



**CITY OF ALLEGAN
CITY COUNCIL STUDY SESSION MEETING
Monday, July 13, 2020 6:00PM
City Council Chambers - 231 Trowbridge Street
Allegan, Michigan**

*****NO ACTION IS TAKEN DURING THE STUDY SESSION*****

Call to Order

Public Comment Period

Discussion Purchasing Ordinance

Discussion 101 Brady Street updates

Review of Regular Meeting Agenda for Monday, July 13, 2020

Other

Adjourn to regular meeting to begin at 7:00 pm

MEMORANDUM

TO: Allegan City Council
FROM: Joel Dye, City Manager
RE: Discussion regarding the City of Allegan Purchasing Regulations
DATE: Monday July 13, 2020

Summary

It is requested that City Council continue their discussion on the purchasing regulations for the City of Allegan.

At your June 8th City Council Meeting, the City of Allegan's Purchasing Regulations were slightly discussed by the City Council. These regulations can be found in Sections 2-321 through 2-331 of the City's Code of Ordinances, this is typically referred to Ordinance 447. This section identifies the City's Purchasing Agent, and processes to purchase items.

Some councilmembers want to focus on Section 2-327 which allows the City Council to hire a design-build professional for construction work, such as we did with the Regent Theatre improvements and the Riverfront Restrooms. While this discussion is important, I also would like City Council to review and discuss the entirety of the purchasing ordinance to make sure there are no other issues they may have regarding established purchasing practices.

Recommendation

It is recommended that City Council continue their discussion on the purchasing regulations for the City of Allegan.

Attachment

Purchasing Ordinance.
Approved Vendor List

DIVISION 2. - PURCHASING REGULATIONS

Sec. 2-321. - Purchasing agent, duties and application.

- (a) *Purchasing agent.* The city manager shall be the purchasing agent of the city.
- (b) *Duties.* The purchasing agent shall have the following powers and duties:
 - (1) *Bulk purchases.* Exploit the possibilities of buying in bulk so as to take full advantage of discounts.
 - (2) *Encourage competition.* Endeavor to obtain as full and open competition as possible on all purchases and sales.
 - (3) *Federal tax exemptions.* Act so as to procure for the city all federal tax exemptions to which it is entitled.
 - (4) *Forms.* Prescribe and maintain such forms as are reasonable and necessary for the operation of this article.
 - (5) *Minimize expenditure.* Act to procure for the city the highest quality in supplies and contractual services at the least expense to the city.
 - (6) *Purchasing analysis.* Keep informed of current developments in the field of purchasing, prices, market conditions and new products in the field of purchasing by other governmental jurisdictions, national technical societies, and trade associations having national recognition and private businesses and organizations.
 - (7) *Rules and regulations.* Establish and amend, when necessary, all rules and regulations authorized by this article and any others necessary to its operation.
 - (8) *Approved vendors list.* Prepare, adopt and maintain an approved vendor list.
 - (9) *Disqualification of bidders.* Have the authority to declare vendors who default on their quotations irresponsible bidders and to disqualify them from receiving any business from the municipality for a stated period of time.
 - (10) *Cooperation with the department supervisors and finance director.* Cooperate with the department supervisors and finance director so as to secure for the city the maximum efficiency in budgeting and accounting.
 - (11) *Other.* Perform other duties as may be designated or ordained by the city council.
- (c) *Application.* Purchases and contracts for procurement of articles, commodities, supplies, materials, equipment, contractual services, and professional services entered into by the city, unless otherwise provided in this article. It shall apply to every expenditure of public funds for public purchasing regardless of its source. No procurement shall prevent any public agency from complying with the terms and conditions of any grant, gift or bequest which are otherwise consistent with law.

Sec. 2-322. - Purchase for items or services under one thousand dollars (\$1,000.00).

- (a) The department supervisors, or other employees designated by the city manager, subject to budgetary appropriations, may make purchases of articles, commodities, supplies, materials, equipment, and contractual services, in an amount not to exceed one thousand dollars (\$1,000.00) in accordance with the purchasing procedures set forth in subsection (b), (c) and (d) without further approval of the city council.
- (b) All purchases should be made by soliciting competitive prices. Competitive bidding shall not be required for purchases under this section. Department supervisors shall make sure that an appropriation has first been approved by the city council, that a sufficient unencumbered balance remains in the appropriation, and that sufficient funds will be available to cover the claim or meet the obligation when it becomes due and payable.
- (c) The department supervisor shall promptly turn in a copy of the receipt for purchased items to the finance department. The receipt will also require a signature of the purchaser as well as the department supervisor's signature and general ledger account code.
- (d) Any employee who shall use the purchase procedure set forth in this section where it is not in fact necessary, or who shall split purchases or cause them to be split in order to evade any of the provisions of this section shall be guilty of misfeasance and such act shall be cause for dismissal or removal from office.

