

COUNCIL COMMUNICATION

Council _____ moved that an ordinance introduced May 18, 2009, entitled and reading as follows, be taken up and enacted:

AN ORDINANCE TO REPEAL SECTIONS § 14.20–14.27 ENTITLED, "PURCHASING, CONTRACTING, AND SELLING PROCEDURE," OF CHAPTER 14, "FINANCE AND PURCHASING," OF TITLE 1, "GENERAL PROVISIONS," OF THE CITY OF SAGINAW CODE OF ORDINANCES, O-1, AND INTRODUCE A NEW ORDINANCE, § 14.20–14.30 ENTITLED THE SAME, "PURCHASING, CONTRACTING, AND SELLING PROCEDURE" OF CHAPTER 14, "FINANCE AND PURCHASING," OF TITLE 1, "GENERAL PROVISIONS," OF THE CITY OF SAGINAW CODE OF ORDINANCES, O-1.

The City of Saginaw ordains:

Section 1. That the section entitled "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing," of the City of Saginaw Code of Ordinances is hereby repealed.

Section 2. That a new section entitled "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing," shall be added to the City of Saginaw Code of Ordinances, and shall read as follows:

PURCHASING, CONTRACTING, AND SELLING PROCEDURE.

§ 14.20 DEFINITIONS.

(A) For the purpose of this section, the following definitions shall apply unless the context clearly indicates or requires a different meaning:

(1) **PURCHASE ORDER** is defined as a document authorizing a seller to deliver goods with payment to be made later or a written authorization calling on the vendor or supplier to furnish goods to the person ordering such. It constitutes an offer, which is accepted when the vendor supplies the quantity and quality ordered.

(2) **PURCHASE ORDER CONTRACT** is defined as a standardized form contract on a form acceptable to the Purchasing Officer, or his/her designee, and City Attorney, or his/her designee, for the acquisition of goods, non-professional services, supplies, materials, equipment, etc., whereby no bid specifications are required, or where the bid specifications are so precisely detailed and defined that it is

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the Purchaser's belief that such goods, non-professional services, supplies, materials and equipment will be provided without the necessity of a formal written contract.

(3) **WRITTEN CONTRACT** is defined as an agreement in writing between two (2) or more parties for legal consideration, which creates an obligation to do or not to do a particular thing and is enforceable by law. It is within the discretion of the Department Head as to whether a formal written contract or a standardized written purchase order contract is necessary for the purchase of supplies, materials and equipment or for professional or non-professional services to be provided by the Contractor. When considering the necessity of a formal written contract, the following may be considered:

- (a) The contract is for a large sum of money;
- (b) The City will incur obligations beyond the payment of the purchase price;
- (c) There is a need for a more detailed accountability or description of scope of services by the Contractor;
- (d) The City may incur certain liability which needs specific insurance requirements; and
- (e) More detailed remedies are necessary in the event the Contractor breaches any of the terms and conditions of the contract.

(4) **PROFESSIONAL SERVICES** are defined as a vocation or occupation requiring usually advanced education, special knowledge and skill, such as, but not limited to, law or medical professions. The labor and skill involved in a profession is predominantly mental or intellectual, rather than physical or manual. Professional services include consultants hired for employee training.

(5) **TRANSACTION** is defined as the act of conducting or carrying out a request for public improvements, purchases or contracts for goods, professional and non-professional services, supplies, materials, equipment, and construction projects.

(6) **EMERGENCY PURCHASE** or **EMERGENCY CONTRACT** is defined as an immediate public improvement and purchase or contract of goods, professional or non-professional services, supplies, materials, equipment and

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construction projects, whose immediate procurement is essential to the continuation of the work of the department concerned.

(7) **PURCHASE OF TWO THOUSAND AND 00/100 (\$2,000.00) DOLLARS OR MORE** is defined as any public improvement and purchase or contract of goods, professional or non-professional services, supplies, materials, equipment and constructions projects, whose procurement and/or complete installation for intended use will exceed a cost of Two Thousand and 00/100 (\$2,000.00) Dollars. Whenever possible, purchases of items whose individual cost is less than Two Thousand and 00/100 (\$2,000.00) Dollars, but the extended cost of which is Two Thousand and 00/100 (\$2,000.00) Dollars or more when purchased in quantity, is considered a purchase of Two Thousand and 00/100 (\$2,000.00) Dollars or more. Whenever possible, Purchases of items whose individual cost is less than Two Thousand and 00/100 (\$2,000.00) Dollars, but when combined with other items as part of the same project exceed Two Thousand and 00/100 (\$2,000.00), is considered a purchase of Two Thousand and 00/100 (\$2,000.00) Dollars or more.

