

## LAKE LINDEN VILLAGE CODE

### SERIES 1000 - ADMINISTRATION

An Ordinance to amend the Village of Lake Linden Code Series 1000, Chapter 1100  
Chapter 1100 – Purchasing, Contracting and Selling Procedure.

THE VILLAGE OF LAKE LINDEN ORDAINS:

Chapter 1100: Amended Purchasing, Contracting and Selling Procedure

1. Purchasing Agent. The Village Clerk shall act as Purchasing Agent of the Village, unless another officer or employee shall be designated to act as Purchasing Agent by the President in writing filed with the Clerk. The Purchasing Agent, with the approval of the President, shall adopt any necessary rules respecting requisitions and purchase orders.
2. Purchasers or Contracts under \$3,000.00. Purchases of supplies, materials or equipment, the cost of which is less than \$3,000.00, may be made in the open market but such purchases shall, except when the President shall determine that no advantage to the Village would result, be based on at least three (3) competitive bids and shall be awarded to the lowest responsible bidder meeting specifications. The Purchasing Agent may solicit bids verbally or by telephone, or may contact prospective bidders by written communication. A record shall be kept of all open market orders and the bids submitted thereon, which records shall be available for public inspection. Any or all bids may be rejected.
3. Purchases or Contracts over \$3,000.00. Any expenditures for supplies, materials, equipment, construction projects or contracts obligating the Village, where the amount of the Village's obligation is in excess of \$3,000.00, shall be governed by the provisions of this section.
  - (a) Such expenditure shall be made the subject of a written contract. A purchase order shall be a sufficient written contract only in cases where the expenditure is in the usual and ordinary course of the Village's affairs and in no case shall it be sufficient for the construction of public works or the contracting for supplies or services over any period of time or where the quality of the goods or materials or the scope of the services bargained is not wholly standardized.
  - (b) Notice inviting sealed bids shall be published in a newspaper of general circulation or posted in three (3) places in the Village, at least five (5) days before the final date for submitting bids thereon. Such notice shall give briefly the specifications of the supplies, materials or equipment or construction project or other matter to be contracted for, and shall state the amount of bond or other security, if any is to be required, to be given with the bid, and the amount of bond or other security to be given with the contract. The notice shall state the time limit, the place of filing and the time of opening bids and shall

also state that the right is reserved to reject any or all bids. Any other conditions of award of the contract shall also be stated in general terms.

- (c) The Purchasing Agent shall also solicit bids from a reasonable number of such qualified prospective bidders as are known to him/her by sending each a copy of the notice requesting bids.
- (d) The Council shall prescribe the amount of any security to be deposited with any bid which deposit shall be in the form of cash, certified or cashier's check or bond written by a surety company authorized to do business in the State of Michigan. The amount of such security shall be expressed in terms of percentage of the bid submitted. The Council shall also fix the amount of the performance bond and in the case of construction contracts, the amount of the labor and material bond to be required of the successful bidders.
- (e) Bids shall be opened in public at the time and place designated in the notice requesting bids in the presence of the President and either the Clerk or the Treasurer. The bids shall thereupon be carefully examined and tabulated and reported to the Council with the recommendation of the Purchasing Agent at the next Council meeting. After tabulation all bids may be inspected by the competing bidders.
- (f) When such bids are submitted to the Council, the contract to be executed shall also be submitted and if the Council shall find any of the bids to be satisfactory, it shall award the contract to the lowest responsible bidder, unless the Council shall determine that the public interest will be better served by accepting a higher bid, and shall authorize execution of the contract on behalf of the Village upon the signing of the contract by the successful bidder and the filing of any bonds required. Such award may be by resolution or ordinance. The Council shall have the right to reject any or all bids and to waive irregularities in bidding and to accept bids which do not conform in every respect to the bidding requirements.
- (g) At the time the contract is executed by him/her, the contractor shall file a bond executed by a surety company authorized to do business in the State of Michigan, to the Village, conditioned upon the performance of said contract and saving the Village harmless from all losses or damage caused to any person or property by reason of any carelessness or negligence by the contractor and from all expenses of inspection, engineering and otherwise, caused by the delay in the completion of any improvement and further conditioned to pay all laborers, mechanics, sub-contractors, and material men as well as all just debts, dues and demands incurred in the performance of such work.
- (h) All bids, deposits of cash or certified or cashier's checks may be retained until the contract is awarded and signed. If any successful bidder fails or refuses to enter into the contract awarded to him/her within five (5) days after the same has been awarded, or file any bond required within the same time, the deposit accompanying his/her bid shall be forfeited to the Village, and the Council may, in its discretion, award the contract to the

next low responsible bidder unless the Council shall determine that the public interest will be better served by accepting a higher bid, or said contract may be re-advertised.

4. Exceptions to Competitive Bidding. Subject to prior approval of the Council, competitive bidding shall not be required in the following cases:

- (a) Where the product or material contracted for is not competitive in nature, and the Purchasing Agent so certifies to the Council in writing.
- (b) In the employment of professional services.
- (c) Where the Council shall determine that the public interest will be best served by joint purchase with, or purchase from, another unit of government.

5. Sale of property. Whenever any personal property belonging to the Village is no longer needed for corporate or public purposes, the same may be offered for sale on approval by the Council. Personal property not exceeding \$1,000.00 in value may be sold for cash by the Purchasing Agent upon approval of the President, after receiving quotations or competitive bids therefor for the best price obtainable. Personal property with a value in excess of \$1,000.00 may be sold after advertising and receiving competitive bids, as provided in Section 3., and after approval of the sale has been given by the Council. In the purchase of automobile equipment, bidders may include in their bids a trade-in allowance for old equipment and such equipment may be disposed of in trade without further bidding requirements.

6. Sale of Real Estate. Real estate may be purchased or sold or leased when not required for Village purposes, upon the affirmative vote of two-thirds of the members elect of the Council. Sales of real estate shall be subject to the requirements of Section 3 of this Chapter. The notice inviting bids shall contain a brief description of the property in addition to the information specified in Section 3. (b). Provided, however, this provision for the purchase or sale or lease of real estate shall not be applicable to the exchange of real property with another governmental unit, or the sale or lease of property to a duly qualified not-for-profit corporation in good standing, or the Council upon affirmative vote of two-thirds of the members elected shall find that the taking or letting of bids is suspended, as not in the best interests of the Village of Lake Linden, and if the Council shall hold a public hearing on the matter at least ten (10) days before the date thereof, and upon affirmative vote of two-thirds of the members elected of the Council approve the exchange, sale or lease, as fair, reasonable, and in the public interest.

This amendment of the Code was adopted on April 13<sup>th</sup>. 2006 by the Village Council.

This Ordinance shall be given immediate effect as provided by law.