



Board of Aldermen Request for Action

MEETING DATE: 9/19/2023

DEPARTMENT: Finance

AGENDA ITEM: Approve Bill No. 3007-23, Revisions to the City's Purchasing Policy – 1st Reading

REQUESTED BOARD ACTION:

A motion to approve Bill No. 3007-23, approving revisions to the City's Purchasing Policy. First reading by title only.

SUMMARY:

At the July 18, 2023, Work Session, the Board of Aldermen directed staff to research whether an increase to City Administrator spending authority is warranted.

The City's Code of Ordinances provides a comprehensive overview of spending authority. Section 150.040 of the City of Smithville Code of Ordinances, which describes Competitive Bidding processes, outlines the City Administrator's spending authority in detail. For purchases \$7,500 or above, the purchasing policy requires Board of Aldermen approval to complete the purchase.

Staff performed research on surrounding communities and presented the results to the Board. During the August 28, 2023, Work Session, the Board of Aldermen directed staff to increase the City Administrator's spending authority from \$7,500 to \$15,000. This requires a change to the City's Code of Ordinances, including Section 150.030 and 150.040.

PREVIOUS ACTION:

The Board of Aldermen has taken no previous action on the City Administrator's spending authority.

POLICY ISSUE:

Increase the City Administrator's spending authority.

FINANCIAL CONSIDERATIONS:

This allows for greater latitude to make emergency purchases as needed.

ATTACHMENTS:

- ☒ Ordinance
- ☐ Resolution
- ☒ Staff Report
- ☐ Other:

- ☐ Contract
- ☐ Plans
- ☐ Minutes

AN ORDINANCE REPEALING ORDINANCE SECTION 150.030 APPROVAL AND SECTION 150.040 COMPETITIVE BIDDING AND ENACTING IN ITS PLACE A NEW ORDINANCE SECTION 150.030 APPROVAL AND SECTION 150.040 COMPETITIVE BIDDING

WHEREAS, SECTION 150.030 APPROVAL currently reads as follows:

Department level approval for purchases of less than three thousand five hundred dollars (\$3,500) requires only the authorization of the department head or his/her designee to be valid. Approval for purchases at least three thousand five hundred dollars (\$3,500) but less than seven thousand five hundred dollars (\$7,500) requires the authorization of the purchasing agent to be valid. Approval for purchases of seven thousand five hundred dollars (\$7,500) and above requires the authorization of the Board of Aldermen to be valid.

WHEREAS, SECTION 150.040 COMPETITIVE BIDDING currently reads as follows:

- A. When the City negotiates any purchase, sale, or contract, there shall be ample opportunity for competitive bidding in the following manner:
 1. Department Head Purchases. If the consideration is less than three thousand five hundred dollars (\$3,500), bids shall be solicited in the most expedient manner with due regard for competitive prices and quality, and the purchase shall be made at the discretion of, and by the department head or his/her designee.
 2. Semiformal Bid Purchases. If the consideration is for three thousand five hundred dollars (\$3,500) but less than seven thousand five hundred dollars (\$7,500), three (3) written bids shall be solicited in a manner and format established by the purchasing agent.
 3. Formal Bid Purchases. If the consideration is for seven thousand five hundred dollars (\$7,500) or more, shall be purchased by formal, written contract, to be approved by the Board of Aldermen.

WHEREAS, at the August 28, 2023, Work Session, the City of Smithville Board of Aldermen directed staff to increase the City's purchasing agent's spending authority (the City Administrator) from \$7,500 to \$15,000. This directive results in edits to Section 150.030 Approval and Section 150.040 Competitive Bidding, both located in Chapter 150 Purchasing Policy of the City of Smithville Code of Ordinances.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF SMITHVILLE, MISSOURI AS FOLLOWS:

SECTION 150.030 APPROVAL

Department level approval for purchases of less than three thousand five hundred dollars (\$3,500) requires only the authorization of the department head of his/her designee to be valid. Approval for purchases of at least three thousand five hundred dollars (\$3,500) but less than ~~fifteen~~ ~~seven~~ thousand ~~five hundred~~ dollars (~~\$15,000~~ ~~\$7,500~~) requires the authorization of the purchasing agent to be valid. Approval for purchases of ~~fifteen~~ ~~seven~~ thousand ~~five hundred~~ dollars (~~\$15,000~~ ~~\$7,500~~) and above requires the authorization of the Board of Aldermen to be valid.

SECTION 150.040 COMPETITIVE BIDDING

- A. When the City negotiates any purchase, sale, or contract, there shall be ample opportunity for competitive bidding in the following manner:
1. Department Head Purchases. If the consideration is less than three thousand five hundred dollars (\$3,500), bids shall be solicited in the most expedient manner with due regard for competitive prices and quality, and the purchase shall be made at the discretion of, and by the department head or his/her designee.
 2. Semiformal Bid Purchases. If the consideration is for three thousand five hundred dollars (\$3,500) but less than fifteen ~~seven~~ thousand ~~five hundred~~ dollars (~~\$15,000~~ ~~\$7,500~~), three (3) written bids shall be solicited in a manner and format established by the purchasing agent.
 3. Formal Bid Purchases. If the consideration is for fifteen ~~seven~~ thousand ~~five hundred~~ dollars (~~\$15,000~~ ~~\$7,500~~) or more, shall be purchased by formal, written contract, to be approved by the Board of Aldermen.

PASSED by the Board of Aldermen, and **APPROVED** by the Mayor, of the City of Smithville, Missouri, this 3rd day of October, 2023.

Damien Boley, Mayor

ATTEST:

Linda Drummond, City Clerk

First Reading: 9/19/2023

Second Reading: 10/03/2023