



CITY OF TRAVERSE CITY

PURCHASING AND CONTRACTING

POLICIES AND PROCEDURES

I hereby certify that the Purchasing and Contracting Policies and Procedures was adopted by the City Commission of the City of Traverse City at its regular meeting held on January 20, 2026, in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

A handwritten signature in blue ink that appears to read "Sarah Lutz".

Sarah Lutz, City Clerk

APPROVED BY THE CITY COMMISSION ON 2/7/94; APPROVED AMENDMENT ON 2/6/06; APPROVED AMENDMENT ON 10/15/07; APPROVED AMENDMENT ON 11/1/2010; APPROVED AMENDMENT ON 7/5/2016; APPROVED AMENDMENT 2/18/2020; APPROVED AMENDMENT ON 7/19/2021; APPROVED AMENDMENT ON JANUARY 20, 2026

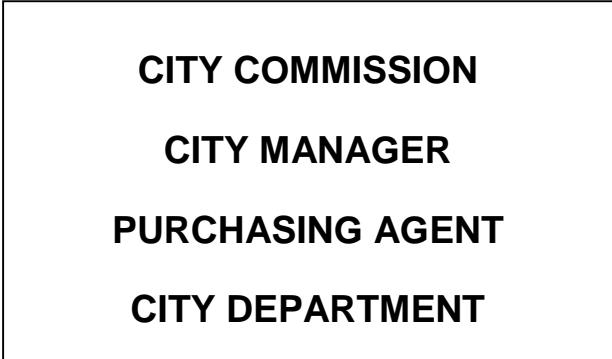
CITY OF TRAVERSE CITY
PURCHASING AND CONTRACTING PROCEDURES

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PART 1

ORGANIZATION AND AUTHORITY

The Purchasing Department is a function of the City Manager's office delegated by the City Commission to the City Manager by ordinance according to the City Charter.¹ These purchasing and contracting policies shall apply to all City Departments.



CITY COMMISSION

CITY MANAGER

PURCHASING AGENT

CITY DEPARTMENT

¹ Traverse City Code, Section 230.01; Traverse City Charter, Section 40.

PART 2

PURCHASING AND CONTRACTING POLICIES

Purpose:

1. To obtain goods and services from the lowest responsible bidder in the most economical and efficient manner for efficiency in the letting of contracts and in securing the best source for goods, services, and construction for public use;
2. To provide for the fair and equitable treatment of all persons involved in public purchasing by the City;
3. To maximize the purchasing value of each public dollar spent; and
4. To provide safeguards for maintaining a procurement system of quality and integrity.

Policies:

1. Local Government Rules. All purchases and contracts shall be made in accordance with the [State of Michigan Department of Treasury Bulletins, Manuals, and Forms](#) related to [Accounting and Auditing for Local Government](#).
2. Process. Purchasing and contracting for the City shall be handled in a manner that promotes the best interests of the City while providing a fair opportunity for businesses to participate in the purchasing and contracting process.
3. Local Vendors. It is the Policy of the City of Traverse City to purchase from and contract with responsible local vendors whenever feasible within five counties: Antrim, Benzie, Grand Traverse, Kalkaska, and Leelanau. To ensure local bidding, responsible Traverse City vendors shall be notified of opportunities to bid to supply goods or services.
4. Quantity Purchases. Goods discounted for large quantity purchases shall be planned for and purchased whenever possible.
5. Overdrafts Prohibited. No purchase will be authorized, which would overdraw a budgetary account within a Department in a fund. Capital project line items that are multi-year may carry over on a project specific basis, pursuant to the contract. Line item adjustments within a department and fund are allowable without a budget amendment by the City Commission. Department Heads contemplating a purchase that will exceed a budgetary account within a Department in a fund shall contact the City Treasurer and City Manager to request the necessary line item adjustment prior to initiating such a purchase.
6. Quality. The quality of goods and services is as important as the price. It can be ensured by preparing documents for competitive bidding that include precise specifications describing quality requirements. All such specifications shall permit competition wherever practicable. Bids shall be evaluated and awarded on the basis of the overall best value to the City.

