



IMPORTANT NOTICE

NEW FINANCIAL INCENTIVES FOR BIDDERS

On August 2, 2004 the City of Grand Rapids' new Equal Business Opportunity Policy and Guidelines became effective. This new policy provides unique financial incentives to business seeking to bid on projects for the City of Grand Rapids. These voluntary financial incentives reward businesses that can substantiate their involvement in *specific activities* (see below) that complement the City's Strategic Plan.

The financial incentives or "Bid Discounts" range between 1% and 5%. Bid Discounts allow an original bid amount to be discounted by a certain percentage *for purposes of evaluating* the low responsive bid. The discounted bid amount will be used in the evaluation process of awarding to the low responsive, responsible bidder. The original bid amount will be the basis for contract award. For example, a \$100,000 bid with a 5% bid discount would be evaluated at \$95,000. However, \$100,000 would be paid to the successful bidder.

Bid Discounts apply to all bids estimated at \$2,500 or more that are bid by the Purchasing Department. Bid discounts may be used in any combination **not to exceed 5% or \$25,000**, whichever is lower.

For additional information about the Equal Business Opportunity – Goods and Services Policy and Guidelines, including the Bid Discount Program please visit the City's website at www.ci.grand-rapids.mi.us/1541 or contact the Diversity and Inclusion Office Diversity and Inclusion Office at (616) 456-3027 or the Purchasing Department at (616) 456-3173.

OBTAINING BID DISCOUNTS

Bid Discounts may be awarded for participation in the following activities: Joint Ventures, Second Tier Utilization, Target Acquisitions, Workforce Diversity, Income Tax Incentive and General Target Area (GTA). If you are requesting a Bid Discount or have been previously approved for an Annual Bid Discount by the Diversity and Inclusion Office you must submit a Bid Discount Request Form [BD Form-1] with the bid documents.

The following chart summarizes what forms and documentation must be submitted, to whom they are submitted and the date in which they must be submitted.

Activity	Discount Request Form [BD Form-1]	Annual Bid Discount Request Form [BD Form-3]	Additional Documentation
Second Tier Utilization	Submit to Purchasing Dept. with bid documents		Second Tier Utilization Form (Form 2A) Second Tier MWBE Affidavit (Form 2B)
Joint Venture	Submit to Purchasing Dept. with bid documents		JV Articles of Incorporation
Target Acquisition	Submit to Purchasing Dept. with bid documents		Copy of SBA 8a Certification
Workforce Diversity	Submit to Purchasing Dept. with bid documents	Submit to Equal Opportunity Dept. seven (7) calendar days prior to bid opening	Workforce data (Form 4): or current contract compliance data
Income Tax Incentive	Submit to Purchasing Dept. with bid documents	Submit to Equal Opportunity Dept. seven (7) calendar days prior to bid opening	Income Tax Incentive Information Release Form (Form 5)
General Target Area (GTA)	Submit to Purchasing Dept. with bid documents	Submit to Equal Opportunity Dept. seven (7) calendar days prior to bid opening	Documentation to substantiate the business primary location has been located in the GTA for at least six (6) months.

BID DISCOUNTS

Second Tier Utilization: Bids will be discounted when utilization of certified MBE or WBE second tier sources are voluntarily obtained by a bidder. Bidders shall submit the completed “Second Tier Utilization Form” [BD Form-2A] and “Second Tier Affidavit Form” [BD Form-2B] with the bid response for each bid to Purchasing by the bid opening date. The following schedule will be used to determine the discounted bid amount:

Certified MBE Second Tier Utilization	Discount Percentage	Certified WBE Second Tier Utilization	Discount Percentage
5.00 – 10.0%	1.0%	5.00 – 10.0%	1.0%
10.01 – 15.0%	2.0%	10.01% +	2.0%
15.01 – 20.0%	3.0%		
20.01 – 25.0%	4.0%		
25.01% +	5.0%		

Joint Venture: Each party to the joint venture business shall be responsible for at least 25% of the total project, or that percentage of the total project cost pre-established by the City Manager or designee on a project- by project basis. When at least one of the joint venture partners is an MWBE, the City will apply a bid discount. Joint Venture bids will be discounted as follows: 5% for MBE and 2% for WBE participation. Bidders shall submit the joint venture’s articles of incorporation with the bid response for each bid to Purchasing by the bid opening date.

