

Council Agenda

May 18, 2009, 6:30 p.m., Council Chamber

PLEASE NOTE: There will be a Committee of the Whole meeting today beginning at 5:00 p.m. in the Council Chamber. Tom Darnell, Director of Public Services, will give an overview of the Public Services 2009-10 budget.

PRAYER AND PLEDGE OF ALLEGIANCE

ROLL CALL

CORRECTION AND APPROVAL OF MINUTES OF PRECEDING SESSIONS:

ANNOUNCEMENTS:

- Brian Conaway, Waste Management, to make presentation to Council.

PUBLIC HEARINGS:

1. Fiscal Year 2009-10 Budget
2. Police and Fire Safety Millage

PERSONAL APPEARANCES:

- *(A list will be provided on Monday after 1:00 p.m.)*

REMARKS OF COUNCIL:

PETITIONS:

1. 09-10 from Judy A. Henning, Secretary of Downtown Saginaw Farmer's Market, requesting that the Downtown Saginaw Farmer's Market be recognized as a nonprofit organization.
2. 09-11 from Carol Cottrell, requesting permission for fireworks display at the north end of Ojibway Island on July 4, 2009.
3. 09-12 from Renee Johnston, CEO Saginaw Community Foundation, requesting permission to erect a banner in the 500 block of Court St. from May 19th to June 19th and the 200 block of West Genesee from June 23rd to July 23rd for the purpose of promoting Saginaw Community Foundation's 25th anniversary.

REPORTS FROM BOARDS AND COMMISSIONS AND COMMITTEES AND APPOINTMENT OF BOARD AND COMMISSION MEMBERS:

REPORTS FROM MANAGER:

Management Update:

- Presentation of the economic outlook for fiscal year 2009-10 by Dr. Eric Scorsone, Director of Government Affairs, Michigan State University.

Recommended Actions:

1. Recommending approval of the Memorandum of Understanding with the Michigan Department of Community Health (MDCH) for reporting violent deaths, and authorizing the City Manager or his designee to execute all appropriate documents. The purposes of this program include informing decision-makers and program planners about the magnitude, trends and characteristics of violent deaths and evaluating state-based prevention programs and strategies. The commitment to assist MDCH in this manner has a term of five years.
2. Recommending approval of the Neighborhood Stabilization Program (NSP) Grant Agreement to carry out the substantially amended 2008-09 program year and for the 2009-10 program year and that the proper City officials be authorized to execute the same. The funding agreement is in the amount of \$957,000. The City will use this grant to help acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within its communities and to demolish blighted structures.
3. Recommending that a budget adjustment be completed to increase the Drug Forfeiture Fund's – Fund Equity revenue line item 264 0000 680 0000 from \$29,582.00 to \$39,582.00, which equates to a \$10,000 increase. The increase in revenue will be offset by an increase in the Professional Services expenditures line item 264 3040 731 8010 by the same amount.
4. Recommending authorization for the use of public online auction sites for the sale of City of Saginaw personal property until June 11, 2009. The public online site will be utilized to dispose of City personal property in the most efficient and cost effective means.
5. Recommending that payment be made to Creditron Corporation in the amount of \$8,392.65 for the renewal of annual software maintenance and \$2,851.04 for the renewal of annual hardware maintenance for a total payment of \$11,243.69. The maintenance covers the Creditron system which processes and images payments and checks received by the Fiscal Services Department, Treasurer's Division. This vendor meets all requirements of the contract compliance provisions. Funds are budgeted and available in the Information Services Operating Services Account No. 658 1720 711 8005.
6. Recommending that payment be made to BS&A Software in the amount of \$3,405.00 for the renewal of annual software maintenance/support. The maintenance covers the Equalizer Assessing system, the main property assessing software used by the Fiscal Services Department, Assessor's Division, and includes all support and updates to the software for one year. This vendor meets all requirements of the contract compliance provisions. Funds are budgeted and available in the Information Services Operating Services Account No. 658 1720 711 8005.
7. Recommending that the City of Saginaw actively seek Local Bridge Program funds for the rehabilitation/reconstruction of the Norman Street Bridge over Veterans Memorial Parkway and for scour corrective action and preventative maintenance as needed for the Court Street, Genesee Avenue, Holland Avenue and Center Street Bridges over the

Saginaw River. The application amount for each bridge will vary and will be based on the needs of each individual bridge. If approved, funds for the City's share will be made available in fiscal year 2012-13 Major Streets Construction Projects Fund Account No. 202 4616 781 8047. The City of Saginaw will be responsible for design and construction engineering costs.

8. Recommending that payment be made to Hydro Dynamics, Inc., Waterford, Michigan, in the amount of \$4,835.00 for the emergency repair of the main submersible pump in the drainage well of the Water Treatment Plant. The pump is in continuous use and the failure required the installation of a temporary pump and new piping. Several quotes were solicited, but Hydro Dynamics was the only company that stated they could rebuild the pump. This vendor meets all requirements of the contract compliance provisions. Funds are budgeted in the Water Treatment Repairs and Replacement Account No. 591 4730 861 8040.
9. Recommending that payment be made to Gerace Construction Company in the amount of \$10,215.96 for the emergency excavating of a deeper than normal water main. Their equipment was already on site due to a construction project in progress at the Wastewater Treatment Plant. This vendor meets all requirements of the contract compliance provisions. Funds are budgeted in the Water Operation and Maintenance Operating Services Account No. 591 4721 861 8005.

INTRODUCTION OF ORDINANCES:

1. An Ordinance to repeal §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.
2. An Ordinance to repeal §14.35-44 Entitled, "Contract Compliance Provisions," of Chapter 14, "Finance and Purchasing," of Title 1, "General Provisions," of the City of Saginaw Code of Ordinances, O-1.

CONSIDERATION AND PASSING OF ORDINANCES:

RESOLUTIONS:

1. Approving the Creation of the District and the amount for a Public Safety Millage.
2. Authorizing the City of Saginaw to seek Local Bridge Program Funds for the rehabilitation/reconstruction of the Norman Street Bridge over Veterans Memorial Parkway and for scour corrective action and preventative maintenance as needed for the Court Street, Genesee Avenue, Holland Avenue and Center Street Bridges over the Saginaw River.
3. Approving the request from the Downtown Saginaw Farmer's Market of the City of Saginaw and County of Saginaw to be recognized as a nonprofit organization operating in the community for the purpose of obtaining charitable gaming licenses.