7. **Bribery.** Bribery in any form represents malfeasance in office, evidence that public funds are being mismanaged, and any employee who has been determined to commit such malfeasance may be subject to appropriate disciplinary action.
8. **Records Public.** All specifications, bid documents (after the specified time for bid opening), purchase orders, and supporting documents are public records that shall be made available to the public upon request.
9. **Endorsement.** No City employee shall endorse or in any way permit the employee's name, position, or grant permission for the use of the City's name to be used and advertised to support a product, service, or a vendor.
10. **Personal Purchases.** No City employee shall make a personal purchase under a City account. No City employee shall use the City's name or his or her position to obtain special consideration in a personal purchase.
11. **Transaction Defined.** A "transaction" means an exchange or transfer of goods and/or services. It includes cumulative purchases from the same vendor within a single fiscal year within a single department.
12. **Records Retention.** The Purchasing Agent shall retain copies of all purchase orders, and requisitions, and bid files in accordance with the City's adopted Record Retention Policy. Such records may be retained in an electronic format in the BS&A Purchase Order module.
13. **Non-Discrimination.** All contracts shall contain a clause stating that the parties agree not to discriminate against an employee or applicant for employment with respect to hiring, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment because of race, color, religion, national origin, sex, age, height, weight, marital status, physical or mental disability, family status, sexual orientation, or gender identity.
14. **Insurance-Reimbursed Quotes.** It is the Policy of the City to follow the insurance company guidelines on informal quote requirements when a transaction will be fully reimbursed by the insurance company.
15. **Quotes or Bids.** When the Department Head submits the requisition to the Purchasing Agent, documentation is required for each vendor submitting a quote or bid, stating items, source, quantity, price discounts, shipping, delivery time, and contact information.
16. **Prior Approval Requirements for Information Technology and Facilities Requests:** The City Manager shall, by Administrative Order, establish the dollar limit and best practices for making purchases related to Information Technology and/or Facilities requests.

PART 3
PURCHASING GOODS AND/OR SERVICES
GENERAL PROCEDURES/CONTRACTS

1. **Three (3) Quote Requirement.** Department Heads or their designees seeking to complete transactions that require an attempt to obtain three (3) quotes prior to submission of a requisition must:
 - a. Request and document informal (written or telephone) quotations from at least three vendors, except three quotations are not required in the event:
 - i. Of an emergency as defined in Traverse City Code 230.01(e);
 - ii. The vendor is the sole source for an item;
 - iii. The vendor is the sole source for an item requiring matching or compatibility with current goods;
 - iv. The City Manager determines that the public interest will be best served by purchase from or jointly with another unit of government (including through a state or federal cooperative procurement programs), when an emergency exists, or when the public interest will be best served without obtaining quotes, such as in the employment of professional services; and
 - v. The use of cooperative purchasing agreements or programs such as, but not limited to, MI-Deal, satisfies bidding requirements.

A Department Head may choose the competitive bid procedure for transactions which, in his or her opinion, could be advantageously purchased through competition.

1. **Receipt of Goods.** Goods and products received shall be examined upon receipt to detect any damage or defects and to determine if specifications have been met.

If the item is satisfactory, the related invoice, when received, may be provided to the City Treasurer Department for processing.

If the item is unsatisfactory, the Department Head or designee shall reject the invoice and include the reasons for rejection. The Department Head or designee shall work with the vendor to resolve any issues.

The Department head or designee shall be solely responsible for rejections but may request assistance from the Purchasing Agent, the City Treasurer, or the City Manager.

2. **Contracts.** The City Attorney shall review all contracts for approval as to form. The City Commission may delegate authority to the City Manager to enter into a contract.