Targeted Acquisition: Bid discounts will be applied to SBA 8a small businesses, including MWBEs who bid on commodity groups where they are being underutilized. The Target Acquisition commodity groups are listed on the City’s website. Bidders shall submit a copy of SBA 8a Certification with the bid response for each bid to Purchasing by the bid opening date. The following schedule will be used to determine the discounted bid amount:

Total Bid Amount	Discount Percentage
\$2,500 - \$50,000	5.0%
\$50,001 - \$100,000	4.0%
\$100,001 - \$200,000	3.0%
\$200,001 - \$500,000	2.0%
\$500,000 +	1.0%

Workforce Diversity: Businesses may obtain 1- 2% bid discount for workforce diversity. The bidder must demonstrate that both women and minorities are employed in at 80% of their availability in the relevant civilian labor force in at least in three (3) or four (4) of the nine (9) EEO job categories. Current workforce availability data for the Grand Rapids Metropolitan Statistical Area (MSA) is available on the City’s website. Bidders located in another MSA must use their relevant workforce availability data, which can be found at a local library or unemployment office.

Bidders shall submit “Annual Bid Discount Request Form” [BD Form–3] with all supporting workforce data documentation to the Diversity and Inclusion Office at least seven (7) days prior to the bid opening date. Businesses currently participating in the City’s Contract Compliance program may elect to use either workforce data currently on file or provide updated workforce data. NOTE: Business having an Affirmative Action Plan in place and being “in Contract Compliance” may not necessarily meet criteria for the workforce diversity bid discount.

Income Tax Incentive: A bid discount of 1% will be applied to those businesses that support the City to Grand Rapids economic base through City income tax revenues. Bidders shall submit “Annual Discount Request Form” [BD Form-3] and completed “Income Tax Incentive Information Release Form” [BD Form-5] to the Diversity and Inclusion Office at least seven (7) calendar days prior to the bid opening date.

General Target Area: Bid discounts will be applied to businesses located in the City’s General Target Area (GTA) [see enclosed GTA map]. Bidders shall submit “Annual Discount Request Form” [BD Form-3] and supporting documentation to the Diversity and Inclusion Office at least seven (7) calendar days prior to the bid opening date. The following is a schedule of bid discounts that may be obtained by those businesses whose principal place of business is located in a GTA.

Total Bid Amount	Discount Percentage
\$2,500 - \$50,000	5.0%
\$50,001 - \$100,000	4.0%
\$100,001 - \$200,000	3.0%
\$200,001 - \$500,000	2.0%
\$500,000 +	1.0%

BID RESPONSE DISCOUNT REQUEST FORM #BD1:

Return this form with all discounts being applied for to the Purchasing Department, 300 Monroe NW Room 720, Grand Rapids MI 49503, with your company's bid response. See back of "Notice of Invitation for Bid" for information on Contract Compliance/Equal Business Opportunity - Goods & Services Program:

Bid Discounts are an incentive based and voluntary component of the Equal Business Opportunity Policy and Guidelines. Bid discounts are financial incentives available to all bidders, when they can substantiate their own involvement in activities that complement the City's Strategic Plan. Bid Discounts may be awarded for participation in Joint Ventures, Second Tier Utilization, Target Acquisitions, Workforce Diversity, Income Tax Incentive, and General Target Areas.

Bidders shall note: all bid discounts requested shall be noted on the "Bid Response Discount Request" form #BD1 and submitted with the bid response.

The Annual Bid Discount Request form #BD3 and relevant documentation shall be submitted to the Diversity and Inclusion Office at least seven (7) days prior to bid opening date. Annual discounts approved by the Diversity and Inclusion Office shall remain in effect through June 30 following the effective date.