4. Authorizing the sale of alcoholic beverages at the Downtown Morley Plaza during the annual PRIDE Friday Night Live concerts on July 10, July 17, July 24, July 31 and August 14, 2009.
5. Authorizing the sale of alcoholic beverages at the Children's Zoo at Celebration Square during the "Brew at the Zoo" fundraiser to be held June 18, 2009 from 6:00 p.m. – 9:00 p.m.
6. Approving the fiscal year 2009-10 Budget.

UNFINISHED BUSINESS:

MOTIONS AND MISCELLANEOUS BUSINESS:

Darnell Earley
City Manager

COUNCIL COMMUNICATION

From: The City Manager

Subject: Approval of Memorandum of Understanding with the Michigan Department of Community Health

Manager's Recommendation:

I recommend approval of the Memorandum of Understanding with the Michigan Department of Community Health for reporting violent deaths, and to authorize the City Manager or his designee to execute all appropriate documents. The Memorandum of Understanding has been approved by me as to substance and by the City Attorney as to form.

Justification:

The Michigan Department of Community Health ("MDCH") seeks to enter into a Memorandum of Understanding ("MOU") with the City of Saginaw regarding the collection and processing of data on violent deaths. The purposes of this program include informing decision-makers and program planners about the magnitude, trends and characteristics of violent deaths and evaluating state-based prevention programs and strategies. The commitment to assist MDCH in this manner has a term of five years.

Council Action:

Council _____ moved that the recommendation from the City Manager be approved.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Personal property to be sold at public online auction sites.

Manager's Recommendation:

I recommend that the City authorize the use of public online auction sites for the sale of City of Saginaw personal property until June 11, 2009.

Justification:

The City of Saginaw intends to sell personal property that is not needed for corporate or public use by means of a public online auction. A public online auction site will be utilized to dispose of City personal property in the most efficient and cost effective means. A public online auction site will open up competitive bidding to a larger audience and may generate more revenue than a traditional auction. The City Council has previously authorized the sale of personal property at public auction where appropriate.

A new purchasing ordinance is expected to become effective on June 11, 2009 and will address this issue on a long-term basis. This action is recommended to authorize the electronic sale in the intervening time period, as this may become necessary.

Council Action:

Council _____ moved that the recommendation of the City Manager be approved.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Authorization to Allow the Sale of Alcoholic Beverages at the Children's Zoo at Celebration Square

Manager's Recommendation:

I recommend approval of the attached resolution authorizing the sale of alcoholic beverages at the Children's Zoo at Celebration Square ("Zoo") during the "Brew at the Zoo" fundraiser, to be held June 18, 2009 from 6:00 p.m. through 9:00 p.m.

Justification:

On June 18, 2009, the Zoo is hosting a fundraiser. The Zoo has requested that the City allow it to sell alcoholic beverages to its guests during the fundraiser. Title XIII, Section 132.01(C) of the Saginaw Code of Ordinances states that City Council can authorize the sale of alcoholic beverages on public property if the vendor provides the following to the City:

- (1) The precise location where said beverages are to be sold and consumed;
- (2) The dates and times for said activities;
- (3) A proper state license for the sale and consumption of alcoholic beverages at the place and times listed in subsection (1) and (2) above;
- (4) Adequate public liability and property damage insurance for the benefit of the City with a company licensed to sell insurance by the state;
- (5) Such other insurance as the City Council deems adequate for the benefit of the City;
- (6) Adequate personnel to control the premises where the alcoholic beverages are to be sold and consumed; and
- (7) Such other reasonable requirements as City Council deems appropriate.

Saginaw Valley Zoological Society ("Society") will be providing the alcoholic beverages at the "Brew at the Zoo" fundraiser. The Society must submit the proper documents to the City by June 1, 2009. If the Society fails to provide the documentation, it will not be allowed to sell alcoholic beverages during the fundraiser at the Zoo on June 18, 2009. The City will set insurance requirements and all insurance certificates must be reviewed and approved by the City Attorney.

Council Action:

This Council Communication is for explanation of the resolution and requires no separate approval.

COUNCIL COMMUNICATION

RESOLUTION TO PERMIT THE SALE OF ALCOHOLIC BEVERAGES ON PUBLIC PROPERTY

Manager's Recommendation: Approval of the resolution as follows:

Council _____ offered and moved adoption of the following resolution:

WHEREAS, the Children's Zoo at Celebration Square ("Zoo") plans to host a fundraiser;

WHEREAS, the Zoo has requested that it be allowed to sell alcoholic beverages to its guests during the fundraiser; and

WHEREAS, City Council can provide authorization for the sale of alcoholic beverages on public property; and

WHEREAS, the Zoo must provide certain documents prior to the event.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Saginaw hereby authorizes the sale of alcoholic beverages on public property during the "Brew at the Zoo" fundraiser to be held on June 18, 2009 at the Zoo, provided that it submits the mandatory information listed in Title XIII, Section 132.01(C) of the Saginaw Code of Ordinances no later than June 1, 2009 to the proper City officials.

BE IT FURTHER RESOLVED, if the Zoo does not provide the documents by the stated date, it will not be allowed to sell alcoholic beverages to its guests during the fundraiser on June 18, 2009.

BE IT FURTHER RESOLVED, that the City will set all insurance requirements and all insurance certificates must be reviewed and approved by the City Attorney.

COUNCIL COMMUNICATION

Manager's Recommendation: Approval of the resolution as follows:

LOCAL GOVERNING BODY RESOLUTION FOR CHARITABLE GAMING LICENSES FOR DOWNTOWN SAGINAW FARMER'S MARKET

Council _____ offered and moved adoption of the following resolution:

WHEREAS, the Downtown Saginaw Farmer's Market has submitted a request (Petition No. 09-10) to be recognized as a nonprofit organization for purposes of obtaining a charitable gaming license; and

WHEREAS, the Michigan Bureau of State Lottery, pursuant to MCL 432.103(9), requires a Resolution be adopted by the local governing body approving this recognition.

NOW THEREFORE, BE IT RESOLVED that the request from Downtown Saginaw Farmer's Market of the City of Saginaw and County of Saginaw, asking that they be recognized as a nonprofit organization operating in the community for the purpose of obtaining charitable gaming licenses, be considered for approval.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Annual Creditron Corporation Software and Hardware maintenance renewal payment

Manager's Recommendation:

I recommend that payment be made to Creditron Corporation (dba Purepay) in the amount of \$8,392.65 for the renewal of annual software maintenance and \$2,851.04 for the renewal of annual hardware maintenance for a total payment of \$11,243.69. The maintenance covers the Creditron system which processes and images payments and checks received by the Fiscal Services Department, Treasurer's Division.

This vendor meets all requirements of the Contract Compliance Provisions, Title 1, Chapter 14, §14.35-14.44, of the Saginaw Code of Ordinances.