PART 4
ACQUISITION OF GOODS AND/OR SERVICES TABLE:

Purchase Amount	Purchasing Process/Contract Requirement
\$0 - \$3,000	<ol style="list-style-type: none"> 1. Quotes are not required. Every effort to obtain the best price should be made. 2. Contract is not required. 3. PO is not required. 4. Pay Invoice through the BS&A Accounts Payable module.
\$3,001 - \$9,000	<ol style="list-style-type: none"> 1. Three (3) attempted informal quotes are required, unless a waiver is approved by the City Manager. 2. Contract is not required, but may be requested by vendor. Department Head may sign the contract after the City Attorney reviews as to form. Contract must be attached to the requisition before submission. 3. Submit requisition for a Purchase Order in BS&A PO module, with detailed quote information and contract, if applicable. Send approved PO and contract, if applicable, to vendor. 4. Pay Invoice through the BS&A AP module against the PO.
\$9,001 to City Manager's Spending Limit (as defined in Section 40 of the City of Traverse City Charter)	<ol style="list-style-type: none"> 1. Three (3) attempted informal quotes are required, unless a waiver is approved by the City Manager. 2. Contract is not required, but may be requested by vendor. City Manager must sign the contract after the City Attorney reviews as to form. Contract must be attached to the requisition before submission. 3. Submit requisition for a Purchase Order in BS&A PO module, with detailed quote information and contract, if applicable. Send approved PO and contract, if applicable, to vendor. 4. Pay Invoice through the BS&A AP module against the PO.
Any Amount above City Manager's Spending Limit	<ol style="list-style-type: none"> 1. Follow formal competitive bid process (outlined below), unless a waiver is approved by the City Commission. 2. Request City Commission Approval. 3. Contract is required. City Manager must approve as to substance; City Attorney must approve as to form; and Mayor and Clerk must sign. 4. Submit requisition for a Purchase Order in BS&A PO module utilizing "Bid Tab" option. Fully executed Contract must be attached to the requisition before submission as well as the City Commission approval memorandum from the Clerk's office. Send PO to contractor, if desired. 5. Pay Invoice through the BS&A AP module against the PO.

PART 5

COMPETITIVE BIDDING PROCEDURES

1. **Sealed Bids.** Sealed bids are required in all transactions involving expenditures of more than the City Manager's spending limit. "Sealed bid" means a written response to a solicitation that requires a public bid opening. Sealed bids shall strictly comply with submission criteria to protect the integrity of the sealed bid process. It is the bidder's responsibility to ensure compliance with submission requirements. The Purchasing Agent may disqualify a sealed bid that does not conform to the submission requirements. Telefaxes are not acceptable. Sealed bids shall be date and time stamped for receipt. Electronically submitted bids shall only be submitted to the email address indicated on the solicitation. When such bids are submitted, the bidder shall be instructed to indicate, in the subject line of the e-mail, "Sealed Bid" as well as the project description. The Purchasing Agent or any City staff member shall not open the e-mail or attachments until the bid opening described in Part 5 subsection 5 of this Policy. If a City staff member other than the Purchasing Agent or City staff member opening the bid receives such an e-mail, they shall inquire of the Purchasing Agent or other City staff member opening the bid as to the time and of the bid opening and not open or forward such an e-mail until that time. Bids submitted by e-mail are required to be e-mailed to tcmanage@traversecitymi.gov.
2. **Initiation of Competitive Bidding Procedure.** The Department Head or designee shall initiate this procedure by submitting a written request to the Purchasing Agent or City staff member, along with a vendor's list, if applicable, and specifications. The Department Head or designee may request the assistance of the Purchasing Agent in preparing specifications.
3. **Specifications.** The Purchasing Agent shall review and approve all specifications prior to bidding. Whenever possible, specifications shall include a proposed contract, insurance requirements, and bond requirements, if any, reviewed by the appropriate staff.
4. **Publication.** The Purchasing Agent shall publish an advertisement for bid on the City website and other locations to increase interest, such as a local newspaper or professional publication website, for at least two days. The final publication day shall not be later than one week prior to the bid opening date.
5. **Bid Opening.** The Purchasing Agent shall select the time and place of the bid opening. The Purchasing Agent and the requesting Department Head or designee shall attend the bid opening and record the bids received. Bid openings shall be public. At the bid opening, the Department Head or designee or the Purchasing Agent may request clarification of a bid from any vendor attending the bid opening. No bids shall be accepted after the deadline indicated.