(8) **PROJECT** is defined as an endeavor undertaken with any and all goods, professional or non-professional services, materials, and/or equipment necessary to obtain full operation of any repair, replacement, or construction to the extent that it is considered complete.

(9) **SAGINAW-BASED** business means the physical and economic relationship to Saginaw determined by evidence of a building or office physically located in the City and the payment of (1) City income taxes on the contractors' net profits, and (2) City property taxes on a plant or office and equipment such as is ordinarily required for the performance of the contract bid. Any business physically located in the City of Saginaw which operates under a City-authorized tax abatement or forgiveness program, or any other City-authorized tax credit program, is still considered a Saginaw-based business for purposes of this Section.

§ 14.21 GENERAL POLICY.

(A) Competitive bids and/or quotes for all purchases and public improvements shall be obtained where practicable and purchase orders and/or written contracts

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awarded to the lowest and/or best bidders. Sealed bids shall be asked for in all transactions involving the expenditure of Two Thousand and 00/100 (\$2,000.00) Dollars or more and the transaction submitted to and approved by Council; provided that in cases where it is clearly to the City's advantage to contract without competitive bidding, the Council, upon recommendation of the City Manager, may so authorize.

(B) Professional Services as defined in § 14.20 (A-4) are not subject to competitive bidding. Administrative Regulation No. 4-7 shall govern the securing of Professional Services.

§ 14.22 WRITTEN CONTRACT POLICY

(A) All contracts Two Thousand and 00/100 (\$2,000.00) Dollars or more must be in writing as required by § 33 of Chapter 5, of the Saginaw City Charter.

(B) All contracts less than Two Thousand and 00/100 (\$2,000.00) Dollars concerning the purchase of goods and services which cannot be fulfilled within one year of the contract, because of the Statute of Frauds, must be in writing and signed by an authorized signature by the party to be charged in order to be legally enforceable.

(C) All written contracts must be approved by the City Attorney, or his/her designee, as to form and the City Manager as to substance.

(D) All contracts Two Thousand and 00/100 (\$2,000.00) Dollars or more must be approved by City Council. City Council may approve the contract in the annual budget as long as there is a specific category line item and dollar amount listed in the annual budget.

(E) All contracts less than Two Thousand and 00/100 (\$2,000.00) Dollars for Professional Services shall be approved by the City Manager.

(F) All contracts less than Two Thousand and 00/100 (\$2,000.00) Dollars for goods, non-professional services, supplies, materials, equipment and construction projects shall be purchased pursuant to § 14.24 of this Ordinance.

§ 14.23 VENDORS.

(A) Applications to be placed on City of Saginaw vendors' database will be submitted on a standardized form acceptable to the Purchasing Officer, or his/her designee.

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(B) Vendor application forms shall contain a statement requiring that the applying vendor affirms that they do not discriminate against any subcontractor, employee or applicant on the basis of race, creed, color, age, national origin, sex, height, weight, disability or marital status.

(C) The Purchasing Office will be responsible for maintaining vendor applications and for affirming that such completed applications are subsequently added to the City's vendor database. The City of Saginaw will approve applications to be placed on the City's vendor database without prejudice, provided the aforementioned application form is complete.

(D) Vendors must be in the vendor database prior to issuance of purchase order, purchase order contract, written contract, and/or professional or non-professional service.

(E) Any vendor entering into a purchase order, purchase order contract, or written contract with the City of Saginaw who will be performing a professional or non-professional service must also have provided to the Purchasing Office, in advance of such services, certificates of insurance in the types and amounts specified in the bid proposal. When such proof of insurance is required, it is to be carried out within the following parameters:

(1) Limits of liability and types of coverage required will vary depending on the specifications involved in the project and the indemnification needs of the City as set forth in such individual project specifications.