Funds for this payment are budgeted and available in the Information Services Operating Services Account No. 658-1720-711.80-05.

Justification:

The City annually renews our maintenance fees for the Creditron system. This annual renewal of maintenance fees is for a 12-month period.

Council Action:

Council _____ moved that the recommendation of the City Manager be approved.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Annual BS&A Software maintenance/support renewal payment

Manager's Recommendation:

I recommend that payment be made to BS&A Software in the amount of \$3,405.00 for the renewal of annual software maintenance/support. The maintenance covers the Equalizer Assessing system, the main property assessing software used by the Fiscal Services Department, Assessor's Division, and includes all support and updates to the software for one year.

This vendor meets all requirements of the Contract Compliance Provisions, Title 1, Chapter 14, §14.35-14.44, of the Saginaw Code of Ordinances.

Funds for this payment are budgeted and available in the Information Services Operating Services Account No. 658-1720-711.80-05.

Justification:

The City annually renews our maintenance and license fees for BS&A Software. This annual renewal of maintenance and license fees is for a 12-month period.

Council Action:

Council _____ moved that the recommendation of the City Manager be approved.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Emergency Excavating

Manager's Recommendation:

I recommend that payment be made to Gerace Construction Company in the amount of \$10,215.96 for emergency services provided.

This vendor meets all requirements of the Contract Compliance Provisions Title 1, Chapter 14 §14.35 – 14.44 of the Saginaw Code of Ordinances.

Funds for this purchase are budgeted in the Water Operation and Maintenance Operating Services Account No. 591-4721-861.80-05.

Justification:

On January 21 and 22, 2009, the Right of Way Division, Maintenance and Service Section, utilized Gerace Construction to excavate a deeper than normal water main. Their equipment was already on site due to a construction project in progress at the Wastewater Treatment Plant. The portion of the water main where the leak was suspected to be was approximately 15 feet deep and buried in foundry sand and slag. Maintenance and Service Section backhoes would not have been able to excavate this deep without some extraordinary excavation techniques. Continuous sloughing of the banks made the job challenging even with the large excavator.

Council Action:

Council_____ moved that the recommendation of the City Manager be approved.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Submersible Pump Emergency Repair

Manager's Recommendation:

I recommend approval of the purchase order issued to Hydro Dynamics Inc., Waterford, Michigan, and that payment be made to them in the amount of \$4,835.00 for the emergency repair of the main submersible pump in the drainage well of the Water Treatment Plant.

This vendor meets all requirements of the Contract Compliance Provisions, Title 1, Chapter 14, §14.35 – 14.44, of the Saginaw Code of Ordinances.

Funds for this purchase are budgeted in the Water Treatment Repairs and Replacement Account No. 591-4730-861.80-40.

Justification:

On February 19, 2009 an emergency purchase order was issued to Hydro Dynamics Inc. in the amount of \$4,835.00. The purchase order was for the repair of the main submersible pump in the drainage well of the Water Treatment Plant. The pump is in continuous use and the failure required the installation of a temporary pump and new piping. The emergency purchase was required so we could have the pump back in time for the shutdown and draining of the raw water lines into the plant, that took place on March 27. This work needed to be completed before higher demands for water began. The Maintenance Foreman solicited quotes from several companies, which stated the pump was unrepairable and a new pump was needed. Hydro Dynamics was the only company that stated they could rebuild the pump and electric motor.

Council Action:

Council_____ moved that the recommendation of the City Manager be approved.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Budget Adjustment Drug Forfeiture

Manager's Recommendation:

It is recommended that a budget adjustment be completed to increase the Drug Forfeiture Fund's – Fund Equity revenue line item 264-0000-680.00-00 from \$29,582.00 to \$39,582.00, which equates to a \$10,000.00 increase. The increase in revenue will be offset by an increase in the Professional Services expenditure line item (264-3040-731.80-01) by the same amount.

Justification:

The adjustment reflects the court judgments from the Saginaw County Prosecuting Attorney Office ruling that monies confiscated from reviewed drug trafficking cases are to be forfeited to the Saginaw Police Department.

Council Action:

Council _____ moved that the recommendation of the City Manager be approved.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Neighborhood Stabilization Program (NSP) Grant Agreement

Manager's Recommendation:

I recommend that City Council approve the NSP Grant Agreement to carry out the substantially amended 2008-2009 program year and for the 2009-2010 program year and that the proper City officials be authorized to execute the same. The agreement is subject to the approval of the City Manger as to substance and the City Attorney as to form.

Justification:

The City of Saginaw has received a Grant Agreement from the Michigan State Housing Development Authority to carry out the substantially amended 2008-2009 program year and for the 2009-2010 program year for the Neighborhood Stabilization Program (City Clerk's File No._____). The funding agreement is in the amount of \$957,000.00

The City will use this grant to help acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within it's communities and to demolish blighted structures.

In accepting this grant agreement, the City agrees to comply with all terms and conditions of the agreement, applicable laws, regulations and all other requirements of MSHDA now or hereafter in effect pertaining to the assistance provided. The agreement is for a period that began March 17, 2009 and will terminate June 30, 2010.

Council Action:

Council_____ moved that the recommendation of the City Manager be approved.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Authorization to Allow the Sale of Alcoholic Beverages on the Downtown Morley Plaza

Manager's Recommendation:

I recommend approval of the attached Resolution authorizing the sale of alcoholic beverages on the Downtown Morley Plaza, a public property, during the annual PRIDE Friday Night Live concerts to be held on July 10th, July 17th, July 24th, July 31st and August 14th, 2009.

Justification:

On July 10th, July 17th, July 24th and July 31st and August 7th and August 14th, 2009, PRIDE will host its annual Friday Night Live concerts on the Downtown Morley Plaza, a public property. The sponsor has requested that the City allow it to sell alcoholic beverages during these special events on July 10th, July 17th, July 24th, July 31st and August 14th, 2009, except for August 7th, which is Family's Night Out. Title XIII, Chapter 132, Section 132.01(C) of the Saginaw Code of Ordinances states that City Council can authorize the sale of alcoholic beverages on public property if the vendor provides the following to the City:

- (1) The precise location where said beverages are to be sold and consumed;
- (2) The dates and times for said activities;
- (3) A proper state license for the sale and consumption of alcoholic beverages at the place and times listed in subsections (1) and (2) above;
- (4) Adequate public liability and property damage insurance for the benefit of the City with a company licensed to sell insurance in the State of Michigan;
- (5) Such other insurance as the City Council deems adequate for the benefit of the City;

COUNCIL COMMUNICATION

- (6) Adequate personnel to control the premises where the alcoholic beverages are to be sold and consumed; and
- (7) Such other reasonable requirements as said City Council deems appropriate.