(Ord. No. 447, § 1, 2-8-16)

Sec. 2-323. - Purchase for items or services between one thousand dollars (\$1,000.00) and less than five thousand dollars (\$5,000.00).

- (a) The city manager or other employees designated by the city manager, subject to budgetary appropriations, may make and approve purchases of articles, commodities, supplies, materials, equipment and contractual services where the estimated cost exceeds one thousand dollars (\$1,000.00) but less than five thousand dollars (\$5,000.00) in accordance with the purchasing procedures set forth in subsection (b), (c), and (d) without further approval of the city council.
- (b) All purchases should be made by soliciting competitive prices by obtaining at least two (2) written quotes to be submitted to the city manager for his authorization. Competitive bidding shall not be required for purchases under this section. The city manager shall make sure that an appropriation has first been approved by the city council, that a sufficient unencumbered balance remains in the appropriation, and that sufficient funds will be available to cover the claim or meet the obligation when it becomes due and payable.
- (c) The city manager shall promptly turn in a copy of the receipt for purchased items to the finance department. The receipt will also require a signature of the purchaser as well as the

city manager's signature and general ledger account code.

- (d) Any employee who shall use the purchase procedure set forth in this section where it is not in fact necessary, or who shall split purchases or cause them to be split in order to evade any of the provisions of this section shall be guilty of misfeasance and such act shall be cause for dismissal or removal from office.

(Ord. No. 447, § 1, 2-8-16)

Sec. 2-324. - Purchase for items or services between five thousand dollars (\$5,000.00) and less than twenty thousand dollars (\$20,000.00).

- (a) For all purchases, subject to budgetary appropriations, of articles, commodities, supplies, materials, equipment, contractual services, and other professional services where the estimated cost exceeds five thousand dollars (\$5,000.00) but less than twenty thousand dollars (\$20,000.00), and in accordance with the purchasing procedures set forth in subsection (b), (c), and (d), the city manager shall obtain at least two (2) competitive quotations and shall submit quotes to city council with a recommendation for its approval. No purchase order shall be released or voucher drawn until the city council has approved the purchase.
- (b) All purchases should be made by soliciting competitive prices by obtaining at least two (2) written quotes to be submitted to the city manager for his authorization. Competitive bidding shall not be required for purchases under this section. The city manager shall make sure that an appropriation has first been approved by the city council, that a sufficient unencumbered balance remains in the appropriation, and that sufficient funds will be available to cover the claim or meet the obligation when it becomes due and payable.
- (c) The city manager shall promptly turn in a copy of the receipt for purchased items to the finance department. The receipt will also require a signature of the purchaser as well as the city manager's signature and general ledger account code.
- (d) Any employee who shall use the purchase procedure set forth in this section where it is not in fact necessary, or who shall split purchases or cause them to be split in order to evade any of the provisions of this section shall be guilty of misfeasance and such act shall be cause for dismissal or removal from office.

(Ord. No. 447, § 1, 2-8-16)

Sec. 2-325. - Purchases for items or services more than twenty thousand dollars (\$20,000.00) and bid process.

- (a) All contracts and purchases, where the estimated cost exceeds twenty thousand dollars (\$20,000.00), and in accordance with the purchasing procedures set forth in this section, must be approved by city council and shall be awarded on written contracts using the following procedure:
- (1) Notices inviting sealed competitive bids shall be published at least once in a newspaper

published or circulated in the city and, if the city council shall deem it necessary, at least once in such other publications as the city council shall determine, which will reasonably notify any persons that might be interested in bidding on the contract. Notices may also be mailed to those persons who would reasonably be expected to bid upon such purchases. Failure to notify all such persons shall in no way invalidate any contracts entered into hereunder.