(2) All certificates of insurance submitted to the Purchasing Officer, or his/her designee, must list the City of Saginaw as the certificate holder, and be delivered, either by facsimile transmission or mail, directly from the issuing agent.

(3) It is the responsibility of the insured contractor to confirm that such proofs of insurance are on file with, and their form acceptable to, the City of Saginaw Purchasing Officer, or his/her designee, respective of the individual project specifications, prior to the issuance of any purchase order, purchase order contract, written contract, or professional service.

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(4) Upon award of a contract to a vendor, the Department Head and/or his/her designee shall be responsible for maintaining an updated Certificate of Insurance from the vendor for the length and/or term of the contract or until completion of the project.

§ 14.24 BIDS AND BONDS.

(A) Notices Inviting Sealed Bids

(1) Notices inviting sealed competitive bids in all cases where required by this Section, state or federal law or regulation, shall be posted at least five (5) calendar days prior to the final date for submitting bids in the City Clerk's Office, on the City's Cable Channel and Website and/or through other alternative electronic bidding resources as deemed by the Purchasing Officer to provide sufficient notification to prospective bidders.

(2) Such notice shall indicate the goods, non-professional services, supplies, materials or equipment desired, or the construction project to be undertaken, the place where bid specifications are available to be obtained, and the date, time and place the bids are due.

(3) In all cases where sealed bids are invited, the Purchasing Office shall mail, and/or make available copies of bid forms, sealed bid instructions, and specifications to at least three (3) qualified vendors or contractors where possible in order to obtain competitive bidding. Bid lists shall be maintained by the City Purchasing Officer, or his/her designee, and shall be available for public inspection.

(B) Items Not Be Subject To Competitive Bidding

(1) The City Council has determined that the following list of goods, services, materials and supplies need not be subject to competitive bidding process, as it may not be to the City's advantage to contract these services through competitive bidding:

- (a) Advertisements in periodicals;
- (b) Payments to arbitrators;
- (c) Firms providing deposition and court transcript services;
- (d) Dues and subscriptions;

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- (e) Medical services;
- (f) Publications and copyrighted materials;
- (g) Conferences, seminars and classes;
- (h) Travel expenses;
- (i) Purchases covered by use of petty cash checks;
- (j) Utility bills, including gas, electric, water, sewage, and local telephone service;
- (k) Television and radio advertisements;
- (l) Fuel purchases;
- (m) Employee benefits payments, including, but not limited to, health, dental, vision and life insurance, pension, etc.; and
- (n) U.S. Postal, United Parcel Service, Federal Express, Airborne, or other delivery services.

(2) For the purpose of this provision, the City Manager may recommend and approve payment and purchase of the above items without submitting proposed invoices for such services to City Council as long as the amounts are a specific category line item in the annual budget approved by City Council, and the City Attorney, or his/her designee, and City Manager have approved the contract as to form and substance.

(C) *Bid, Performance and Labor and Material Bonds.*

(1) Except as otherwise required by any applicable law or regulation, any bid in excess of One Hundred Thousand and 00/100 (\$100,000.00) Dollars shall be accompanied by a bid bond, bank money order, certified check, or cashier's check in the amount of three percent (3%) of the total amount bid.

(2) Except as otherwise required by any applicable law or regulation, a performance bond and a labor and material bond shall be furnished with the contract documents executed by the bidder prior to the award of each contract exceeding Fifty Thousand and 00/100 (\$50,000.00) Dollars for the construction, alteration or repair of any public building or public work or improvement as provided by MCL 129.201 et al., and each such bond shall be in an amount equal to the total amount of the contract and

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executed by the contractor and a corporate surety company authorized to do business in Michigan.

(D) *Disqualification of Bidders.*

(1) In addition to any other remedies authorized by law, a bidder may be disqualified from bidding on any City contracts for up to three (3) years by the City Manager if it has been determined that the bidder, after an award of a contract:

- (a) Failed to provide the service or supplies required;
- (b) Provided the service or supplies in an untimely manner causing delays and interference;
- (c) Lacked financial resources and the ability to satisfactorily perform the contract or provide the services or supplies;
- (d) Exhibited poor quality of performance in delivering the service;
- (e) Delivered poor quality of goods;
- (f) Failed to comply with laws and ordinances relating to contract performance;
- (g) Defaulted on its quotations; and/or
- (h) Such other action that leads the City to believe that the contractor's duties will not comport or comply with the bid requirements.