6. Bid Award. The Department Head or designee shall submit to the City Manager a written request and recommendation of the bid award. If the bid is more than the City Manager's spending limit, the City Manager may submit his or her recommendation to the City Commission for approval. After approval by the City Commission, the Department head or designee shall submit a Requisition for approval in the BS&A PO Module, with a fully executed contract attached to the Requisition when applicable. The Department Head or designee shall notify the successful contractor of the award of the bid, and a Notice of Intent to Award will be sent to all submitters.
7. Delegation of Bidding Procedure. The City Manager or the Purchasing Agent may delegate authority to handle a department's competitive bidding process to a department in lieu of handling by the Purchasing Agent. A department may adopt additional bidding requirements, not in conflict with these policies and procedures or any federal, state, or local laws.
8. Exceptions to Competitive Bidding. Competitive bidding shall not be required when the City Commission determines by an affirmative vote of five members that the public interest will be best served by purchase from or jointly with another unit of government (including through a state or federal cooperative procurement program), when an emergency exists, or when the public interest will be best served without obtaining bids, such as in the employment of professional services.
9. Sole Bidders. In the event only one bid is received, the Department Head may recommend the award of the sole bid if the following conditions have been met:
 - a. Due diligence has been performed in soliciting bids according to these policies and procedures, and
 - b. The bid has been evaluated and determined to be reasonable based on past purchases and evaluation of the market.
10. Disqualification. The bid documents shall include a form requiring certification by the vendor that none of the following circumstances have occurred with respect to the vendor, an officer of the vendor, or an owner of a 25% or more share in the vendor's business, within three years prior to the bid:
 - a. conviction of a criminal offense incident to the application for or performance of a contract;
 - b. conviction of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense which currently, seriously and directly reflects on the vendor's business integrity;
 - c. conviction under state or federal antitrust statutes;
 - d. attempting to influence a public employee to breach ethical conduct standards;

- e. conviction of a criminal offense or other violation of another state, local, or federal law, as determined by a court of competent jurisdiction or an administrative proceeding, which in the opinion of the City indicates that the bidder is unable to perform responsibly or which reflects a lack of integrity that could negatively impact or reflect upon the City of Traverse City, including but not limited to, any of the following offenses or violations of:
 - i. The Natural Resources and Environmental Protection Act.
 - ii. A persistent and knowing violation of the Michigan Consumer Protection Act.
 - iii. Willful or persistent violations of the Michigan Occupational Health and Safety Act.
 - iv. A violation of federal, local, or state civil rights, equal rights, or non-discrimination laws, rules, or regulations.
 - v. Repeated or flagrant violations of laws related to the payment of wages and fringe benefits.
- f. the loss of a license or the right to do business or practice a profession, the loss or suspension of which indicates dishonesty, a lack of integrity, or a failure or refusal to perform in accordance with the ethical standards of the business or profession in question.

In the event that the vendor is unable to certify, the vendor may be disqualified. A disqualified vendor may appeal the disqualification to the City Commission by written letter to the City Manager or City Clerk received by either of them within seven (7) calendar days after notice to the vendor of the disqualification. Upon filing such an appeal, the contracting and bidding process shall be stopped or extended as the situation requires to hear the appeal.