- (2) The notice inviting bids shall provide the following:
 - a. Specifications of the articles to be purchased;
 - b. The amount of surety to be submitted with the bid;
 - c. The surety to be given with the contract;
 - d. The time and place for opening bids;
 - e. The conditions of the award of the contract, including any preference and the amount of such preference expressed as a percentage of the bid price which may be considered in determining the lowest and best bidder; and
 - f. The city reserves the right to reject any or all bids and to award the contract in the city's best interest, and the city may select a bidder other than the lowest bidder in accordance with the terms stated in the notice.
- (3) At least five (5) calendar days shall intervene between the date of last publication of said notices and the final date for submitting the bids.
- (4) All bids shall be submitted sealed to the city clerk and shall be accompanied by surety in the form of a certified check in such amount as the city council shall prescribe in the public notice inviting bids. The bids shall be opened in public at the time and place stated in the newspaper notices.
- (5) When all bids received are for the same total amount or unit price, and when the public interest will not permit the delay of re-advertising for bids, the city manager, at the direction of the city council, may purchase the commodity in the open market, provided the price paid in the open market shall not exceed any bid price submitted for the same commodity. Otherwise, the contract shall be awarded to the lowest and best bidder whose bid is most advantageous to the city. In determining which bidder is the most responsible bidder, the city manager and city council may consider the following:
 - a. The ability, capacity and skill of the bidder to perform the contract or provide the service required;
 - b. Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;
 - c. The character, integrity, reputation, judgment, experience and efficiency of the bidder;
 - d. The quality of performance of previous contracts or services of the bidder;

- e. The previous and existing compliance by the bidder with laws and ordinances relating services;
 - f. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
 - g. The amount of which is expressed as a percentage of the bid price and stated in the notice inviting bids;
 - h. The quality, availability and adaptability of the supplies or contractual services to the particular use required;
 - i. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;
 - j. The number and scope of conditions attached to the bid;
 - k. If the bidder is a local vendor who may be able to provide services more efficiently or provide local jobs.
- (6) The city manager shall submit lowest and best bid to city council with a recommendation for its approval. No purchase order shall be released or voucher drawn until the city council has approved the bid.
- (b) Before any contract is executed, the successful bidder shall file with the city clerk a surety in the form of a certified check in an amount to be determined by the city council. All surety bonds and contracts shall be approved as to form by the city attorney. If the successful bidder shall not, within ten (10) days after the award, enter into a contract, and file the required surety, the bidder shall forfeit the surety which accompanied the bid. A copy of each contract shall be filed with the city clerk.
- (c) All contracts in excess of fifty thousand dollars (\$50,000.00) shall be covered by a surety bond in the amount of the total contract.
- (d) The city council may waive the competitive bidding requirement for purchases or articles, commodities, supplies, materials, equipment, and contractual services, where the estimated cost does not exceed twenty thousand dollars (\$20,000.00) if the city council determines that exigent circumstances exist or that there is no advantage to the city to proceed by competitive bids. The city council may also waive the competitive bidding requirement when the interests of the city would be best served by participation in certain procurement programs offered through the state that allow local communities to benefit from the purchasing power of the state.
- (e) Any employee who shall use the purchase procedure set forth in this section where it is not in fact necessary, or who shall split purchases or cause them to be split in order to evade any of the provisions of this section shall be guilty of misfeasance and such act shall be cause for dismissal or removal from office.

Sec. 2-326. - Purchases from approved vendors.

- (a) Notwithstanding the provisions of sections 2-322 through 2-325, purchases from approved vendors for routine or operational articles, commodities, supplies, materials, equipment and contractual services shall be made pursuant to the provisions of this section.
- (b) For each fiscal year, the city council may approve a list of vendors (the "approved vendor" or "approved vendors") from whom the city may purchase routine, operational or maintenance articles, commodities, supplies, materials, equipment and contractual services, other than professional services ("routine purchases"), during that fiscal year.
- (c) City manager or his or her designee may authorize routine purchases from approved vendors in accordance with the approved budget, without the need to receive competitive bids for the routine purchases and without further approval of the city council.

(Ord. No. 447, § 1, 2-8-16)

Sec. 2-327. - Contracts for professional services.

- (a) As used in this chapter, "professional services" shall mean services typically performed by lawyers, accountants, financial advisors, architects, engineers, consultants, design-build professionals, and other similar professionals hired to make judgments based on their specialized education and knowledge. A contract for professional services may provide for the purchase of all materials and construction or installation needed in order to complete the service.
- (b) The procurement of professional services shall be conducted by one of the following methods:
 - (1) The city may request qualifications from any and all professionals or entities authorized to perform the desired services, and may select a qualified candidate after conducting interviews.
 - (2) The city manager may recommend a particular professional or entity to the city council along with an explanation of how such professional or entity was selected for consideration.
- (c) Contracts for professional services must be approved by majority vote of the city council.

(Ord. No. 447, § 1, 2-8-16)

Sec. 2-328. - Purchases through state bid contracts.

Whenever the city purchases items from a state bid contract, the provisions of sections 2-323—2-325 shall be deemed to have been complied with.

(Ord. No. 447, § 1, 2-8-16)

Sec. 2-329. - Purchasing order and change orders.

