

CITY OF ARDMORE
PURCHASING/GRANT DEPARTMENT

Council Letter No. 4160
Meeting Date: July 16, 2018

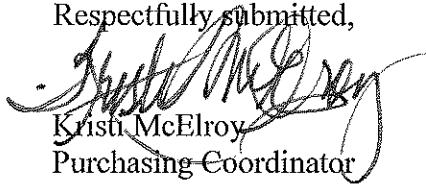
Mayor and City Commission
City of Ardmore, Oklahoma

Re: Purchasing Policy and Procedures

Dear Commission Members:

On June 4th, the Ardmore City Commission approved changes to the City Purchasing Policy. Staff respectfully requests an ordinance be approved to revise the code of ordinances to match the changes of the purchasing policy.

Respectfully submitted,


Kristi McElroy
Purchasing Coordinator

Reviewed by: _____


City Manager

ORDINANCE NO. _____

AN EMERGENCY ORDINANCE AMENDING ARTICLE III, CHAPTER 22 SECTIONS 2-60 THROUGH 2-70 OF THE CITY CODE OF THE CITY OF ARDMORE, OKLAHOMA; PERTAINING TO PURCHASING PROCEDURES; PROVIDING FOR COMPETITIVE BIDDING AND EXCEPTIONS; AUTHORIZING CITY MANAGER TO APPROVE CERTAIN PURCHASES; PROVIDING DEFINITIONS; PROVIDING METHODS OF PAYMENT; PROVIDING FOR REPEALER AND SEVERABILITY AND DECLARING AN EMERGENCY.

WHEREAS, the Board of Commissioners and Mayor of the City of Ardmore have determined that the best interests of the City and its citizens will be benefited by adopting revisions to the City Purchasing Policies; and,

WHEREAS, the Board of Commissioners have determined that the changes set forth below are beneficial to the City of Ardmore.

NOW THEREFORE BE IT ORDAINED BY THE MAYOR AND THE BOARD OF COMMISSIONERS OF THE CITY OF ARDMORE, OKLAHOMA:

SECTION ONE. Article III, Chapter 22, Sections 2-60 through 2-70 of the Ardmore Code of Ordinances is hereby amended to read as follows:

ARTICLE III. - CITY PURCHASES AND SALES

- **Sec. 2-60. - City Manager authorized to make purchases up to Twenty five Thousand Dollars**

The city manager is hereby authorized to contract for and to purchase or issue purchase authorizations for all supplies, materials and equipment for the offices, departments and agencies of the city government where such supplies, materials and equipment do not exceed the amount of Twenty Five thousand dollars (\$25,000.00).

- **Sec. 2-61. - Reserved.**
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- **Sec. 2-62. - Purchases and sales over Twenty Five Thousand dollars; Bids required.**

Where any contract for the purchase of, or the issuance of purchase authorizations for supplies, materials and equipment for the offices, departments and agencies of the city government exceeds the sum of Twenty Five Thousand dollars (\$25,000.00), such shall not become a binding obligation of the city nor shall such be approved until approved by a majority vote of the city commission. Except as provided in Section 2-65 of this code before the purchase of, or the contract for, any supplies, materials or equipment, or the sale of any surplus or obsolete supplies, materials or equipment, the value of which exceeds the sum of Twenty Five Thousand dollars (\$25,000.00), ample opportunity for competitive bidding shall be given; and the contract shall be awarded to the lowest and best responsible bidder in the case of purchases and in the case of sales to the highest and best responsible bidder; provided that the city manager may reject all bids and in the case of purchases may buy in the open market at a price less than the lowest bid received from a responsible bidder; and provided further that, if no bids be received, the city manager may buy in the open market.

- **Sec. 2-63. - Contractual services—Defined.**

"Contractual services" shall mean services to be provided as described within a contract.

- **Sec. 2-64. - Same—City authorized to purchase.**

Contractual services may be contracted for and purchased in the same manner as supplies, materials and equipment are authorized to be contracted for and purchased.

- **Sec. 2-65. - Competitive bidding not required for certain purchases.**

The following may be purchased without giving an opportunity for competitive bidding:

