

Grand Rapids - Kent County Convention/Arena Authority

***Wednesday, October 25, 2000 – 7:30a.m. – 9:30a.m.
County Administration Building – Board Room
300 Monroe Avenue, NW
Grand Rapids, Michigan 49503***

A G E N D A

- I. Call to Order
- II. Review and Approval of the Minutes of the September 27, 2000 Meeting of the CAA Action
- III. Public Comment
- IV. Presentation – Convention Bureau Marketing Program Information
- V. Presentation - Grand Rapids Griffins Information
- VI. Committee Reports
 - a. Building Committee
Concurrence in retaining following owner consultants and authorize Chair to sign agreements subject to Legal Counsel review and approval.
 - 1. McGuire Associates Inc. - \$225/hr not to exceed \$5000 - Consultant ADA issues
 - 2. Jim Hiaeshutter/Jerry Fellingner Consultants - \$100/hr not to exceed \$10,000
Fire/Security Systems Consultant
 - 3. Robert Duff Consulting Inc. - \$95/hr not to exceed \$10,000
Communication/Data Consultant
 - b. Operations Committee
 - c. Finance Committee
- VII. SMG Report – Facilities Calendar Information

VIII.	M/WBE Policy	Action
IX.	Final Copy of Approved Booking Policy	Information
X.	Convention Center Bonding	Information
XI.	Proposed 2001 Meeting Schedule	Information
XII.	Next Meeting Date – November 29, 2000	Information
XIII.	Future Business	
	<ul style="list-style-type: none"> a. Competitive Bidding - Operations b. Competitive Bidding - Construction c. Permanent Assignment of Construction Management Contract d. Establish Change Order Approval Process e. Design and Construction Approval f. Permanent Staffing 	

XIV. Adjournment

Distribution:

Convention/Arena Authority:

Steve Heacock, Chair
David Frey, Vice-Chair
Birgit Klohs
Mayor John Logie
Joe Tomaselli
Lew Chamberlin
Clif Charles

Staff:

Kurt Kimball, City of Grand Rapids
Eric DeLong, City of Grand Rapids
Robert White, City of Grand Rapids
Bill Cole, City of Grand Rapids
Dianette Hight, City of Grand Rapids
Daryl Delabbio, Kent County
Al Vanderberg, Kent County
Dave Waichum, Kent County

Jim Leach, Kent County
Dick Wendt, Legal Counsel
Jon Nunn, Grand Action
Dale Sommers, Contracted Owner's Rep
Jim Knack, DDA
Rich MacKeigan, SMG
Jim Day, Kent County

Committee Members:

John Canepa
Milt Rohwer
Robert Herr
Tom Carnegie
Robert Hooker
Don Maine
Marty Allen

Other:

Ingrid Scott-Weekley
Tim Wondergem
Don Hunt
Media

AGREEMENT FOR CONSULTING SERVICES

THIS AGREEMENT FOR CONSULTING SERVICES (the "Agreement") is entered into as of October __, 2000 (the "Effective Date") between the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") and McGuire Associates, Inc. (the "Consultant").

RECITALS

A. This Agreement is entered into in connection with the CAA's decision to contract with Consultant for Consultant's provision of Services (as defined in Section 3.1 hereof) in connection with the construction of a new Convention Center (the "Center").

B. Consultant is an established provider of consulting services, including the Services. By entering into this Agreement, Consultant represents that it has, and will have, the skills, qualifications, expertise and experience necessary to provide the Services described herein in an efficient, cost-effective manner with a high degree of reliability and has performed and continues to perform the same and similar services for other clients in such manner.

C. The CAA's objective in entering into this Agreement is to obtain assistance in complying with the Americans with Disabilities Act (the "ADA") and appropriate related state and local legislation (the "State Access Codes"). Consultant will on a specific request basis review construction of the Center, including alterations, access equipment and costs, to determine whether the Center will be in compliance with the ADA and State Access Codes and will advise CAA of any changes which may be necessary to ensure such compliance.

D. On the basis of the foregoing, the CAA desires to engage Consultant to perform the Services described in this Agreement.

NOW, THEREFORE, in consideration of the covenants, promises and representations set forth herein, and for other good and valuable consideration, the parties agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.1 Defined Terms. Capitalized terms used in this Agreement are defined where they first appear and have the meanings there indicated.

ARTICLE 2 TERM

Section 2.1 Term. The term (the "Term") of this Agreement shall begin as of the Effective Date and shall continue until six (6) months after construction of the Center is completed, unless terminated at the discretion of either party or mutually extended by the parties.

ARTICLE 3 SERVICES

Section 3.1 Provision of Services.

(a) During the Term of this Agreement, Consultant shall provide such Services as shall be requested by the CAA from time to time. As used herein, "Services" means the provision of consulting services to the CAA, including: (i) reviewing construction documents and plans for the Center and advising the CAA of any changes which may be necessary to ensure compliance with the ADA and State Access Codes, (ii) providing assistance to the CAA in reviewing construction of the Center, including alterations, access equipment and costs to verify such compliance, and (iii) advising the CAA regarding the impact, if any, of changes in applicable legislative enactments and regulations on the Center throughout the Term of this Agreement.

(b) In addition to the Services set forth in Section 3.1(a), Consultant shall, upon the request of the CAA, gather opinions, documentation, testimony, and evidence in support of various CAA positions on access issues, and assist the CAA in communicating with the media and community groups to publicize the CAA's proactive accessibility positions. If such additional services are requested by client, the term "Services" shall include such services.

(c) Unless otherwise agreed to by the CAA in writing, all Services shall be rendered personally by Kevin G. McGuire.

(d) From time to time during the Term, the CAA or Consultant may propose changes in or additions to the Services or other aspects of this Agreement.

Section 3.2 Contrary Position by Consultant. Consultant agrees that it shall not, during the Term hereof, take, publish, or espouse a written or oral position with respect to a similar facility, adverse or in opposition to any position taken by the CAA with respect to accessibility issues. In the event that Consultant takes, publishes or espouses such a contrary provision, it shall promptly notify the CAA of that fact.

ARTICLE 4 CONFIDENTIALITY

Section 4.1 Consultant's Obligations. Consultant agrees that all documentation and information, whether written or oral, prepared or delivered by it to the CAA, and all documentation and information, whether written and/or oral, provided by the CAA and its consultants to Consultant are, and shall be treated as, confidential and shall not be communicated, disclosed or revealed to any person or entity whatsoever, either in whole or in part, either during the Term of this Agreement or thereafter, without the express written consent of an officer of the CAA unless otherwise required by law. Consultant shall be responsible for any breach of this Agreement by any of its officers, directors, shareholders, agents, employees, servants, and agrees that the CAA shall be entitled to equitable relief in the event of any breach of the provisions hereof, in addition to all other remedies available to the CAA at law or in equity.

Section 4.2 Consent to Inclusion of Name on Consultant Client List. Notwithstanding anything to the contrary contained in this Agreement, the CAA consents to the inclusion of its name on Consultant's client list.

Section 4.3 Ownership of Documentation. All documentation prepared or generated by Consultant hereunder shall become the sole and exclusive property of the CAA.

ARTICLE 5

CHARGES; INVOICING AND PAYMENT

Section 5.1 Charges. The CAA shall pay to Consultant a fee of \$220 per hour for Services rendered upon request of the CAA, plus reimbursement at cost for reasonable expenses for travel and lodging, phone calls, faxes, document reproduction and shipping. In the event that the CAA requests that additional services be provided which are beyond the scope and understanding of this Agreement, Consultant shall provide such services only after the parties hereto have fully discussed the scope of such services and the rate at which Consultant is to be compensated therefor and shall have agreed to the same in writing.

Section 5.2 Invoices. Consultant shall issue to the CAA, on a monthly basis in arrears, one (1) consolidated invoice for all amounts due under this Agreement with respect to Services rendered in the previous month. Each invoice shall separately state charges for Services rendered and reimbursable expenses. The charge for Services shall include a description of the activities performed, the amount of time spent on each activity and the date each activity was performed, and shall otherwise be in such detail as the CAA may require. Each request for reimbursement of expenses shall include receipts for such expenses.

Section 5.3 Payment. Each invoice delivered pursuant to Section 5.2 shall be due and payable within sixty (60) days after the date such invoice is received by the CAA.

ARTICLE 6

CERTAIN REPRESENTATIONS AND WARRANTIES

Section 6.1 Mutual Representations and Warranties. Each party represents and warrants that, as of the Effective Date: (a) it has all necessary authority to enter into this Agreement and to perform its obligations thereunder, and the execution and delivery of this Agreement and the consummation of the transactions contemplated thereby have been duly authorized by all necessary actions on its part; and (b) this Agreement constitutes a legal, valid and binding obligation of such party, enforceable against it in accordance with its terms.

Section 6.2 Consultant Representations and Warranties. As of the Effective Date and continuing throughout the Term, Consultant represents and warrants to the CAA that: (a) it is a corporation duly incorporated, validly existing and is in good standing under the laws of the state in which it is incorporated, and is good standing in each other jurisdiction where the failure to be in good standing would have a material adverse effect on its business or its ability to perform its obligations under this Agreement; (b) Consultant (i) has, and each of the Consultant employees that it will use to provide and perform the Services has, the necessary knowledge, skills, experience, qualifications, rights and resources to provide and perform the Services in accordance with this Agreement; (ii) has successfully provided and performed the Services or services that are substantially equivalent to the Services for other clients of Consultant; and (iii) will perform services in a diligent, professional and workmanlike manner using properly trained and qualified individuals, and at a minimum, in accordance with industry standards applicable to the performance of such Services; and (c) it is not the subject of any pending or threatened litigation (including claims subject to arbitration) arising from a consulting relationship similar to the relationship contemplated by this Agreement and will notify the CAA immediately in the event Consultant becomes the subject of any such litigation.

ARTICLE 7 MISCELLANEOUS

Section 7.1 Interpretation.

(a) In this Agreement, words importing the singular number include the plural and vice versa and words importing gender include all genders. The word "person" includes, subject to the context in which it appears, an individual, partnership, association, corporation, trustee, executor, administrator or legal representative.

(b) The division of this Agreement into Articles, Sections, and subsections and the insertion of any captions or headings are for convenience of reference only and shall not affect its construction or interpretation.

(c) The parties are sophisticated and have been represented by counsel during the negotiation of this Agreement, as a result, the parties believe the presumption of any laws or rules relating to the interpretation of contracts against the drafter thereof should not apply, and hereby waive any such presumption.

Section 7.2 Binding Nature and Assignment. Neither party may assign, voluntarily or by operation of law, any of its rights or obligations under this Agreement without the prior written consent of the other party. Subject to the foregoing, this Agreement shall be binding on the parties and their respective successors and assigns.

Section 7.3 Applicable Law. All questions concerning the validity, interpretation and performance of this Agreement shall be governed by and decided in accordance with the laws of the State of Michigan.

Section 7.4 Jurisdiction and Venue. The parties hereby submit and consent to the exclusive jurisdiction of any state or federal court located within Grand Rapids, Michigan, and irrevocably agree that all actions or proceedings relating to this Agreement shall be litigated in such courts, and each of the parties waives any objection which it may have based on improper venue or *forum non conveniens* to the conduct of any such action or proceeding in such court.

Section 7.5 Equitable Remedies. The parties agree that in the event of any breach or threatened breach of any provision of this Agreement concerning confidential information or other matters for which equitable rights may be granted, money damages would be an inadequate remedy. Accordingly, such provisions may be enforced by the preliminary or permanent, mandatory or prohibitory injunction or other order of a court of competent jurisdiction.

Section 7.6 Amendment and Waiver. No supplement, modification, amendment or waiver of this Agreement shall be binding unless executed in writing by the party against whom enforcement of such supplement, modification, amendment or waiver is sought. No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

Section 7.7 Further Assurances; Consents and Approvals. Each party shall provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to give effect to this Agreement and to carry out its provisions. Whenever this Agreement requires or contemplates any action, consent or approval, such party shall act reasonably and in good faith and

(unless the Agreement expressly allows exercise of a party's sole discretion) shall not unreasonably withhold or delay such action, consent or approval.

Section 7.8 Severability. Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 7.9 Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties pertaining to the subject matter hereof.

Section 7.10 Notices. Any notice, demand or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed delivered to a party when delivered by hand or overnight courier to the address of such party set forth below (or at such other address as the party may from time to time specify by notice delivered in the foregoing manner):

If to Consultant, to: McGuire Associates, Inc.,
Ten South Plank Road
Newburgh, NY 12550
Attn: Kevin G. McGuire

If to the CAA, to: Grand Rapids-Kent County Convention/Arena Authority
130 W. Fulton Street
Grand Rapids, MI 49503
Attn: Dale Sommers

Section 7.11 Independent Contractors. Consultant shall perform its obligations under this Agreement as an independent contractor of the CAA. Nothing herein shall be deemed to constitute Consultant and the CAA as partners, joint venturers, or principal and agent. Consultant has no authority to represent the CAA as to any matters, except as expressly authorized in this Agreement. The CAA shall have no liability for the acts or omissions of Consultant's employees or subcontractors.

Section 7.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

MCGUIRE ASSOCIATES, INC.

**GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY**

By: _____
Kevin G. McGuire
Its: Chairman and Chief Operating Officer

Date: _____

By: _____
Steven R. Heacock
Its: Chairperson

Date: _____

**JIM HIAESHUTTER / JERRY FELLINGER
CONSULTANTS
FIRE/SECURITY SYSTEMS**

James P. Gray, AIA
Convention Center Expansion
Kent County Administration Building
300 Monroe Ave. NW
Grand Rapids, MI 49503

Ref: meeting with Jim Hiaeshutter, Jim Gray, and Dale Sommers on 10/3/00

Jim:

I am writing this letter on behalf of Jim Hiaeshutter and myself. I met with Jim after his meeting with you and Dale Sommers on 10/3 to discuss the electronic and personnel fire/security issues for the upcoming convention center project. Jim and I are definitely interested in consulting with you for this project.

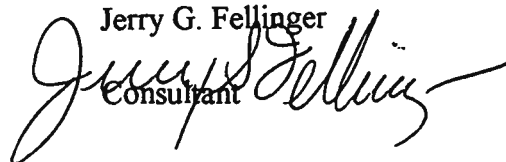
Since I have retired as president of Engineered Protection Systems (May 2000), I thought that any consulting agreement that Jim and I would establish with you would be independent of EPS. However, if you feel that the financial contingency arrangement that we had with EPS on the Van Andel Institute project would be advantageous or more convenient for the Convention Center project, I can set that up as before. Regardless of the arrangement, Jim and I will be completely objective and professional as you are well aware.

As Jim mentioned in his meeting with you and Dale, we see the fire/security/card access/cctv and personnel security requirements for the new convention center as being similar to those for the Van Andel Institute. Obviously, the convention center is a much larger project. We are agreeable to providing our services at a rate of \$100/man.hour. After an initial meeting when we have an opportunity to look at the project drawings, discuss facilities details, and review project phases/timing, we will be able to give you a budgetary cost for our consulting services for the entire project.

Jim will call you to set up a meeting so we can discuss the details of a consulting agreement. We are looking forward to working with you again.

Jerry G. Fellingner

Consultant



ROBERT DUFF CONSULTING, INC.

7170 Crystal Springs Ct.
Caledonia, MI 49316

October 9, 2000

Mr. James P. Gray, AIA
Convention Center Expansion
Owner Representative
Grand Rapids-Kent County Convention/Arena Authority
Kent County Administration Building
300 Monroe Ave. NW
Grand Rapids MI 49503

Dear Mr. Gray:

Thanks for meeting with me last Wednesday to discuss the Convention Center Expansion Project. While the entire project is extremely large in scope and several years in duration, there are sub-projects of much shorter duration, where Robert Duff Consulting, Inc. can provide valuable input to the project. The first of these sub-projects consists of developing a conceptual design for the communications portion of the Information Technology (IT) infrastructure for the Convention Center, along with an assessment of it's financial impact to the project. This infrastructure is dependent on the IT communications services that will be required by conference exhibitors and attendees, as well as the operational needs of the Convention Center staff.

As a result of our discussion, I propose the following:

- Interview SMG personnel at the Van Andel Arena to help define IT communications requirements from exhibitors, attendees, and SMG management points of view. This interview can also provide insight into IT communication services offered in similar and competing venues.
- Additionally, interview SMG personnel at the Van Andel Arena to determine existing equipment and services and plans for the continuation, enhancement, or discontinuing of these services.
- Based on these interviews, define preliminary requirements for the IT communication infrastructure. Visiting a comparable convention center may be beneficial in solidifying the requirements. These requirements will be documented in an IT Communication Infrastructure Report.
- Meet with architectural design and electrical engineering personnel to discuss locations of communication closets, telephone and computer rooms, cabling routes, etc.

Tel 616.554.7270
E-mail rdconsulting@ameritech.net

- Based on these interviews, define preliminary size and locations of rooms, ducts, pathways, cable trays, etc. This will be done in conjunction with the architectural design and electrical engineering personnel, and documented, to the extent possible, on preliminary architectural drawings.
- Develop a Request for Information (RFI) to be used as a basis for preliminary infrastructure designs.
- Submit the RFI to appropriate vendors for the purpose of obtaining preliminary designs and budgetary estimates for systems to meet the IT Communication Infrastructure requirements.
- Based on responses to the RFI, determine viable approaches to meeting the requirements, in sufficient detail, to provide reasonable estimates of cost and schedule for installation of the IT Communication Infrastructure.

Fees for providing the above services will be based on the number of hours spent on these activities and will be billed at the rate of \$95 per hour. Robert Duff Consulting, Inc will submit invoices on a monthly basis for the hours spent the previous month.

I am looking forward to working with you on this exciting project. Please don't hesitate to call me if you have any questions.

Sincerely,

A handwritten signature in cursive script, reading "Robert C. Duff". The signature is fluid and stylized, with the first and last names being more prominent than the middle initial.

Robert C. Duff, President
Robert Duff Consulting, Inc.

**GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY**

**RESOLUTION ADOPTING THE CITY OF GRAND RAPIDS
COMMISSION POLICY AND ADMINISTRATIVE GUIDELINES FOR
MINORITY AND WOMEN BUSINESS ENTERPRISES UNDER CITY
CONTRACTS**

Boardmember _____, supported by Boardmember _____,
moved the adoption of the following resolution:

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA")
from time to time enters into construction contracts in connection with projects it undertakes
pursuant to Act 203 of the Public Acts of Michigan of 1999, as amended; and

WHEREAS, the CAA desires to adopt with respect to such construction contracts the
City of Grand Rapids Commission Policy and Administrative Guidelines for Minority and
Women Business Enterprises under City Contracts (the "M/WBE Policy and Guidelines").

RESOLVED:

1. That the M/WBE Policy and Guidelines in the form attached to this resolution is
adopted with such amendments as may be adopted by the Grand Rapids City Commission from
time to time.

2. That all resolutions, parts of resolutions, policies and guidelines in conflict
herewith shall be and the same are hereby rescinded to the extent of such conflict.

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

Dated: October 25, 2000

Eileen Pierce
Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Recording Secretary of the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of the CAA at a regular meeting held on October 25, 2000, and that public notice of said meeting was given pursuant to and in compliance with Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: October 25, 2000

Eileen Pierce
Recording Secretary

COMMISSION POLICY

and

**ADMINISTRATIVE GUIDELINES FOR
MINORITY AND WOMEN BUSINESS ENTERPRISES
UNDER CITY CONTRACTS**

CITY OF GRAND RAPIDS

CITY OF GRAND RAPIDS

COMMISSION POLICY

SUBJECT

Minority and Women Business Enterprise Contracts.

PURPOSE

The City of Grand Rapids enacts this program:

1. to offset the continuing effects of past discrimination found to exist in the construction industry in Grand Rapids against minority and women business enterprises (M/WBEs); and
2. to control or eliminate present discrimination in the Grand Rapids construction industry by assisting local M/WBEs in achieving participation commensurate with their availability in all public construction contracts sponsored by the City of Grand Rapids.

POLICY

1. In each contract awarded by the City, it shall be the goal for majority contractors to reach not less than 11% participation of Local Minority Business Enterprises and not less than 1% participation for Local Women Business Enterprises in:
 - a. all construction contracts of an amount of \$10,000 or more, financed in whole or in part by the City of Grand Rapids; and
 - b. all construction contracts awarded or administered by the City, of an amount of \$10,000 or more, financed in whole or in part with federal/state funds unless otherwise regulated.
2. In all joint or cooperative contracts awarded by other communities in which the City's share for labor and/or materials is \$10,000 or more, the amount of M/WBE participation shall be based on the percentage of the labor and material work financed by the City of Grand Rapids unless a greater level of M/WBE participation is required or permitted by a funding agency or the community awarding the contract. The work done by M/WBEs may be done on any portion of the contract awarded by the governmental agency involved and is not limited to the work being financed by the City of Grand Rapids.

Further, if the project is let in more than one contract, the M/WBE can be designated to participate in one or more of the contracts if it is deemed practical or convenient.