- (a) A city purchasing order shall be initiated by the department supervisor, finance department, and/or city manager and forwarded to the vendor on all items purchased or contracted under the authority of sections 2-323—2-325.
- (b) The city manager shall have the authority to execute the following capital construction project change orders:
 - (1) Change orders which result in a reduction in cost but do not alter the general scope of the project.
 - (2) Change orders in emergency situations as provided in section 2-330.
 - (3) Change orders within the budget of a capital construction project which result in an additional contract amount if the accrued cost of all the change orders to date relative to that contract do not exceed a ten percent (10%) increase of the original contract amount, provided the general scope of work is not altered.
- (c) All change orders not included in subsection (b) of this section shall be effective only after approval of the city council. If such approval is given, the city manager is hereby authorized to execute change orders.

(Ord. No. 447, § 1, 2-8-16)

Sec. 2-330. - Emergency purchases.

In case of an emergency which requires immediate purchase of supplies or contractual services, the city manager shall be empowered to purchase or authorize purchases on the open market, at the lowest obtainable price, any necessary contractual services or supplies. A full report of the circumstances of any emergency purchase shall be filed with the city council by the city manager within fifteen (15) days after such purchase and shall be entered in the council minutes.

(Ord. No. 447, § 1, 2-8-16)

Sec. 2-331. - Additional purchasing functions.

- (a) *Sales tax exemption certificates.* The city is exempt from sales tax on all purchases. However some vendors want the municipality to provide a sales tax exemption certificate. (MI Form 3372). A copy is available at City Hall. The city's tax identification number is printed on the purchase order.
- (b) *Request for taxpayer identification number and certifications.* The city is required to file an information return (MI Form 1099) with the IRS for all vendors that are required to pay backup withholdings. All city employees authorized to make purchases for the city shall request the MI form W-9 from all vendors. A copy is available online or at City Hall. No payments will be made without a completed W-9 filed with the finance department.

(Ord. No. 447, § 1, 2-8-16)

Secs. 2-332—2-335. - Reserved.

