

the forecasting reports for construction and professional services.

B. All forecasting reports are due and must be provided at the time the department's general operating fund budget is due.

C. Forecasting reports must be submitted as directed by the budget instructions.

The Office of Equity and Engagement shall be responsible for the compilation and dissemination of all forecasting reports.

SECTION 5: BID DISCOUNT PROGRAM

5.1 ELIGIBILITY FOR BID DISCOUNTS

Vendors are encouraged to engage in practices that further the City's Strategic Plan Commission with regard to the City Value of equity and elevates the City Priorities of Government Excellence, Economic Prosperity, Engaged and Connected Community, Healthy Environment, Mobility and Safe Community. Bid discounts shall apply to all bids estimated at twenty-five hundred dollars (\$2,500) or more bid by the Purchasing Department. The Bid Discounts outlined in Section 5.1 A-D below, may be used in any combination not to exceed 5% or up to \$25,000 per bid, whichever is lower. Bids may be discounted where bidders can demonstrate and substantiate their involvement in these practices as follows:

A. Equity

1. Local Workforce: The City will give up to 2% bid discounts to businesses showing that they currently employ City of Grand Rapids residents (living within City limits) as part of their permanent workforce. Such commitment must be evidenced in the businesses' permanent labor force, defined as full-time employees who have been employed for at least 90 consecutive days (three months). For clarity, this requirement applies only to permanent

employees and does not include owners, partners, or sole proprietors of the business. Such commitment must be evidenced in the businesses' permanent labor force as follows:

- a. **Grand Rapids Resident:** A business whose labor force is comprised of 24% or higher Grand Rapids residents shall be eligible to receive a 1% bid discount.
- b. **Neighborhoods of Focus (NOF) Residents:** A business whose labor force is comprised of 24% or higher Grand Rapids residents and at least 50% of those Grand Rapids residents reside in the City's Neighborhoods of Focus (NOF) General Target Area (GTA) shall be eligible to receive an additional 1% bid discount.

B. **Prosperous Economy:** The City will give bid discounts to businesses that participate in activities that improve the business environment and encourage business development as follows:

1. **Micro Local Business Enterprise (MLBE):** The City of Grand Rapids will give a 5% bid discount to businesses designated by the City of Grand Rapids as a MLBE.
2. **Joint Venture Bidding:** As an incentive to bidders engaging in activities that stimulate the growth and development of MLBE as partners bidding as a joint venture, the City will apply a bid discount for MLBE participation at 5%. A joint venture must meet the requirements defined in Section 2.1
3. **Income Tax Incentive:** The City of Grand Rapids supports those businesses that support its economic base through City income tax revenues. Any corporation, partnership, or sole proprietorship "doing business" or

“conducting business activity” in the City of Grand Rapids that has filed an annual income tax return with the City and all filings are current as of December 31st of the prior year, is eligible to request a 1% bid discount when it submits bids to provide goods and/or services to the City.

A bid discount application together with a release to obtain City income tax information must be submitted to the Office of Equity and Engagement for review and approval at least seven (7) working days prior to the bid opening date.

4. Neighborhoods of Focus (NOF) Neighborhood businesses are essential to creating and maintaining strong neighborhoods. The City will give bid discounts to businesses located in the Neighborhoods of Focus (NOF) (as defined in Section 2.1), thereby contributing to the economic health and vitality of the neighborhood in which it is located.

A business located in an area designated as a Neighborhood of Focus shall be eligible for bid discounts provided that it meets the following criteria:

- a. The business shall transact and operate business regularly for at least six (6) months from a fixed office located within the NOF and shall submit verification of business location for that time period.
- b. The business must demonstrate the existence of an office within the NOF as follows:
 1. The fixed or home office must function as an independent office site. The office cannot be a sham operation set up by a business with its principal office in a non-NOF area for purposes of obtaining

- a bid discount.
- 2. The fixed or home office must contain all fixtures and/or equipment, including but not limited to, as appropriate, computer(s), software, copy machine(s), furniture, vehicle(s), tools, appliances and/or machinery necessary to operate the business;
- 3. The fixed or home office contains all space necessary to operate the business.
- 4. The office must be the main office for assigned personnel who conduct a full range of the business's activities out of the local office, including but not limited to, professional, clerical and administrative duties as necessary to operate the local business.
- c. The following is a schedule of bid discounts that may be obtained by those business whose principal place of business is located in a NOF:

