purchase shall be subdivided or manipulated to avoid the need for an authorized approval as specified in this chapter.

Sec. 7-4. Rules and Procedures for the Disposition of Village Property.

The following rules and procedures shall be used for the disposition of village property, including real property:

(a) The sale of village property with an estimated value of less than three thousand (\$3,000) dollars may be authorized by the responsible administrative officer or department head. Such a sale requires that the administrative officer or department head solicit quotes directly from prospective purchasers or through an on-line auction and sells for the highest price obtainable. A record of the comparative prices obtained for the sale of the village property shall be maintained for six months and available for public inspection.

(b) The sale of village property with an estimated value of three thousand (\$3,000) dollars, but less than ten thousand (\$10,000) dollars may be authorized by the village commissioner or trustee for the responsible office or department. Such a sale requires that the commissioner or trustee solicit quotes directly from prospective purchasers or through an on-line auction or other recognized process for disposition of like property and sells for the highest price obtainable. A record of the comparative prices obtained for the sale of the village property shall be maintained for six months and available for public inspection. The village commissioner or trustee may, but is not required to, solicit bids through an ITB advertised or directly delivered to prospective purchasers to make a sale within the limits of their authorized authority.

(c) The sale of village property, including real property, with an estimated value

exceeding ten thousand dollars (\$10,000) may be authorized by the village council based upon competitive bids solicited through an ITB advertised or directly delivered to prospective purchasers. The village council shall determine whether to have an appraisal completed prior to the sale of real property.

(d) Unless otherwise authorized by the village council, the village president shall sign all documents conveying title to village property to a purchaser.

(e) If no quotes or bids are received from prospective purchasers, the village property may be disposed of as the village deems fit, including donating it to a charitable organization.

Section 2. All ordinances or parts of ordinances or any section of the village code of ordinances in conflict herewith are hereby repealed.

Section 3. The sections of this ordinance are declared to be severable and if any section is declared illegal, or void for any reason, it shall not affect the remainder of the ordinance.

Section 4. This ordinance shall be published in accordance with the terms, conditions, and requirements of the village charter of the village of Armada.

Section 5. This ordinance shall be effective immediately upon publication of a notice of adoption hereof.

MOTION BY: BALLARD

SECONDED BY: CLARK

AYES: BALLARD, CLARK, COENEN, BOELKE, WOLAK

NAYS: NONE

ABSENT: SHALL, SLEDZ

Adopted at a Regular Session of the Village Council for the Village of Armada on the 10th day of February, 2020.

Marvin Wolak, Village President

Michelle Poulos, Village Clerk