Bid Discounts shall apply to all bids estimated at \$2,500 or more that are bid by the Purchasing Department. Although the discounted bid will be used in the selection process of evaluating the low responsive, responsible bid, the original bid amount will be the basis for contract award. For example, a \$100,000 bid with a 5% bid discount would be evaluated at \$95,000. However, the full \$100,000 would be paid to the successful low bidder.

Bid discounts may be used in any combination not to exceed 5% or \$25,000, whichever is lower.

SECOND TIER UTILIZATION BID DISCOUNT: _____ %
Bidders shall submit the completed Second Tier Utilization Form and Affidavit (attached) with the bid response.

JOINT VENTURE BID DISCOUNT: _____ %
Bidders shall submit Joint Venture Articles of Incorporation with the bid response.

TARGETED ACQUISITION BID DISCOUNT: _____ %
Bidders shall submit a copy of company SBA 8a certification with the bid response.

WORKFORCE DIVERSITY BID DISCOUNT: _____ %
The Annual Bid Discount Request form and relevant documentation shall be submitted to the Diversity and Inclusion Office at least seven (7) days prior to bid opening date.

INCOME TAX INCENTIVE BID DISCOUNT: _____ %
The Annual Bid Discount Request Form and relevant documentation shall be submitted to the Diversity and Inclusion Office at least seven (7) days prior to bid opening date.

GENERAL TARGET AREA BID DISCOUNT: _____ %
The Annual Bid Discount Request Form and relevant documentation shall be submitted to the Diversity and Inclusion Office at least seven (7) days prior to bid opening date.

Company Name: _____

Bid Reference Number: _____

Bid Opening Date: _____

SECOND TIER UTILIZATION AFFIDAVIT FORM #BD2B

- 11) That the affiant (company) proposes to actually perform the services or do the work for which he/she (it) bid.
- 12) That the affiant (company) has not, or will not, subcontract or assign the work upon which he/she (it) bid without written permission from the owner of the project or the owner's representative and the City of Grand Rapids' Diversity and Inclusion Office representative.

(Signature)

(Name)

(Title)

On this _____ day of _____, 20____ before me, a Notary Public, appeared _____,
to me known to be the same person described and who, being duly sworn, did execute the foregoing Affidavit and did state that he
(she) was properly authorized by _____ to execute the said affidavit and who has acknowledged
the same to be his (her) free act and deed.

Notary Public, Kent County, MI

My Commission Expires: _____

Annual Bid Discount Request Form [BD FORM-3]

Directions: Return this form and the required documentation to the Diversity and Inclusion Office at least seven (7) calendar days prior to the bid opening, 300 Monroe NW Suite 840, Grand Rapids, MI 49503 or FAX to (616) 456-3199. If you have any questions regarding the EBO-Goods & Services Guidelines or Bid Discounts contact the Diversity and Inclusion Office at 456-3027.

Use this form to document all activities in which your firm participated during the previous calendar year. All Bid Discount accrued up to 5% will be applied to all the projects bid during the current fiscal year (July 1 – June 30).

1. Name of Company: _____
Contact: _____
Address: _____ City/State: _____ Zip: _____
Phone: (_____) _____ Fax: (_____) _____
E-Mail: _____ Federal ID # _____

2. Project Name (If known): _____ Bid Reference #: _____

3. Bid Opening Date: _____

4. Type of discount you are applying for (check all that apply):

Workforce Diversity (1-2% Bid Discount)

Attach a copy of (choose one):

- Current City of Grand Rapids Contract Compliance Workforce Data
- Other Workforce Data

Income Tax Incentive (1% Bid Discount)

Attach "Income Tax Incentive Information Release Form"

General Target Area (1-5% Bid Discount)

Attach evidence of conducting business from a fixed office located within the General Target Area for at least six months. (Example: copy of current utility bill and one dated six (6) months prior).

Authorized Signature

Title

Date

Companies shall note: The Annual Bid Discount Request form and relevant documentation shall be submitted to the Diversity and Inclusion Office at least seven (7) days prior to bid opening date.

Annual discounts approved by the Diversity and Inclusion Office shall remain in effect through June 30 following the effective date.