<u>TOAL BID AMOUNT</u>		<u>BID DISCOUNT</u>
\$2,500	- \$50,000	5%
\$50,001	- \$100,000	4%
\$100,001	- \$200,000	3%
\$200,001	- \$500,000	2%
\$500,001+		1%

- 5. Veteran Owned Small Business (VOSB): The City will give a 1% bid discount to veteran owned small businesses, as evidenced in the Federal Government's Central Contractors Registry (CCR) and meeting the requirement of being no greater than 50% of the numerical size standard applicable to the NAICS (i.e. emerging small).

6. Employee-Owned Business (EOB): The City will give up to a 2% bid discount to employee-owned businesses as evidenced by certification from a recognized third-party organization such as Certified Employee-Owned (Certified EO) and meeting all applicable City vendor requirements. Companies receive a 1% discount if they are headquartered in the State of Michigan, and an additional 1% discount if they are headquartered in Kent County, Michigan.

7. Area or Regional Bid Discount: A regional bid discount may be applied to bids over \$10,000 which are subjected to City Commission approval when the following criteria is met:

- a. The vendor bids are within 2% of the lowest bid. The bidders may then request to have a Regional Bid discount applied to their bids based on the primary business or business headquarters location within one of the following regional boundaries:

Region	Bid Discount %
City of Grand Rapids	2.0%
Kent County	1.5%
State of Michigan	1.0%

C. Engaged and Connected Community

Businesses that can demonstrate evidence of involvement in established partnerships that enrich the lives of the citizens of Grand Rapids through any of the activities listed below during the previous twelve (12) month period ending June 30th shall be eligible to receive a 1% bid discount for each activity, up to 2% total.

- 1. Family Friendly Policies –Evidence of official recognition of a practice or

policy by a federal, state or local organization as being family friendly.
Examples may include:

- Paid Parental Leave
- Flexible Work Arrangements
- Lactation support (providing lactation rooms and paid time for mothers to lactation)
- Employee Assistance Programs (EAPs)

2. Family Friendly Policies –Evidence of official recognition of a practice or policy by a federal, state or local organization as being family friendly.

Examples may include:

- Paid Parental Leave
- Flexible Work Arrangements
- Lactation support (providing lactation rooms and paid time for mothers to lactation)
- Employee Assistance Programs (EAPs)

3. Other innovative programs and practices of the business that further the City Commission Strategic Plan. Evidence of activities done in partnership with Grand Rapids public schools, Grand Rapids non-public schools or with area colleges and universities such as job training programs, job re-entry programs, mentorship and internship programs that provide evidence of positive impact on the objectives of the City Commission Sustainability Plan may be considered for bid discounts. Notwithstanding the above-mentioned examples, other innovative programs and practices may be considered.

The Office of Equity and Engagement shall review and approve or deny programs under this item.

D. Clean Environment

Businesses that can demonstrate acceptable evidence of protecting the

environment through 2 (two) of the following activities during the previous twelve (12) month period ending December 31st shall be eligible to receive a 1% bid discount.

1. Adopt-A-Stream program – Proof of active annual participation with the West Michigan Environmental Action Council (WMEAC) in a full season of cleaning, monitoring and restoring streams within the City of Grand Rapids must be submitted to the Office of Equity and Engagement prior to approval of a bid discount.
2. Urban Forest Project Program - Proof of active annual participation in Friends of Grand Rapids Parks program (or other and/or successor program) in any of the Neighborhoods of Focus within the City of Grand Rapids. Must be submitted to the Office of Equity and Engagement prior to approval of a bid discount.
3. Other innovative programs and practices: Programs that further the environmental goals of the City Commission’s Strategic Plan must be submitted to the Office of Sustainability for review and approval by the Office of Equity. Examples of other innovative programs include but are not limited to supporting alternative modes of transportation for employees, using all-electric or non-motorized equipment, waste reduction – composting and recycling, inclusion of green building practices.

5.2 VALIDATION

After the bid is opened, the Purchasing Department shall calculate bid discounts based on the total bid amount. The bid discount shall then be applied to individual items.