Pre-Approved Vendor List 2020-21 Tentative

VENDOR	VENDOR ADDRESS	SERVICE	Dept	LINE ITEM ACCOUNT
Abonmarche	95 West Main St Benton Harbor, MI 49023	Community & Economic Development	Multiple	Multiple
AFLAC	1932 Wynnton Road Columbus, GA 31999	Supplemental Insurance	Multiple	101-000-22823
All Phase Electric	PO Box 310660 Des Moines IA 50331-0660	Electrical	WWTP	590-568-93100/93300/93420/93500
Allegan Area Edu SER Agency (AAESA)	310 THOMAS STREET	Tax Disbursement	City Hall	701-000-22602
Allegan County Sheriff Dept	640 River St Allegan MI 49010	Reserve Officers/DEBT Crew	Events/City Hall	394-000-88050/101-751-71800
Allegan County Treasurer	113 Chestnut Allegan MI 49010	Tax Disbursement	City Hall	701-000-22600
Allegan District Library	331 Hubbard Street	Tax Disbursement	City Hall	701-000-22604
Allegan Fire District	300 Monroe St, Allegan, MI 49010	Fire Dept Services	Fire Dept	101-336-81800
Allegan Public School	550 Fifth St Allegan MI 49010	Tax Disbursement	City Hall	701-000-22601
Allegan True Value	1527 Lincoln Rd (M-40N), Allegan, MI 49010	Misc Operating Supplies	Multiple	Multiple
Alliance Beverage Distributing	4490 60th St SE Grand Rapids MI 49512-9631	Beverages	Events	394-000-88050
Amazon Capital Services	PO Box 035184 Seattle WA 98124-5184	Misc Operating Supplies	Multiple	Multiple
Andy's Ace Hardware	558 Water Street Allegan MI 49010	Misc. Supplies	Multiple	Multiple
Approved Fire Protection	2513 N Burdick St Kalamazoo, MI 49007	Monthly 1st Aid Supplies	DPW/WWTP/WTP	Safety
A-Tech CCS	311 Hubbard St Allegan MI 49010	IT Support	Multiple	Multiple
Auto-Wares Group	2284 Momentum PI Chicago IL 60689-5322	Parts	Multiple	Multiple
Bartz Rumery	110 Locust St Allegan, MI 49010	Libality Insurance	Multiple	Multiple
Bell Equipment	7315 Solutions Center Chicago IL 60677-7003	Equipment	DPW	661-000-93300/97900
Bereneds Hendricks Stuit Insurance	3055 44th St SW Grandville, MI 49418	Libality Insurance	Multiple	Multiple
Biotech Agronomics	1651 Beulah Hwy. Beulah, MI 49617	Sludge Transport	WWTP	590-568-93400
BS&A	14965 Abbey Ln Bath, MI 48808	Computer Programs	Multiple	Multiple
C-Comm	1600 Lincoln Road Allegan, MI 49010	Communication/Supplies	P.D.	101-301-97000/74000
CDW - Government	75 Remittance Drive Suite 1515 Chicago, IL 60675	Computer Supplies	Multiple	Multiple
Charter Communications	PO Box 3019, Milwaukee, WI 53201	Internet Subscription/Telephone	Multiple	Multiple
City of Allegan	231 Trowbridge Allegan MI 49010	Water/Sewer Utility	Multiple	Multiple
Clark Hill	200 Ottawa Ave NW Ste 500 Grand Rapids, MI 49503	Legal	City Hall	Multiple
Consumers Energy	PO Box 740309 Cincinnati OH 45274-0309	Electric Utility	Multiple	Multiple
Cronk Services LLC	450 M-40 Allegan MI 49010	Blight Cleanup/Mowing/Snow Clearing	Multiple	Multiple
Crystal Flash	4523 134th Ave Hamilton MI 49419-9532	Fuel	DPW/WWTP	661-000-75100/590-568-86500
CSZ Services	112 W Walker St Saint Jones MI 48879	Assessing	Assessor	101-209-81810
Curcio Law Firm	710 Liberty St STE C Spring Lake MI 49456	Legal	City Hall	101-101-82600
Cynthia Sutherland	540 Park ST Wayland MI 49348	Cleaning Services	DPW	101-266-93100
Delta Dental	16082 Collection center Dr Chicago, IL 60693	Dental Insurance	Multiple	Multiple
EJ USA INC/East Jordan Iron Works INC	PO Box 644873 Pittsburgh PA 15264	Parts	DPW/WWTP/WTP	Multiple
Esper Electric	7775 N 6th St Kalamazoo MI 49009	Electrical Work	Multiple	Multiple
Etna Supply	783 Chicago Dr Holland MI 49423	Supplies	Multiple	Multiple
Family Farm & Home	900 Third St STE 302 Muskegon MI 49440	Maintenance Parts and Supplies	Multiple	Multiple
First Bank Card	PO Box 2818 Omaha NE 68103	Credit Card Purchases	Multiple	Multiple
Frontier Communications	PO Box 740407 Cincinnati OH 45274-0407	Telephone Utility	Multiple	Multiple
Galls Inc.	PO Box 71628 Chicago IL 60694-1628	Equipment	P.D.	101-301-74000
Global Environmental Consulting LLC	223 W Michigan Ave Clinton MI 49236	Lab Work	WTP	591-568-81810
Grainger Supply	Dept 803646686 Palatine IL 60038	Equipment Parts/Service	WWTP	590-568-93300/93500
Grand Rapids Popcorn	4675 West River Dr NE Comstock Park, MI 49321-8923	Concession Supplies	Regent	101-555-74100
Great Lakes Coca-Cola Distribution	PO Box 809082 Chicago IL 60680	Concession Supplies	Regent	101-555-74100
Hach Company	2207 Collections Center Dr Chicago IL 60693	Laboratory Supplies	WWTP/WTP	590/591-568-74000
Harn R/O Systems Inc.	310 Center Court Venice FL 34285	Treatment Chemicals	WTP	591-568-74300/93100/81810
Haviland Chemical	421 Ann St NW Grand Rapids, MI 49504	Chemicals	WWTP	591-568-74300
Home Depot	PO Box 78047 Phoenix AZ 85062-8047	Supplies	Multiple	Multiple
Indusco	1445 S Washington Lansing MI 48910	Operating/Cleaning Supplies	Multiple	Multiple