The vendor will provide the proper documents to the proper City officials. If the vendor fails to provide the documentation by June 26, 2009, it will not be allowed to sell alcoholic beverages on the Downtown Morley Plaza. The City will set insurance requirements and all insurance certificates must be reviewed and approved by the City Attorney.

Council Action:

Council _____ moved the recommendation of the City Manager be approved and that a Resolution be adopted.

COUNCIL COMMUNICATION

RESOLUTION TO PERMIT THE SALE OF ALCOHOLIC BEVERAGES ON PUBLIC PROPERTY

Manager's Recommendation: Approval of the resolution as follows:

Council _____ offered and moved adoption of the following resolution:

WHEREAS, PRIDE plans to sponsor its annual Friday Night Live concerts on the Downtown Morley Plaza on July 10th, July 17th, July 24th, July 31st and August 7th and August 14th, 2009; and

WHEREAS, the event sponsor has requested that it be allowed to sell alcoholic beverages on the Downtown Morley Plaza on July 10th, July 17th, July 24th, July 31st and August 14th, 2009, except for August 7th which is Family Night Out; and

WHEREAS, City Council can provide authorization for the sale of alcoholic beverages on public property; and

WHEREAS, the vendor must provide certain documents prior to the event.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Saginaw hereby authorizes the sale of alcoholic beverages on public property during PRIDE's annual Friday Night Live concerts to be held on July 10th, July 17th, July 24th, July 31st and August 14th, 2009, except for August 7th which is Family Night Out, on the Downtown Morley Plaza, provided that the event sponsor provides the mandatory information listed in Title XIII, Chapter 132, Section 132.01(C) of the Saginaw Code of Ordinances no later than June 26, 2009, to the proper City officials.

BE IT FURTHER RESOLVED, if the event sponsor does not provide the documents by the time specified above, it will not be allowed to sell alcoholic beverages on the Downtown Morley Plaza during its annual summer concert series.

BE IT FURTHER RESOLVED, that all insurance requirements be set by the City and all insurance certificates must be reviewed and approved by the City Attorney.

COUNCIL COMMUNICATION

Manager's Recommendation: Approval of the resolution as follows:

Council _____ offered and moved adoption of the following resolution:

WHEREAS, The Local Bridge Program Fund provides funding for repair, preventative maintenance and rehabilitation of local bridges; and

WHEREAS, a need for rehabilitation/reconstruction of the Norman Street Bridge over Veterans Memorial Parkway and for scour corrective action and preventative maintenance as needed for the Court Street, Genesee Avenue, Holland Avenue and Center Street Bridges over the Saginaw River has been determined and has been indicated in recent engineering and bridge inspection reports by it's bridge consultant, Spicer Group; and

WHEREAS, the cost of such rehabilitation has yet to be determined, and will be once engineering estimates are prepared; and

WHEREAS, the deadline for submission of new funding applications for the State of Michigan and Federal Local Bridge Program for fiscal year 2012 is June 1, 2009; and

WHEREAS, the application will be prepared and reviewed for the purpose of procuring State and Federal Local Bridge Program Funds for such rehabilitation; and

NOW, THEREFORE, BE IT RESOLVED, that the City of Saginaw is actively seeking Local Bridge Program Funds for the rehabilitation/reconstruction of the Norman Street Bridge over Veterans Memorial Parkway and for scour corrective action and preventative maintenance as needed for the Court Street, Genesee Avenue, Holland Avenue and Center Street Bridges over the Saginaw River, and is willing to participate in its implementation.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Application for Local Bridge Program Funds for fiscal year 2012.

Manager' Recommendation:

I recommend that the City of Saginaw actively seek Local Bridge Program Funds for the rehabilitation/reconstruction of the Norman Street Bridge over Veterans Memorial Parkway and for scour corrective action and preventative maintenance as needed for the Court Street, Genesee Avenue, Holland Avenue and Center Street Bridges over the Saginaw River. The application amount for each bridge will vary and will be based on the needs of each individual bridge. If approved, funds for the City's share will be made available in FY 2012/13 Major Streets Construction Projects Fund Account No. 202-4616-781-8047. The City of Saginaw will be responsible for design and construction engineering costs.

The Michigan Department of Transportation (MDOT) requires as part of the application process, that a resolution be adopted by City Council indicating that the application has been reviewed and that the City is actively seeking these funds for the projects as stated above. This resolution appears under the regular order of business.

Justification:

Per the MDOT Local Bridge Program Guidelines, the total number of applications from any local agency is limited to five (5). The preventative maintenance, structure rehabilitation and replacement, and approach costs may be eligible for a maximum of 95 percent participation from federal and/or state funds. The right-of-way, design engineering and construction engineering costs are not eligible for Local Bridge Program funds. Per the

COUNCIL COMMUNICATION

City of Saginaw's most recent bi-annual bridge inspection reports, it is apparent that all of the City of Saginaw's six (6) vehicular bridges are in need of preventative maintenance and some need scour corrective action. The Norman Street Bridge over Veterans Memorial Parkway was constructed in 1971 and has deteriorated to a point where it now needs rehabilitation or reconstruction. The remainder of the bridges are in need of preventative maintenance to avoid needing premature reconstruction. The Local Bridge Program was enacted in 2004 and is the federal legislation that provides funds for bridges. The MDOT has called for project applications from eligible communities who wish to participate in this program. The applications have to meet certain criteria and because of fund limitations, the applications are evaluated by MDOT and ranked against these criteria. As projects of this magnitude require substantial lead time to start of work, it is recommended that staff be directed to submit an application for funding no later than June 1, 2009, in order to qualify for consideration in the State's fiscal year 2012 funding program.

Council Action

Council _____ moved that the recommendation of the City Manager be approved.

COUNCIL COMMUNICATION

Manager's Recommendation: Approval of the resolution as follows:

RESOLUTION APPROVING THE CREATION OF THE DISTRICT AND THE AMOUNT FOR A PUBLIC SAFETY MILLAGE

Council _____ offered and moved the adoption of the following resolution:

WHEREAS, the Council of the City of Saginaw, pursuant to the authority granted by Act No. 33 of the Public Acts of 1951, as amended, proposes that a special assessment district be created and an assessment be determined, with the proceeds dedicated to pay for the costs of police and fire protection for the City of Saginaw; and

WHEREAS, a Public Hearing was held on May 18, 2009, on the estimate and on the question of creating a special assessment district and defraying the expenses for police and fire by special assessment on the property to be especially benefited.