3. Under paragraph 1 above, the City may award any such contract to the lowest responsive bidder who achieves the goals of not less than 11% local Minority Business Enterprise (MBE) and 1% local Women Business Enterprise (WBE) participation or to the lowest responsive bidder who has been granted a waiver. The City reserves the right to award a contract in the City's best interest, and therefore, the City may select a bidder other than the lowest. Further, the City reserves the right not to award a contract and to rebid in any situation where a contract is not awarded. It is the intent of the City that MBE and WBE goals be met separately. Any bidder failing to comply with the requirements of the M/WBE Policy and attendant Administrative Guidelines shall be deemed non-responsive.
4. When a Minority or Women Business Enterprise acts as a prime contractor and work must be subcontracted out, an MBE prime contractor must meet the 1% WBE goal, and a WBE prime contractor must meet the 11% MBE goal.
5. The City Manager, subject to the approval of the City Commission, shall promulgate Administrative Guidelines for this Policy, and said Guidelines may provide for a waiver or exceptions to the strict adherence of this Policy under unusual circumstances. The Guidelines shall also be used in the interpretation and application of this Policy. (Copies of the Administrative Guidelines for this Policy are available in the City's Equal Opportunity Department.)

Adopted this day, December 30, 1997, pursuant to the authority of proceeding number 64243.

**ADMINISTRATIVE GUIDELINES FOR
MINORITY AND WOMEN BUSINESS ENTERPRISE
UNDER CITY CONTRACTS**

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**ADMINISTRATIVE GUIDELINES FOR
MINORITY AND WOMEN BUSINESS ENTERPRISE
UNDER CITY CONTRACTS**

SECTION I: FOREWORD

1.1 AUTHORITY, PURPOSE AND APPLICABILITY

These Guidelines are promulgated by the City Manager pursuant to authority granted to the City Manager under the policy on Minority and Women Business Enterprise Contracts, (hereafter, M/WBE Policy) adopted and expanded by the City Commission on April 28, 1992, which M/WBE Policy is expressly incorporated herein by reference and made a part hereof.

The controlling legal precedent which establishes guidelines for lawful race-conscious programs enacted by local governments is the U.S. Supreme Court decision in City of Richmond v. J.A. Croson, (*Croson*) 488 U.S. 469 (1989). In *Croson*, the Court established strict scrutiny as the standard of review for race-based programs. In applying this standard, the High Court employed a two-pronged analysis. First, the local government must demonstrate a compelling governmental interest for using race conscious criteria in awarding contracts and second, the local government must demonstrate that the race conscious program is narrowly tailored to address the effects of that identified discrimination. *Croson* and its progeny do not require jurisdictions to prove discrimination before they enact race and gender conscious programs. Rather, jurisdictions are required to have a strong basis in evidence which establishes a *prima facie* case of discrimination. A *prima facie* case of discrimination is one in which the local government presents evidence which establishes, on its face, all of the requisite claims of discrimination in the relevant geographic location. A disparity study is the vehicle by which a jurisdiction can establish a strong basis in evidence of discrimination which meets *Croson's* strict scrutiny standard of review.

The disparity study conducted by the City of Grand Rapids' Construction Practices Review Committee (Committee) established a strong evidentiary basis that discrimination against Minority and Women Business Enterprises (M/WBEs) has been in the past, and continues to be, a problem in the Greater Grand Rapids area construction industry. Discrimination has resulted in the underutilization of M/WBEs on both public and private sector contracts, and without effective remedies, it will continue to impede the success of M/WBEs.

The Committee made the following findings which provide the legal basis for enactment of the City's M/WBE Policy:

- A. Past discrimination has current effects including limiting the establishment, development, continued success, and full and equitable participation of M/WBEs in the local construction industry. There is considerable evidence of both past and current discrimination against Hispanic and black contractors. Evidence of discrimination against women, Native American and Asian contractors is more recent and ongoing. There is insufficient evidence to conclude the extent to which other minority groups have experienced discrimination.
- B. The Interim Policy, with its "good-faith effort" requirement, has been completely ineffective in eliminating the present effects of past discrimination and in controlling or eliminating present discrimination. Evidence indicates that prior to the suspension of the former 10% goal MBE Program, participation levels for MBEs averaged 14% of City dollars. Once the Interim Policy became effective, M/WBE participation decreased to 6.02% in 1989 (6/89 - 12/89) and 0.80% in 1990. The Equal Opportunity Department intervened on those projects where good-faith efforts were questionable. Prime contractors were asked to review that portion of their work to be subcontracted to determine whether additional M/WBE participation could be obtained. Intervention resulted in a 0.40% increase in participation in

1989 and 0.30% in 1990. After EOD intervention, total participation for 1989 was 6.42%, and 1990, 1.10%. Intervention with prime contractors to encourage increased utilization of M/WBEs produced minimal increases.

- C. The decline in the level of M/WBE participation in 1989 and 1990 was caused by:
- discrimination occurring after the suspension of the 10% MBE Program;
 - the ineffectiveness of the Interim Policy's less-restrictive good-faith efforts requirement in controlling or eliminating discrimination; and
 - the failure of non-minority contractors to meet M/WBE goals without a mandate compelling them to do so.
- D. The City implemented several race/gender-neutral remedies to increase the utilization of minority and women-owned businesses. These remedies included relaxing bidding and bonding requirements, bidding contracts in smaller, more manageable parts, providing training and technical assistance, and providing opportunities for M/WBEs to network with non-minority contractors and banking, bonding and insurance officials. Such measures were ineffective in eliminating the present effects of past discrimination and in controlling or eliminating present discrimination.
- E. Analyses of the survey, interview and public hearing results provide substantial anecdotal evidence of discriminatory patterns and practices, as well as particularized instances of discrimination.
- F. Analysis of availability and utilization data reveals that there is a substantial disparity between the availability of M/WBEs in the local construction industry and their utilization by both the public and private sectors.

The purpose of these Guidelines is to establish requirements which must be met by and M/WBEs contractors when qualifying for and bidding on:

- A. all construction contracts of an amount of \$10,000 or more, financed in whole or in part with City funds, and
- B. all construction contracts awarded or administered by the City of an amount of \$10,000 or more, financed in whole or in part with federal/state funds, unless otherwise regulated.

1.2 ADOPTION BY REFERENCE

Unless otherwise indicated, upon adoption of these Administrative Guidelines by the City-County Building Authority, Grand Rapids Downtown Development Authority, Grand Rapids Building Authority, Grand Rapids Tax Increment Finance Authority or Grand Rapids-Kent County Convention/Arena Authority, the term "City," as used in these Guidelines shall be interpreted to mean the appropriate Authority which has let the bid for the project at issue.

SECTION II: DEFINITIONS AND ELIGIBILITY CRITERIA

2.1 DEFINITIONS

As used in these Guidelines or in the M/WBE Policy, the following terms are defined as indicated:

- A. Applicant: One who submits an application, request, or plans to be approved as a Minority Business Enterprise (MBE) or a Women Business Enterprise (WBE).
- B. Certification: The process by which the Equal Opportunity Department reviews M/WBEs to determine whether they meet eligibility criteria as bona fide M/WBEs which enables them to bid or be utilized on City construction projects.

- C. Compliance: The condition existing when a contractor meets the requirements of the M/WBE Policy and these Guidelines.
- D. Construction Contract:
1. A construction contract of an amount of \$10,000 or more financed in whole or in part by the City for the construction, alteration or renovation of public buildings or any other public works project.
 2. A construction contract of an amount of \$10,000 or more, financed in whole or in part with federal/state funds.
- E. Contractor: A generic term for a firm that does construction work under a contract or subcontract covered by the M/WBE policy and these guidelines.
- F. Decertification: The process by which the Equal Opportunity Department determines that a contractor is no longer a bonafide M/WBE, and is therefore ineligible to participate in the City's M/WBE Program.
- G. Eligible Minority or Women Business Enterprise: An M/WBE determined by the City to be eligible to participate in the City's M/WBE Program based upon the criteria established in Section II, 2.2 of these Guidelines.
- H. Exception: A situation in which the M/WBE Policy shall not apply in whole or in part. Exceptions shall be limited to those situations in which there is an over-riding public policy reason for not applying the M/WBE Policy. A request for exception to the M/WBE Policy must be made in accordance with Section X, 10.3.
- I. Local Minority or Women Business Enterprise: A M/WBE with its office or principal place of business in Kent or Ottawa County or an M/WBE that has previously done business in

Kent County or has attempted to do business in Kent County prior to 1992 regardless of the location of its office or principal place of business.

- J. Minority: A person who is a citizen or lawful resident of the United States who is:
1. Black, a person having origin in any of the black racial groups of Africa.
 2. Hispanic, a person of Spanish or Portuguese culture with origins in Mexico or Central America or the Caribbean Islands.
 3. Asian American, a person having origins in any of the original people of the Far East, Southeast Asia, the Indian sub-continent, or the Pacific Islands.
 4. American Indian, a person having origins in any of the original peoples of North America.
- K. Minority Business Enterprise (MBE): A business concern which is owned and controlled by one or more minorities as defined in "J" above. For purposes of this part, "owned and controlled" means a business:
1. which is at least fifty-one percent (51%) owned by one or more minorities or, in case of a publicly-owned business, at least fifty-one percent (51%) of the stock is controlled by one or more minorities; and,
 2. whose management and daily business operations are controlled by one or more such individuals (minorities).
- L. Non-Compliance: The condition existing when a contractor fails to meet the requirements of the M/WBE Policy or these Guidelines.
- M. Non-Responsive Bidder: A firm formally submitting a proposal for work contemplated, which proposal in the judgement of the City of Grand Rapids is incomplete and not in compliance with all bid requirements including M/WBE requirements.

- N. Prime Contractor: A firm that submits a bid for a construction project. Prime Contractors are responsible for an entire construction project but may subcontract to others portions of the project that require special skills or equipment.
- O. Request for Waiver: The process by which a contractor may request to be exempted from M/WBE goals on a particular project. Such a request requires submission of a request for waiver form together with documentary evidence of good faith efforts to meet the M/WBE goals and why the request should be granted (see Section VI, 6.1).
- P. Responsive Bidder: A firm formally submitting a proposal for work contemplated, which proposal in the judgement of the City of Grand Rapids is complete and in compliance with all bid requirements including M/WBE requirements.
- Q. Subcontractor: A firm engaged in a construction trade or specialized construction activities and performs work for a prime contractor under a subcontract. A subcontractor submits a quote to a prime contractor for the portion of work on a construction project that the subcontractor is willing to assume and perform.
- R. Waiver:
1. Partial or total exclusion of M/WBE goals on a specific project where it is determined by the City that there are no or insufficient M/WBEs to perform the work or it is in the best interest of the City to do so.
 2. A process whereby the City examines the validity of a contractor's request for waiver for evidence of good faith effort to achieve M/WBE goals. If such evidence is found, a waiver may be granted for all or part of the M/WBE goal on a specific project.
- S. Women Business Enterprise (WBE): A business concern which is owned and controlled by one or more females. For purposes of this part, "owned and controlled" means a business:

1. which is at least fifty-one percent (51%) owned by one or more women or, in case of a publicly-owned business, at least fifty-one percent (51%) of the stock is controlled by one or more women; and,
2. whose management and daily business operations are controlled by one or more such individuals (women).

2.2 CRITERIA FOR DETERMINING ELIGIBLE MINORITY OR WOMEN BUSINESS ENTERPRISES

An eligible M/WBE shall be an independent business. The ownership, management and control by minorities or women should be real, substantial and continuing, and shall go beyond mere form. Recognition of the business as a separate entity for tax or corporate purposes may be considered as a factor but is not alone sufficient for recognition as an eligible M/WBE. The following criteria, along with other relevant criteria, indicating ownership and control of a business by minorities or women shall be employed in determining whether or not a business is an eligible M/WBE:

A. Ownership Factors:

1. A minority or women owner shall enjoy the customary incidents of ownership and should share the risks and rewards inherent in an ownership interest as demonstrated by an examination of the substance rather than the form of the business arrangements.
2. A minority or woman owner shall possess the power to direct the management and policies of the business and to make major business decisions on all matters of management, policy-making and operations.
3. If the owners of the firm who are not minorities or women are disproportionately responsible for the management, policy-making and operations of the firm, then the firm shall not be considered an eligible Minority or Women Business Enterprise.

4. If there are restrictions through by-law provisions, partnership agreements, charter requirements or any other means that prevent minority or women owners otherwise having a controlling interest in the business from exercising control of the business without the vote, cooperation or concurrence of male and/or non-minority owners, then the business shall not be considered a minority or women business enterprise.
 5. A minority or woman must have made or be making a substantial contribution of capital or of expertise to acquire an ownership interest for that individual's interest to be considered real and substantial and for the business to be an eligible minority or women business enterprise.
 6. The business shall be considered an eligible minority or women business enterprise only if the minority or woman owner retains control over the following:
 - a) establishment of company policies;
 - b) determination and selection of business opportunities;
 - c) general (but not necessarily on-site) supervision of projects;
 - d) control of major expenditures;
 - e) hiring and dismissal of key personnel;
 - f) marketing and bidding decisions;
 - g) the power to contract by signing major business contracts and documents.
- B. Management Factors -- all of the following must exist for a business to be considered an eligible minority or woman business enterprise:
1. A minority or woman must hold the position of President, Chief Executive Officer or a similar title demonstrating that the real authority and power over the day-to-day management of the business is both in theory and in fact held by the minority or woman.

2. A minority or woman must establish and have full authority to modify or rescind business and operating policies.
3. A minority or woman must generally supervise projects.
4. A minority or woman must control major expenditures.
5. A minority or woman must make major marketing and bidding decisions.
6. A minority or woman must have the authority to bind the business by signing major contracts.

2.3 IDENTIFICATION AND LISTING OF CERTIFIED MINORITY AND WOMEN BUSINESS ENTERPRISE

The City of Grand Rapids Equal Opportunity Department shall identify bona fide M/WBEs and shall compile and maintain a list of eligible M/WBEs who are certified to bid on public construction projects. Only M/WBEs who have been certified by the Equal Opportunity Department shall be permitted to bid on public construction projects with the City as M/WBEs unless an exception has been made for the contract as provided for in these Guidelines.

The City's Equal Opportunity Department shall monitor existing M/WBEs for compliance with these Guidelines. A revised list of certified M/WBEs shall be issued on the first of every month.

2.4 REPORTING RESPONSIBILITIES FOR CHANGES TO MINORITY AND WOMEN BUSINESS ENTERPRISE STATUS

M/WBEs that have been certified pursuant to Paragraphs 2.2 and 2.3 above are required to inform the City immediately of any change in the location, ownership, management, officers, operation or control of the business and any other pertinent information affecting M/WBE status or eligibility. If the percentage of M/WBE ownership drops below 51%, the M/WBE must notify the City's Equal Opportunity Department immediately of such change.

2.5 CERTIFICATION OF MINORITY AND WOMEN BUSINESS ENTERPRISES

Firms representing themselves as M/WBEs shall certify compliance status with the City's Policy by completing the form entitled "City of Grand Rapids Certification Application for Minority and Women Business Enterprise" and by compliance with Sections II, 2.2 and Sections IV and VIII of these Guidelines.

2.6 DECERTIFICATION OF MINORITY AND WOMEN BUSINESS ENTERPRISES

The Equal Opportunity Department may decertify a contractor which it determines is no longer a bona fide M/WBE. Grounds for decertification include but are not limited to:

- A. The business has changed to the extent that it no longer satisfies the requirements of ownership, management and control as determined by eligibility requirements in Section II, 2.2 of these Guidelines.
- B. The M/WBE fails to submit within a reasonable time period information requested by the Equal Opportunity Department.

M/WBEs decertified for reasons other than by voluntary request may not apply for recertification for such time as may be specified by the Equal Opportunity Department not to exceed one (1) year. A business which is decertified may appeal such decertification pursuant to Section X, 10.1.

SECTION III: DOCUMENTATION OF CONTRACTOR EFFORTS TO OBTAIN M/WBE PARTICIPATION

3.1 PROPOSAL SUPPLEMENT FORM

At the time of submission of its proposal or bid, each contractor shall have attached the Proposal Supplement form to the proposal or bid, which identifies M/WBEs to be used on the project. The contractor must also indicate all the M/WBEs contacted, date and method of contact, dollar amount submitted by each M/WBE, whether each M/WBE contacted will actually be used, reason for not

utilizing each M/WBE, and any other information requested by the Equal Opportunity Department. This information shall be considered in conjunction with other information to determine whether the contractor exerted "good faith" effort in attempting to utilize M/WBEs. Such information shall be subject to review and verification by the Equal Opportunity Department of the City of Grand Rapids. Any proposal or bid that is submitted without a completed Proposal Supplement, if applicable, is non-responsive and shall not be tabulated or considered for award of the contract.

3.2 AFFIDAVIT

Within one (1) business day of the bid opening, each contractor requested to do so by the City shall submit a sworn statement from each M/WBE to be used in the performance of the contract to supplement its proposal stating that the M/WBE did provide a written quote for the work to the prime contractor and the amount of the quote.

SECTION IV: M/WBE PRIME AND SUBCONTRACTING RESPONSIBILITIES

4.1 MINORITY AND WOMEN BUSINESS ENTERPRISES AS PRIME CONTRACTOR

When an M/WBE acts as a prime contractor and work must be sub-contracted out, an MBE prime contractor must meet the 1% WBE goal, and the WBE prime contractor must meet the 11% MBE goal.

4.2 MINORITY AND WOMEN BUSINESS ENTERPRISES AS SUBCONTRACTOR

A M/WBE acting as a subcontractor shall not permit a prime contractor to enter a quote on its behalf unless the M/WBE has actually provided a written quote on the project which includes all pertinent information. Neither shall a prime contractor submit an affidavit on behalf of an M/WBE unless such quote has been received in writing by the prime contractor. An M/WBE shall not be

permitted to sub-contract or assign any of such work upon which it submits a quote without the prior express written permission of the City of Grand Rapids.

SECTION V: VALIDATION PROCESS

5.1 DETERMINATION OF "GOOD FAITH EFFORTS" TO UTILIZE MINORITY AND WOMEN BUSINESS ENTERPRISES ON CONSTRUCTION CONTRACTS

Good faith efforts are those efforts that--given all relevant circumstances--a contractor actively and aggressively seeking to obtain reasonable M/WBE participation would make.

Efforts that are merely "pro forma" are not good faith efforts. Efforts which are "sincerely motivated" are not good faith efforts if, given all relevant circumstances, they could not reasonably be expected to produce a reasonable level of M/WBE participation.

In determining whether a contractor has made good faith efforts, the City of Grand Rapids will look at the different kinds of effort the contractor has made, and at the quantity, quality and intensity of these efforts. In evaluating a contractor's good faith efforts, the City shall, among other factors, consider whether the contractor:

- A. Submitted a completed Proposal Supplement form identifying the certified M/WBEs that the contractor contacted; the date and the method of the contact; the dollar amount of M/WBE quote submitted; whether M/WBEs will be actually used, and any reason for not utilizing the M/WBEs.
- B. Attended any pre-solicitation or pre-bid meetings that were scheduled by the City to inform majority bidders and M/WBEs of contracting and sub-contracting opportunities.
- C. Provided notice (preferably written) to a reasonable number of specific M/WBEs that their interest in the contract was being solicited in sufficient time to allow M/WBEs to participate effectively.

- D. Selected portions of the work to be performed by M/WBEs in order to increase the likelihood of meeting the M/WBE participation (including, where appropriate, breaking down contracts into economically feasible units to facilitate M/WBE participation).
- E. Provided interested M/WBEs with adequate information about the project.
- F. Conducted pre-bid discussions in good faith with interested M/WBEs, not rejecting M/WBEs as unqualified without sound reasons based on a thorough investigation of their capabilities.
- G. Provided any other information requested by the Equal Opportunity Department.

These examples of efforts to be considered by the City in determining if contractors utilized good faith efforts to gain M/WBE participation are not intended to be exhaustive, or exclusive.

All information shall be subject to review and verification by the Equal Opportunity Department of the City of Grand Rapids. Any contractor failing to submit a completed Proposal Supplement at the time bids are due shall be deemed to have not exerted a "good faith effort" to utilize M/WBEs for his/her proposal, and the bid shall be deemed non-responsive. EOD, in determining "good faith effort," will consider only those efforts made prior to submission of the bid. Any efforts to secure M/WBE participation made after submitting the bid will not be considered.

Each contract will be evaluated individually, and all relevant factors will be taken into consideration.

EXCEPTION: A firm doing work itself with its own work force and requesting a waiver is not required to submit a completed proposal supplement.

SECTION VI: WAIVERS AND SUSPENSIONS

6.1 REQUEST FOR WAIVER OF MINORITY AND WOMEN BUSINESS ENTERPRISE GOALS

Contractors not attaining the 11% MBE and 1% WBE goals must comply with the requirements of this section. Any bid that does not meet the stated M/WBE goals must contain a completed request for waiver or be considered non-responsive.

Waivers may be granted if the contractor is performing work with its own forces (i.e., not subcontracting any portion of the work) or to those contractors who demonstrate good faith efforts but find that:

- A. M/WBEs qualified to perform the work are unavailable; or
- B. Prices quoted by M/WBEs are non-competitive.

The contractor shall submit with the bid a completed request for waiver of all or part of the M/WBE goal on the project, together with all documentary evidence in support of the request. The Equal Opportunity Director of the City of Grand Rapids shall make the initial determination as to whether or not a waiver will be granted. The contract shall not be awarded until the request for waiver has been ruled upon. The granting of a waiver does not, in and of itself, assure the award of a contract to the contractor requesting a waiver. Any administrative decision relative to either granting or denying a waiver of the M/WBE goals may be appealed pursuant to Section X, 10.1 and 10.2.