PART 6

REQUEST FOR PROPOSAL (RFP) PROCEDURES

1. **Request for Proposals.** A competitive Request for Proposals (RFP) process is required when services are needed from outside consultants, when the purchase amount requires quotes per the Table in Part 4. "Proposal" means a written response to a request for services in the form of an RFP which may be in the form of an informal email (for small scopes of work) to a formal solicitation through publication when the fee is beyond the City Manager's spending limit.
2. **Specifications.** Whenever possible, specifications shall include a proposed agreement and insurance requirements, reviewed by the appropriate staff.
3. **Publication.** The Purchasing Agent or designated staff member shall publish an advertisement for RFP on the City website and other locations to increase interest, such as a local newspaper, professional publication, or web site. Notification of the RFP shall be no less than three weeks before the submittal date for formal solicitations.
4. **RFP Opening.** A City staff member shall select the date and time for the RFP deadline, which shall be no less than three weeks after notification of the RFP for formal solicitations. The Purchasing Agent, requesting Department Head or designee shall review the proposals and record the RFPs received. After reviewing, the Department Head or designated staff member may request clarification of the proposal. No proposals shall be accepted after the deadline indicated. Proposals shall be submitted electronically to tcmanage@traversecitymi.gov.
5. **Selection.** Proposals shall be reviewed and scored by the appropriate staff according to the criteria in the solicitation. Interviews may be part of the selection process and shall be incorporated into the overall scoring.
6. **Award.** Once a proposal has been selected, the Department Head or designee shall receive City Manager or City Commission approval, depending on the requirements in Part 4. If the amount is more than the City Manager's spending limit, the Department head or designee shall submit his or her recommendation to the City Commission for approval. After approval by the City Manager or City Commission, the Department head or designee shall submit a Requisition for approval in the BS&A PO Module, with a fully executed agreement attached to the Requisition when applicable.
7. **Notifications.** Once the recommended proposal is selected, the Department Head or designee shall notify all proposing firms of the intent to award to the selected firm. Once the award is approved, the Department Head or designee shall notify the consultant of the award of the proposal.

PART 7

PAYMENT PROCESSING

1. Payment from Invoices Only. The City Treasurer will make payment only upon receipt of an "invoice." No payment shall be made from a "statement" without supporting invoice documentation.
2. Invoices for Purchase Orders. Purchases under \$3,000 shall be paid directly through the BS&A AP module. Purchases over \$3,000 shall be paid through the BS&A AP module utilizing the PO number correlating to that invoice. All Invoices shall be electronically routed for approval through the BS&A AP module.
3. Payment. Upon receipt of the appropriate documents, the City Treasurer shall verify the availability of funds and electronically route the invoice for approval in BS&A to the City Clerk for final approval. Once approved by the City Treasurer and City Clerk, the City Treasurer will make the payment.
4. Special Check Handling. Special check handling presents a risk and should be rare. Checks should be mailed directly to the payee by the Treasurer's Office, or delivered to department for employees. Electronic payments may be made after verification with the vendor. Special check handling requires approval by the City Treasurer.
5. Sales Tax. The City is exempt from Michigan sales tax and federal excise taxes, but individual employees are not. Therefore, any employee who purchases on behalf of the City utilizing their private funds will not be reimbursed for any sales/excise tax. If the City does not have an existing tax-exempt credit account with a particular vendor, Department Heads should provide the Michigan Sales Tax exempt form available on the City website ([Sales & Use Tax Exempt Form](#)) to the vendor. If the vendor needs additional information they can contact the City Treasurer's office, who will help facilitate tax exemption status. The City Treasurer's office can provide any additional documents necessary to any vendor upon request.
6. Vendor ACH. If a vendor wishes to receive ACH/Direct Deposit payments, the City requires a Vendor ACH/Direct Deposit Authorization Form ([ACH Form](#)).
7. W-9. When accepting goods or services from a new vendor, the vendor must provide a signed W-9 with the first invoice to be processed by Treasury ([W-9 Form](#)).