NOW, THEREFORE, BE IT RESOLVED, that six (6) mills on the taxable value of all real property in the district (the entire City of Saginaw) is the amount necessary to defray the expenses for police and fire services by special assessment on the property to be especially benefited for a duration of five years.

COUNCIL COMMUNICATION

Manager's Recommendation: Approval of the resolution as follows:

Council _____ offered and moved the adoption of the following resolution:

WHEREAS, the City Charter requires the City Council, by resolution, to establish and adopt the budget, appropriate funds for the next fiscal year's expenditures and to provide for a tax levy of the amount necessary to be raised by taxation at least 30 days prior to the first day of the upcoming fiscal year; and

WHEREAS, a public hearing on the fiscal year 2009-2010 budget was held on Monday, May 18, 2009, at 6:30 p.m., in accordance with Section 44 of the Charter of the City of Saginaw and State of Michigan Act 5, Public Acts of 1982, as amended; and

WHEREAS, the taxable value of real and personal property in the City has been determined to be \$685,551,914 being 12.90% of the December 31, 2009 total Ad Valorem taxable value of property in Saginaw County; now, therefore, be it

RESOLVED, that the budget of the City of Saginaw for the fiscal year beginning July 1, 2009 as summarized below, is hereby adopted on a department (appropriation center) level in the General Fund and at the fund level for all other funds, subject to all City Ordinances and polices regarding the expenditure of funds and the conditions set forth in this resolution. The financial summary of all funds for the fiscal year 2009-2010 is as follows:

COUNCIL COMMUNICATION

General Operating Fund - 101

Means of Financing:

Property Tax	\$	3,992,594.00	
City Income Tax		12,025,000.00	
State Revenue Sharing		10,435,721.00	
Grants		1,557,421.00	
Licenses, Permits and Fees		1,119,150.00	
Charges for Service & Sales		834,939.00	
Fines and forfeitures		200,000.00	
Interest		536,100.00	
Rents		500.00	
Reimbursements		3,058,260.00	
Other Revenues		1,725,451.00	\$ 35,485,136.00

Estimated Requirements:

General Government	\$	2,095,089.00	
Fiscal Services		2,487,010.00	
Police		13,500,573.00	
Fire		9,124,798.00	
Development		2,157,888.00	
Public Services		3,166,659.00	
Other Expenditures*		2,953,119.00	\$ 35,485,136.00

*Includes unemployment compensation, retiree health insurance, operating transfers and contributions

Major Streets Fund - 202

Means of Financing:

State Revenue Sharing	\$	3,650,000.00	
State Reimbursements		495,000.00	
Services - Sales		20,000.00	
Other Revenues		73,740.00	\$ 4,238,740.00

Estimated Requirements:

Engineering Administration	\$	262,204.00	
Streets Project		491,530.00	
Bridge Projects		120,000.00	
Traffic Engineering		631,886.00	
Street Administration		695,353.00	
Routine Maintenance		1,030,729.00	
Bridge Maintenance		148,588.00	
Winter Maintenance		289,551.00	
State Trunkline		129,448.00	
State Routine Maintenance		61,204.00	
State Winter Maintenance		96,784.00	

COUNCIL COMMUNICATION

Transfers To Local Streets Fund	281,463.00	\$ 4,238,740.00
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Local Streets Fund - 203

Means of Financing:		
State Revenue Sharing	\$ 1,000,000.00	
Interest and Rents	2,000.00	
Other Revenues	3,000.00	
Transfers From Major Streets	256,340.00	\$ 1,261,340.00

Estimated Requirements:		
Traffic Engineering	\$ 103,100.00	
Street Administration	608,253.00	
Routine Maintenance	370,038.00	
Winter Maintenance	163,363.00	
Transfers to Other Funds	16,586.00	\$ 1,261,340.00

Public Safety Fund - 205

Means of Financing:		
Property Tax	\$ 3,524,674.00	
Transfers From Other Funds	265,775.00	\$ 3,790,449.00

Estimated Requirements:		
Police Patrol	\$ 1,623,378.00	
Police Investigation	554,803.00	
Fire Suppression	1,504,357.00	
Fire Prevention	107,611.00	\$ 3,790,449.00

Rubbish Collection Fund - 226

Means of Financing:		
Property Taxes	\$ 1,845,768.00	
Services - Sales	500.00	
Charge for Services	1,492,000.00	
Interest and Rents	18,500.00	
Other Revenues	179,613.00	\$ 3,536,381.00

Estimated Requirements:		
Rubbish Administration	\$ 539,352.00	
Rubbish Collections	1,469,712.00	
Environmental Improvement	351,824.00	
Sanitary Landfill	561,342.00	
Brush Collections	109,400.00	
Recycling	20,500.00	
Composting	473,671.00	
Transfer to Other Funds	10,580.00	\$ 3,536,381.00

COUNCIL COMMUNICATION

Andersen Center Fund - 236

Means of Financing:			
Grants	\$	185,745.00	
Interest and Rents		51,757.00	
Other Revenues		15,000.00	
Transfers from Other Funds		10,412.00	\$ 262,914.00
Estimated Requirements:			
Andersen Enrichment Center	\$	137,858.00	
Enrichment Commission		125,056.00	\$ 262,914.00

GM Tower Project - 238

Means of Financing:			
Interest and Rents	\$	7,000.00	
Other Revenue		101,500.00	\$ 108,500.00
Estimated Requirements:			
GM Tower Projects	\$	108,500.00	\$ 108,500.00

Boat Launch Fund -239

Means of Financing:			
Charges for Services	\$	25,000.00	
Other Revenue		550.00	\$ 25,550.00
Estimated Requirements:			
Increase in Fund Equity	\$	25,550.00	\$ 25,550.00

Commerce Center DDA - 242

Means of Financing:			
Property Taxes	\$	28,558.00	\$ 28,558.00
Estimated Requirements:			
Tax Increment Payments	\$	28,558.00	\$ 28,558.00

Downtown Development Auth - 243

Means of Financing:			
Property Taxes	\$	10,122.00	
Interest and Rents		65,000.00	\$ 75,122.00
Estimated Requirements:			
Tax Increment Payments	\$	75,122.00	\$ 75,122.00

COUNCIL COMMUNICATION

Brownfield Authority SRRF - 245

Means of Financing:			
Property Taxes	\$	<u>37,392.00</u>	\$ 37,392.00
Estimated Requirements:			
Component Unit	\$	<u>37,392.00</u>	\$ 37,392.00

Baker Perkins LDFA - 250

Means of Financing:			
Property Taxes	\$	<u>18,603.00</u>	\$ 18,603.00
Estimated Requirements:			
Component Unit	\$	<u>18,603.00</u>	\$ 18,603.00

