

Procurement Policy

1. The purchase (or lease) of budgeted materials, supplies, or services in an anticipated amount of more than \$15,000 must be competitively bid either through the City's Purchasing Department or a Request for Proposals process published on the CIA or BID's website and submitted to the Board for approval. In the event bids are solicited, but none are received, or all bids are not in compliance with stated specifications, the Board shall revise the specifications and solicit bids again.
2. The purchase (or lease) of budgeted materials, supplies, or services in amounts between \$1,000 and \$15,000 may be made without competitive bids but shall be made upon obtaining at least three vendor quotes and obtaining contractual approval from the Board. If at least three vendor quotes cannot be secured, a written explanation shall be filed with the EDO prior to authorizing the vendor to proceed, and the explanation will be included with the invoice for payment.
3. Purchases of budgeted materials, supplies, or services in amounts less than \$1,000 may be made without competitive bids or quotes, however, efforts must be made to obtain the best price.
4. If two or more qualified local vendors are located within the development area boundaries, the requirement of obtaining competitive bids or quotations may be limited to such local vendors upon prior approval of the Board.
5. The CIA or BID Board reserves the right at any time to accept, reject or modify all or portions of competitive bids or quotes or to select a vendor other than the vendor providing the lowest bid, quote, or price when it deems it would otherwise be in the best interests of the CIA or BID. In this instance, a written explanation shall be filed with the EDO along with the invoice for payment.

Expenditure Process

This section describes the process and requirements for the City of Grand Rapids to process payments for CIAs and BIDs. It is provided to ensure payments are made in a timely fashion, that appropriate documentation is maintained to justify expenditures and remain compliant, and to provide clarity and consistency across the various authorities. Following the process will allow the City to support the boards in accomplishing their priorities, maintaining relationships with vendors, and providing a high level of customer service.

Payments submitted according to the following guidelines will be processed and payment should be expected within 30 days of invoice submittal. Checks will be sent directly to the vendors from the City of Grand Rapids (i.e., not from the “_____ Corridor Improvement Authority/Business Improvement District”)

Note: The City does not pay for services or merchandise before they are received.

Eligible Expenses

Expenses **must** align and be in accordance with legislated Board powers:

- For Corridor Improvement Authorities - [Part 6 of Act 57 of 2018](#)
Expenses **must** support activities found within the TIF and Development Plan for the authority.
- For Business Improvement Districts - [Part 2 of Act 120 of 1961](#)
Expenses **must** support activities found within the Special Assessment request of the district.

Notes on Eligible Expenses

- The purchase of alcohol is **not** an eligible expense.
- To use revenues to purchase food, beverages, and snacks, there must be a significant **public benefit**. Therefore, the CIA or BID may not use revenues to purchase meals or beverages for City or CIA staff and board members. Food, beverages, and snacks may only be purchased for scheduled meetings where large numbers of community stakeholders have been asked to provide public input or where an event is being held for the overall business benefit of the districts.

Board Approval

Each expense, whether for contracts, sponsorships, goods, or services, must be approved by a vote of the board in accordance with the Procurement Policy for CIAs and BIDs. Alternatively, the board may approve a not-to-exceed amount to be allocated to a committee for a specific project. Board approvals should indicate which category(ies) in the authority's budget the expense is to be charged against. Exceptions to this approval requirement will be made only pursuant to the Procurement Policy for CIAs and BIDs.

BID Contracts

- Contracts in any amount, once approved by the board, must be signed by the contractor and elected Board Secretary.
- All contracts must be reviewed by the City Attorney's Office.

CIA Contracts

- Contracts in any amount, once approved by the board, must be signed by the contractor and elected Board Secretary.

Submitting a Vendor Invoice to Economic Development for Payment

All invoices to be paid from board or authority funds must be submitted to the City of Grand Rapids EDO, and must include the following:

- Addressed to CIA Name – City of Grand Rapids
- Invoice Number
- Date
- Description of goods or services provided
- List the location of the activity or service (if applicable)
- Reference to the contract approved by the board (if applicable)

Once the vendor invoice is received, the EDO will include the following:

- Date of the board meeting when the expense or contract was approved
- Indication of the budget category to be charged (ex: Sponsorships, Marketing, Streetscape, etc.)

Reimbursements

Under certain circumstances, individuals may be reimbursed for eligible costs incurred. This practice should be an exception as opposed to a rule and should be avoided

whenever possible. To be best prepared to facilitate reimbursement, every attempt should be made to communicate with the EDO before incurring costs.

Instructions for Vendors Regarding Invoice Processing

Every business or individual must be a registered vendor to receive payment from the city.

Anyone can register with the City as a vendor at any time, and the City encourages all local businesses to register so they can do business with the City.

Registration is accomplished on the [City's Vendor Self-Service website](#) through the Comptroller's office. The City also provides a [Vendor Registration Guide](#) to assist with the process. Once self-registration is complete, it will take approximately 1-2 days for the City to approve the vendor profile.

Please note that it is the vendor's (i.e., individual or business) responsibility to keep the contact information in their profile up to date. The City cannot update this information. This is critical, as checks will be automatically mailed to the address on file.

Companies are encouraged (but not required) to select all the services that they can provide. Selecting these services means that you will automatically receive notifications when the City has a need to procure those goods or services in any department.

Board or authority representatives working with vendors should encourage them to register well in advance of providing the goods or services. If a vendor is not registered at the time an invoice is submitted, payment may take longer than 30 days.

Sales Tax

The City of Grand Rapids is a tax-exempt entity. Sales tax will not be reimbursed by the City on purchases. A copy of the City's tax-exempt purchase form is available upon request from the EDO.

A sample invoice is attached, which may be used by an individual or vendor that does not have a standard invoice format. This invoice should also be used in the event personal reimbursement becomes necessary.