PART 8

BS&A SOFTWARE ADMINISTRATION

The City utilizes BS&A software for the purpose of operating accounting and payroll capabilities. BS&A software requires individual employees to possess system administrator rights. The employees designated as system administrators have the ability to assign sign-in credentials to other City employees, designate approval paths and overrides, as well as to set process and policy specifications for purposes of using the BS&A software. The City Charter requires that all financial disbursements be first approved by the City Treasurer, with final approval given by the City Clerk. This Charter-imposed requirement that each expenditure of the City be approved by both the City Treasurer and the City Clerk is a necessary and important check and balance on the financial controls of the City. To maintain the check and balance, the following processes shall be followed:

1. BS&A System Administrators shall be the City Treasurer and City Clerk.
2. Standards for BS&A access privileges shall be made by the City Manager.
3. The BS&A approval process shall be designed so that all approvals of expenditures shall be authorized by both the City Treasurer and the City Clerk, with final authorization to be completed by the City Clerk, as required by the City Charter.
4. A current listing of all employees' access credentials, security settings, and program setup options is stored in BS&A and available upon request of the City Manager or City Attorney.
5. An audit log for all transactions, security settings, and program setup options is stored in BS&A and available upon request of the City Manager or City Attorney.
6. In the event an expenditure is made without the approval of the City Treasurer and the City Clerk as required by this Policy, the City Attorney shall be notified immediately.
7. This Policy shall be provided to all employees who have access to the BS&A system.

PART 9 **GREEN PURCHASING**

Mission:

Traverse City's Green Purchasing Policy demonstrates our commitment to environmental sustainability. By purchasing "Green" products, the City will lead the way in playing a significant role in the development of environmental sustainability in the local community.

Goals:

The City will strive to balance environmental and fiscal responsibilities in making Green Purchasing decisions. We will promote the purchase of products with the highest percentage of recycled content available, provided that the products meet acceptable use and performance standards.

The Importance of Green Purchasing:

Sustainable development involves using the Earth's natural resources (i.e., both renewable and non-renewable resources) to fulfill our present needs without affecting the needs of the next generation. "Green Purchasing" is an important element to achieve sustainable development. Consequently, when one considers buying something, he/she should think about the adverse environmental impacts associated with the product during its full life cycle.

However, environmentally preferable products are sometimes more expensive to purchase than alternative products. This circumstance can discourage green purchasing by consumers seeking lower costing products without significant environmental benefits. Nevertheless, buying "greener products" doesn't necessarily mean paying more, especially when other cost factors are considered.

It is important to recognize and appreciate that proper and effective green purchasing doesn't simply lead to environmental benefits, but also helps purchasers reduce full life-cycle costs and thus save money. For practitioners, another significant benefit of green purchasing is the major contribution its adoption and application can make to the establishment and demonstration of a broader overall Corporate Social Responsibility (CSR) strategy and image.

GREEN PURCHASING POLICY & PROCEDURES

Policy:

Green Purchasing is the practice of procuring goods and services that cause less harm to the environment and the living beings that depend upon it for survival. Green Products are manufactured with more environmentally friendly materials or produced with minimal impact on the environment.

The City will strive to purchase materials that are:

1. Local, with a 5% advantage
2. Durable, as opposed to single-use or disposable
3. Non-toxic or minimally toxic, preferably compostable
4. Highly energy-efficient
5. Recyclable or safely disposable
6. Made from raw materials obtained in an environmentally sound, sustainable manner
7. Manufactured in an environmentally sound manner
8. The cause of minimal or no environmental damage during normal use or maintenance
9. Shipped with minimal packaging (consistent with the care of the product), preferably made of recycled and/or recyclable materials

Products that meet the above criteria will be considered Green Products.

Additionally, when purchasing goods, including larger capital expenses, city staff shall pursue and investigate options that have superior environmental friendliness and shall provide an overview of options considered and provide a rationale for their recommendation.

Procedures:

The City is committed to minimizing the impact on the environment and reducing the dependence on non-renewable energy. When appropriate, the City will include a clause in its bidding specifications that reads: "The City of Traverse City is committed to buying products with recycled content or environmentally sustainable alternatives that are of equal or better quality. Please offer any alternatives that you feel are available for this product and supply all relevant specific information about the product."

Any existing limitation within the City's Policies and Procedures prohibiting or restricting the purchase or use of the recycled product shall be amended to encourage the purchase and use of recycled products to conform to this Policy.