(2) The City Manager may determine that the bidder has good cause not to abide by the bid for reasons such as, but not limited to, honest and reasonable mistake, contractual impossibility, fraud or misrepresentation by another.

(3) When the City Manager believes grounds for disqualification exist, a notice shall be sent to the vendor of the proposed disqualification indicating the grounds for disqualification and procedure for requesting a hearing. If the vendor does not respond with a written request for a hearing within twenty (20) calendar days, the City Manager will issue a final disqualification order without a hearing. If a hearing is requested, the City Manager will select a designee for the purpose of taking testimony from the contractor, or any other witnesses, concerning the decision to disqualify said

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contractor. The recommendation of the designee shall be sent to the City Manager for approval or denial. The decision of the City Manager is final.

(4) Any contractor disqualified a second time for any of the reasons set forth in § 14.24 (D) (1), may be permanently disqualified.

(5) Any contractor disqualified for fraudulent actions, theft or other similar criminal behavior may not be reinstated and may be permanently disqualified.

(6) Such disqualification of a bidding contractor, company, corporation, partnership, or firm, shall also apply to its successors, assigns, officers and/or principals.

(E) *Form of Bids.*

(1) Bids submitted in response to any such notice shall be submitted according to the following instructions or the bid may be disqualified:

(a) Bids must be submitted on printed forms furnished by the City Purchasing Officer, or his/her designee. Voluntary alternates may be attached to the bid form, if necessary.

(b) Bids must be in ink or typewritten.

(c) Bids must contain bidder's complete name, address, and telephone number.

(d) Bids must be signed in ink and dated.

(e) Bids must include delivery or completion time.

(f) If an addendum (form B02) is issued, it must be signed, dated, and returned with the bid.

(g) A bid bond, bank money order, certified check or cashier's check in the amount of three percent (3%) of the total amount bid must be submitted with any bid in excess of One Hundred Thousand and 00/100 (\$100,000.00) Dollars, unless any applicable law or regulation requires a different percentage.

(h) All erasures or corrections to pricing information must be initialed in ink.

(i) In case of a discrepancy between a unit price and its extension, the unit price will be considered correct and the bid will be recalculated to

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determine the amount bid. All addition errors will be corrected and the total bid will be adjusted to reflect the corrections. All unit prices must be stated where requested.

(j) All bids must be in the City Purchasing Office by the date and time specified on the bid form.

(k) Each bid must be enclosed in a separate sealed envelope with "SEALED BID" and the bid number marked on the front.

(2) The City reserves the right to accept or reject any and all bids, or parts thereof, and to waive any irregularities which do not materially affect the bid document or otherwise conflict with statute or ordinance.

(3) By signature, the bidder acknowledges that the signer has complete authority to execute the bid on behalf of the bidder and that the bid is genuine and not collusive in any manner; and that no other bidders were improperly induced to refrain from bidding or induced to submit a sham bid; and that the bidder agrees to have withheld from any payment due them, any amounts owed for taxes or other charges due the City of Saginaw; and that successful bidders are subject to mandatory City of Saginaw income tax withholdings.

(4) All bids for supplies, materials, or other commodities necessary for the regular operation of city functions may contain the following language:

"The Vendor hereby agrees to maintain the bid price for one year from the date of this bid, and the City reserves the right, in its sole discretion, to purchase such additional supplies as it deems necessary at said rate in an amount not to exceed the total contract price of the original bid".

(F) *Opening of Bids.*

Sealed bids shall be opened in public at the time and place indicated on the bid form in the presence of an administrative committee known as the Purchasing Committee, consisting of the Purchasing Officer or his/her designee, City Attorney or his/her designee, and the City Clerk or his/her designee. The head of the department, or a designated representative, shall also be a member of said Committee only while bids affecting the department are being acted upon. At least three (3) members of said Committee shall be present.

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(G) *Review of Bids.*

(1) After opening the sealed bids, the Purchasing Officer, or his/her designee, shall refer the bids to the affected Department Head and/or his/her designee for tabulation and review. The Purchasing Officer, or his/her designee, may require a reference check for suitability prior to referring the bids to the affected Department Head.