6.2 WAIVER OF M/WBE GOALS

The Equal Opportunity Department shall have the discretion to determine whether M/WBE goals should be waived on a specific project prior to soliciting bids where there are no certified M/WBEs to perform work, or where it is in the best interest of the City to do so.

6.3 SUSPENSION OF M/WBE GOALS

The City Commission may suspend the M/WBE Policy for any area of City contracting that has exceeded M/WBE goals for an extended period of time as determined by the City Commission. Any decision to suspend M/WBE goals shall be made pursuant to Section XV of this policy.

SECTION VII: PROJECTS SUPPORTED WITH FEDERAL FUNDS

If federal/state financial assistance is used to support all or part of a construction contract, and if federal M/WBE goals apply to the project, the federal goals shall supersede the goals set forth in these Guidelines.

SECTION VIII: FIELD EXAMINATIONS

The Equal Opportunity Department shall conduct periodic on-site examinations of project sites, offices and records of M/WBEs and any other contractors subject to the M/WBE Policy and these Guidelines. Records relating to the business may be examined at the discretion of the City Manager (or designee) or the designee of the appropriate Authority. Failure to provide access to any worksite, office, records or other items reasonably related to the enforcement of the M/WBE Policy or these Guidelines shall subject the contractor denying access to appropriate sanctions to be determined by the City.

SECTION IX: CONTRACT SANCTIONS

Any contractor who violates these Guidelines shall not be permitted to bid or subcontract on City projects for such a period of time, not to exceed one (1) year, as the City Manager (or designee) or

designee of the appropriate Authority shall determine. The Equal Opportunity Department shall notify any such contractor in writing, via certified mail, of the removal and the reasons therefore.

Any contractor under City contract who violates these Guidelines, fails to perform or is determined to be inadequate in performance shall be subject to suspension by the City of contract payments, suspension of contract activities and/or termination of the contract.

SECTION X: APPEALS AND EXCEPTIONS

10.1 APPEAL OF ADMINISTRATIVE DECISIONS

Administrative decisions relating to certification, good faith efforts, waivers, or contract sanctions may be appealed to the Community Relations Commission. Any person wishing to file such an appeal must do so within five (5) working days of the notice of the administrative decision from which an appeal is taken.

The request for an appeal must be in writing and addressed to the City of Grand Rapids Equal Opportunity Department Director and must make reference to the specific action or actions at which the appeal is directed. Within ten (10) calendar days of the request for appeal, the Community Relations Commission shall hold a hearing at which interested parties may present evidence and arguments in support of their respective positions. Failure of a party to appear at the hearing shall be deemed to be final acceptance of the administrative decision. Within five (5) working days of the hearing, the Community Relations Commission shall issue its written decision. The Community Relations Commission may affirm, modify or reverse all or any part of the administrative decision.

10.2 APPEAL OF COMMUNITY RELATIONS COMMISSION DECISIONS

The decisions of the Community Relations Commission which denies a contractor's appeal may be appealed to the City Commission or Authority which let the bid for the project at issue (i.e., City-County Building Authority, Grand Rapids Downtown Development Authority, Grand Rapids Building Authority, Grand Rapids Tax Increment Finance Authority or Grand Rapids-Kent County Convention/Arena Authority). Request for such appeals shall be filed with the Equal Opportunity Department Director within five (5) calendar days of the notice of the decision in question. The request for appeal must make specific reference to the decision of the Community Relations Commission being appealed. Following receipt of the request for an appeal, the City's Equal Opportunity Department Director shall schedule the matter for hearing by the City Commission, or the appropriate Authority. The party requesting the appeal shall be notified in writing of the time, date and place when the appeal will be heard. Failure on the part of a party to appear at the hearing shall be deemed by the City as final acceptance of the Community Relations Commission's decision.

All appeals from the Community Relations Commission's decisions which deny either a contractor's appeal or request for an exception by the City Manager (or designee) or the appropriate Authority's designee shall be heard under a procedure established by the City Commission or appropriate Authority. The appealing party shall be notified of the procedure to be followed. The procedure shall comport with basic due process. The City Commission or appropriate Authority shall, within ten (10) calendar days of the hearing, render a decision by a majority vote of those hearing the appeal and also present at the regular public meeting at which the vote is taken. The City Commission or appropriate Authority may affirm, modify or reverse, in whole or in part, the decision of the Community Relations Commission. The decision of the City Commission or appropriate Authority shall be final.

10.3 EXCEPTION TO THE MINORITY AND WOMEN BUSINESS ENTERPRISE REQUIREMENTS

Whenever the City manager (or designee), based on various circumstances related to the award of any City construction contract, or a designee of the appropriate Authority in regards to the award of any Authority construction contract, determines that there is a need to request an exception to the M/WBE Policy, the City Manager (or designee) or the Authority's designee shall make such request for an exception to the Community Relations Commission.

The Community Relations Commission shall have the authority to grant or deny a request for an exception to the M/WBE Policy, and its decision shall be based upon relevant factors as presented by the City Manager (or designee) or the Authority's designee, and a determination of what result would best serve the public interest.

The request for an exception to the policy must be addressed to the Equal Opportunity Director, and must include all relevant information which serves as the basis for the request for an exception to the policy. Within ten (10) days of the request for exception, the Community Relations Commission shall hold a hearing at which the City Manager (or designee) or the Authority's designee may present oral and written evidence or arguments in support of the request. Within five (5) working days of the hearing, the Community Relations Commission shall render its written decision to the City Manager (or designee) or the Authority's designee. Any decision by the Community Relations Commission which denies a request for exception may be appealed to the City Commission or appropriate Authority pursuant to Section X, 10.2, paragraph two.

SECTION XI: BIDS HELD IN ABEYANCE

In those cases where City staff determines that a contract should not be recommended for award to a bidder due to the lack of compliance with the M/WBE Policy or these Guidelines and a bidder files an appeal as provided for in these Guidelines, the contract award shall be held in abeyance until the bidder has exhausted the appeals procedure set forth in Section X, 10.1 and 10.2 of these Guidelines.

SECTION XII: SUPPORTING SERVICE

In an effort to provide assistance to Minority and Women Business Enterprises, the City's Equal Opportunity Department will notify all certified M/WBEs of all public construction projects in excess of ten thousand dollars (\$10,000) and shall make available for review copies of the bid specifications for these projects.

SECTION XIII: RACE NEUTRAL PRACTICES

The City of Grand Rapids continues to recognize that race-neutral practices such as bonding assistance, insurance, training, technical assistance and financing are instrumental in helping M/WBEs overcome the effects of past and present discrimination found to exist in the Grand Rapids construction industry. Discrimination has affected the capacity and ability of M/WBEs to compete with non-M/WBE companies who have greater access to resources. The City further recognizes that many businesses limited in size and capital suffer similar difficulties in competing for contract dollars in the local construction market. Hence, the Equal Opportunity Department shall continue to develop programs, services and training opportunities to assist the aforementioned companies in obtaining information and resources on the availability of bonding, insurance and financial services and

construction management. The Equal Opportunity Department will also continue to provide technical assistance and facilitate opportunities for growth to prime contract status.

SECTION XIV: SUBCONTRACTOR PAYMENT CERTIFICATION

Upon completion of the contract, the prime contractor shall provide to the City closeout documentation certifying total dollars paid to all subcontractors on the project.

SECTION XV: SUNSET PROVISION

This policy shall be reviewed within a period not to exceed five (5) years to determine the extent to which the purpose and objectives identified have been achieved. This policy or any portion thereof may be extended for additional periods of time provided the City Commission determines that there is a continuing need for the program because its purpose and objectives have not yet been achieved.

SECTION XVI: SEVERABILITY

If any provisions of this article or any application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this article which can be given effect without the invalid provisions or applications, and are to this end declared to be severable.

All questions regarding these Guidelines should be referred to the Equal Opportunity Department, City of Grand Rapids, 300 Monroe N.W., Grand Rapids, MI 49503, (616) 456-3027.

Adopted this day, December 30, 1997, pursuant to the authority of proceeding number 64243.



PROCESS FOR ISSUING CITY-COUNTY BUILDING AUTHORITY BONDS FOR CONVENTION CENTER

Principal Amount: \$73,000,000

Term: 25 years

Security (a) County hotel/motel tax and
(b) limited full faith and credit of the County

Method of Sale: Negotiated sale

Date of Sale: To be determined depending on (a) market conditions, (b) when funds are needed and (c) ability to legally "arbitrage" bond proceeds through the 18 month or 24 month "spend down" exception to maximize investment earnings for project.

Financial Consultant: None required.

Underwriter: To be selected by the following procedures:

1. Request for proposal sent to underwriting firms who were sent RFPs for (a) County Courthouse financing and (b) City Water System refunding bonds financing.
2. Team comprised of Ken Parrish, Dave Waichum, Bob White and Dick Wendt to review responses and narrow to 3 or 4 finalists to interview.
3. Team conducts interviews of finalists and makes recommendation to City-County Building Authority.
4. City-County Building Authority acts on recommendation

Timetable for selection of underwriter

- Select underwriting firms to receive RFPs - October 27, 2000
- Send out RFPs - October 31, 2000
- Responses due - November 17, 2000
- Review responses and determine finalists - November 20-27, 2000
- Interview finalist and make recommendation to Building Authority - December 4-8, 2000
- Building Authority selects underwriter - December 13, 2000
- Initial planning meeting with underwriter - December 20, 2000



GRAND CENTER

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2000**

Distribution:

Richard MacKeigan
Kurt Kimball
Jim Knack
Bob White
Cheryl McConomy
Dave Waichum
Steve Heacock
Glen Mon
Bob Johnson
Gary McAneney
Chris Wright



An SMG Managed Facility

**GRAND CENTER
ROLLING FORECAST - YE 6/30/01
SUMMARY**

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	71	301	372	404	(32)
ATTENDANCE	49,310	445,030	494,340	554,790	(60,450)
DIRECT EVENT REVENUE	179,108	1,168,539	1,347,647	1,466,636	(118,989)
ANCILLARY REVENUE	132,372	549,762	682,134	731,527	(49,393)
TOTAL EVENT REVENUE	311,479	1,718,301	2,029,781	2,198,163	(168,382)
TOTAL OTHER REVENUE	29,168	78,750	107,918	89,000	18,918
TOTAL OPERATING REVENUE	340,647	1,797,051	2,137,699	2,287,163	(149,464)
INDIRECT EXPENSES					
EXECUTIVE	7,488	43,988	51,476	52,745	1,269
FINANCE	29,662	103,968	133,630	132,653	(977)
MARKETING	23,660	91,522	115,182	118,529	3,347
OPERATIONS	169,989	626,118	796,107	810,822	14,715
BOX OFFICE	10,458	58,710	69,168	70,979	1,811
OVERHEAD	211,290	712,762	924,052	1,014,655	90,603
TOTAL OPERATING EXP.	452,547	1,637,068	2,089,615	2,200,378	110,763
NET OPERATING REVENUE OVER OPERATING EXPENSES	(111,897)	159,983	48,084	86,785	(38,701)

Comments:

****ESTIMATED****

MANAGEMENT FEE CALCULATION

BENCHMARK REVENUES (Est.)	\$ 2,056,403
PROJECTED REVENUES	\$ 2,137,699
PROJECTED INCREASE	<u>\$ 81,296</u>
20% OF FIRST \$500,000	\$ 16,259
25% OF \$500,000 AND ABOVE	\$.
TOTAL INCENTIVE FEE	<u>\$ 16,259</u>
TOTAL BASE 00/01	\$ 174,005
TOTAL FEE FOR FYE 00/01	<u><u>\$ 190,264</u></u>

September marks the end of the first quarter of the fiscal year. The Grand Center has performed above expected levels during this time, however, it is expected to fall below expected levels for the balance of the fiscal year. Sysco food show has decided not to host their annual event at the Grand Center this year which is a loss to the building off approximately \$41,000.


General Manager


Finance Director

**GRAND CENTER
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED SEPTEMBER 30, 2000**

The following schedule summarizes operating results for the month ending and the YTD ending August 31, 2000, compared to budget and to the prior year:

MONTH	September Actual	September Budget	September FY 2000
Number of Events	29	35	34
Attendance	23,711	32,960	47,210
Direct Event Income	\$67,988	\$65,152	\$79,790
Ancillary Income	35,108	58,255	42,049
Other Income	6,883	7,417	4,980
Indirect Expenses	(145,855)	(183,370)	(149,877)
Net Income	<u>(\$35,875)</u>	<u>(\$52,546)</u>	<u>(\$23,058)</u>

YTD	YTD 2001 Actual	YTD 2001 Budget	YTD 2000 Prior Year
Number of Events	71	78	84
Attendance	49,310	70,860	91,472
Direct Event Income	\$179,108	\$181,174	\$223,120
Ancillary Income	132,372	130,120	118,278
Other Income	29,168	22,251	18,368
Indirect Expenses	(452,547)	(550,110)	(442,021)
Net Income	<u>(\$111,899)</u>	<u>(\$216,565)</u>	<u>(\$82,254)</u>

EVENT INCOME

Event income came in at expected levels for the month.

ANCILLARY INCOME

Ancillary income came in under budget for month due to the type of events hosted month, not the lack of success of the events hosted.

INDIRECT EXPENSES

Indirect expenses came in below expected levels.

GRAND CENTER
FACILITY STATEMENT OF INCOME
PERIOD ENDING 09/30/00

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
	-----	-----	-----	-----	-----	-----
EVENT INCOME						

DIRECT EVENT INCOME						
RENTAL INCOME	69,159	67,827	74,526	193,668	185,152	221,168
SERVICES INCOME	<1,170>	<2,675>	5,264	<14,559>	<3,978>	1,953
	-----	-----	-----	-----	-----	-----
TOTAL DIRECT EVENT INCOME	67,988	65,152	79,790	179,108	181,174	223,120
ANCILLARY INCOME						

FOOD & BEVERAGE	18,694	35,310	19,976	75,869	70,275	56,688
NOVELTY	402	1,700	1,304	713	2,990	4,022
OTHER ANCILLARY	16,013	21,245	20,769	55,790	56,855	57,568
	-----	-----	-----	-----	-----	-----
TOTAL ANCILLARY INCOME	35,108	58,255	42,049	132,372	130,120	118,278
TOTAL EVENT INCOME	103,097	123,407	121,839	311,480	311,294	341,399
OTHER OPERATING INCOME	6,883	7,417	4,980	29,168	22,251	18,368
	-----	-----	-----	-----	-----	-----
ADJUSTED GROSS INCOME	109,980	130,824	126,818	340,648	333,545	359,767
INDIRECT EXPENSES						
EXECUTIVE	3,473	4,395	2,587	7,488	13,185	10,228
FINANCE	10,077	11,053	10,380	29,662	33,159	35,185
MARKETING	7,604	9,879	9,100	23,660	29,637	26,304
OPERATIONS	53,091	67,571	58,436	169,989	202,713	152,199
BOX OFFICE	1,991	5,917	4,284	10,458	17,751	18,768
OVERHEAD	69,618	84,555	65,090	211,292	253,665	199,338
	-----	-----	-----	-----	-----	-----
INDIRECT EXPENSES	145,855	183,370	149,877	452,547	550,110	442,021
NET OPERATING INCOME	<35,875>	<52,546>	<23,058>	<111,899>	<216,565>	<82,254>
OTHER EXPENSES						

NET INCOME (LOSS)	<35,875>	<52,546>	<23,058>	<111,899>	<216,565>	<82,254>
	=====	=====	=====	=====	=====	=====

GRAND CENTER
STATEMENT OF SERVICES INCOME
PERIOD ENDING 09/30/00

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	0	0	1,975	0	2,000	16,469
Stagehands Billed	24,986	24,356	20,569	71,447	67,381	162,093
Security Billed	3,749	3,635	8,735	7,848	6,635	17,733
Ushers & Tix Takers Billed	6,389	6,850	6,952	12,350	13,612	23,916
Box Office Billed	1,150	900	1,200	1,450	1,300	3,200
Ticketing Service Billed	5,216	4,475	7,706	8,487	8,775	22,911
Utilities Billed	300	0	8,300	3,800	3,500	12,100
City Police Fire Billed	1,162	0	574	1,705	700	2,558
Traffic Control Billed	11	0	1,351	673	4,000	1,915
EMT Medical Billed	869	825	1,573	2,034	1,817	3,233
Cleaning Billed	0	0	3,500	315	1,000	3,500
Insurance Billed	1,198	0	251	1,198	0	809
Telephone Billed	150	390	455	150	1,985	650
Other Production Billed	116	50	10,011	7,617	4,650	14,424
TOTAL SERVICE INCOME	45,295	41,481	73,151	119,074	117,355	285,510
Advertising Expense	0	0	1,882	0	2,000	16,375
Stagehand Wages	24,795	23,491	19,123	70,671	65,225	155,646
Security Wages	3,874	3,635	8,735	7,973	6,635	17,734
Ushers & T/T Wages	4,472	4,988	5,214	8,645	9,738	17,937
Ticket Sellers Wages	2,726	1,150	3,705	3,030	1,694	6,852
Ticket Service Charge Expense	0	450	2,295	0	1,250	8,737
Utilities Expense Allocated	0	0	0	0	0	3,500
City Police Fire Expense	1,162	0	574	1,705	700	2,558
Traffic Control Expense	1,384	260	2,711	3,786	4,260	4,558
EMT Medical Expense	311	690	1,573	1,693	1,544	2,493
Cleaning Wages	6,667	9,492	20,799	29,325	27,717	41,256
Insurance Expense	958	0	201	958	0	617
Other Production Expense	116	0	1,076	5,847	570	5,294
TOTAL SERVICE EXPENSE	46,466	44,156	67,887	133,633	121,333	283,557
NET SERVICE INCOME	<1,170>	<2,675>	5,264	<14,559>	<3,978>	1,953
	=====	=====	=====	=====	=====	=====

GRAND CENTER
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 09/30/00

ASSETS

CURRENT ASSETS

CASH	1,427,767
ACCOUNTS RECEIVABLE	319,352
PREPAID EXPENSES	35,492

TOTAL CURRENT ASSETS	1,782,611
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FIXED ASSETS

TOTAL ASSETS	1,782,611
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LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	916,133
ACCRUED EXPENSES	147,775
ADVANCED TIX SALES & DEPOSITS	370,764

TOTAL CURRENT LIABILITIES	1,434,672
---------------------------	-----------

EQUITY

FUNDS REMITTED	<75,000>
FUNDING RECEIVED	90,568
RETAINED EARNINGS	444,270
NET INCOME (LOSS)	<111,899>

TOTAL EQUITY	347,939
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TOTAL LIABILITIES & EQUITY	1,782,611
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EVENTS *****YTD*****