Pre-Approved Vendor List 2020-21 Tentative

VENDOR	VENDOR ADDRESS	SERVICE	Dept	LINE ITEM ACCOUNT
John Hancock	PO Box 2495, Carol Stream, IL 60132-2495	Retirement Distribution	City Hall	Multiple
Jones & Henry Engineers LTD	3103 Executive Parkway STE 300 Toledo OH 43606	Neighborhood Sts/Odor Study	DPW/WWTP/WTP	Multiple
K & R Truck Sales	840 Interchange Dr Holland MI 49423	Truck Parts/Repairs	DPW	661-0000-93900
Kaechele Publications	PO Box 189 Allegan MI 49010	Publications	Multiple	Multiple
Kennedy Industries/KISM	PO Box 930079 Wixom MI 48393	SCADA Provider	WWTP/WTP	Multiple
Kiesler Police Supply Inc	2802 Sable Mill Rd Jeffersonville IN 47130	PD Gear and Ammo	PD	101-301-95920
Klosterman Distributing	2930 Millcork St Kalamazoo MI 49001	Concession Supplies	Regent	555-538-74100
Kugelard Construction	3869 Monroe Rd Allegan MI 49010	Construction	City Hall/Regent	Multiple
Legg Lumber - Allegan	730 River Allegan, MI 49010	Supplies	Multiple	Multiple
Lock Master Security	115 East Allegan St Otsego MI 49078	Locks/Keys	Multiple	Multiple
McEwen Law Offices	550 Lincoln Rd Otsego MI 49078	Legal	PD	101-301-82600
McMaster - Carr Company	Po Box 7690 Chicago IL 60680	Equipment	WWTP	591/590-568-93100
Met Life	PO Box 804466 Kansas City, MO 64180	Life/Vision Insurance	Multiple	Multiple
MERS	1134 Municipal Way, Lansing, MI	Retirement Distribution	P.D.	101-301-71800
Michigan Gas Utilities	PO Box 3140 Milwaukee WI 53201-3140	Gas Utility	Multiple	Multiple
MML (Michigan Municipal League)	PO Box 7409 Ann Arbor, MI 48107-7409	Workers Comp Insurance	Multiple	Multiple
Michigan Rural Water Association	2127 University Park Dr #340 Okemos MI 48864	Training Conferences	WWTP/WTP	Multiple
Milbocker & Sons Inc	1256 29th St Allegan MI 49010	Projects	Multiple	Multiple
Mitel	28760 Network Place Chicago IL 60673-1287	Phones	Multiple	Multiple
MI-AWWA	PO Box 30516 Lansing MI 48909	Training Conferences	WTP	591-568-95900
MRWA - Michigan Rural Water Association	2127 University Park Dr #340 Okemos MI 48864	Training Conferences	WWTP/WTP	591/590-571-95900/591-568-95900
MWEA	PO Box 397 5815 Clark Rd STE F Bath MI 48808	Training Conferences	WWTP/WTP	590/591-568-95900
Napa Auto Parts	1513 Lincoln Rd Allegan MI 49010	Auto Parts	Multiple	Multiple
North Central Laboratories	PO Box 8 Birnamwood WI 54414	Lab Equipment/Supplies	WWTP	590-568-74000/97000
Northwest Kent Mechanical	4095 16 Mile Rd Cedar Springs MI 49319	WTP/WWTP Maintenance	WWTP/WTP	Multiple
Office Depot	PO Box 633211 Cincinnati, OH 45263	Office Supplies	Multiple	Multiple
Outdoor Environments Inc	324 Eastern Ave Allegan MI 49010	Mowing/Grounds Maintenance	DPW	Multiple
Phoenix Safety Outfitters	PO Box 20445 Upper Arlington OH 43220	PD Gear	PD	101-301-74000
Pitney Bowes	PO Box 371896 Pittsburgh PA 15250-7896	Postage	City Hall	101-253-81800
PJ Printing LLC	633 114th Ave STE 5 Allegan MI 49010	Printing	Multiple	Multiple
POAM/COAM	27056 Joy Rd. Detroit, MI 48329	Union Dues	PD	101-000-22829
Plumber's Portable Toilets	710 Industrial Dr Allegan MI 498010	Portable Toilet Rental	Multiple	Multiple
Power Plan - John Deere Financial	PO Box 4450 Carol Stream IL 60197	Equipment Maintenance	DPW	661-000-93300
Precision Electric	PO Box 451 Mishawaka IN 46546-0451	Electrical Work	WWTP/WTP	590/591-568-93100/98600
Prein & Newhof, Inc.	3355 Evergreen Dr NE Grand Rapids, MI 49524	Engineering	Multiple	Multiple
Priority Health	1231 E. Beltline Grand Rapids, MI 49505	Insurance	Multiple	Multiple
Professional Code Inspections	1575 142nd Ave Dorr, MI 49323	Building Official	Building/CMO	Multiple
Purchase Power	PO Box 371874 Pittsburgh PA 15250-7874	Postage	City Hall	101-253-81800
Republic Services	PO Box 9001099 Louisville KY 40290	Trash Services	Multiple	Multiple
Ric & Stans Carwash	950 Marshall St Allegan MI 49010	Carwash	PD	101-301-93900
Ricoh USA Inc	PO Box 802815 Chicago IL 60680-2815	Printing	Multiple	Multiple
Scott Southwick Electric Inc.	690 Airway Drive #220 Allegan MI 49010	Electrical Repair Services	Multiple	Multiple
SEIU Local 517	1026 E. Michigan Ave Lansing, MI 48912	Union Dues	DPW	101-000-22829
Shoreline Technology Solutions	828 Lincoln Ave Holland MI 49423	Licensing Fees	Multiple	Multiple
SME - Soil & Materials Engineers Inc.	PO Box 673166 Detroit, MI 48267-3166	Engineering Services	Multiple	Multiple
Snap On Tools	7815 48th Ave Hudsonville MI 49426	Tools	DPW	661-000-47000
State Industrial Products	PO Box 844284 Boston MA 02284-4284	Cleaning Supplies/Chemicals	Multiple	Multiple
State of Michigan	PO Box 30273 Lansing MI 48909/Multiple	State Fees/Permits	Multiple	Multiple
Superior Asphalt Inc.	669 Century SW Grand Rapids, MI 49503	Hot Asphalt Supplier	DPW	202/203-463-78200
Sysco	PO Box 8769 Grand Rapids MI 49518-8769	Supplies/Concessions	City Hall/Regent	101-266-74000/101-755-74100
Terry Murk/Accurate Striping	Accurate Striping 00725 40th St Bloomington, MI 49026	Painting Services	DPW	202/203-474-81800
The Bank of New York Mellon	10161 Centurion Pkwy Jacksonville FL 32256	Financial services/ Bonds	Multiple	Multiple
The Goodyear Tire & Rubber Co	1228 Ingle Rd Wayland MI 49348	Tires	Multiple	Multiple