(2) Upon review, the Department Head, or his/her designee, shall complete a Bid Evaluation Form and electronically submit the tabulation to the Purchasing Committee for review and approval. The form must contain the following:

- (a) The bid number and date of opening;
- (b) The department name;
- (c) A brief description of each of the item(s) as it appeared on the actual bid document;
- (d) The quantity requested, unit cost of each item (where applicable) and extended cost;
- (e) The total amount submitted;
- (f) The name of the company submitting the bid; and
- (g) The company the Department Head, or his/her designee, recommends with an explanation for the recommendation.

(3) The members of the Purchasing Committee will review the recommended bid(s), and electronically give its approval/disapproval response to the Purchasing Officer, or his/her designee, or request further clarification. In the event such explanation cannot be satisfied by electronic means, the Purchasing Committee will formally meet to further discuss the recommendation. A majority vote of the Purchasing Committee is needed for approval.

(4) Upon approval of the recommended bid(s), the Purchasing Officer, or his/her designee, shall instruct the Department Head, or his/her designee, to prepare the appropriate Council Communication, which shall be transmitted to the City Manager with his/her recommendation for Council approval.

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(5) The bids and the tabulation shall be available for public inspection in the City Purchasing Office.

(H) *Council Action on Sealed Bids.*

(1) Upon receipt of the tabulation of bids and the recommendation from the City Manager, the Council may reject the bids or determine the lowest and best bidder or bidders and award the transaction or transactions accordingly.

(2) In case the Council determines that it is not possible to choose between two (2) or more suppliers of a commodity purchased regularly because the bids are equal, the transaction may be awarded to the bidder who was awarded the last transaction for the same commodity.

(I) *Execution of Transaction.*

(1) Upon the approval of a transaction as hereinbefore provided, the Purchasing Officer, or his/her designee, shall execute the transactions in the manner set forth in § 14.31 Approval of Purchase Orders and § 14.22 Written Contract Policy (where applicable).

(2) All forms of acceptable cash, including bank money orders, certified checks or cashier's checks accepted in accordance with §14.24 (C)(1) will be processed as follows:

(a) Funds received from the top three (3) companies/bidders shall be deposited by the Treasurer's Office.

(b) Funds received from all other bidders shall be promptly returned to the respective companies following the opening of the bid(s).

(c) Upon approval by City Council of the transaction/bid award, the Treasurer's Office will refund all funds held and deposited by way of City check.

If any successful bidder fails or refuses to enter into the transaction as herein provided, the deposit accompanying the bid shall be forfeited and the Council may award the transaction to the next lowest and best bidder, or reject all bids and re-advertise.

(3) All transactions shall be executed by the vendor and Purchasing Officer, or his/her designee, For all transactions Two Thousand and 00/100 (\$2,000.00)

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Dollars or more, the Purchasing Officer or his/her designee, must first have Council's approval before execution of the transaction.

(4) An executed copy of all written contracts shall be filed with the City Clerk, or his/her designee. An executed copy of all purchase order contracts shall be filed with the Purchasing Officer, or his/her designee.

(5) The Department Head and/or his/her designee, with the approval of the Finance Director and/or Budget Administrator, may allow for an increase or decrease in cost not to exceed 10% of the total purchase order contract for goods, non-professional services, supplies, materials, equipment, etc., due to unforeseen circumstances, necessity or redundancy not contemplated in the bid. Such increase or decrease shall be mutually agreed upon in writing between the Department Head, and/or his/her designee (with the approval of the Finance Director and/or Budget Administrator) and the Contractor. Upon such authorization, a change order shall be processed by the Purchasing Office to effectuate the increase or decrease. Any and all bids/purchase order contracts for goods, non-professional services, supplies, materials, equipment, etc., shall contain the following language:

"The Department Head and/or his/her designee, with the approval of the Finance Director and/or Budget Administrator may allow for an increase or decrease of this purchase order contract/written contract by 10% of the total purchase order due to unforeseen circumstances, necessity or redundancy not contemplated in the bid. Such increase or decrease shall be mutually agreed upon in writing with the Contractor. In no event, however, will this purchase order contract/written contract be increased over 10% of the total purchase order without the prior approval of City Council."