*****YTD*****																					
EVENTS	EVENT TYPE	NO.	ATTND.	DIR EVT	ANCILL	TOTAL EVT INC	NO.	ATTND	RENT	SERV INC. (EXP)	TOTAL DIR INC.	REFR.	DECOR.	NOVEL	EQPT RENTAL	TOTAL ANCILL	TOTAL EVT INC.	ROLL	BUDGET EVT INC.	BUDGET FY66/67	TOTAL VARIANCE
	MISC DEVOS-Performing Arts Other	2	1,594	4,876	1,307	6,183	9	14,300	25,400	5,920	31,320	1,450	0	1,800	3,550	6,800	38,120	44,303	60,510	(16,207)	
	MISC WELSH-Performing Arts Other 2	2	4,800	9,579	4,304	13,883	15	18,200	51,325	3,780	55,105	4,850	3,600	3,100	5,850	17,200	72,305	86,188	102,001	(15,813)	
	TOTAL CONCERTS	4	6,394	14,455	5,611	20,066	24	32,500	76,725	9,700	86,425	6,300	3,600	4,900	9,200	24,000	110,425	130,491	162,511	(32,020)	
	BALLET	0					14	16,300	46,950	9,531	56,481	3,200	0	0	6,390	9,590	66,071	66,071	66,071	0	
	OPERA	0					4	7,200	20,900	2,840	23,740	650	0	0	3,850	4,500	28,240	28,240	28,240	0	
	SYMPHONY	6	10,929	21,168	3,537	24,705	37	55,500	126,950	7,383	134,333	3,330	0	5,550	12,950	21,830	156,163	180,868	187,514	(6,646)	
	BROADWAY/MUSIC	749			749		56	84,000	111,650	48,601	160,251	8,890	0	3,500	5,600	17,990	178,241	178,990	178,241	749	
	TOTAL PERFORMING ARTS	6	10,929	21,168	4,286	25,454	111	163,000	306,450	68,355	374,805	16,070	0	9,050	28,790	53,910	428,715	454,169	460,066	(5,897)	
	AGRICULTURE & FARMING	0					3	4,200	34,000	(1,255)	32,745	1,250	5,000	0	1,250	7,500	40,245	40,245	40,245	0	
	ANIMALS	0					3	1,150	9,400	1,046	10,446	2,600	500	0	225	3,325	13,771	13,771	13,771	0	
	ASSOCIATIONS	0					8	5,300	22,800	(2,800)	20,000	6,350	6,500	0	3,550	16,400	36,400	36,400	36,400	0	
	BEAUTY & HAIR CARE	0					3	3,100	13,550	(1,400)	12,150	4,882	3,400	0	1,900	10,182	22,332	22,332	22,332	0	
	BUILDING/CONSTRUCTION	2	1,000	9,527	2,733	12,260	2	5,000	12,000	(1,595)	10,405	1,050	6,200	0	7,250	17,655	28,915	33,670	33,670	(3,755)	
	DENTAL	0					1	200	4,788	(117)	4,671	600	500	0	725	1,825	6,496	6,496	6,496	0	
	EDUCATION	0					15	15,600	96,500	(8,008)	90,492	9,000	27,300	600	9,420	46,320	136,812	136,812	136,812	(125)	
	FLORICULTURE AND HORT.	0					3	3,000	32,000	(1,435)	30,565	950	5,200	0	1,450	7,600	38,165	38,165	38,165	0	
	FOOD & BEVERAGE	0					2	800	3,900	(700)	3,200	250	2,500	0	750	3,500	6,700	6,700	6,700	0	
	FOOD PROCESSING/DISTR.	0					1	1,500	5,000	(149)	4,851	0	3,500	0	500	4,000	8,851	8,851	68,046	(59,195)	
	FUNERAL INDUSTRY	0					3	2,500	12,200	(144)	12,056	470	2,750	0	100	3,320	15,376	15,376	15,376	(9,450)	
	GOVERNMENT	0					2	1,000	8,900	(1,690)	7,210	12,750	5,000	0	250	18,000	25,210	25,210	25,210	0	
	HOME FURNISHINGS & INT.	0					2	2,600	11,500	(1,289)	10,211	2,550	1,550	0	750	4,850	15,061	15,061	15,061	0	
	MEDICAL & HEALTH CARE	0					3	3,000	34,500	(1,970)	32,530	2,550	12,000	0	1,000	15,550	48,080	48,080	48,080	0	
	PETROLEUM & GAS	0					2	1,500	9,500	(700)	8,800	0	2,500	0	1,350	3,850	12,650	12,650	12,650	0	
	POLITICAL	0					3	5,000	13,650	(734)	12,916	0	0	0	800	800	13,716	13,716	14,541	(825)	
	REAL ESTATE	2	1,300	5,993	6,250	12,243	2	6,000	50,000	(5,090)	44,910	6,150	43,000	0	900	50,050	94,960	94,960	100,960	(6,000)	
	RELIGIOUS	7	3,300	28,843	27,326	56,169	3	5,000	13,650	(734)	12,916	0	0	0	800	800	13,716	13,716	14,541	(825)	
	TOYS & HOBBIES	0					3	1,500	9,700	(1,050)	8,650	1,500	3,500	0	1,000	6,000	14,650	14,650	14,650	0	
	WATER	0					2	6,000	50,000	(5,090)	44,910	6,150	43,000	0	900	50,050	94,960	94,960	100,960	(6,000)	
	WOODWORKING	0					0				0	0				0	0	59,730	60,652	(922)	
	LOCAL BUSINESS	2	4,700	34,248	25,482	59,730	0				0	0				0	0	0	0	0	
	REGIONAL BUSINESS	3	839	5,467	2,718	8,185	0				0	0				0	0	8,185	6,410	1,775	
	MISC TRADESHOW	16	11,139	84,078	64,509	148,687	61	62,950	385,888	(29,080)	356,808	52,902	130,900	600	25,920	210,322	567,130	715,717	792,092	(76,376)	
	TOTAL CON/TRADESHOWS	0					2	1,100	3,700	(793)	2,907	500	200	0	50	750	3,657	3,657	3,657	0	
	ANIMALS	0					4	26,000	45,000	2,348	47,348	11,550	19,500	0	2,900	33,950	81,298	81,298	81,298	0	
	AUTOMOTIVE	0					6	17,000	66,000	558	66,558	9,200	4,850	0	1,700	15,750	82,308	82,308	82,308	0	
	BOAT SHOW	0					0				0	0				0	0	0	0	0	
	BUSINESS	0					0				0	0				0	0	0	0	0	
	COMPUTERS & APPLICATIONS	0					0				0	0				0	0	0	0	0	
	CRAFT SHOWSALE	2	1,200	2,230	907	3,137	0				0	0				0	0	3,137	12,433	(9,296)	
	CUSTOM AUTO SHOWS	1	361	2,661	272	2,933	0				0	0				0	0	2,933	2,933	2,933	
	ELECTRONICS	0					0				0	0				0	0	0	0	0	
	FOOD PROCESSING	0					4	24,000	37,000	1,967	38,967	7,000	7,000	0	2,350	16,350	55,317	55,317	55,317	0	
	HOME & GARDEN	0					0				0	0				0	0	0	0	0	
	MOTORCYCLES	0					0				0	0				0	0	0	0	0	
	RECRUITMENT	0					4	27,000	37,000	5,410	42,410	14,150	5,550	0	2,650	22,350	64,760	64,760	64,760	0	
	SPORTING GOODS AND REC.	0					0				0	0				0	0	0	0	0	
	SUPERSALE	3	2,792	6,053	300	6,353	0				0	0				0	0	6,353	8,075	6,353	
	TOYS & HOBBIES	0					2	3,000	4,875	0	4,875	0	2,000	0	1,200	3,200	8,075	8,075	8,075	0	
	WEDDING SHOWS	0					3	4,180	7,200	(754)	6,446	250	1,000	0	2,300	3,550	9,996	9,996	9,996	0	
	MISC PUBLIC SHOWS	0					10	23,500	96,638	746	37,384	1,000	2,600	0	4,150	7,750	45,134	45,134	46,396	(1,262)	
	TOTAL PUBLIC SHOWS	6	4,353	10,944	1,479	12,423	35	125,780	237,413	9,482	246,895	43,650	42,700	0	17,300	103,650	350,545	362,968	404,240	(41,272)	
	SEMINARS-AMWAY	16	8,770	24,217	17,295	41,512	12	11,150	29,850	(4,200)	25,650	8,300	2,250	0	10,350	20,900	46,550	86,062	71,040	17,022	
	SEMINARS-MEETINGS OTHER	20	3,175	14,319	25,016	39,335	36	17,000	36,300	(2,100)	34,200	11,450	500	0	4,300	16,250	50,450	89,785	94,810	(5,025)	
	BANQUETS	1	500	1,207	1,765	2,972	14	23,800	32,032	(9,646)	22,386	66,840	0	0	11,200	77,840	100,226	103,198	136,021	(32,823)	
	CORPORATE	1	1,430	2,405	10,828	13,233	4	7,200	19,025	(3,693)	15,332	29,020	6,900	0	6,470	42,390	57,722	70,955	70,848	107	
	TESTING	0					2	200	4,188	(175)	4,013	0	0	0	0	0	4,013	4,013	4,012	1	
	DANCES	1	2,620	6,306	1,575	7,881	2	1,450	2,725	(700)	2,025	0	0	0	500	500	2,525	2,525	2,525	7,881	
	TOTAL OTHER	39	16,495	48,454	56,479	104,933	70	60,800	124,120	(20,514)	103,606	115,410	9,650	0	32,820	157,880	261,486	366,419	379,256	(12,837)	
	GRAND TOTALS	71	49,310	179,099	132,364	311,463	301	445,030	1,130,596	37,943	1,168,539	234,332	186,850	14,550	114,030	549,762	1,718,301	2,029,764	2,198,165	(168,401)	

CURRENT			YTD		
ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
27,916	37,015	37,838	83,256	111,045	114,729
7,263	12,500	11,035	19,013	37,500	29,223
49,372	96,048	58,270	149,247	288,144	235,333
1,021	1,021	1,021	2,762	3,063	3,062
17,643	26,644	17,899	51,575	79,932	70,077
<49,330>	<108,497>	<66,630>	<143,522>	<325,491>	<270,893>
53,884	64,731	59,433	162,331	194,193	181,531
2,468	4,583	4,292	15,968	13,749	13,241
147	167	0	448	501	286
1,180	205	0	1,202	615	214
2,735	250	0	3,331	750	0
0	508	400	819	1,524	1,672
310	208	0	630	624	488
0	833	548	25	2,499	1,543
0	0	0	57	0	246
2,592	5,000	4,421	4,070	15,000	12,297
1,125	1,458	1,125	3,375	4,374	4,209
209	1,041	1,197	1,604	3,123	2,361
2	0	37	19	0	39
0	0	0	813	0	<4,974>
1,481	2,667	2,701	3,845	8,001	2,785
105	208	85	939	624	495
0	150	369	47	450	<387>
0	250	0	0	750	0
0	200	125	1,510	600	963
0	625	438	4,525	1,875	798
5,718	8,834	6,749	10,660	26,502	18,633
10,864	12,334	7,282	34,507	37,002	13,955
0	42	0	0	126	0
1,499	625	1,101	4,452	1,875	2,648
11,553	14,583	14,620	37,565	43,749	42,121
0	292	0	1,713	876	0
560	292	0	560	876	<360>
409	625	295	1,899	1,875	<317>
298	208	198	510	624	407
1,165	1,167	1,398	3,564	3,501	4,612
854	2,917	3,032	3,988	8,751	9,845
27,362	39,500	22,372	91,228	118,500	79,840
15,487	14,500	13,872	44,805	43,500	41,616
3,846	3,846	3,301	11,538	11,538	9,904
0	500	486	0	1,500	1,459
0	21	0	0	63	<146>
91,971	118,639	90,444	290,217	355,917	260,490
145,855	183,370	149,877	452,547	550,110	442,021



VAN ANDEL ARENA

FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2000

Distribution:

Rich MacKeigan
Kurt Kimball
Jim Knack
Bob White
Cheryl McConomy
Dave Waichum
Steve Heacock
Glen Mon
Bob Johnson
Gary McAneney
Chris Wright



An SMG Managed Facility

**VAN ANDEL ARENA
ROLLING FORECAST - YE 6/30/00
SUMMARY**


	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	27	141	168	163	5
ATTENDANCE	155,202	747,938	903,140	889,750	13,390
DIRECT EVENT INCOME	461,641	1,124,766	1,586,407	1,303,223	283,184
ANCILLARY INCOME	421,985	1,086,532	1,508,517	1,429,308	79,209
TOTAL EVENT INCOME	883,626	2,211,298	3,094,924	2,732,531	362,393
TOTAL OTHER INCOME	396,852	1,204,169	1,601,021	1,605,559	(4,538)
TOTAL INCOME	1,280,478	3,415,467	4,695,945	4,338,090	357,855
INDIRECT EXPENSES					
EXECUTIVE	22,752	75,946	98,698	99,061	363
FINANCE	26,791	109,418	136,209	141,461	5,252
MARKETING	30,130	121,102	151,232	152,070	838
OPERATIONS	254,840	789,602	1,044,442	1,043,202	(1,240)
BOX OFFICE	16,618	105,356	121,974	125,614	3,640
LUXURY SEATING	20,454	84,530	104,984	104,707	(277)
SKYWALK ADMIN	8,879	24,671	33,550	32,895	(655)
OVERHEAD	326,720	1,072,751	1,399,471	1,382,858	(16,613)
TOTAL INDIRECT EXP.	707,181	2,383,376	3,090,560	3,081,868	(8,692)
NET REVENUE ABOVE EXPENSES	573,306	1,032,091	1,605,385	1,256,222	349,163
LESS ALLOCATION FOR CAPITAL REPLACEMENT	15,265	211,000	226,265	226,265	.
NET REVENUE ABOVE EXPENSES AFTER CAPITAL	558,041	821,091	1,379,120	1,029,957	349,163

Benchmark revenues	3,988,675
Final Statement revenues	4,695,945
Projected excess	707,270
20% of first \$500,000 excess	100,000
25% of \$500,000 and above	51,818
Total Incentive Fee	151,818
2001 Base Fee	260,981
Total Fee for FY 2001	412,799

Comments:

September marks the end of the first quarter of the fiscal year. The Arena has performed very strong during this time due to the success of the concerts held during the first quarter.


General Manager


Director of Finance

**VAN ANDEL ARENA
GRAND RAPIDS
FINANCIAL STATEMENT HIGHLIGHTS**

	September Actual	September Budget	September Last Year	YTD 6/30/01 Actual	YTD 6/30/01 Budget
Number of Events	14	3	18	27	17
Attendance	76,781	25,300	77,385	155,202	110,800
Direct Event Income	\$163,938	\$61,367	\$105,337	\$461,643	\$241,229
Ancillary Income	160,632	60,790	162,697	421,992	209,990
Other Income	141,680	133,798	132,550	396,852	401,394
Indirect Expenses	(209,652)	(256,821)	(236,365)	(707,181)	(770,463)
Net Revenue above Expenses	\$256,598	(\$866)	\$164,219	\$573,306	\$82,150
Less Capital Replacement				(\$15,265)	
Net After Capital Replacement	\$256,598	(\$866)	\$164,220	\$558,041	\$82,150

COMMENTS:

***** EVENT INCOME *****

Direct event income came in above expected levels for the month. The Arena hosted Tim McGraw/Faith Hill and Barenaked L concerts that were very successful, however, the circus hosted during September was originally budgeted for October.

***** ANCILLARY INCOME *****

Ancillary income came in above budget for the month due to very strong per cap numbers from the two concerts hosted.

***** INDIRECT EXPENSES *****

Indirect expenses came in below expected levels for the month.

***** ** ***** ***** ***** ***** ***** ***** ***** *****

VAN ANDEL ARENA
FACILITY STATEMENT OF INCOME
PERIOD ENDING 09/30/00

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
<hr/>						
EVENT INCOME						

DIRECT EVENT INCOME						
RENTAL INCOME	220,308	62,500	158,545	458,896	223,379	178,552
SERVICES INCOME	<56,371>	<1,133>	<53,208>	2,746	17,850	<57,314>
	<hr/>					
TOTAL DIRECT EVENT INCOME	163,938	61,367	105,337	461,643	241,229	121,238
	<hr/>					
ANCILLARY INCOME						

FOOD & BEVERAGE	137,621	53,123	138,991	333,666	171,081	211,183
NOVELTY	21,908	7,140	20,429	85,702	35,560	51,664
OTHER ANCILLARY	1,104	527	3,277	2,624	3,349	5,610
	<hr/>					
TOTAL ANCILLARY INCOME	160,632	60,790	162,697	421,992	209,990	268,457
	<hr/>					
TOTAL EVENT INCOME	324,570	122,157	268,034	883,635	451,219	389,695
	<hr/>					
OTHER OPERATING INCOME	141,680	133,798	132,550	396,852	401,394	399,621
	<hr/>					
ADJUSTED GROSS INCOME	466,250	255,955	400,585	1,280,487	852,613	789,316
	<hr/>					
INDIRECT EXPENSES						
EXECUTIVE	5,373	8,255	9,584	22,752	24,765	24,035
FINANCE	8,198	11,788	11,697	26,791	35,364	30,841
MARKETING	6,463	12,672	9,197	30,130	38,016	32,334
LUXURY SEATING	7,982	8,725	5,379	20,454	26,175	16,793
OPERATIONS	72,901	86,934	78,973	254,838	260,802	228,771
BOX OFFICE	5,837	10,468	6,379	16,618	31,404	17,115
SKYWALK ADMINISTRATION	2,007	2,741	1,120	8,879	8,223	8,778
OVERHEAD	100,891	115,238	114,036	326,720	345,714	366,770
	<hr/>					
INDIRECT EXPENSES	209,652	256,821	236,365	707,181	770,463	725,437
	<hr/>					
NET OPERATING INCOME	256,598	<866>	164,220	573,306	82,150	63,879
	<hr/>					
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	0	0	0	15,265	0	0
	<hr/>					
OTHER EXPENSES	0	0	0	15,265	0	0
	<hr/>					
NET INCOME (LOSS)	256,598	<866>	164,220	558,041	82,150	63,879
	<hr/>					

VAN ANDEL ARENA
STATEMENT OF SERVICES INCOME
PERIOD ENDING 09/30/00

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	19,510	2,000	24,494	30,337	8,000	32,837
Sponsorship Income	0	0	7,120	26,236	0	7,120
Labor Billed	2,250	1,620	6,103	8,190	31,160	13,798
Changeover Setup Billed	18,966	7,500	24,451	56,294	23,100	38,585
Stagehands Billed	48,884	20,200	56,469	143,267	108,051	119,102
Security Billed	16,999	7,400	19,586	54,053	31,285	41,005
Ushers & Tix Takers Billed	16,962	8,000	18,366	45,363	27,150	33,112
Box Office Billed	774	387	1,284	1,935	2,130	3,219
Ticketing Service Billed	16,136	9,150	16,202	39,025	25,875	29,848
City Police Fire Billed	616	280	1,232	3,171	1,960	3,920
EMT Medical Billed	1,663	950	1,800	7,198	4,050	5,818
Cleaning Billed	15,326	6,550	19,284	33,765	26,287	33,520
Insurance Billed	2,240	0	0	2,240	0	0
Group Sales Commissions Billed	223	0	579	223	0	741
Telephone Billed	1,905	825	2,549	4,972	3,435	5,013
Other Production Billed	25,904	7,300	26,508	90,373	23,200	53,580
TOTAL SERVICE INCOME	188,357	72,162	226,025	546,642	315,683	421,218
Advertising Expense	19,510	2,000	23,870	30,337	8,000	32,213
Sponsorship Expenses	0	0	5,340	13,118	0	5,340
Labor Wages	1,913	1,377	5,188	6,962	6,086	11,728
Contracted Changeover Setup Expense	21,819	8,105	26,039	42,553	28,940	43,106
Stagehand Wages	52,296	20,209	59,968	125,047	105,933	120,973
Contracted Security Expense	23,148	7,790	20,043	57,672	31,040	39,451
Contracted Ushers & T/T Expense	25,953	0	32,969	59,128	0	53,569
Ticket Sellers Wages	658	329	1,042	1,645	1,316	2,687
Contracted Ticket Seller	0	8,810	0	0	34,370	0
Ticket Service Charge Expense	26,192	9,225	26,257	47,923	24,925	37,884
City Police Fire Expense	616	280	1,232	1,568	1,960	3,920
EMT Medical Expense	0	630	0	4,071	2,873	3,098
Contracted Cleaning Expense	23,883	7,090	31,425	47,222	28,930	54,570
Insurance Expense	9,620	0	7,860	9,620	0	7,860
Allocated Telephone Expense	525	350	419	1,585	1,060	429
Other Production Expense	38,596	7,100	37,583	95,444	22,400	61,703
TOTAL SERVICE EXPENSE	244,728	73,295	279,233	543,895	297,833	478,532
NET SERVICE INCOME	<56,371>	<1,133>	<53,208>	2,746	17,850	<57,314>
	=====	=====	=====	=====	=====	=====

VAN ANDEL ARENA
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 09/30/00

ASSETS

CURRENT ASSETS

CASH	2,354,722
ACCOUNTS RECEIVABLE	3,190,311
PREPAID EXPENSES	68,291

TOTAL CURRENT ASSETS	5,613,323

FIXED ASSETS

INTANGIBLE ASSETS	23,407

TOTAL OTHER ASSETS	23,407

TOTAL ASSETS	5,636,730
	=====

LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	221,494
ACCRUED EXPENSES	595,509
DEFERRED INCOME	1,532,350
ADVANCED TIX SALES & DEPOSITS	1,325,883