Pre-Approved Vendor List 2020-21 Tentative

VENDOR	VENDOR ADDRESS	SERVICE	Dept	LINE ITEM ACCOUNT
The Maintenance Connection	PO Box 6637 Scarborough ME 04070	Parts & Supplies	DPW	661-000-74000/101-751-74000
Trace Analytical Laboratories Inc	PO Box 775169 Chicago IL 60677-5169	Outside Lab Work	WWTP/WTP	590/591-568-81810
Tri-State Theatre Service	10250 Alliance Rd Cincinnati OH 45242	Film Bookings/Advances	Regent	555-538-74200
Trojan UV	C/O Fifth Third LB233730 3730 Momentum Pl Chicago IL 60601	UV Replacement Bulbs	WWTP	590-568-74300/93300/9700
US Bank	PO Box 70870 Saint Paul, MN 55170	Bonds	WTP	591-558-99900
USABlueBook	PO Box 9004 C #666379 Gurnee IL 60031	Water/Sewer Supplies	Multiple	Multiple
Valley City Linen	10 Diamond Ave SE Grand Rapids MI 49506	Linens/Mops/Bags	City Hall/Griswold	101-265-93100/101-750-81800
Verizon Wireless	PO Box 15062 Albany NY 12212	Cellular Service	Multiple	Multiple
Vistar	PO Box 784866 Philadelphia PA 19178-4866	Concessions	REgent	101-555-74100
Waanders Concrete	3169 Babylon Rd Allegan MI 49010	Concrete/Services	DPW	202/203-463-81840
Walt Disney Studios	10250 Alliance Rd Cincinnati OH 45242	Film Rentals	Regent	101-555-74200
Waste Recovery Systems	4750 Clyde Park Ave SW Wyoming MI 49509	Bio Solids Disposal	WWTP	590-568-93400
Water Solutions Unlimited, Inc.	PO Box 157 8824 Union Mills Dr Camby IN 46113	Treatment Chemicals	WTP	591-568-74300
West Michigan International	575 56th St SW Grand Rapids MI 49548	Vehicle Maintenance	DPW	661-000-93900
West Michigan Uniform	407 W 17th St Holland, MI 49423-3499	Uniforms	Multiple	Multiple
Western Michigan Fleet Parts	18 E. Washington Ave Zeeland MI 44464	Truck & Equipment Parts	DPW	Multiple
WEX Bank	PO Box 6293 Carol Stream IL 60197	Gas/Oil	Multiple	Multiple
Wyoming Asphalt Paving Co.	PO Box 192 Plainwell MI 49080	Hot Asphalt Supplier	DPW	202/203-463-78200

MEMORANDUM

TO: Allegan City Council
FROM: Joel Dye, City Manager
RE: Discussion regarding the sale of 101 Brady Street
DATE: Monday July 13, 2020

Summary

It is requested that City Council discuss the sale of 101 Brady Street and direct staff to begin the process to negotiate a purchase agreement with CL Real Estate for 101 Brady Street.

At your last meeting City Council discussed the sale of 101 Brady Street to CL Real Estate. During the meeting Council directed staff to let CL Real Estate know that while the Council is supportive of a significant development at 101 Brady, at this time they are not interested in continuing the exclusive relationship with CL Real Estate but would rather enter into a Rights of First Refusal Agreement with CL Real Estate. This would allow CL Real Estate to continue to work on putting a plan together to develop 101 Brady Street while at the same time allow the City to entertain other offers.