(6) The City Engineer, and/or his/her designee, with the approval of the Finance Director and/or Budget Administrator, may allow for an increase or decrease in cost not to exceed 20% of the total contract for construction projects for building, altering, repairing, improving or demolishing any public structure or building, or other public improvements of any kind to any public property due to unforeseen circumstances, necessity or redundancy not contemplated in the bid, or an expansion or reduction of the scope of services due to unforeseen conditions. Such increase or decrease shall be mutually agreed upon in writing between the City Engineer, and/or

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his/her designee (with the approval of the Finance Director and/or Budget Administrator) and the Contractor. Upon such authorization, a change order shall be processed by the Purchasing Office to effectuate the increase or decrease. Any and all bids shall contain the following language:

“The City Engineer and/or his/her designee, with the approval of the Finance Director and/or Budget Administrator may allow for an increase or decrease of this purchase order contract/written contract by 20% of the total purchase order due to unforeseen circumstances, necessity or redundancy not contemplated in the bid. Such increase or decrease shall be mutually agreed upon in writing with the Contractor. In no event, however, will this purchase order contract/written contract be increased over 20% of the total purchase order without the prior approval of City Council.”

§ 14.25 PURCHASES UNDER TWO THOUSAND DOLLARS (\$2,000.00)

(A) All public improvements and purchases for goods, non-professional services, professional services, supplies, materials, equipment and construction projects, the cost of which is less than Two Thousand and 00/100 (\$2,000.00) Dollars, may be made in the open market, without official notice and irrespective of the procedure prescribed for purchases over Two Thousand and 00/100 (\$2,000.00) Dollars.

(B) All open market purchases shall, whenever possible, be based on at least three (3) competitive bids solicited by telephone, fax, electronic mail, or by direct mail request from prospective vendors. The Purchasing Officer, or his/her designee, shall award open market purchases to the lowest and/or best bidder and shall keep a record of all such purchases and the bids submitted in competition thereon. These records shall be available for public inspection in the City Purchasing Office.

§ 14.26 PREFERENCE FOR LOCAL BIDDERS.

(A) If, the lowest bidder is not a Saginaw-based business, as defined above, any Saginaw-based business with a bid within three percent (3%) of the lowest bid that has been deemed responsive and responsible under the purchasing ordinance shall be deemed the lowest bidder if it agrees to reduce its bid to match the bid of the lowest bidder.

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(B) If a Saginaw-based business refuses to reduce its bid to match the lowest bid, then the next lowest responsible Saginaw-based business with a bid within three percent (3%) of the lowest bid shall be given the opportunity to reduce its bid to match the bid of the lowest bidder.

(C) If the Saginaw-based bidder agrees to reduce its bid to match the bid of the lowest non-Saginaw bidder, it will be deemed the lowest bidder and awarded the contract.

(D) If no qualified and responsible Saginaw-based business within the three percent (3%) of the lowest bid agrees to reduce its bid to that of the lowest bidder, then the contract shall be awarded to the person or business with the lowest, most responsive and responsible bid.

§ 14.26 SOLE SOURCE

In the event there is only one vendor capable of providing a particular product or service, then the competitive bidding procedures outlined in this ordinance may be waived by the Purchasing Committee. Whenever a Department Head or his/her designee determines that they must purchase goods or services from a “sole source” vendor, they should document why only one company or individual is capable of providing the goods or services required. This documentation should be forwarded to the Purchasing Committee for approval.

§ 1427 “BRAND NAME OR EQUAL”

(A) The use of “Brand name or equal” specifications may be used when the Department Head or his/her designee determines that use of a “brand name or equal” specification is in the City’s best interest.

(B) The Department Head or his/her designee shall seek to identify sources from which the designated brand name item or items can be obtained and shall solicit such sources to achieve whatever degree of price competition is practicable. If only one source can supply the requirement, the procurement shall be made under §14.26, Sole Source.

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§ 14.28 RECYCLING.

In recognition of the continuing need to be environmentally responsible, recycled goods should be considered when deemed appropriate and fiscally responsible.