TOTAL CURRENT LIABILITIES	3,675,235

EQUITY

FUNDING RECEIVED	94,292
RETAINED EARNINGS	1,309,161
NET INCOME (LOSS)	558,042

TOTAL EQUITY	1,961,495

TOTAL LIABILITIES & EQUITY	5,636,730
	=====

***** YTD *****

***** REMAINING PROJECTION *****

EVENTS

EVENT TYPE	NO.	ATTND.	DIR. EYT.	ANCILL.	TOTAL EYT. INC.	NO.	ATTND.	RENT	SERV. INC. (EXP.)	DIR. INC.	REFR.	CATER	NOVEL	TOTAL ANCILL.	TOTAL EYT. INC.	ROLL EYT. INC. FTE 6/30	BUDGET EYT. INC. FTE 6/30	BUDGET VARIANCE
HOOP'S BASKETBALL																		
HOOP'S PLAYOFF GAMES	2	8,312	5,088	8,680	13,768	28	53,200	215,348	(149,996)	65,352	56,840	8,008		64,848	130,200	130,200	124,768	5,432
GRIFFINS PRESEASON																		
GRIFFINS REGULAR SEASON						41	287,000	337,799	(297,086)	40,713	309,960	32,267		342,227	382,940	382,940	408,237	(25,297)
GRIFFINS PLAYOFF																		
RAMPAGE PRESEASON	1	7,132	(1,445)	841	(604)	1	9,000	7,793	(6,049)	1,744				714	2,458	2,458	2,458	
RAMPAGE REGULAR SEASON	1	10,570	(367)	31,339	30,972	6	54,000	46,758	(36,294)	10,464			4,284	4,284	14,748	14,144	17,206	(3,062)
NHL PRESEASON																		
WRESTLING						2	17,000	50,800	16,583	67,383	34,750	769	19,950	95,469	122,852	122,852	122,852	(5,524)
OLD KENT CLASSIC						2	7,000	12,000	3,015	15,015	6,825	542		7,367	22,382	22,382	22,382	
COLLEGE HOCKEY						2	14,000	120,000	(85,384)	34,616	31,500	2,450	3,080	37,030	71,646	71,646	71,646	
COLLEGE BASKETBALL						4	18,000	30,000	3,500	33,500	18,500	500		19,000	52,500	52,500	14,585	37,915
TOTAL SPORTS	4	26,014	3,276	40,860	44,136	86	459,200	820,498	(551,711)	268,787	458,375	44,536	28,028	530,939	799,725	843,862	840,544	3,318
ROBB CIRCUS																		
GLOBETROTTERS	7	30,750	23,672	37,805	61,477													
DISNEY ON ICE						1	4,000	16,300	(8,385)	7,915	6,500	472	2,100	9,072	16,987	16,987	16,987	(1,439)
SUPERDOGS						8	32,000	104,500	(75,574)	28,926	28,000	875		28,875	57,801	57,801	57,801	
ICE CAPADES						2	6,000	2,000	3,259	5,259	6,750	105		6,855	12,114	12,114	12,114	
TOM COLLINS ICE SHOW						8	20,000	30,000	12,456	42,456	17,500	840		18,340	60,796	60,796	60,796	
STARS ON ICE						1	8,500	35,000	11,343	46,343	8,500	1,400	2,677	12,577	58,920	58,920	58,920	
RODEO						1	10,200	47,124	8,168	55,292	8,262	768	6,105	15,135	70,427	70,427	70,427	
LIPIZANER STALLIONS						2	12,200	44,000	(18,620)	25,380	22,875	350	1,890	25,115	50,495	50,495	50,495	
ARENA CROSS						2	3,000	10,000	2,556	12,556	1,550	87	315	2,052	14,608	14,608	14,608	
CARMEN						3	18,000	30,240	11,916	42,156	38,700	700	6,510	45,910	88,066	88,066	88,066	
MONSTER TRUCKS						2	13,000	25,000	5,221	30,221	6,500	1,575		8,075	38,296	38,296	38,296	
TOTAL FAMILY SHOWS	7	30,750	23,672	37,805	61,477	33	144,900	370,084	(35,744)	384,340	173,137	7,872	24,847	205,856	540,196	601,673	603,112	(1,439)
ROCK																		
COUNTRY	5	50,047	220,749	223,042	443,791	8	63,744	228,000	32,120	260,120	141,089	5,710	56,589	203,388	463,508	907,299	1,026,285	(118,986)
RHYTHM & BLUES	1	11,925	45,839	36,635	82,474	2	14,744	63,000	7,200	70,200	20,430	1,489	12,121	34,040	104,240	186,714	186,714	
CHRISTIAN																		
MIDDLE OF THE ROAD						3	24,500	60,000	10,800	70,800	25,875	1,531	13,508	40,914	111,714	111,714	111,714	
VARIETY						2	17,000	70,000	7,200	77,200	30,750	1,845	14,700	47,295	124,495	124,495	124,495	
TOTAL CONCERTS	6	61,972	266,588	259,677	526,265	15	119,988	421,000	57,320	478,320	218,144	10,575	96,918	325,637	803,957	1,330,222	1,026,285	303,937
OTHER MISC																		
TOTAL OTHER	10	36,466	168,105	83,643	251,748	7	23,850	33,000	10,319	43,319	13,250	10,850		24,100	67,419	319,167	262,590	56,577
GRAND TOTALS	27	155,202	461,641	421,985	883,626	141	747,938	1,644,582	(519,816)	1,124,766	862,906	73,833	149,793	1,086,532	2,211,238	3,094,924	2,732,531	362,393

CURRENT			YTD		
ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
29,717	41,358	38,928	101,698	124,074	106,762
3,524	2,500	3,810	8,713	7,500	10,389
74,237	76,018	76,325	191,091	228,054	178,987
531	831	831	2,193	2,493	2,292
22,185	24,920	23,424	63,399	74,760	62,171
<58,040>	<64,112>	<70,097>	<143,175>	<192,336>	<145,932>
72,154	81,515	73,222	223,919	244,545	214,669
15,182	15,833	13,903	45,551	47,499	46,879
2,017	2,000	0	6,052	6,000	5,993
0	300	242	537	900	725
1,695	500	260	3,937	1,500	1,957
0	833	0	0	2,499	0
0	833	0	0	2,499	2,284
165	283	0	490	849	538
0	833	0	0	2,499	648
0	833	0	0	2,499	0
1,322	2,083	1,440	9,149	6,249	3,345
1,500	1,917	1,417	4,500	5,751	4,251
3,726	6,249	2,095	10,573	18,747	4,885
349	0	<35>	468	0	3
0	267	1,378	2,143	801	1,378
0	50	0	0	150	0
1,148	1,167	344	3,677	3,501	2,105
1,146	967	2,475	5,444	2,901	5,093
0	208	0	2,130	624	0
0	63	0	0	189	0
248	300	248	923	900	743
0	625	2,530	1,060	1,875	2,530
3,644	10,708	8,624	34,709	32,124	24,177
7,363	15,682	17,037	40,110	47,046	41,381
356	500	368	918	1,500	1,245
19,889	21,120	22,352	59,206	63,360	69,350
0	500	0	527	1,500	722
429	1,667	377	1,611	5,001	1,795
645	1,000	650	3,349	3,000	2,595
32	1,000	1,722	1,536	3,000	2,692
0	1,333	0	4,380	3,999	3,582
1,439	4,333	702	13,294	12,999	8,467
48,150	55,001	45,118	142,947	165,003	158,519
21,245	21,748	22,119	63,734	65,244	63,734
5,824	5,824	17,229	17,472	17,472	51,687
1,963	1,963	1,963	5,890	5,889	5,890
<1,454>	<3,217>	<994>	<1,469>	<9,651>	<7,994>
<525>	0	<419>	<1,585>	0	<429>
137,498	175,306	163,142	483,263	525,918	510,768
209,652	256,821	236,365	707,181	770,463	725,437

GRAND CENTER WEEKLY - YEAR 2000

DATE	EVENT	EC	ROOM	TIME	FUNCTION
MON. OCT 16	AN EVENING OF PREMIERS – BALLET	ST	DV/	8A-6P 7P-11P	MOVE IN REHEARSAL
TUES. OCT 17	AN EVENING OF PREMIERS – BALLET	ST	DV/	8A-5P 7P-11P	WORK CALL REHEARSAL
WED. OCT 18	AN EVENING OF PREMIERS – BALLET	ST	DV/	8A-5P 7P-11P	WORK CALL REHEARSAL
	LASTONE THERAPY	LI	BL/	2:30P-5:30P	MOVE IN
THURS. OCT 19	ASSOC. OF MICHIGAN BASKETMAKERS	BW	WA/	6A-6P 6P-10:30P	VENDOR MOVE IN EXHIBITS OPEN
	INSTITUTE FOR NATURAL RESOURCES	TM/LI	KR/	6:30A 7:30A-8:30A 8:30A-11:30A 12:20P-4:30P	STAFF IN TO SET UP REGISTRATION MEETING MEETING
	AN EVENING OF PREMIERS – BALLET	ST	DV/	8A-5P 7:30P-11P	WORK CALL OPEN REHEARSAL (50)
	LASTONE THERAPY	LI	BL/	8:15A 9A-6:30P	STAFF IN SEMINAR
FRI. OCT 20	ASSOC. OF MICHIGAN BASKETMAKERS	BW	GH/ WA/	6:30A-8A 8A-5:30P 7P-9:30P 9:30P-11P 11P-MID 9A-6:30P 8P-9:30P	MOVE IN – CLASSES CLASSES SET UP MARKET MARKETPLACE MARKETPLACE OUT EXHIBITS EXHIBITS
	LASTONE THERAPY	LI	BL/	8:15A 9A-6:30P	STAFF IN SEMINAR
	AN EVENING OF PREMIERS – BALLET	ST	DV/	4:30P-6:30P 8P-10P	CLASS ON STAGE PERFORMANCE
	GRAND TRADITIONS AUCTION GROUP	LI	KR/	8A-5P	MOVE IN
SAT. OCT 21	LASTONE THERAPY	LI	BL/	8:15A 9A-6:30P	STAFF IN SEMINAR
	ASSOC. OF MICHIGAN BASKETMAKERS	BW	GH/ WA/	8A-5P 9A-6P 8:30P-10P	CLASSES EXHIBITS EXHIBITS
	AN EVENING OF PREMIERS – BALLET	ST	DV/	4:30P-6:30P 8P-10P	CLASS ON STAGE PERFORMANCE
	GRAND TRADITIONS AUCTION GROUP	LI	KR/	9:30A-6P	AUCTION
SUN. OCT 22	LASTONE THERAPY	LI	BL/	7:30A 8A-3P 3P-4P	STAFF IN SEMINAR MOVE OUT
	ASSOC. OF MICHIGAN BASKETMAKERS	BW	GH/ WA/	8A-NOON 7:30A-11A 11A-4P	CLASSES EXHIBITS MOVE OUT
	AN EVENING OF PREMIERS – BALLET	ST	DV/	11A-12:30P 2P-4P 4P-8P	CLASS ON STAGE PERFORMANCE MOVE OUT
	FOCUS ON LIFE DINNER	BW	GH/	9P-MID	MOVE IN
	GRAND TRADITION AUCTION GROUP	LI	KR/	NOON-6P 6P-10P	AUCTION MOVE OUT
MON. OCT 23	FOCUS ON LIFE DINNER	BW	GH/	3P-6P 6P-7P 7P-9:30P 9:30P-MID	REHEARSAL DOORS OPEN DINNER/SHOW MOVE OUT
	MADAM BUTTERFLY – OPERA	ST	DV/	8A-5P	LIGHT HANG MOVE IN
	GRAND TRADITION AUCTION GROUP	LI	KR/	8A-5P	MOVE OUT
	CITY TEST	TM	BR/	8A-NOON	TEST
TUES. OCT 24	GRSO CLASSICAL III – A MOZART VIOLIN CONCERTO	ST	DV/	8A-1P 7:30P-10P	MOVE IN REHEARSAL
	CITY TEST	TM	BR/	8A-NOON	TEST
WED. OCT 25	MI ASSOCIATION OF NON PUBLIC SCHOOLS	SM	EH,WH/ AGPH/	8A-4:30P 2P-9P	MOVE IN EXHIBITS REGISTRATION OPEN
	GRSO CLASSICAL III – A MOZART VIOLIN CONCERTO	ST	DV/	3:30P-6P 7:30P-10P	REHEARSAL REHEARSAL
	CITY TEST	TM	BR/	8A-NOON	TEST
THURS. OCT. 26	MI ASSOCIATION OF NON PUBLIC SCHOOLS	SM	ARENA/ MAIN CONCOURSE/ WA,GH,KR,BL,MR/ EH,WH/	7:30A-9A 8A-3P 8:30P-4P 7:30A-5P	REGISTRATION OPEN REGISTRATION OPEN SEMINARS EXHIBITS OPEN
	GRSO CLASSICAL III – A MOZART VIOLIN CONCERTO	ST	DV/	4:30P-7:30P 7:30P-10P	MIC HANG REHEARSAL

DATE	EVENT	EC	ROOM	TIME	FUNCTION
FRI. OCT 27	MI ASSOCIATION ON NON PUBLIC SCHOOLS	SM	ARENA/ WA,GH,KR,BL,MR/ EH,WH/	8A-10A 10:45A-3:30P 7:30A-3P 3P-6P	REGISTRATION OPEN SEMINARS EXHIBITS OPEN MOVE OUT
	GRSO CLASSICAL III - A MOZART VIOLIN CONCERTO	ST	3 RD FLOOR DV/ DV/	6:45P 7:15P-7:45P 8P-10:30P	OPEN TO UPBEAT UPBEAT PERFORMANCE
SAT. OCT 28	GRSO CLASSICAL III - A MOZART VIOLIN CONCERTO	ST	3 RD FLOOR DV/ DV/	6:45P 7:15P-7:45P 8P-10:30P 10:30P	OPEN TO UPBEAT UPBEAT PERFORMANCE MOVE OUT
SUN. OCT 29	MADAMA BUTTERFLY - OPERA	ST	DV/	8A-6P 7:30P-11P	MOVE IN REHEARSAL
MON. OCT 30	MADAMA BUTTERFLY - OPERA	ST	DV/	8A-NOON 7:30P-11:30P	WORK CALL REHEARSAL
	HUMAN RESOURCE AND THE LAW	BW	BR/	6:30A-8A 8A-8:30A 8:30A-11:45A 11:45A-1P 1P-4P	MOVE IN REGISTRATION SEMINAR LUNCH BREAK SEMINAR
TUES. OCT 31	CPA EXAMS	TM	EH/		MOVE IN
	MADAMA BUTTERFLY - OPERA	ST	DV/	8A-5P 1P-4P 6P-11P	WORK CALL SCHOOL REHEARSAL WORK CALL
	HUMAN RESOURCES AND THE LAW	BW	BR/	7A-8A 8A-8:30A 8:30A-11:45A 11:45A-1P 1P-4P 4P-5P	STAFF IN REGISTRATION SEMINAR LUNCH BREAK SEMINAR MOVE OUT
WED. NOV 1	CPA EXAMS	TM	EH/		EXAMS
	NATIONAL ONSITE WASTEWATER ASSOC.	TM	2/3 GH/ 1/3 GH/	7A-NOON NOON-7P 7:30A-6:30P	MOVE IN EXHIBITS OPEN MEETING
	SULLIVAN-SCHEIN DENTAL	BW	WA/	5P-9P	MOVE IN
	MADAMA BUTTERFLY - OPERA	ST	DV/	8A-5P 7:30P-10:30P	WORK CALL REHEARSAL
	INTERNATIONAL ASSOC. OF BOMB TECHNICIANS	TM	WH/		MOVE IN MEETING MOVE OUT
THURS. NOV 2	CPA EXAMS	TM	EH/		EXAMS
	NATIONAL ONSITE WASTEWATER ASSOC.	BW	2/3 GH/ KR,BL,1/3 GH/ 1/3 GH/	7A-11P 7A-5P 6:30P-11P	EXHIBITS OPEN MEETINGS GALA PARTY
	SULLIVAN-SCHEIN DENTAL	BW	WA/ MR/	7A-9A 9A-5P 11A-2P 5P-9P 8A-4P	CONT. BREAKFAST - REG. EXHIBITS LUNCHEON MOVE OUT SEMINAR
	MADAMA BUTTERFLY - OPERA	ST	DV/	DARK	DARK
FRI. NOV 3	MALY'S FORUM	LI	GH/ WA/	8A-5P NOON-MID	MOVE IN IA SET UP
	NATIONAL ONSITE WASTEWATER ASSOC.	TM	2/3 GH/ 1/3 GH, KR,BL/ BL/	7A-NOON NOON-5P 7A-5P 6P-7:30P	EXHIBITS OPEN MOVE OUT MEETINGS PARTY
	MADAMA BUTTERFLY - OPERA	ST	DV/	6:30P 7:30P-10P	UPBEAT PERFORMANCE
SAT. NOV 4	MALY'S FORUM	LI	WA,GH/ BL/ GH/	8A-2P 6P-10P	MOVE IN WELCOME EVENT
	MADAMA BUTTERFLY - OPERA	ST	DV/	6:30P 7:30P-10:30P 10:30P-2:30A	UPBEAT PERFORMANCE MOVE OUT
SUN. NOV 5	MALY'S FORUM	SM	WA,GH/ KR,BL/	9:30A-6:30P	SHOW PARTY
	MOSCOW BALLET	ST	DV/ GR/	6A-1P 11A-1P 12:30P 1P-3P 4:30P 5P-7P 7P-9:30P ALL DAY	MOVE IN REHEARSAL ONSTAGE DOORS PERFORMANCE DOORS PERFORMANCE MOVE OUT CATERING FOR CREW
MON. NOV 6	MALY'S FORUM	SM	WA,GH/ KR,BL/	8A-3P	SHOW

DATE	EVENT	EC	ROOM	TIME	FUNCTION
				3P-MID	MOVE OUT
TUES. NOV 7	WOODWORKERS SHOW	BW	WA,GH,EH,WH,KR,BL/	9A-5P	MOVE IN
WED. NOV 8	WOODWORKERS SHOW	BW	WA,GH,EH,WH,KR,BL/	9A-5P	MOVE IN
THURS. NOV 9	WOODWORKERS SHOW	BW	WA,GH,EH,WH,KR,BL/	9A-5P	MOVE IN
	GRSO POPS II – THE BROADWAY CONCERT	ST	DV/	8A-APPROX. 5P 7P-10P	MOVE IN REHEARSAL
FRI. NOV 10	WOODWORKERS SHOW	BW	WA/ GH,EH,WH/ KR,BL/	9A 10A-6P	PRE VIEW SHOW SHOW
	GRSO POPS II – THE BROADWAY CONCERT	ST	DV/	8P-10:30P	PERFORMANCE
SAT. NOV 11	WOODWORKERS SHOW	BW	WA,GH,EH,WH,KR,BL/	9A-3P	SHOW
				3P-9P	MOVE OUT
	GRSO POPS II – THE BROADWAY CONCERT	ST	DV/	8P-10:30P	PERFORMANCE
SUN. NOV 12	WOODWORKERS SHOW	BW	WA,GH,EH,WH,KR,BL/	9A-3P	MOVE OUT
	GRSO POPS II – THE BROADWAY CONCERT	ST	DV/	3P-5:30P 5:30P-6:30P	PERFORMANCE MINIMAL MOVE OUT
MON. NOV 13	WOODWORKERS SHOW	BW	WA,GH,EH,WH,KR,BL/	9A-2P	MOVE OUT
TUES. NOV 14	GRSO CLASSICAL IV – THE SACRED & THE PROFANE	ST	DV/ BL/	8A-1P 7:30P-10P	MOVE IN REHEARSAL
WED. NOV 15	MICHIGAN INSTITUTE FOR ED MANAGEMENT	TM	GH/	8A-5P	MOVE IN
	GRSO CLASSICAL IV – THE SACRED & THE PROFANE	ST	DV/ BL/	3:30P-6P 7:30P-10P	REHEARSAL REHEARSAL STORAGE
THURS. NOV 16	MICHIGAN INSTITUTE FOR ED MANAGEMENT	TM	GH/	8A-10:30A 11:15A-3:15P 3:15P-MID	MOVE IN EXHIBITS MOVE OUT
	GRSO CLASSICAL IV – THE SACRED & THE PROFANE	ST	DV/ BL/	4:30P-7:30P 7P-10P	MIC HANG REHEARSAL
FRI. NOV 17	CITY MEETING	TM	BR/	8A-NOON	MEETING
	GRSO CLASSICAL IV – THE SACRED & THE PROFANE	ST	3 RD FLOOR DV/ DV/	6:45P 7:15P-7:45P 8P-10:30P	OPEN TO UPBEAT UPBEAT PERFORMANCE
	MEL TROTTER MINISTRIES BANQUET	BW	GH/	10A-6P 6:30P-7P 7P-9:30P 9:30P-MID	MOVE IN RECEPTION BANQUET MOVE OUT
	CONIGULIARO AMWAY CONFERENCE	BW	MR/	10A-NOON NOON-MID MID-1A	MOVE IN MEETING MOVE OUT
SAT. NOV 18	GRSO CLASSICAL IV – THE SACRED & THE PROFANE	ST	3 RD FLOOR DV/ DV/	6:45P 7:15P-7:45P 8P-10:30P 10:30P	OPEN TO UPBEAT UPBEAT PERFORMANCE MOVE OUT
	AAA TRAVEL AGENCY PREFERRED SUPPLIERS CONFERENCE	TM	1/3 GH/ KR/ 1/3 GH/ KR/ 1/3 GH/	6A-8A 7A-8A 8A-NOON NOON-2P NOON-3P	MOVE IN BREAKFAST MEETING LUNCH MOVE OUT
SUN. NOV 19					
MON. NOV 20	CABERET – BTG	ST	DV/	2P-6P 7P-MID	PRE RIG MOVE IN
TUES. NOV 21	CABERET – BTG	ST	DV/	8A-5P 7:30P-10P	MOVE IN PERFORMANCE
WED. NOV 22	CABERET – BTG	ST	DV/	7:30P-10P	PERFORMANCE
	THANKSGIVING AT THE GRAND CENTER	BW	GH/	7A-5P	MOVE IN
THURS. NOV 23	CABERET – BTG	ST	DV/	THURS. MATINEE MOVED TO FRI. 7:30P-10P	THURS. MATINEE MOVED TO FRIDAY PERFORMANCE
	THANKSGIVING AT THE GRAND CENTER	BW	GH/	6A-11A 11A-1:30P 1:30P-4P	STAFF IN BANQUET MOVE OUT
FRI. NOV 24	CABERET – BTG	ST	DV/	2P-4:30P 8P-10:30P	PERFORMANCE PERFORMANCE
SAT. NOV 25	CABERET – BTG	ST	DV/	2P-4:30P 8P-10:30P	PERFORMANCE PERFORMANCE
SUN. NOV 26	CABERET – BTG	ST	DV/	3P-5:30P 5:30P-10:30P TBA	PERFORMANCE MOVE OUT HOUSE RESTORE
MON. NOV 27	NUTCRACKER – BALLET	ST	DV/	8A-6P 7P-11P	MOVE IN REHEARSAL