This message was shared with CL Real Estate and they shared their interest to continue to look at Allegan and felt that 101 Brady serves as the best location for the placement of a hotel. However, as they begin looking at financial partners and funders, it is evident to them that they need more than a First Rights of Refusal Agreement. To this end, they have submitted a letter requesting to purchase 101 Brady Street for \$10,000 and as part of that agreement, agree to begin construction within 18 months or allow the City to repurchase the property back from them (please see the attached letter).

The agreement proposed by CL Real Estate is a similar agreement the City had with Dan and Marcia Wagner in approximately 2007 where we agreed to sell the Wagner's 101 Brady Street for \$1.00 with the caveat that if they don't develop the property for a restaurant, the City would buy the property back from Dan and Marcia Wagner. Upon receiving this feedback from CL Real Estate, I asked Ben Otis, a local realtor, to do a valuation of the property (please see attached valuations). Ben conducted an assessment valuation and a sales-based valuation. The assessed valuation comes in at 16,765.60 and the sales-based valuation comes in at \$16,625.00.

This property has been vacant and available for development for approximately 15 years, if not longer. Since it is a goal of the City to continue to look for ways to create commercial investment in the City, I think a sale to CL Real Estate at \$10,000 is a fair price and takes this property to the next stage of being developed. It places this property back on the tax roll and removes any city hurdle to seeing this property developed.

Recommendation

It is recommended that City Council discuss the sale of 101 Brady Street and direct staff to begin the process to negotiate a purchase agreement with CL Real Estate for 101 Brady Street.

Attachment

Letter from CL Real Estate

Assessment Valuation of 101 Brady Street

Sales Based Valuation of 101 Brady Street

Subject Property	Parcel Size (acres)	Assessed Land Value	Assessed Value per Acre	Applied Valuation for 101 Brady St
102 Brady St	0.65	\$25,740.00	\$39,600.00	\$16,765.60
134 Water St	0.189	\$7,484.00	\$39,597.88	
100 Water St	0.436	\$17,266.00	\$39,600.92	
148 Mill District Rd	0.42	\$16,632.00	\$39,600.00	
300 Water St	0.454	\$17,978.00	\$39,599.12	
322 Water St	0.332	\$27,816.00	\$83,783.13	
117 Water St	2.87	\$70,032.00	\$24,401.39	
Perrigo Lot (Water &	0.75	\$29,700.00	\$39,600.00	
155 Mill District Rd	3.5	\$77,850.00	\$22,242.86	
101 Brady St	0.41			
Averages	1.0011	\$32,277.56	\$40,891.70	

Land CMA

Listings as of 07/06/20 at 12:48 PM

Inside the map search Rectangle (-85904787,42555238,-85794237,42500841); Status of 'Closed', 'Pending', 'Sold'; Municipality of 'Allegan City'; Under Contract Date between '07/6/2019' and '07/6/2030'; Sold Date between '07/6/2019' and '07/6/2030'. **(Selected Listings Only)**

Sold Properties

MLS #	Address	City	Lot Acres	Lot SqFt	Sub-Type	Status Change Date	\$/Acre	DOM	CDOM	Orig Price	List Price	Sold Price	SP%LP
17060105	447 Grand Street	Allegan	0.8	34,848	Lot	06/18/2020	25,000	869	869	\$24,000	\$24,000	\$20,000	83.33
17060101	885 River Street	Allegan	0.41	17,859	Lot	12/23/2019	40,243.9	707	707	\$20,000	\$20,000	\$16,500	82.50
19010520	176 Summit Drive 14	Allegan	0.32	13,939	Lot	07/09/2019	39,062.5	88	88	\$12,500	\$12,500	\$12,500	100.00
19002597	VL Wayne Street	Allegan	1.36	59,242	Lot	09/13/2019	12,867.65	223	223	\$26,000	\$18,500	\$17,500	94.59
Listing Count: 4	Min Max Median			13,939 59,242 26,353.5			12,867.65 40,243.9 32,031.25	88 869 465	88 869 465	12,500 26,000 22,000	12,500 24,000 19,250	12,500 20,000 17,000	

Property Type Count 4 **Averages Acres:** 0.72 **\$/Acres:** 29,293.51 **DOM/CDOM:** 471/471 **Original List Price:** 20,625 **List Price:** 18,750 **Sold Price:** 16,625

* Price statistics for closed listings based on sold price. All other statuses and Totals based on current list price.

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