Sils Island DDA - 251

Means of Financing:			
Property Taxes	\$	<u>2,836.00</u>	\$ 2,836.00
Estimated Requirements:			
Component Unit	\$	<u>2,836.00</u>	\$ 2,836.00

Saginaw Tool & Die LDFA- 255

Means of Financing:			
Property Taxes	\$	<u>25,699.00</u>	\$ 25,699.00
Estimated Requirements:			
Component Unit	\$	<u>25,699.00</u>	\$ 25,699.00

Sexton LDFA - 256

Means of Financing:			
Property Taxes	\$	<u>13,383.00</u>	\$ 13,383.00
Estimated Requirements:			
Component Unit	\$	<u>13,383.00</u>	\$ 13,383.00

Thomson LDFA - 257

Means of Financing:			
Property Taxes	\$	124,398.00	
Interest and Rents		<u>14,000.00</u>	\$ 138,398.00

COUNCIL COMMUNICATION

Estimated Requirements: Component Unit	\$ 138,398.00	\$ 138,398.00
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Treasure Island LDFA - 258

Means of Financing: Property Taxes	\$ 9,207.00	\$ 9,207.00
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Estimated Requirements: Component Unit	\$ 9,207.00	\$ 9,207.00
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Community Policing Fund - 260

Means of Financing: Grants	\$ 85,000.00	
Transfers From Other Funds	<u>349,006.00</u>	\$ 434,006.00

Estimated Requirements: Community Policing	\$ 394,006.00	
Weed and Seed Grant	<u>40,000.00</u>	\$ 434,006.00

Policing Training Fund - 261

Means of Financing: State Grants - Public Safety	\$ 21,000.00	\$ 21,000.00
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Estimated Requirements: Police Training	\$ 21,000.00	\$ 21,000.00
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Department of Justice Grant - 263

Means of Financing: DOJ Grant	\$ 546,196.00	\$ 546,196.00
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Estimated Requirements: DOJ Grant	\$ 546,196.00	\$ 546,196.00
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Drug Forfeiture Fund - 264

Means of Financing: Fines and Forfeitures	\$ 49,570.00	
Interest and Rents	5,000.00	
Other Revenue	<u>15,933.00</u>	\$ 70,503.00

COUNCIL COMMUNICATION

Estimated Requirements:

Drug Forfeiture	\$ 70,503.00	\$ 70,503.00
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Youth Initiative Grant Fund - 265

Means of Financing:

Other Revenue	\$ 216,586.00	\$ 216,586.00
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Estimated Requirements:

Youth Initiative	\$ 216,586.00	\$ 216,586.00
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Community Development Block Grant Fund - 275

Means of Financing:

Federal Grants	\$ 2,365,965.00	
Interest and Rents	500.00	\$ 2,366,465.00

Estimated Requirements:

CDBG Administration	\$ 538,548.00	
Special Projects	468,850.00	
Economic Development	409,922.00	
Economic Development - Subgrantees	399,181.00	
Saginaw Economic Development	152,804.00	
Code Compliance	173,000.00	
Subgrantees	107,500.00	
McKinney Homeless	110,620.00	
Transfers to Other Funds	6,040.00	\$ 2,366,465.00

Community Development Block Grant Residential Loans - 276

Means of Financing:

Federal Grants	\$ 380,000.00	
Interest and Rents	20,000.00	
Other Revenues	80,000.00	
Transfers from Other Funds	33,212.00	\$ 513,212.00

Estimated Requirements:

Residential Loans	\$ 498,818.00	
Transfers to Other Funds	14,394.00	\$ 513,212.00

Community Development Block Grant Rental Loans - 277

Means of Financing:

Interest and Rents	\$ 17,412.00	
Other Revenues	20,000.00	\$ 37,412.00

Estimated Requirements:

COUNCIL COMMUNICATION

Rental Loans	\$	4,200.00		
Transfers to Other Funds		33,212.00	\$	37,412.00

Block Grant Home Program Fund - 278

Means of Financing:				
Federal Grants	\$	966,374.00		
Transfers from Other Funds		14,394.00	\$	980,768.00
Estimated Requirements:				
Home Program	\$	980,768.00	\$	980,768.00

Section 108 Loan - 281

Means of Financing:				
Interest and Rents	\$	10,000.00	\$	10,000.00
Estimated Requirements:				
Increase in Fund Equity	\$	10,000.00	\$	10,000.00

SEDC Revolving Loan - 282

Means of Financing:				
Interest and Rents	\$	50,000.00		
Other Revenues		350,000.00	\$	400,000.00
Estimated Requirements:				
Saginaw Economic Development	\$	400,000.00	\$	400,000.00

Auto Theft Prevention Fund - 289

Means of Financing:				
State Grants - Public Safety	\$	72,175.00		
Transfers From General Fund		87,779.00	\$	159,954.00
Estimated Requirements:				
Auto Theft Prevention	\$	159,954.00	\$	159,954.00

Celebration Park Fund – 508

Means of Financing:				
State Grants	\$	480,000.00		
Local Grants		300,000.00	\$	780,000.00
Estimated Requirements:				
Celebration Park	\$	780,000.00	\$	780,000.00

COUNCIL COMMUNICATION

Parking System - 516

Means of Financing:

Charges for Services	\$	177,200.00		
Fines and Forfeitures		172,109.00		
Transfers From Other Funds		106,611.00	\$	455,920.00

Estimated Requirements:

Parking Operations	\$	452,840.00		
Transfers to Other Funds		3,080.00	\$	455,920.00

Wave Pool - 587

Means of Financing:

Interest and Rents	\$	2,500.00	\$	2,500.00
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Estimated Requirements:

Wave Pool Operations	\$	2,500.00	\$	2,500.00
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Sewer Operation and Maintenance Fund - 590

Means of Financing:

Federal Grants	\$	874,727.00		
Non-Business Permits		400.00		
Services - Sales		18,814,275.00		
Fines and Forfeiture		24,000.00		
Interest and Rents		477,500.00		
Other Revenues		6,097,942.00	\$	26,288,844.00

Estimated Requirements:

Sewer Administration	\$	2,396,812.00		
Engineering Administration		155,996.00		
Process Control Systems		255,122.00		
Meter Maintenance and Services		821,214.00		
Maintenance and Services		2,298,647.00		
Catch Basin Cleaning		496,776.00		
Treatment and Pumping		7,013,228.00		
Remote Facilities		1,899,365.00		
Sewer Surplus		4,145,000.00		
Debt Service		6,424,587.00		

COUNCIL COMMUNICATION

Customer Accounting	344,759.00	
Transfers to Other Funds	47,338.00	\$ 26,288,844.00