§ 14.29 COOPERATIVE PURCHASING

The City Manager or his/her designee is authorized to join with other units of government in cooperative purchasing plans when the best interests of the City would be served thereby, upon City Council approval.

§ 14.30 EMERGENCY PURCHASES.

In case of emergency, any Department Head or his/her designee may purchase or contract directly for any public improvements, goods, non-professional services, supplies, materials, equipment and construction projects, whose immediate procurement is essential to the continuance of the work of the department concerned. Wherever possible, the Department Head or his/her designee shall contact the Purchasing Office for authorization prior to making any emergency purchases. A record of emergency purchase order authorizations shall be available for public inspection in the Purchasing Office. All purchases or contracts shall be submitted to City Council after the fact for subsequent ratification and/or approval for all purchases Two Thousand and 00/100 (\$2,000.00) Dollars or more.

§ 14.31 APPROVAL OF PURCHASE ORDERS.

The Purchasing Officer, or his/her designee, shall approve and execute all purchase orders, purchase order contracts, and emergency purchases.

§ 14.32 INSPECTION OF MATERIALS.

The responsibility for the inspection and acceptance of all goods, materials, supplies, and equipment shall rest with the ordering department.

§ 14.33 SALE OF PROPERTY.

(A) Whenever any City property, real or personal, is not needed for corporate or public purposes, the same may be sold.

(B) Real and personal property not exceeding One Thousand Five Hundred and 00/100 (\$1,500.00) Dollars in value, may, upon approval of the City Manager, either be sold for cash by the Purchasing Officer, or his/her designee, after receiving

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quotations or competitive bids therefore for the best price obtainable, or traded to the vendor of new equipment replacing it.

(C) Personal property with a value in excess of One Thousand Five Hundred and 00/100 (\$1,500.00) Dollars, may be sold after advertising and receiving competitive bids, as provided in § 14.24, inclusive, of this Ordinance, and after approval of the sale has been given by the City Council; or such personal property may be traded to the vendor of the new equipment replacing it, upon approval of the City Manager.

(D) In addition to the provisions above made for the sale of personal property, in general, the City Manager may:

(1) Authorize the sale of goods or supplies which have become obsolete, worn out or scrapped, unsuitable for use by the City, or otherwise lawfully acquired by the City and having no value or use to the City at private or public auction, including on-line auction services. In this regard, the Department Head, and/or his/her designee, with the assistance of the Purchasing Officer, or his/her designee, shall explore the various services available and select a public auction service which shall dispose of such personal property in the most efficient and cost effective means for the City. All such sales under this section shall be made to the highest bidder, subject, however, to the published terms of such sale.

(2) Authorize the donation of goods or supplies which have become obsolete, worn out or scrapped, unsuitable for use by the City, or otherwise having no value or use, to one or more charitable organizations having need and/or use of the defunct item(s), giving first preference to those Saginaw-based organizations.

(3) Authorize the transfer of surplus supplies or equipment within any department in order to maximize the use and benefit thereof.

(E) Real property exceeding One Thousand Five Hundred and 00/100 (\$1,500.00) Dollars, shall be sold in the same manner as personal property over One Thousand Five Hundred and 00/100 (\$1,500.00) Dollars in value, unless the Council shall determine that it is clearly to the City's advantage either to sell such property without competitive bidding or to exchange the same for other land required by the City. The sale of land which shall have been approved by three-fifths (3/5's) of the City

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electors voting thereon at any general or special election, and property sold pursuant to federal and state statute and regulations, shall not be subject to the provisions of this ordinance.

(F) Any and all tax reverted properties may be acquired and disposed of pursuant to state law and Administrative Regulation established by the City Manager.

§ 14.34 VALIDITY OF CONTRACTS.

The foregoing provisions of this Article shall be deemed to establish, in general, the procedure to be followed in purchases and contracts by the City, but shall not be held to be mandatory, except those provisions which may be contained in state or federal law or in the Charter. Any contract approved by the Council and not prohibited by state or federal law or the provisions of the Charter, shall be valid even though one or more of the provisions of this Article may not have been observed. Only a majority of City Council can authorize and bind the City for any contract Two Thousand and 00/100 (\$2,000.00) Dollars or more.

Section 3. This ordinance shall become effective June 11, 2009.

Enacted: June 1, 2009.