DATE	EVENT	EC	ROOM	TIME	FUNCTION
TUES. NOV 28	NUTCRACKER – BALLET	ST	DV/	8A-6P 7P-11P	MOVE IN REHEARSAL
WED. NOV 29	NUTCRACKER – BALLET	ST	DV/	8A-6P 7P-11P	MOVE IN REHEARSAL
THURS. NOV 30	NUTCRACKER – BALLET	ST	DV/	8A-6P 7P-11P	MOVE IN REHEARSAL

VAN ANDEL ARENA WEEKLY

DATE	EVENT	EC	ROOM	TIME	FUNCTION
Wed, Oct 18	Available				
Thurs, Oct 19	Available				
Fri, Oct 20	Griffins vs Manitoba	AH	Arena	7:30P-10P	Hockey game
	Griffins	JS	Banquet A	6:30P-7:30P	Group welcome center
	Organon Pharmaceutical	JS	Banquet D	6:30P-7:30P	Meeting
Sat, Oct 21	Griffins vs Orlando	AH	Arena	7:30P-10P	Hockey game
	Wyeth/Ayerst	JS	Banquet B	6P-7:30P	Meeting
	Griffins	JS	Banquet C	6:30P-7:30P	Group welcome center
Sun, Oct 22	Available				
Mon, Oct 23	SMG/WMU/NCAA	JS	Banquet C	11A-1P	Meeting
Tue, Oct 24	Available				
Wed, Oct 25	MANPS	AH	Arena	4:00 PM	Set-up
Thurs, Oct 26	MANPS	AH	Arena	7:00 AM 8:00 AM 12:00 PM	Doors Conference begins Conference ends
Fri, Oct 27	MANPS	AH	Arena	7:00 AM 8:00 AM 11:00 AM 12:00 PM	Doors Conference begins Conference ends/Load-out begins Quick change to hockey
	Griffins vs Milwaukee	MS	Arena	7:30P-10:30P	Hockey game
	Griffins	JS	Banquet A	6:30P-7:30P	Group welcome center
Sat, Oct 28	Rocky Horror	MS	Arena	8:00 PM 9:00P-12P	Doors Picture Show/The Green Room
Sun, Oct 29	Available				
Mon, Oct 30	Available				
Tue, Oct 31	Available				
Wed, Nov 1	Available				
Thurs, Nov 2	Available				
Fri, Nov 3	Griffins vs Cincinnati	AH	Arena	7:30P-10:30P 10:30P-11:15P	Hockey game Post-game skate
Sat, Nov 4	Griffins vs Cincinnati	MS	Arena	7:30P-10:30P	Hockey game
Sun, Nov 5	Available				
Mon, Nov 6	Available				
Tue, Nov 7	Available				
Wed, Nov 8	Available				
Thurs, Nov 9	Moody Blues	MS	Arena	7:30 PM	Performance
Fri, Nov 10	Griffins vs Cleveland	AH	Arena	7:30P-10:30P	Hockey game
Sat, Nov 11	Griffins vs Utah	MS	Arena	7:30P-10:30P	Hockey game
Sun, Nov 12	Available				

***THE GRAND CENTER, AS
MANAGED BY SMG***

**Special Purpose Financial Statements
for the Years Ended June 30, 2000 and 1999
and Independent Auditors' Report**

THE GRAND CENTER, AS MANAGED BY SMG

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INDEPENDENT AUDITORS' REPORT

The Grand Center, as Managed by SMG
Grand Rapids, Michigan

We have audited the accompanying special purpose financial statements of the Grand Center, as managed by SMG ("SMG-Grand Center"), as of June 30, 2000 and 1999 and for the years then ended, as listed in the foregoing Table of Contents. These special purpose financial statements are the responsibility of the management of SMG-Grand Center. Our responsibility is to express an opinion on these special purpose financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the special purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall special purpose financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 2, the accompanying special purpose financial statements were prepared to present the assets, liabilities, amounts due the City of Grand Rapids, operating revenues, operating expenses and operating cash flows of the Grand Center arising from the management activities of SMG and are not intended to be a complete presentation of the Grand Center's financial position and results of operations.

In our opinion, such special purpose financial statements present fairly, in all material respects, the financial position of SMG-Grand Center as of June 30, 2000 and 1999, and the results of its operations and its cash flows for the years then ended in conformity with the basis of presentation as described in Note 2.

This report is intended solely for the information and use of the management of SMG-Grand Center and officials of the City of Grand Rapids, Michigan, and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

September 5, 2000

THE GRAND CENTER, AS MANAGED BY SMG

SPECIAL PURPOSE STATEMENTS OF ASSETS, LIABILITIES AND AMOUNTS DUE THE CITY OF GRAND RAPIDS ARISING FROM ACTIVITIES MANAGED BY SMG JUNE 30, 2000 AND 1999

	2000	1999
ASSETS		
CURRENT ASSETS:		
Cash:		
Operating	\$ 1,248,834	\$ 980,342
Ticket sales escrow	61,037	57,531
Accounts receivable, net (Note 5)	956,298	165,697
Prepaid expenses	<u>18,339</u>	<u>101,174</u>
TOTAL	<u>\$2,284,508</u>	<u>\$1,304,744</u>
 LIABILITIES AND AMOUNTS DUE THE THE CITY OF GRAND RAPIDS		
CURRENT LIABILITIES:		
Accounts payable (Note 5)	\$ 1,291,954	\$ 475,062
Accrued expenses (Note 3)	264,235	348,762
Advance ticket sales	61,037	57,531
Advance deposits	<u>223,055</u>	<u>204,939</u>
Total current liabilities	1,840,281	1,086,294
AMOUNT DUE THE CITY OF GRAND RAPIDS	<u>444,227</u>	<u>218,450</u>
 TOTAL LIABILITIES AND AMOUNTS DUE THE CITY OF GRAND RAPIDS	<u>\$2,284,508</u>	<u>\$1,304,744</u>

See notes to special purpose financial statements.

THE GRAND CENTER, AS MANAGED BY SMG

SPECIAL PURPOSE STATEMENTS OF OPERATING REVENUES AND OPERATING EXPENSES ARISING FROM ACTIVITIES MANAGED BY SMG YEARS ENDED JUNE 30, 2000 AND 1999

	2000	1999
OPERATING REVENUES (Note 2):		
Events	\$ 1,591,185	\$ 1,440,528
Net ancillary revenues:		
Food and beverage	262,328	255,767
Artcraft	264,333	201,939
Novelties	24,950	30,214
Equipment rental	154,316	151,433
Total ancillary revenues	<u>705,927</u>	<u>639,353</u>
Total events revenues	2,297,112	2,079,881
Other (including interest income of \$59,253 and \$34,469 in 2000 and 1999, respectively)	<u>127,665</u>	<u>74,719</u>
Total operating revenues	2,424,777	2,154,600
OPERATING EXPENSES (Notes 3 and 4):		
Payroll and related	712,573	691,621
Repairs and maintenance	95,156	91,162
Supplies	152,363	151,635
Utilities	463,953	440,029
General and administrative (Note 3)	730,466	654,817
Total operating expenses	<u>2,154,511</u>	<u>2,029,264</u>
EXCESS OF OPERATING REVENUES OVER OPERATING EXPENSES	<u>\$ 270,266</u>	<u>\$ 125,336</u>

See notes to special purpose financial statements.

THE GRAND CENTER, AS MANAGED BY SMG

SPECIAL PURPOSE STATEMENTS OF CHANGES IN AMOUNTS DUE THE CITY OF GRAND RAPIDS ARISING FROM ACTIVITIES MANAGED BY SMG YEARS ENDED JUNE 30, 2000 AND 1999

YEAR ENDED JUNE 30, 1999:

Amount Due the City of Grand Rapids, June 30, 1998	\$ 61,728
Excess of operating revenues over operating expenses	125,336
Contributions - the City of Grand Rapids - Operational direct funding	631,386
Transfers to the City of Grand Rapids	<u>(600,000)</u>
Amount Due the City of Grand Rapids, June 30, 1999	218,450

YEAR ENDED JUNE 30, 2000:

Excess of operating revenues over operating expenses	270,266
Contributions - the City of Grand Rapids - Operational direct funding	555,511
Transfers to the City of Grand Rapids	<u>(600,000)</u>
Amount Due the City of Grand Rapids, June 30, 2000	<u>\$ 444,227</u>

See notes to special purpose financial statements.

THE GRAND CENTER, AS MANAGED BY SMG

SPECIAL PURPOSE STATEMENTS OF OPERATING CASH FLOWS ARISING FROM ACTIVITIES MANAGED BY SMG YEARS ENDED JUNE 30, 2000 AND 1999

	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of operating revenues over operating expenses	\$ 270,266	\$ 125,336
Adjustment to reconcile excess of operating revenues over operating expenses to net cash provided by operating activities -		
Changes in assets and liabilities that (used) provided operating cash:		
Accounts receivable	(790,601)	35,324
Prepaid expenses	82,835	(38,017)
Accounts payable	816,892	415,157
Accrued expenses	(84,527)	27,448
Advance deposits	<u>18,116</u>	<u>37,397</u>
Net cash provided by operating activities	312,981	602,645
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contributions received - the City of Grand Rapids -		
Operational funding	555,511	631,386
Transfers paid - the City of Grand Rapids	<u>(600,000)</u>	<u>(600,000)</u>
Net cash (used in) provided by capital and related financing activities	<u>(44,489)</u>	<u>31,386</u>
INCREASE IN OPERATING CASH	268,492	634,031
OPERATING CASH AT BEGINNING OF YEAR	<u>980,342</u>	<u>346,311</u>
OPERATING CASH AT END OF YEAR	<u>\$ 1,248,834</u>	<u>\$ 980,342</u>

See notes to special purpose financial statements.

THE GRAND CENTER, AS MANAGED BY SMG

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2000 AND 1999

1. OPERATIONS

The City of Grand Rapids, Michigan (the "City") has entered into a management agreement (the "Agreement") with SMG to manage the operations of the Grand Center (the "Grand Center"). The Agreement expires on June 30, 2001. The activities of the Grand Center that are managed by SMG are referred to herein as "SMG-Grand Center."

The City from time to time provides funding to SMG-Grand Center to pay the obligations of the Grand Center when due. The City is contractually obligated to fund all liabilities and expenses of the Grand Center.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying special purpose financial statements have been prepared on the accrual basis and include transactions managed by SMG in accordance with the Agreement, measured in conformity with accounting principles generally accepted in the United States of America. Accordingly, the special purpose financial statements do not include property, plant and equipment; non-contractual repair expenditures; and related fund equity associated with the Grand Center; or certain other activities of the City's Grand Center enterprise fund that are not part of the activities managed by SMG. Payroll and related expenses are for employees hired by SMG to operate the Grand Center under the Agreement. These employees are not employees of the City. The accompanying special purpose financial statements are intended solely for the information and use of the management and officials of the City and SMG and are not intended to be and should not be used by anyone other than these specified parties.

Use of Estimates - Estimates and assumptions are required to be used by management in the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of operating revenues and operating expenses during the reporting period. Management believes its estimates to be reasonable; however, actual results could differ from those estimates.

Advance Ticket Sales - The Grand Center incurs a liability for all cash received from ticket sales in advance of an event; a corresponding amount is held in a separate escrow account. Revenues are not recognized until completion of an event.

Event Revenues - SMG-Grand Center records event revenue upon the completion of the event. Accordingly, amounts received for advance ticket sales or deposits by promoters are recorded as liabilities until that time. Costs incurred prior to an event are recorded as prepaid expenses and charged to expense upon completion of the event.

Ancillary Revenues - All rental and concession revenues are recognized when earned. Concession revenues are a contractually determined percentage of gross receipts collected by the vendor for each event.

Other Operating Revenues - Other operating revenues are comprised of interest income, non-event equipment rental income, ticket rebates and other miscellaneous items.

Noncontractual Repairs - SMG-Grand Center from time to time incurs costs funded by the City's capital projects budget, which is separate and distinct from the operating funds provided by the City to the Grand Center. The City ultimately decides which expenses will be capitalized or expensed. These costs are excluded from operating expenses in the accompanying special purpose statement of operating revenues and operating expenses.

City Funding - The City provides operational funding based on funding requests from SMG, and SMG-Grand Center is allowed to use the operating revenues of the Grand Center to fund operations.

3. MANAGEMENT AGREEMENT AND FEES

Under the Agreement, the City pays SMG an annual base management fee. The annual base management fee was set at \$160,000 and has been adjusted annually by the percentage change in the Consumer Price Index (not to exceed 5% in any one year).

SMG also receives an incentive fee based on the results of operations of the Grand Center compared to certain operating revenue thresholds, as defined in the Agreement. To qualify for the incentive fee, the operating deficit cannot exceed \$550,000 in 2000 and 1999, net of any noncontractual expenses.

The following are schedules of the total management fees for the years ended June 30, 2000 and 1999, of which \$91,183 and \$48,872, respectively, are included in accrued expenses as of those dates:

	2000	1999
Total operating revenues reported	\$2,424,777	\$2,154,600
Revenue benchmark (including adjustments of \$58,618 and \$39,077 in 2000 and 1999, respectively, to reflect changes in the Consumer Price Index)	<u>1,968,860</u>	<u>1,910,242</u>
Revenues in excess of revenue benchmark	455,917	244,358
Computation of incentive fee resulting from revenues in excess of revenue benchmark -		
Twenty percent of the first \$500,000	<u>91,183</u>	<u>48,872</u>
Total incentive fee	91,183	48,872
Base management fee	<u>169,699</u>	<u>166,432</u>
Total management fees	<u>\$ 260,882</u>	<u>\$ 215,304</u>

4. RETIREMENT PLAN

Employees at the Grand Center participate in the SMG Retirement and Savings Plan, a 401(k) defined contribution plan covering SMG employees who have completed one year of employment and 1,000 hours of service. SMG-Grand Center will match 50% of an employee's contribution up to a maximum of 5% of the employee's eligible compensation. Discretionary contributions may also be made for eligible participants who have completed 500 hours of service in the current plan year and who are employed as of the last day of the plan year. SMG-Grand Center made \$12,856 and \$8,367 in matching contributions and \$6,232 and \$4,235 in discretionary contributions for the years ended June 30, 2000 and 1999, respectively.

5. OTHER RELATED PARTY TRANSACTIONS

In addition to the operations of the Grand Center, SMG personnel in Grand Rapids also manage the operations of the Van Andel Arena. The two facilities share certain revenue and expenses such as ticket sales revenue, payroll, employee fringe benefits, and insurance, resulting in frequent billings and payments between the two facilities. Accounts receivable of the Grand Center include \$510,000 due from the Van Andel Arena as of June 30, 2000. Accounts payable of the Grand Center include \$1,273,000 and \$480,000 due to the Van Andel Arena as of June 30, 2000 and 1999, respectively.

In addition, the City uses the facilities of the Grand Center from time to time for meetings and other activities. Under the terms of the Agreement, the City is allowed use of the facilities up to a pre-determined amount at no cost. The City was not charged for use of these facilities in 2000 and 1999.

6. CONTINGENCIES

The Grand Center is exposed to a number of asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on the SMG-Grand Center's financial position due to insurance coverage. As such, no provision for loss has been made in the accompanying special purpose financial statements.

7. SUBSEQUENT EVENT

On July 1, 2000, ownership and operation of the Grand Center was transferred from the City to the newly-formed Grand Rapids - Kent County Convention/Arena Authority ("the Authority"). The Agreement remains in effect through June 30, 2001, with the Authority replacing the City.

* * * * *

***THE VAN ANDEL ARENA, AS
MANAGED BY SMG***

**Special Purpose Financial Statements
for the Years Ended June 30, 2000 and
1999, and Independent Auditors' Report**

THE VAN ANDEL ARENA, AS MANAGED BY SMG

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INDEPENDENT AUDITORS' REPORT

The Van Andel Arena, as Managed by SMG
Grand Rapids, Michigan

We have audited the accompanying special purpose financial statements of the Van Andel Arena, as managed by SMG ("SMG-Van Andel Arena"), as of June 30, 2000 and 1999, and for the years then ended, as listed in the foregoing Table of Contents. These special purpose financial statements are the responsibility of the management of SMG-Van Andel Arena. Our responsibility is to express an opinion on these special purpose financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the special purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall special purpose financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 2, the accompanying special purpose financial statements were prepared to present the assets, liabilities, amounts due the Downtown Development Authority, operating revenues, operating expenses, and operating cash flows of the Van Andel Arena arising from the management activities of SMG and are not intended to be a complete presentation of the Van Andel Arena's financial position and results of operations.

In our opinion, such special purpose financial statements present fairly, in all material respects, the financial position of SMG-Van Andel Arena at June 30, 2000 and 1999 and the results of its operations and its cash flows for the years then ended in conformity with the basis of presentation as described in Note 2.

This report is intended solely for the information and use of the management of SMG and officials of the Downtown Development Authority of the City of Grand Rapids, Michigan, and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

September 5, 2000

THE VAN ANDEL ARENA, AS MANAGED BY SMG

SPECIAL PURPOSE STATEMENTS OF ASSETS, LIABILITIES AND AMOUNTS DUE THE DOWNTOWN DEVELOPMENT AUTHORITY ARISING FROM ACTIVITIES MANAGED BY SMG JUNE 30, 2000 AND 1999

	2000	1999
ASSETS		
CURRENT ASSETS:		
Cash:		
Operating	\$ 874,978	\$ 582,447
Ticket sales escrow	939,884	440,898
Accounts receivable, net (Note 5)	2,131,700	1,570,040
Prepaid expenses	68,623	139,648
Total current assets	<u>4,015,185</u>	<u>2,733,033</u>
CONTRACT RIGHTS	<u>29,298</u>	<u>52,857</u>
TOTAL ASSETS	<u>\$4,044,483</u>	<u>\$2,785,890</u>
LIABILITIES AND AMOUNTS DUE THE DOWNTOWN DEVELOPMENT AUTHORITY		
CURRENT LIABILITIES:		
Accounts payable (Note 5)	\$ 985,398	\$ 217,333
Accrued expenses (Note 3)	357,277	593,689
Advance ticket sales	939,884	440,898
Advance deposits	77,208	9,653
Deferred income	375,602	371,821
Total current liabilities	<u>2,735,369</u>	<u>1,633,394</u>
AMOUNT DUE THE DOWNTOWN DEVELOPMENT AUTHORITY	<u>1,309,114</u>	<u>1,152,496</u>
TOTAL LIABILITIES AND AMOUNTS DUE THE DOWNTOWN DEVELOPMENT AUTHORITY	<u>\$4,044,483</u>	<u>\$2,785,890</u>

See notes to special purpose financial statements.

THE VAN ANDEL ARENA, AS MANAGED BY SMG

SPECIAL PURPOSE STATEMENTS OF OPERATING REVENUES AND OPERATING EXPENSES ARISING FROM ACTIVITIES MANAGED BY SMG YEARS ENDED JUNE 30, 2000 AND 1999

	2000	1999
OPERATING REVENUES (Note 2):		
Events	\$ 1,302,175	\$ 1,888,120
Net ancillary revenues:		
Food and beverage	1,214,340	1,440,328
Novelties	250,065	351,176
Parking		272,181
Other	82,010	9,365
Total ancillary revenues	<u>1,546,415</u>	<u>2,073,050</u>
Total events and ancillary revenues	2,848,590	3,961,170
Other (including interest income of \$114,345 and \$90,953 in 2000 and 1999, respectively)	<u>1,601,911</u>	<u>1,555,503</u>
Total operating revenues	4,450,501	5,516,673
OPERATING EXPENSES (Notes 3 and 4):		
Payroll and related	945,990	992,122
Repairs and maintenance	159,874	123,564
Supplies	183,482	198,078
Utilities	693,529	679,681
General and administrative	<u>1,088,231</u>	<u>1,264,803</u>
Total operating expenses	<u>3,071,106</u>	<u>3,258,248</u>
EXCESS OF OPERATING REVENUES OVER OPERATING EXPENSES	<u>\$ 1,379,395</u>	<u>\$ 2,258,425</u>

See notes to special purpose financial statements.

THE VAN ANDEL ARENA, AS MANAGED BY SMG

SPECIAL PURPOSE STATEMENTS OF CHANGES IN AMOUNTS DUE THE DOWNTOWN DEVELOPMENT AUTHORITY ARISING FROM ACTIVITIES MANAGED BY SMG YEARS ENDED JUNE 30, 2000 AND 1999

YEAR ENDED JUNE 30, 1999:

Amount Due the Downtown Development Authority, June 30, 1998	\$ (498,013)
Excess of operating revenues over operating expenses	2,258,425
Contributions - the Downtown Development Authority	909,265
Transfers to the Downtown Development Authority	<u>(1,517,181)</u>
Amount Due the Downtown Development Authority, June 30, 1999	1,152,496

YEAR ENDED JUNE 30, 2000:

Excess of operating revenues over operating expenses	1,379,395
Contributions - the Downtown Development Authority	942,776
Transfers to the Downtown Development Authority	<u>(2,165,553)</u>
Amount Due the Downtown Development Authority, June 30, 2000	<u>\$ 1,309,114</u>

See notes to special purpose financial statements.