Water Operation and Maintenance Fund - 591

Means of Financing:		
Services - Sales	\$ 14,554,470.00	
Interest and Rents	181,000.00	
Other Revenues	27,489,142.00	\$ 42,224,612.00

Estimated Requirements:		
Cross Connection	\$ 181,549.00	
Water Administration	1,882,901.00	
Engineering Administration	284,996.00	
Process Control Systems	295,311.00	
Meter Maintenance and Services	440,584.00	
Maintenance and Services	2,575,170.00	
Treatment and Pumping	4,973,933.00	
Raw Water	1,126,289.00	
Water Surplus	3,883,000.00	
Water Bond Construction	24,010,000.00	
Debt Service	2,187,738.00	
Customer Accounting	345,508.00	
Transfers to Other Funds	37,633.00	\$ 42,224,612.00

Public Works Building Fund - 641

Means of Financing:		
Charges to Other Funds	\$ 465,508.00	\$ 465,508.00

Estimated Requirements:		
Public Works Building	\$ 422,691.00	
Transfers to Other Funds	1,038.00	
Increase in Fund Equity	41,779.00	\$ 465,508.00

Geographical Information Systems - 650

Means of Financing:		
Services - Sales	\$ 45,000.00	
Charges to Other Funds	428,147.00	
Other Revenues	36,032.00	\$ 509,179.00

Estimated Requirements:		
Geographical Information Systems	\$ 508,141.00	

COUNCIL COMMUNICATION

Transfers to Other Funds	1,038.00	\$ 509,179.00
 <u>Information Services Fund - 658</u>		
Means of Financing:		
Charges to Other Funds	\$ 1,488,678.00	
Interest and Rents	5,000.00	\$ 1,493,678.00
Estimated Requirements:		
Information Services	\$ 1,489,635.00	
Transfers to Other Funds	4,043.00	\$ 1,493,678.00
 <u>Radio Operation Fund - 660</u>		
Means of Financing:		
Charges to Other Funds	\$ 216,181.00	
Other Revenues	10,000.00	\$ 226,181.00
Estimated Requirements:		
Radio Operations	\$ 99,260.00	
Increase in Fund Equity	126,404.00	
Transfer to Other Funds	517.00	\$ 226,181.00
 <u>Motor Pool Operation Fund - 661</u>		
Means of Financing:		
Charges for Services	\$ 1,680,736.00	
Other Revenues	1,164,935.00	\$ 2,845,671.00
Estimated Requirements:		
Garage Operations	\$ 2,506,921.00	
Transfer to Other Funds	338,750.00	\$ 2,845,671.00
 <u>Unfunded Liabilities - 674</u>		
Means of Financing:		
Interest and Rents	\$ 30,000.00	
Charges to Other Funds	470,000.00	\$ 500,000.00
Estimated Requirements:		
Increase in Fund Equity	\$ 500,000.00	\$ 500,000.00
 <u>Self-Insurance Fund - 677</u>		
Means of Financing:		
Charges to Other Funds	\$ 785,198.00	
Interest and Rents	15,000.00	
Transfers from Debt Service Fund	994,368.00	\$ 1,794,566.00

COUNCIL COMMUNICATION

Estimated Requirements:

Self Insurance	\$ 1,501,378.00	
Operating Transfers	293,188.00	\$ 1,794,566.00

Worker's Compensation Fund - 678

Means of Financing:

Charges to Other Funds	\$ 1,251,955.00	
Interest and Rents	40,000.00	\$ 1,291,955.00

Estimated Requirements:

Workers Compensation Admin.	\$ 1,170,510.00	
Employee Health Services	121,445.00	\$ 1,291,955.00

Forest Lawn Cemetery - 711

Means of Financing:

Charges for Services	\$ 19,000.00	\$ 19,000.00
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Estimated Requirements:

Increase in Fund Equity	\$ 19,000.00	\$ 19,000.00
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Oakwood Cemetery - 712

Means of Financing:

Charges for Services	\$ 6,000.00	\$ 6,000.00
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Estimated Requirements:

Increase in Fund Equity	\$ 6,000.00	\$ 6,000.00
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Police and Fire Pension Fund - 732

Means of Financing:

Charges to Other Funds	\$ 5,250,000.00	
Interest and Rents	3,600,000.00	
Other Revenues	4,541,466.00	\$ 13,391,466.00

Estimated Requirements:

Police and Fire Pension	\$ 911,466.00	
Police Pension	6,600,000.00	
Fire Pension	5,880,000.00	\$ 13,391,466.00

Bliss Park Expenditure Endowment Fund - 737

COUNCIL COMMUNICATION

Means of Financing:			
Use of Fund Equity	<u>\$</u>	<u>8,700.00</u>	\$ 8,700.00
Estimated Requirements:			
Bliss Park Maintenance	<u>\$</u>	<u>8,700.00</u>	\$ 8,700.00
TOTAL GENERAL FUNDS AND OTHER FUNDS			\$147,118,090

RESOLVED FURTHER, that budgetary control is exercised at the department (appropriation center) level in the General Fund and at the fund level for all other funds. The City Manager is hereby empowered to transfer appropriations within appropriation centers. General Fund line item budget transfers from one account to another within the same appropriation center can be made without City Council approval. All budget transfers from one appropriation center to another or from the General Fund Contingent Appropriation account must be approved by City Council. In all other funds, line item budget transfers from one account to another within the same department and fund can be made without City Council approval; and

RESOLVED FURTHER, that there is hereby levied a general tax as herein fixed in the amount of 2.9532 mills on each dollar of taxable value for the purpose of rubbish collection pursuant to Michigan Public Act 298 of 1917, an amount of 6.0000 mills on each dollar of taxable value for the purpose of public safety, and in the amount of 5.5849 mills on each dollar of taxable value for the purpose of meeting all other municipal requirements for said fiscal year, said levy to be applied on all the taxable real and personal property in the City of Saginaw as set forth in the assessment roll for 2009; and

COUNCIL COMMUNICATION

RESOLVED FURTHER, that the City Treasurer be authorized and directed to accept payment of taxes and special assessments due July 1, 2009 without additional charge up to and including July 31, 2009 provided that after said thirty-first day of July, 2009 there shall be added one-half percent collection fee to taxes and special assessments remaining unpaid, as required by Section 60 of the City Charter; and

RESOLVED FURTHER, that the City Treasurer be authorized and directed to accept partial payment of taxes and special assessments in four or less equal installments for a period not extending beyond March 1, 2010 with interest as follows:

To July payments add	0.0%
To August payments add	1.0%
To September payments add	1.5%
To October payments add	2.0%
To November payments add	2.5%
To December payments add	3.0%
To January payments add	3.5%
To February payments add	4.0%

