



REQUEST FOR BOARD ACTION

BOARD MEETING DATE: Tuesday, September 12, 2023

REVIEWALS:

Finance Department: Completed

City Administrator: Completed

SUBJECT: Amendment to the City's Purchasing Policy

LIST OF ATTACHED REFERENCE DOCUMENTS:

Ordinance

Survey of area municipalities

FISCAL IMPACT: N/A

BACKGROUND/DISCUSSION:

At the August Board of Aldermen meeting, amendments to the purchasing policy were directed. The Finance Committee reviewed those amendments and made additional changes for approval by the Board. They also requested a survey of neighboring communities and their spending limit requiring Board approval. SSH currently sits at \$15,000; the Finance Committee recommended an increase to \$25,000. The survey is included in your packets.

All recommendations from the Finance Committee are as follows:

Sec. 2-365: All purchases made on behalf of the city shall be in compliance with the purchasing policy. The policy ensures standardized procedures that provide fiscal control and allow the city to obtain quality goods and services at the lowest possible costs. The purchasing policy shall be reviewed by the finance committee and the board of aldermen at least once during a three-year period beginning in 2023.

Sec. 2-368: The board of aldermen shall review all contracts valued at or more than twenty-five thousand dollars (\$25,000) and award the contract to the lowest responsible bidder but shall have the right to reject any and all bids. When the award is not given to the lowest bidder, a statement of the reasons for placing the order elsewhere shall be entered upon the minutes of the board. Local suppliers shall be considered whenever possible. The city administrator shall have the authority to award bids, enter contracts, or approve purchase orders valued at less than twenty-five thousand dollars (\$25,000) following the same procedure.

Sec. 2-370: *Professional services and real estate.* Specifically excluded from the provisions of the city's purchasing policy are the procurement of real estate and professional services. All real estate contracts, including leases, must be reviewed by the finance committee prior to being submitted to the board of aldermen for approval.

Police Department Vehicles. Because of the difficulty in obtaining patrol vehicles in a timely manner, the board of aldermen approval process for purchases over twenty-five thousand (\$25,000) may be waived by the city administrator for vehicles that were previously approved for purchase through the budget and capital improvement plan processes.

STAFF RECOMMENDATION:

Staff recommends approval.

MEETING HISTORY:

August 28, 2023 - Finance Committee: Recommended for Approval