- a. Supplies, materials, equipment or contractual services whose cost does not exceed Twenty Five Thousand Dollars (\$25,000.00) in a single transaction for total price of one type of item, not cost per unit.
- b. Supplies, materials, equipment or contractual services purchased from another unit of government at a price determined to be below the price obtainable from a private seller, including government surplus.
- c. Materials, supplies, equipment, or services may be purchased without obtaining quotes or bids where purchased through an interstate/interlocal purchasing agreement entered into between the city or its trusts and the interstate purchasing co-operative. This division (B) (8) (c) shall not apply to "Public Construction Contracts" as defined in the Oklahoma Public Competitive Bidding Act of 1974, (61 O.S. §§ 101 et. seq.)
- d. Contractual services (gas, electricity, telephone service, etc.) purchased from a public utility corporation at a price or rate determined by the state corporation commission or other governmental authority.
- e. Contractual services of a professional nature, such as engineering, architectural, legal, accounting, medical, laboratory testing or other such professional or skilled services which, in keeping with the standards of their discipline, will not enter into a competitive bidding

process. The department head will make a recommendation to the City Manager regarding the need to submit Requests for Proposals (RFP) to various vendors. If the City Manager determines it necessary, a Request for Proposal (RFP) will be prepared. The Request for Proposal (RFP) shall include scope of work, specifications, requirements and minimum standards for the services to be provided. When an RFP for professional services is approved, a limited number of qualified professionals known to the City will be invited to submit a proposal setting forth their interest, qualifications, and an explanation of how they can meet the City's needs. In securing professional services, it is the primary goal of the City to obtain the services of a professional who has a proven record of providing required services in a professional way. A contract will be negotiated with the professional deemed to best meet the City's needs and requirements.

f. Used supplies, materials or equipment when price is of prime importance and the difference in cost between new and used is significant, where equipment will be used infrequently, for a limited time, for training or auxiliary operations, or when better delivery is essential. Purchases of used equipment requires careful shopping and the requisitioning department should make every effort to secure a minimum warranty or guarantee that the equipment will perform as needed and that service or replacement parts are readily available.

g. It is recognized that certain supplies, materials, equipment or contractual services may only be procured from sole source vendors or may have a uniform price wherever purchased. (i.e. maintenance on city computers or other office equipment). Therefore when it is determined in writing by the department head that the supplies or contractual services cannot be competitively bid due to sole source availability, the supplies or contractual services may be procured with following the normal bidding procedures. Such documentation shall be forwarded with a purchase requisition, which includes a request for encumbering funds and a sole source affidavit (signed by department head) to the Finance Department. A sole source letter from the manufacturer or distributor should also be obtained. The Finance Department must approve all sole source requisitions prior to purchase.

h. The city manager shall approve all purchases of used supplies, equipment or materials that do not exceed Twenty Five thousand dollars (\$25,000.00) in cost.

- **Sec. 2-66. - Emergencies.**

The provisions of this article with reference to competitive bidding shall not apply when the board of commissioners declares by a four-fifths (4/5 ths) vote of all of the members thereof that an emergency exists.

"Emergency" as used in this section shall be limited to conditions resulting from a sudden unexpected happening or unforeseen occurrence or condition and situation wherein the public health or safety is endangered.

The reasons for declaring an emergency and not complying with the provisions of this article relating to competitive bidding shall be entered into the official minutes of the board of commissioners of the City of Ardmore, Oklahoma.

- **Sec. 2-67. - Authorization for payments.**

The board of commissioners of the city does hereby authorize the city manager or his designee to approve payment of any claims or invoices for supplies, materials or equipment submitted to the city for payment. The city manager shall establish an internal control structure adequate to provide reasonable assurance against the unauthorized or illegal payment of invoices. Such system of internal control should include the following control procedures:

- (1) Proper authorization of transactions and activities;
- (2) Adequate segregation of duties;
- (3) Adequate documents and records;
- (4) Adequate safeguards over access to and use of assets and records; and
- (5) Independent checks on performance.
- (6) Identification and recording of all valid transactions;
- (7) Description on a timely basis of the type of transaction in sufficient detail to permit proper classification of the transaction for financial reporting;
- (8) Measurement of the transaction's value in a manner that permits recording of its monetary value in the financial statements;
- (9) Determination of the time period in which the transaction occurred to permit recording of the transaction in the proper accounting period;
- (10) Proper presentation of the transaction and related disclosures in financial statements.

- **Secs. 2-68—2-70. - Reserved.**

SECTION 2. SEVERABILITY. If any section subsection, sentence, clause, phrase or portion of this ordinance is, for any reason, held invalid or unconstitutional by any court or competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portion of this ordinance.

SECTION 3 REPEALER. All ordinances in conflict herewith are hereby repealed.

SECTION 4. EMERGENCY. It being immediately necessary for the preservation of the public peace, health, safety, and welfare of the City of Ardmore and the inhabitants thereof that this ordinance be put into full force and effect, an emergency is hereby declared to exist by reason whereof this ordinance shall be in full force and effect from and its passage and approval.

PASSED AND APPROVED this _____ day of _____ 2018.

CITY OF ARDMORE
A MUNICIPAL CORPORATION

Sheryl Ellis, Mayor

ATTEST:

Ken Campbell, City Clerk