RESOLVED FURTHER, that the fiscal year 2009-2010 General Fund Budget be automatically amended on July 1, 2009 to re-appropriate encumbrances outstanding and reserved at June 30, 2009, and capital allocations as determined appropriate by the Finance Director; and

RESOLVED FURTHER, that the personnel complement be amended to incorporate those changes contained in the fiscal year 2009-2010 Budget; and

RESOLVED FURTHER, that the City Manager be authorized to adjust the compensation levels for City Employees restricted within the applicable pay range contained in the fiscal year 2009-2010 Budget; and

RESOLVED FURTHER, that certain departments have identified purchases/projects that are specifically identified in the Significant Purchases / Projects

COUNCIL COMMUNICATION

Section of the Adopted Budgeted Book. With approval of the fiscal year 2009-2010 Budget, the City Manager is hereby granted authority to approve the Purchases/Projects as listed, not to exceed the stated amount. These items do not require additional approval by City Council.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Purchasing, Contracting, and Selling Procedure Ordinance

Manager's Recommendation:

It is recommended that §14.20-14.27, *Purchasing, Contracting, and Selling Procedure*, and §14.35-14.44, *Contract Compliance Provisions*, of Chapter 14, "Finance and Purchasing," of Title I, "Administrative Code," of the Saginaw Code of Ordinances O-1, be repealed and a new ordinance §14.20-14.34, *Purchasing, Contracting, and Selling Procedure*, of Chapter 14, "Finance and Purchasing," of Title I, "Administrative Code," of the Saginaw Code of Ordinances O-1, be adopted. An Ordinance has been prepared and appears under the regular order of business.

Justification:

Submitted for your approval is a repealment of the present *Purchasing, Contracting, and Selling Procedure* (§14.20-14.27 of Chapter 14, Finance and Purchasing, of Title I, Administrative Code, of the Saginaw Code of Ordinances O-1), (hereinafter Purchasing Ordinance) and introduction of a new ordinance having the same title. For several years, the Purchasing Ordinance and procedures have been thoroughly reviewed. Numerous meetings were held and department heads and Purchasing Office personnel provided input and suggestions in an effort to streamline the purchasing process. The ordinance was also researched against State law and adjustments were made accordingly to coincide with the current statutes.

Although numerous changes were made to the ordinance, the ordinance still concurs with the requirements for purchasing procedures under Section 33 of the City Charter. Major changes to the ordinance include:

COUNCIL COMMUNICATION

1) Repealing of the set aside provisions for Saginaw Based, Small, Minority and Women-Owned Business Contracting.

2) Exclusion of certain goods and services from the bidding process, including, but not limited to, dues and subscriptions/library materials, medical services, travel expenses, mail & package delivery services, utility bills, certain advertisements, and employee benefit payments.

3) Provisions have been added for disqualifying contractors that fail to provide the service or supplies in the manner and/or form required, deliver poor goods or services, fail to comply with laws and ordinances or default in its quotations.

4) Provisions for the department or division to submit its recommended bid to the Purchasing Committee electronically and for the Committee to approve by the same means, saving time and money for the members to physically meet for a meeting that normally takes 15 minutes.

5) A provision has been added to give the Department Head, and/or his/her designee, (with the approval of the Finance Director and/or Budget Administrator), the discretion to increase or decrease a purchase order contract or construction contract by 10% of the original bid proposal due to unforeseen circumstances.

6) A provision has been added to give the City Engineer, and/or his/her designee, (with the approval of the Finance Director and/or Budget Administrator), the discretion to increase or decrease 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 by 20% of the original bid proposal due to unforeseen circumstances.

COUNCIL COMMUNICATION

7) The ordinance still gives preference to Saginaw-based businesses, however, the formula used to establish the lowest bidder has been simplified.

8) Sections have also been added to the ordinance to cover Sole Source bidding, Brand Name or Equal specifications, Recycling, Cooperative Purchasing, the online sale of City property and donating City goods or supplies of no value to charitable organizations.

As part of updating the purchasing process, there is also submitted a repealment of §14.35-14.44, "Contract Compliance Provisions", of Chapter 14, Finance and Purchasing, of Title I, Administrative Code, of the Saginaw Code of Ordinances O-1, entitled "Contract Compliance Provisions." The City has not had a Contract Compliance Officer for several years and therefore the ordinance has not been enforced. When this ordinance was created in 1979, it established guidelines for the Compliance Officer in determining if a contractor qualified for a set aside award. As noted above, the set aside provisions are being repealed, and therefore, this ordinance is no longer necessary. The Purchasing Officer will continue to require contractors to complete the necessary paperwork to ensure contractors do not discriminate against any subcontractor, employee or applicant on the basis of race, creed, color, age, national origin, sex, height, weight or marital status, and require contractors to submit and keep updated, a certificate of insurance in the types and amounts specified in the bid proposal before any purchase order contract is submitted to Council for approval.

Council Action:

This Council Communication is for explanation purposes only of the ordinance to be introduced.

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.

Laid over under the Charter provision.

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

COUNCIL COMMUNICATION

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

COUNCIL COMMUNICATION

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

COUNCIL COMMUNICATION

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.

COUNCIL COMMUNICATION

(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.

COUNCIL COMMUNICATION

(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;

COUNCIL COMMUNICATION

- (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

COUNCIL COMMUNICATION

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

COUNCIL COMMUNICATION

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

COUNCIL COMMUNICATION

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.

COUNCIL COMMUNICATION

(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.

COUNCIL COMMUNICATION

(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)

COUNCIL COMMUNICATION

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

COUNCIL COMMUNICATION

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.

COUNCIL COMMUNICATION

(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.

COUNCIL COMMUNICATION

§ 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

COUNCIL COMMUNICATION

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

COUNCIL COMMUNICATION

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.

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 § 14.35-14.44 ENTITLED, "CONTRACT COMPLIANCE PROVISIONS," OF CHAPTER 14, "FINANCE AND PURCHASING," OF TITLE 1, "GENERAL PROVISIONS," OF THE CITY OF SAGINAW CODE OF ORDINANCES, O-1.

Laid over under the Charter provision.

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 § 14.35-14.44 ENTITLED, "CONTRACT COMPLIANCE PROVISIONS," 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. § 14.35-14.44 entitled, "Contract Compliance Provisions," of Chapter 14, "Finance and Purchasing," of Title 1, "General Provisions," of the City Of Saginaw Code of Ordinances, O-1, are hereby repealed.

Section 2. This repealment shall become effective June 11, 2009.

Enacted: June 1, 2009.