THE VAN ANDEL ARENA, AS MANAGED BY SMG

SPECIAL PURPOSE STATEMENTS OF OPERATING CASH FLOWS ARISING FROM ACTIVITIES MANAGED BY SMG YEARS ENDED JUNE 30, 2000 AND 1999

	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of operating revenues over operating expenses	\$ 1,379,395	\$ 2,258,425
Adjustment to reconcile the excess of operating revenues over operating expenses to net cash provided by operating activities:		
Amortization of contract rights	23,559	23,560
Changes in assets and liabilities that (used) provided operating cash:		
Accounts receivable	(561,660)	(681,688)
Prepaid expenses	71,025	44,445
Accounts payable	768,065	(525,710)
Accrued expenses	(236,412)	65,328
Advance deposits	67,555	(49,997)
Deferred income	3,781	(587,849)
Net cash provided by operating activities	<u>1,515,308</u>	<u>546,514</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Operational funding received - the Downtown Development Authority	942,776	909,265
Transfers paid - the Downtown Development Authority	<u>(2,165,553)</u>	<u>(1,517,181)</u>
Net cash used in capital and related financing activities	<u>(1,222,777)</u>	<u>(607,916)</u>
INCREASE (DECREASE) IN OPERATING CASH	292,531	(61,402)
OPERATING CASH AT BEGINNING OF YEAR	<u>582,447</u>	<u>643,849</u>
OPERATING CASH AT END OF YEAR	<u>\$ 874,978</u>	<u>\$ 582,447</u>

See notes to special purpose financial statements.

THE VAN ANDEL ARENA, AS MANAGED BY SMG

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2000 AND 1999

1. OPERATIONS

The Downtown Development Authority (the "DDA") of the City of Grand Rapids has entered into a management agreement (the "Agreement") with SMG to manage the operations of the Van Andel Arena (the "Arena"). The Agreement expires on June 30, 2001. The activities of the Arena that are managed by SMG are referred to herein as "SMG-Arena".

The DDA from time to time provides funding to SMG-Arena to pay the obligations of the Arena when due. The DDA is contractually obligated to fund all liabilities and expenses of the Arena.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying special purpose financial statements have been prepared on the accrual basis and include transactions managed by SMG in accordance with the Agreement, measured in conformity with accounting principles generally accepted in the United States of America. Accordingly, the special purpose financial statements do not include property, plant and equipment and related fund equity associated with the Arena, or certain other activities of the DDA related to the Arena that are not part of the activities managed by SMG. Payroll and related expenses are for employees hired by SMG to operate the Arena under the Agreement. These employees are not employees of the DDA. The accompanying special purpose financial statements are intended solely for the information and use of the management and officials of the DDA and SMG and are not intended to be and should not be used by anyone other than these specified parties.

Use of Estimates - Estimates and assumptions are required to be used by management in the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of operating revenues and operating expenses during the reporting period. Management believes its estimates to be reasonable; however, actual results could differ from those estimates.

Contract Rights - The Arena operates under a multi-year service contract with a major beverage supplier. Under the terms of this contract, the Arena is allowed use of equipment provided by the beverage supplier. The net value of this usage has been established by contract at approximately \$117,000, after payment of commission to the Arena's advertising agent, and is recorded as both contract rights and deferred income in the accompanying special purpose statement of assets, liabilities, and amounts due the DDA. SMG-Arena amortizes both the contract rights and the deferred income on a straight-line basis over the life of the contract (five years). Amortization of contract rights is included in general and administrative expenses, and amortization of deferred income is included in other income in the accompanying special purpose statement of operating revenues and operating expenses.

Advance Ticket Sales - The Arena incurs a liability for cash received from ticket sales in advance of an event for which a corresponding amount is held in a separate escrow account. Operating revenues are not recognized until completion of an event.

Deferred Income - Deferred income is comprised primarily of advanced billings and collections for luxury boxes and advertising contracts.

Event Revenues - SMG-Arena records event revenue upon the completion of the event. Accordingly, amounts received for advance ticket sales or deposits by promoters are recorded as liabilities until that time. Costs incurred prior to an event are recorded as prepaid expenses and charged to expense upon completion of the event.

Ancillary Revenues - All rental and concession revenues are recognized when earned. Concession revenues are a contractually determined percentage of gross receipts collected by the vendor for each event.

Other Operating Revenues - Other operating revenues include revenues associated with luxury seating, advertising, interest income and other miscellaneous items not included in event or ancillary revenues.

3. MANAGEMENT AGREEMENT AND FEES

Under the Agreement, the DDA pays SMG an annual base management fee. The annual base management fee was set at \$240,000 and has been adjusted annually by the percentage change in the Consumer Price Index (not to exceed 5% in any one year).

SMG also receives an incentive fee based on the results of operations of the Arena compared to certain operating revenue thresholds, as defined in the Agreement. To qualify for the incentive fee, operating revenues must exceed operating expenses by at least \$750,000.

Under the Agreement, the total incentive fee paid cannot exceed the management fee. As a result, the 1999 incentive fee equaled the management fee.

The following is a schedule of the total management fees for the years ended June 30, 2000 and 1999, of which \$98,336 and \$249,648, respectively, are included in accrued expenses as of those dates:

	2000	1999
Total operating revenues reported and subject to management fee	\$4,450,501	\$5,516,673
Revenue benchmark (including \$117,864 and \$78,574 adjustments in 2000 and 1999, respectively, to reflect the effects of changes in the Consumer Price Index)	<u>3,958,820</u>	<u>3,840,956</u>
Revenues in excess of revenue benchmark	491,681	1,675,717
Computation of incentive fee resulting from revenues in excess of revenue benchmark:		
Twenty percent of the first \$500,000	98,336	100,000
Twenty-five percent of the excess of \$500,000		<u>293,929</u>
Calculated incentive fee	<u>98,336</u>	<u>393,929</u>
Total incentive fee (not to exceed the management fee)	98,336	249,648
Base management fee	<u>254,549</u>	<u>249,648</u>
Total management fees	<u>\$ 352,885</u>	<u>\$ 499,296</u>

4. RETIREMENT PLAN

Employees at the Arena participate in the SMG Retirement and Savings Plan, a 401(k) defined contribution plan covering SMG employees who have completed one year of employment and 1,000 hours of service. SMG-Arena will match 50% of an employee's contribution up to a maximum of 5% of the employee's eligible compensation. Discretionary contributions may also be made for eligible participants who have completed 500 hours of service in the current plan year and who are employed as of the last day of the plan year. SMG-Arena made \$7,900 and \$6,502 in matching contributions and \$4,820 and \$4,468 in discretionary contributions for the years ended June 30, 2000 and 1999, respectively.

5. OTHER RELATED PARTY TRANSACTIONS

In addition to the operations of the Arena, SMG personnel in Grand Rapids also manage the operations of the Grand Center. The two facilities share certain revenue and expenses such as ticket sales revenue, payroll, employee fringe benefits, and insurance, resulting in frequent billings and payments between the two facilities. Accounts receivable of the Arena include \$1,273,000 and \$480,000 due from the Grand Center as of June 30, 2000 and 1999, respectively. Accounts payable of the Arena include \$510,000 due to the Grand Center as of June 30, 2000.

Accounts receivable, net, includes \$0 and \$408,000 from the DDA as of June 30, 2000 and 1999, respectively. This amount consists primarily of expenditures for certain fixed assets to be reimbursed by the DDA. In addition, the DDA uses the facilities of the Arena from time to time for meetings and other activities. Under the terms of the Agreement, the DDA is allowed use of the facilities up to a predetermined amount at no cost. As a result, the DDA was not charged for use of these facilities.

6. CONTINGENCIES

The Arena is exposed to a number of asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on SMG-Arena's financial position due to insurance coverage. As such, no provision for loss has been made in the accompanying special purpose financial statements.

7. SUBSEQUENT EVENT

On July 1, 2000, ownership and operation of the Arena was transferred from the DDA to the newly-formed Grand Rapids - Kent County Convention/Arena Authority ("the Authority"). The Agreement remains in effect through June 30, 2001, with the Authority replacing the DDA.

* * * * *

BUILDING COMMITTEE REPORT
To
Grand Rapids-Kent County Convention/Arena Authority
October 25, 2000

Monroe Ave Project Update

Monroe between Lyon and Pearl is closed to all traffic. Now able to make a left turn from northbound Monroe onto westbound Michigan. Construction of the sidewalk and drop-off area in front of the Grand Center is in progress. Also sidewalk is going back in on east side from Old Kent Bank toward Lyon. Michigan to Lyon including the Monroe/Lyon intersection has a target date of November 11 for reopening. This date is based on weather permitting completing necessary construction activities.

Grand Center Expansion and Renovation

Design Development continues with Progressive AE and Ellerbe Becket. Work during the month involved:

Building Committee approved using SMG as a Kitchen Consultant to review the proposed Kitchen Design of the new facility.

Concurred in Schematic Design Option for Welsh. The remodeling of the existing Welsh Lobby offers the best solution for the new Lyon Square Entrance into the Ballroom. The existing lobby has more than adequate space for the entrance and circulation that is needed along the south side of the new Convention Center.

Reviewed the report of Ellerbe Becket giving assurance that all meeting rooms meet or exceed design standards/criteria for proper viewing/projection heights.

Approved Design Development of DeVos Hall and gave approval to Progressive AE to proceed with Construction Documents on DeVos Hall.

Recommend to the Authority the concurrence in retaining following owner consultants and authorize Chair to sign agreements subject to Legal Counsel review and approval.

- a. McGuire Associates Inc. - \$225/hr not to exceed \$5000 – Consultant ADA Issues related to areas not covered by the Construction Project but which might be effected by the project. Architect from construction project will use say consultant.

- b. Jim Hiaeshutter/Jerry Fellingner Consultants - \$100/hr not to exceed \$10,000**
Fire/Security Systems Consultant – Will determine requirements and develop request for proposal for owner for fire/security/card access/cctv and personnel security requirements.
- c. Robert Duff Consulting Inc. - \$95/hr not to exceed \$10,000**
Communication/Data Consultant – Will develop a conceptual design for the communication portion of the Information Technology infrastructure for the Convention Center, along with an assessment of it's financial impact to the project.

The Grand Rapids Griffins

**DP Fox Sports & Entertainment
Convention/Arena Authority
October 25, 2000**

DP Fox Ventures and DP Fox Sports

- **Organizational Structure (Ventures, Sports, Griffins, Rampage)**
- **Key Personnel**
- **Various Sports Holdings**

Griffins Historical Review

- On-ice Progress
- Attendance
- Community Positioning
- Ticket Pricing
- Youth Foundation

Goals for the 2000-01 Season

- Ticket Usage
- Sponsorship Imports
- Lakeshore Marketing
- Ticket Price Promotions
- Charitable Impact

Importance of Arena/Team Partnership

- **Cross-promotion of Events**
- **Game Night Staff Training/Cooperation**
- **Videoscreen Development**
- **Improving the Fan Experience**
(Concessions, Parking, Security, etc.)

COMMISSION POLICY

and

**ADMINISTRATIVE GUIDELINES FOR
MINORITY AND WOMEN BUSINESS ENTERPRISES
UNDER CITY CONTRACTS**

Revised October 17, 2000

CITY OF GRAND RAPIDS

CITY OF GRAND RAPIDS

COMMISSION POLICY

SUBJECT

Minority and Women Business Enterprise Contracts.

PURPOSE

The City of Grand Rapids enacts this program:

1. to offset the continuing effects of past discrimination found to exist in the construction industry in Grand Rapids against minority and women business enterprises (M/WBEs); and
2. to control or eliminate present discrimination in the Grand Rapids construction industry by assisting local M/WBEs in achieving participation commensurate with their availability in all public construction contracts sponsored by the City of Grand Rapids.

POLICY

1. In each contract awarded by the City, it shall be the goal for majority contractors to reach not less than 11% participation of Local Minority Business Enterprises and not less than 1% participation for Local Women Business Enterprises in:
 - a. all construction contracts of an amount of \$10,000 or more, financed in whole or in part by the City of Grand Rapids; and
 - b. all construction contracts awarded or administered by the City, of an amount of \$10,000 or more, financed in whole or in part with federal/state funds unless otherwise regulated.
2. In all joint or cooperative contracts awarded by other communities in which the City's share for labor and/or materials is \$10,000 or more, the amount of M/WBE participation shall be based on the percentage of the labor and material work financed by the City of Grand Rapids unless a greater level of M/WBE participation is required or permitted by a funding agency or the community awarding the contract. The work done by M/WBEs may be done on any portion of the contract awarded by the governmental agency involved and is not limited to the work being financed by the City of Grand Rapids.

Further, if the project is let in more than one contract, the M/WBE can be designated to participate in one or more of the contracts if it is deemed practical or convenient.

3. Under paragraph 1 above, the City may award any such contract to the lowest responsive bidder who achieves the goals of not less than 11% local Minority Business Enterprise (MBE) and 1% local Women Business Enterprise (WBE) participation or to the lowest responsive bidder who has been granted a waiver. The City reserves the right to award a contract in the City's best interest, and therefore, the City may select a bidder other than the lowest. Further, the City reserves the right not to award a contract and to rebid in any situation where a contract is not awarded. It is the intent of the City that MBE and WBE goals be met separately. Any bidder failing to comply with the requirements of the M/WBE Policy and attendant Administrative Guidelines shall be deemed non-responsive.
4. When a Minority or Women Business Enterprise acts as a prime contractor and work must be subcontracted out, an MBE prime contractor must meet the 1% WBE goal, and a WBE prime contractor must meet the 11% MBE goal.
5. The City Manager, subject to the approval of the City Commission, shall promulgate Administrative Guidelines for this Policy, and said Guidelines may provide for a waiver or exceptions to the strict adherence of this Policy under unusual circumstances. The Guidelines shall also be used in the interpretation and application of this Policy. (Copies of the Administrative Guidelines for this Policy are available in the City's Equal Opportunity Department.)

Adopted this day, December 30, 1997, pursuant to the authority of proceeding number 64243.

**ADMINISTRATIVE GUIDELINES FOR
MINORITY AND WOMEN BUSINESS ENTERPRISE
UNDER CITY CONTRACTS**

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**ADMINISTRATIVE GUIDELINES FOR
MINORITY AND WOMEN BUSINESS ENTERPRISE
UNDER CITY CONTRACTS**

SECTION I: FOREWORD

1.1 AUTHORITY, PURPOSE AND APPLICABILITY

These Guidelines are promulgated by the City Manager pursuant to authority granted to the City Manager under the policy on Minority and Women Business Enterprise Contracts, (hereafter, M/WBE Policy) adopted and expanded by the City Commission on December 30, 1997, which M/WBE Policy is expressly incorporated herein by reference and made a part hereof.

The controlling legal precedent which establishes guidelines for lawful race-conscious programs enacted by local governments is the U.S. Supreme Court decision in City of Richmond v. J.A. Croson, (*Croson*) 488 U.S. 469 (1989). In *Croson*, the Court established strict scrutiny as the standard of review for race-based programs. In applying this standard, the High Court employed a two-pronged analysis. First, the local government must demonstrate a compelling governmental interest for using race conscious criteria in awarding contracts and second, the local government must demonstrate that the race conscious program is narrowly tailored to address the effects of that identified discrimination. *Croson* and its progeny do not require jurisdictions to prove discrimination before they enact race and gender conscious programs. Rather, jurisdictions are required to have a strong basis in evidence which establishes a *prima facie* case of discrimination. A *prima facie* case of discrimination is one in which the local government presents evidence which establishes, on its face, all of the requisite claims of discrimination in the relevant geographic location. A disparity study is the vehicle by which a jurisdiction can establish a strong basis in evidence of discrimination which meets *Croson's* strict scrutiny standard of review.

The disparity study conducted by the City of Grand Rapids' Construction Practices Review Committee (Committee) established a strong evidentiary basis that discrimination against Minority and Women Business Enterprises (M/WBEs) has been in the past, and continues to be, a problem in the Greater Grand Rapids area construction industry. Discrimination has resulted in the underutilization of M/WBEs on both public and private sector contracts, and without effective remedies, it will continue to impede the success of M/WBEs.

The Committee made the following findings which provide the legal basis for enactment of the City's M/WBE Policy:

- A. Past discrimination has current effects including limiting the establishment, development, continued success, and full and equitable participation of M/WBEs in the local construction industry. There is considerable evidence of both past and current discrimination against Hispanic and black contractors. Evidence of discrimination against women, Native American and Asian contractors is more recent and ongoing. There is insufficient evidence to conclude the extent to which other minority groups have experienced discrimination.
- B. The Interim Policy, with its "good-faith effort" requirement, has been completely ineffective in eliminating the present effects of past discrimination and in controlling or eliminating present discrimination. Evidence indicates that prior to the suspension of the former 10% goal MBE Program, participation levels for MBEs averaged 14% of City dollars. Once the Interim Policy became effective, M/WBE participation decreased to 6.02% in 1989 (6/89 - 12/89) and 0.80% in 1990. The Equal Opportunity Department intervened on those projects where good-faith efforts were questionable. Prime contractors were asked to review that portion of their work to be subcontracted to determine whether additional M/WBE participation could be obtained. Intervention resulted in a 0.40% increase in participation in

1989 and 0.30% in 1990. After EOD intervention, total participation for 1989 was 6.42%, and 1990, 1.10%. Intervention with prime contractors to encourage increased utilization of M/WBEs produced minimal increases.

C. The decline in the level of M/WBE participation in 1989 and 1990 was caused by:

- discrimination occurring after the suspension of the 10% MBE Program;
- the ineffectiveness of the Interim Policy's less-restrictive good-faith efforts requirement in controlling or eliminating discrimination; and
- the failure of non-minority contractors to meet M/WBE goals without a mandate compelling them to do so.

D. The City implemented several race/gender-neutral remedies to increase the utilization of minority and women-owned businesses. These remedies included relaxing bidding and bonding requirements, bidding contracts in smaller, more manageable parts, providing training and technical assistance, and providing opportunities for M/WBEs to network with non-minority contractors and banking, bonding and insurance officials. Such measures were ineffective in eliminating the present effects of past discrimination and in controlling or eliminating present discrimination.

E. Analyses of the survey, interview and public hearing results provide substantial anecdotal evidence of discriminatory patterns and practices, as well as particularized instances of discrimination.

F. Analysis of availability and utilization data reveals that there is a substantial disparity between the availability of M/WBEs in the local construction industry and their utilization by both the public and private sectors.

The purpose of these Guidelines is to establish requirements which must be met by and M/WBEs contractors when qualifying for and bidding on:

- A. all construction contracts of an amount of \$10,000 or more, financed in whole or in part with City funds, and
- B. all construction contracts awarded or administered by the City of an amount of \$10,000 or more, financed in whole or in part with federal/state funds, unless otherwise regulated.

1.2 ADOPTION BY REFERENCE

Unless otherwise indicated, upon adoption of these Administrative Guidelines by the City-County Building Authority, Grand Rapids Downtown Development Authority, Grand Rapids Building Authority, Grand Rapids Tax Increment Finance Authority or Grand Rapids-Kent County Convention/Arena Authority, the term "City," as used in these Guidelines shall be interpreted to mean the appropriate Authority which has let the bid for the project at issue.

SECTION II: DEFINITIONS AND ELIGIBILITY CRITERIA

2.1 DEFINITIONS

As used in these Guidelines or in the M/WBE Policy, the following terms are defined as indicated:

- A. Applicant: One who submits an application, request, or plans to be approved as a Minority Business Enterprise (MBE) or a Women Business Enterprise (WBE).
- B. Certification: The process by which the Equal Opportunity Department reviews M/WBEs to determine whether they meet eligibility criteria as bona fide M/WBEs which enables them to bid or be utilized on City construction projects.

- C. Compliance: The condition existing when a contractor meets the requirements of the M/WBE Policy and these Guidelines.
- D. Construction Contract:
1. A construction contract of an amount of \$10,000 or more financed in whole or in part by the City for the construction, alteration or renovation of public buildings or any other public works project.
 2. A construction contract of an amount of \$10,000 or more, financed in whole or in part with federal/state funds.
- E. Contractor: A generic term for a firm that does construction work under a contract or subcontract covered by the M/WBE policy and these guidelines.
- F. Decertification: The process by which the Equal Opportunity Department determines that a contractor is no longer a bonafide M/WBE, and is therefore ineligible to participate in the City's M/WBE Program.
- G. Eligible Minority or Women Business Enterprise: An M/WBE determined by the City to be eligible to participate in the City's M/WBE Program based upon the criteria established in Section II, 2.2 of these Guidelines.
- H. Exception: A situation in which the M/WBE Policy shall not apply in whole or in part. Exceptions shall be limited to those situations in which there is an over-riding public policy reason for not applying the M/WBE Policy. A request for exception to the M/WBE Policy must be made in accordance with Section X, 10.3.
- I. Local Minority or Women Business Enterprise: A M/WBE with its office or principal place of business in Kent or Ottawa County or an M/WBE that has previously done business in

Kent County or has attempted to do business in Kent County prior to 1992 regardless of the location of its office or principal place of business.

J. Minority: A person who is a citizen or lawful resident of the United States who is:

1. Black, a person having origin in any of the black racial groups of Africa.
2. Hispanic, a person of Spanish or Portuguese culture with origins in Mexico or Central America or the Caribbean Islands.
3. Asian American, a person having origins in any of the original people of the Far East, Southeast Asia, the Indian sub-continent, or the Pacific Islands.
4. American Indian, a person having origins in any of the original peoples of North America.

