



# Updates to City Code Chapter 2, Article V, Division 2, Purchasing Procedures

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# Why are Changes Needed?

- Last comprehensive update occurred in 2001
- Keep up with inflation
  - \$50,000 in 2001 now worth over \$88,000
- Consistency with other cities
- Recent Court challenges
- Real estate authorities are missing or confusing



# Council Approval Limits in Other Cities

City/Town	Population	Spending Threshold	Threshold Updated
Phoenix	1,644,000	\$250,000	2023
Mesa	496,401	\$100,000	2023
Chandler	253,458	\$100,000	2022
Scottsdale	249,950	\$25,000/\$50,000	2023
<b>Glendale</b>	<b>246,709</b>	<b>\$50,000</b>	<b>2001</b>
Gilbert	242,354	\$100,000	2016
Tempe	185,038	\$100,000	2017
Peoria	168,101	\$100,000	2017
Surprise	134,085	\$50,000	2007
Avondale	84,025	\$100,000	2006
Buckeye	68,453	\$250,000	2022



# Overview of Proposed Changes

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- Scope (Sec 2-137)
  - Identifies contracts not subject to procurement rules
- Definitions (Sec 2-138)
  - Adds definition of City real property, person and suspension
- Materials Manager/Finance Director (Sec 2-139) name changed throughout



# Overview of Proposed Changes

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- Formal Purchase Procedure (Sec 2-145)
  - Changes dollar threshold for formal procurement/  
Council approval of contracts valued at \$100,000 or  
more
  - Limits routine contracts for goods and services to 5-  
Year Term
    - Excludes Linking Agreements, legal services,  
construction and real property contracts
    - Gives Council discretion to grant longer term



# Overview of Proposed Changes

- Formal Purchase Procedure (Sec 2-145)
  - Bid protest procedure codified
    - Previously a City administrative policy only
    - Gives longer period to appeal (15 days after award or 7 days after discovery of facts for objection)
    - Provides for Hearing with defined procedure
  - Eliminates competitive bidding requirements for small purchases (less than \$10,000 cost)



# Overview of Proposed Changes

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- Cooperative Purchasing (Sec. 2-149)
  - Finance director can administratively amend Linking Agreement without going back to Council if underlying cooperative agreement is amended
- Suspension and Debarment (Sec 2-152)
  - City's current policy is codified
- Change Orders (Sec 2-156)
  - City Manager's approval authority increased to \$100,000



# Overview of Proposed Changes

- Construction Contracts (Sec 2-155)
  - Finance director delegates Title 34 procurements
  - Clarifies multiple City departments can use same professional services contractor/contract.
  - Also clarifies City departments cannot spend more than \$500,000 a year in the aggregate on single professional services contract.
  - Caps individual job-order contracts at \$1 Million, consistent with state law.



# Overview of Proposed Changes

- Real Property Purchases (Sec. 2-166 – 2-170)
  - Distinguishes City's right to sell real property and personal property and adopts rules for each type
  - Clarifies City can sell, lease or give right to occupy or use City real property without engaging in competitive bidding process
  - Clarifies Council has sole, unreviewable discretion to consider, take or reject all bids and offers for City real property
  - Clarifies PSA can vary from terms and criteria of RFP.



# Overview of Proposed Changes

- Personal Property (Sec. 2-171 and 2-173)
  - Allows Finance director to sell off surplus with an original value of less than \$100,000
  - Any sale of personal property with an original value of \$100,000 or more requires Council approval.
  - Applies same rule/dollar limits to offers from third parties to purchases of surplus or obsolete personal property.



# Council Feedback and Questions?