K. Minority Business Enterprise (MBE): A business concern which is owned and controlled by one or more minorities as defined in "J" above. For purposes of this part, "owned and controlled" means a business:

1. which is at least fifty-one percent (51%) owned by one or more minorities or, in case of a publicly-owned business, at least fifty-one percent (51%) of the stock is controlled by one or more minorities; and,
2. whose management and daily business operations are controlled by one or more such individuals (minorities).

L. Non-Compliance: The condition existing when a contractor fails to meet the requirements of the M/WBE Policy or these Guidelines.

M. Non-Responsive Bidder: A firm formally submitting a proposal for work contemplated, which proposal in the judgement of the City of Grand Rapids is incomplete and not in compliance with all bid requirements including M/WBE requirements.

- N. Prime Contractor: A firm that submits a bid for a construction project. Prime Contractors are responsible for an entire construction project but may subcontract to others portions of the project that require special skills or equipment.
- O. Request for Waiver: The process by which a contractor may request to be exempted from M/WBE goals on a particular project. Such a request requires submission of a request for waiver form together with documentary evidence of good faith efforts to meet the M/WBE goals and why the request should be granted (see Section VI, 6.1).
- P. Responsive Bidder: A firm formally submitting a proposal for work contemplated, which proposal in the judgement of the City of Grand Rapids is complete and in compliance with all bid requirements including M/WBE requirements.
- Q. Subcontractor: A firm engaged in a construction trade or specialized construction activities and performs work for a prime contractor under a subcontract. A subcontractor submits a quote to a prime contractor for the portion of work on a construction project that the subcontractor is willing to assume and perform.
- R. Waiver:
1. Partial or total exclusion of M/WBE goals on a specific project where it is determined by the City that there are no or insufficient M/WBEs to perform the work or it is in the best interest of the City to do so.
 2. A process whereby the City examines the validity of a contractor's request for waiver for evidence of good faith effort to achieve M/WBE goals. If such evidence is found, a waiver may be granted for all or part of the M/WBE goal on a specific project.
- S. Women Business Enterprise (WBE): A business concern which is owned and controlled by one or more females. For purposes of this part, "owned and controlled" means a business:

1. which is at least fifty-one percent (51%) owned by one or more women or, in case of a publicly-owned business, at least fifty-one percent (51%) of the stock is controlled by one or more women; and,
2. whose management and daily business operations are controlled by one or more such individuals (women).

2.2 CRITERIA FOR DETERMINING ELIGIBLE MINORITY OR WOMEN BUSINESS ENTERPRISES

An eligible M/WBE shall be an independent business. The ownership, management and control by minorities or women should be real, substantial and continuing, and shall go beyond mere form. Recognition of the business as a separate entity for tax or corporate purposes may be considered as a factor but is not alone sufficient for recognition as an eligible M/WBE. The following criteria, along with other relevant criteria, indicating ownership and control of a business by minorities or women shall be employed in determining whether or not a business is an eligible M/WBE:

A. Ownership Factors:

1. A minority or women owner shall enjoy the customary incidents of ownership and should share the risks and rewards inherent in an ownership interest as demonstrated by an examination of the substance rather than the form of the business arrangements.
2. A minority or woman owner shall possess the power to direct the management and policies of the business and to make major business decisions on all matters of management, policy-making and operations.
3. If the owners of the firm who are not minorities or women are disproportionately responsible for the management, policy-making and operations of the firm, then the firm shall not be considered an eligible Minority or Women Business Enterprise.

4. If there are restrictions through by-law provisions, partnership agreements, charter requirements or any other means that prevent minority or women owners otherwise having a controlling interest in the business from exercising control of the business without the vote, cooperation or concurrence of male and/or non-minority owners, then the business shall not be considered a minority or women business enterprise.
 5. A minority or woman must have made or be making a substantial contribution of capital or of expertise to acquire an ownership interest for that individual's interest to be considered real and substantial and for the business to be an eligible minority or women business enterprise.
 6. The business shall be considered an eligible minority or women business enterprise only if the minority or woman owner retains control over the following:
 - a) establishment of company policies;
 - b) determination and selection of business opportunities;
 - c) general (but not necessarily on-site) supervision of projects;
 - d) control of major expenditures;
 - e) hiring and dismissal of key personnel;
 - f) marketing and bidding decisions;
 - g) the power to contract by signing major business contracts and documents.
- B. Management Factors -- all of the following must exist for a business to be considered an eligible minority or woman business enterprise:
1. A minority or woman must hold the position of President, Chief Executive Officer or a similar title demonstrating that the real authority and power over the day-to-day management of the business is both in theory and in fact held by the minority or woman.

2. A minority or woman must establish and have full authority to modify or rescind business and operating policies.
3. A minority or woman must generally supervise projects.
4. A minority or woman must control major expenditures.
5. A minority or woman must make major marketing and bidding decisions.
6. A minority or woman must have the authority to bind the business by signing major contracts.

2.3 IDENTIFICATION AND LISTING OF CERTIFIED MINORITY AND WOMEN BUSINESS ENTERPRISE

The City of Grand Rapids Equal Opportunity Department shall identify bona fide M/WBEs and shall compile and maintain a list of eligible M/WBEs who are certified to bid on public construction projects. Only M/WBEs who have been certified by the Equal Opportunity Department shall be permitted to bid on public construction projects with the City as M/WBEs unless an exception has been made for the contract as provided for in these Guidelines.

The City's Equal Opportunity Department shall monitor existing M/WBEs for compliance with these Guidelines. A revised list of certified M/WBEs shall be issued on the first of every month.

2.4 REPORTING RESPONSIBILITIES FOR CHANGES TO MINORITY AND WOMEN BUSINESS ENTERPRISE STATUS

M/WBEs that have been certified pursuant to Paragraphs 2.2 and 2.3 above are required to inform the City immediately of any change in the location, ownership, management, officers, operation or control of the business and any other pertinent information affecting M/WBE status or eligibility. If the percentage of M/WBE ownership drops below 51%, the M/WBE must notify the City's Equal Opportunity Department immediately of such change.

2.5 CERTIFICATION OF MINORITY AND WOMEN BUSINESS ENTERPRISES

Firms representing themselves as M/WBEs shall certify compliance status with the City's Policy by completing the form entitled "City of Grand Rapids Certification Application for Minority and Women Business Enterprise" and by compliance with Sections II, 2.2 and Sections IV and VIII of these Guidelines.

2.6 DECERTIFICATION OF MINORITY AND WOMEN BUSINESS ENTERPRISES

The Equal Opportunity Department may decertify a contractor which it determines is no longer a bona fide M/WBE. Grounds for decertification include but are not limited to:

- A. The business has changed to the extent that it no longer satisfies the requirements of ownership, management and control as determined by eligibility requirements in Section II, 2.2 of these Guidelines.
- B. The M/WBE fails to submit within a reasonable time period information requested by the Equal Opportunity Department.

M/WBEs decertified for reasons other than by voluntary request may not apply for recertification for such time as may be specified by the Equal Opportunity Department not to exceed one (1) year. A business which is decertified may appeal such decertification pursuant to Section X, 10.1.

SECTION III: DOCUMENTATION OF CONTRACTOR EFFORTS TO OBTAIN M/WBE PARTICIPATION

3.1 PROPOSAL SUPPLEMENT FORM

At the time of submission of its proposal or bid, each contractor shall have attached the Proposal Supplement form to the proposal or bid, which identifies M/WBEs to be used on the project. The contractor must also indicate all the M/WBEs contacted, date and method of contact, dollar amount submitted by each M/WBE, whether each M/WBE contacted will actually be used, reason for not

utilizing each M/WBE, and any other information requested by the Equal Opportunity Department. This information shall be considered in conjunction with other information to determine whether the contractor exerted "good faith" effort in attempting to utilize M/WBEs. Such information shall be subject to review and verification by the Equal Opportunity Department of the City of Grand Rapids. Any proposal or bid that is submitted without a completed Proposal Supplement, if applicable, is non-responsive and shall not be tabulated or considered for award of the contract.

3.2 AFFIDAVIT

Within one (1) business day of the bid opening, each contractor requested to do so by the City shall submit a sworn statement from each M/WBE to be used in the performance of the contract to supplement its proposal stating that the M/WBE did provide a written quote for the work to the prime contractor and the amount of the quote.

SECTION IV: M/WBE PRIME AND SUBCONTRACTING RESPONSIBILITIES

4.1 MINORITY AND WOMEN BUSINESS ENTERPRISES AS PRIME CONTRACTOR

When an M/WBE acts as a prime contractor and work must be sub-contracted out, an MBE prime contractor must meet the 1% WBE goal, and the WBE prime contractor must meet the 11% MBE goal.

4.2 MINORITY AND WOMEN BUSINESS ENTERPRISES AS SUBCONTRACTOR

A M/WBE acting as a subcontractor shall not permit a prime contractor to enter a quote on its behalf unless the M/WBE has actually provided a written quote on the project which includes all pertinent information. Neither shall a prime contractor submit an affidavit on behalf of an M/WBE unless such quote has been received in writing by the prime contractor. An M/WBE shall not be

permitted to sub-contract or assign any of such work upon which it submits a quote without the prior express written permission of the City of Grand Rapids.

SECTION V: VALIDATION PROCESS

5.1 DETERMINATION OF "GOOD FAITH EFFORTS" TO UTILIZE MINORITY AND WOMEN BUSINESS ENTERPRISES ON CONSTRUCTION CONTRACTS

Good faith efforts are those efforts that--given all relevant circumstances--a contractor actively and aggressively seeking to obtain reasonable M/WBE participation would make.

Efforts that are merely "pro forma" are not good faith efforts. Efforts which are "sincerely motivated" are not good faith efforts if, given all relevant circumstances, they could not reasonably be expected to produce a reasonable level of M/WBE participation.

In determining whether a contractor has made good faith efforts, the City of Grand Rapids will look at the different kinds of effort the contractor has made, and at the quantity, quality and intensity of these efforts. In evaluating a contractor's good faith efforts, the City shall, among other factors, consider whether the contractor:

- A. Submitted a completed Proposal Supplement form identifying the certified M/WBEs that the contractor contacted; the date and the method of the contact; the dollar amount of M/WBE quote submitted; whether M/WBEs will be actually used, and any reason for not utilizing the M/WBEs.
- B. Attended any pre-solicitation or pre-bid meetings that were scheduled by the City to inform majority bidders and M/WBEs of contracting and sub-contracting opportunities.
- C. Provided notice (preferably written) to a reasonable number of specific M/WBEs that their interest in the contract was being solicited in sufficient time to allow M/WBEs to participate effectively.

- D. Selected portions of the work to be performed by M/WBEs in order to increase the likelihood of meeting the M/WBE participation (including, where appropriate, breaking down contracts into economically feasible units to facilitate M/WBE participation).
- E. Provided interested M/WBEs with adequate information about the project.
- F. Conducted pre-bid discussions in good faith with interested M/WBEs, not rejecting M/WBEs as unqualified without sound reasons based on a thorough investigation of their capabilities.
- G. Provided any other information requested by the Equal Opportunity Department.

These examples of efforts to be considered by the City in determining if contractors utilized good faith efforts to gain M/WBE participation are not intended to be exhaustive, or exclusive.

All information shall be subject to review and verification by the Equal Opportunity Department of the City of Grand Rapids. Any contractor failing to submit a completed Proposal Supplement at the time bids are due shall be deemed to have not exerted a "good faith effort" to utilize M/WBEs for his/her proposal, and the bid shall be deemed non-responsive. EOD, in determining "good faith effort," will consider only those efforts made prior to submission of the bid. Any efforts to secure M/WBE participation made after submitting the bid will not be considered.

Each contract will be evaluated individually, and all relevant factors will be taken into consideration.

EXCEPTION: A firm doing work itself with its own work force and requesting a waiver is not required to submit a completed proposal supplement.

SECTION VI: WAIVERS AND SUSPENSIONS

6.1 REQUEST FOR WAIVER OF MINORITY AND WOMEN BUSINESS ENTERPRISE GOALS

Contractors not attaining the 11% MBE and 1% WBE goals must comply with the requirements of this section. Any bid that does not meet the stated M/WBE goals must contain a completed request for waiver or be considered non-responsive.

Waivers may be granted if the contractor is performing work with its own forces (i.e., not subcontracting any portion of the work) or to those contractors who demonstrate good faith efforts but find that:

- A. M/WBEs qualified to perform the work are unavailable; or
- B. Prices quoted by M/WBEs are non-competitive.

The contractor shall submit with the bid a completed request for waiver of all or part of the M/WBE goal on the project, together with all documentary evidence in support of the request. The Equal Opportunity Director of the City of Grand Rapids shall make the initial determination as to whether or not a waiver will be granted. The contract shall not be awarded until the request for waiver has been ruled upon. The granting of a waiver does not, in and of itself, assure the award of a contract to the contractor requesting a waiver. Any administrative decision relative to either granting or denying a waiver of the M/WBE goals may be appealed pursuant to Section X, 10.1 and 10.2.

6.2 WAIVER OF M/WBE GOALS

The Equal Opportunity Department shall have the discretion to determine whether M/WBE goals should be waived on a specific project prior to soliciting bids where there are no certified M/WBEs to perform work, or where it is in the best interest of the City to do so.

6.3 SUSPENSION OF M/WBE GOALS

The City Commission may suspend the M/WBE Policy for any area of City contracting that has exceeded M/WBE goals for an extended period of time as determined by the City Commission. Any decision to suspend M/WBE goals shall be made pursuant to Section XV of this policy.

SECTION VII: PROJECTS SUPPORTED WITH FEDERAL FUNDS

If federal/state financial assistance is used to support all or part of a construction contract, and if federal M/WBE goals apply to the project, the federal goals shall supersede the goals set forth in these Guidelines.

SECTION VIII: FIELD EXAMINATIONS

The Equal Opportunity Department shall conduct periodic on-site examinations of project sites, offices and records of M/WBEs and any other contractors subject to the M/WBE Policy and these Guidelines. Records relating to the business may be examined at the discretion of the City Manager (or designee) or the designee of the appropriate Authority. Failure to provide access to any worksite, office, records or other items reasonably related to the enforcement of the M/WBE Policy or these Guidelines shall subject the contractor denying access to appropriate sanctions to be determined by the City.

SECTION IX: CONTRACT SANCTIONS

Any contractor who violates these Guidelines shall not be permitted to bid or subcontract on City projects for such a period of time, not to exceed one (1) year, as the City Manager (or designee) or

designee of the appropriate Authority shall determine. The Equal Opportunity Department shall notify any such contractor in writing, via certified mail, of the removal and the reasons therefore.

Any contractor under City contract who violates these Guidelines, fails to perform or is determined to be inadequate in performance shall be subject to suspension by the City of contract payments, suspension of contract activities and/or termination of the contract.

SECTION X: APPEALS AND EXCEPTIONS

10.1 APPEAL OF ADMINISTRATIVE DECISIONS

Administrative decisions relating to certification, good faith efforts, waivers, or contract sanctions may be appealed to the Community Relations Commission. Any person wishing to file such an appeal must do so within five (5) working days of the notice of the administrative decision from which an appeal is taken.

The request for an appeal must be in writing and addressed to the City of Grand Rapids Equal Opportunity Department Director and must make reference to the specific action or actions at which the appeal is directed. Within ten (10) calendar days of the request for appeal, the Community Relations Commission shall hold a hearing at which interested parties may present evidence and arguments in support of their respective positions. Failure of a party to appear at the hearing shall be deemed to be final acceptance of the administrative decision. Within five (5) working days of the hearing, the Community Relations Commission shall issue its written decision. The Community Relations Commission may affirm, modify or reverse all or any part of the administrative decision.

10.2 APPEAL OF COMMUNITY RELATIONS COMMISSION DECISIONS

The decisions of the Community Relations Commission which denies a contractor's appeal may be appealed to the City Commission or Authority which let the bid for the project at issue (i.e., City-County Building Authority, Grand Rapids Downtown Development Authority, Grand Rapids Building Authority, Grand Rapids Tax Increment Finance Authority or Grand Rapids-Kent County Convention/Arena Authority). Request for such appeals shall be filed with the Equal Opportunity Department Director within five (5) calendar days of the notice of the decision in question. The request for appeal must make specific reference to the decision of the Community Relations Commission being appealed. Following receipt of the request for an appeal, the City's Equal Opportunity Department Director shall schedule the matter for hearing by the City Commission, or the appropriate Authority. The party requesting the appeal shall be notified in writing of the time, date and place when the appeal will be heard. Failure on the part of a party to appear at the hearing shall be deemed by the City as final acceptance of the Community Relations Commission's decision.

All appeals from the Community Relations Commission's decisions which deny either a contractor's appeal or request for an exception by the City Manager (or designee) or the appropriate Authority's designee shall be heard under a procedure established by the City Commission or appropriate Authority. The appealing party shall be notified of the procedure to be followed. The procedure shall comport with basic due process. The City Commission or appropriate Authority shall, within ten (10) calendar days of the hearing, render a decision by a majority vote of those hearing the appeal and also present at the regular public meeting at which the vote is taken. The City Commission or appropriate Authority may affirm, modify or reverse, in whole or in part, the decision of the Community Relations Commission. The decision of the City Commission or appropriate Authority shall be final.

10.3 EXCEPTION TO THE MINORITY AND WOMEN BUSINESS ENTERPRISE REQUIREMENTS

Whenever the City manager (or designee), based on various circumstances related to the award of any City construction contract, or a designee of the appropriate Authority in regards to the award of any Authority construction contract, determines that there is a need to request an exception to the M/WBE Policy, the City Manager (or designee) or the Authority's designee shall make such request for an exception to the Community Relations Commission.

The Community Relations Commission shall have the authority to grant or deny a request for an exception to the M/WBE Policy, and its decision shall be based upon relevant factors as presented by the City Manager (or designee) or the Authority's designee, and a determination of what result would best serve the public interest.

The request for an exception to the policy must be addressed to the Equal Opportunity Director, and must include all relevant information which serves as the basis for the request for an exception to the policy. Within ten (10) days of the request for exception, the Community Relations Commission shall hold a hearing at which the City Manager (or designee) or the Authority's designee may present oral and written evidence or arguments in support of the request. Within five (5) working days of the hearing, the Community Relations Commission shall render its written decision to the City Manager (or designee) or the Authority's designee. Any decision by the Community Relations Commission which denies a request for exception may be appealed to the City Commission or appropriate Authority pursuant to Section X, 10.2, paragraph two.

SECTION XI: BIDS HELD IN ABEYANCE

In those cases where City staff determines that a contract should not be recommended for award to a bidder due to the lack of compliance with the M/WBE Policy or these Guidelines and a bidder files an appeal as provided for in these Guidelines, the contract award shall be held in abeyance until the bidder has exhausted the appeals procedure set forth in Section X, 10.1 and 10.2 of these Guidelines.

SECTION XII: SUPPORTING SERVICE

In an effort to provide assistance to Minority and Women Business Enterprises, the City's Equal Opportunity Department will notify all certified M/WBEs of all public construction projects in excess of ten thousand dollars (\$10,000) and shall make available for review copies of the bid specifications for these projects.

SECTION XIII: RACE NEUTRAL PRACTICES

The City of Grand Rapids continues to recognize that race-neutral practices such as bonding assistance, insurance, training, technical assistance and financing are instrumental in helping M/WBEs overcome the effects of past and present discrimination found to exist in the Grand Rapids construction industry. Discrimination has affected the capacity and ability of M/WBEs to compete with non-M/WBE companies who have greater access to resources. The City further recognizes that many businesses limited in size and capital suffer similar difficulties in competing for contract dollars in the local construction market. Hence, the Equal Opportunity Department shall continue to develop programs, services and training opportunities to assist the aforementioned companies in obtaining information and resources on the availability of bonding, insurance and financial services and

construction management. The Equal Opportunity Department will also continue to provide technical assistance and facilitate opportunities for growth to prime contract status.

SECTION XIV: SUBCONTRACTOR PAYMENT CERTIFICATION

Upon completion of the contract, the prime contractor shall provide to the City closeout documentation certifying total dollars paid to all subcontractors on the project.

SECTION XV: SUNSET PROVISION

This policy shall be reviewed within a period not to exceed five (5) years to determine the extent to which the purpose and objectives identified have been achieved. This policy or any portion thereof may be extended for additional periods of time provided the City Commission determines that there is a continuing need for the program because its purpose and objectives have not yet been achieved.

SECTION XVI: SEVERABILITY

If any provisions of this article or any application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this article which can be given effect without the invalid provisions or applications, and are to this end declared to be severable.

All questions regarding these Guidelines should be referred to the Equal Opportunity Department, City of Grand Rapids, 300 Monroe N.W., Grand Rapids, MI 49503, (616) 456-3027.

Adopted this day, October 17, 2000, pursuant to the authority of proceeding number 67925.

Editorial Note: Throughout this document when the term "City" is used generically, it means either the City of Grand Rapids or the appropriate contracting Authority. When the term "City" is used to describe the administration, monitoring or functioning of the M/WBE Program/Policy, it means the City of Grand Rapids. When the term "City of Grand Rapids" is used, it means what it says.