

**CITY OF COLLEGE PARK, MARYLAND
REGULAR SESSION AGENDA ITEM**

AGENDA ITEM: 22-O-11



Prepared By: Kenny Young
City Manager
Gary Fields
Finance Director

Meeting Date: 11/8/22

Presented By: Kenny Young
City Manager
Gary Fields
Finance Director

Proposed Consent: No

Originating Department: Finance

Issue Before Council: Introduction of an ordinance to increase the dollar limit of expenditures (contracts) that require a full bid process and that the City Manager is authorized to award instead of the Mayor and Council from \$30,000 to \$150,000 and to include a reporting requirement.

Strategic Plan Objective: Innovate and improve City services to enhance quality, value, and accessibility for all our residents.

Background/Justification:

The City Code (Chapter 69) provides for the City's purchasing procedures. The primary purpose of this Chapter is to provide uniform procedures for the purchase of items, goods and services on the most equitable and beneficial basis to the City, while also ensuring fairness to those supplying items, goods and services.

Section 69-2 allows items, goods and services of up to \$30,000 in value, authorized in the budget for the current year, to be purchased on negotiation at the direction of the City Manager, without requirement of a full bid process. Section 69-3 requires the Finance Director to supervise the bid process for all purchases with a value over \$30,000. Section 69-5 requires that all contracts with a value of more than \$30,000 be awarded by the Mayor and Council.

At the October 18th Worksession, the Mayor and Council discussed increasing these dollar limits to allow for more efficient and effective purchasing of certain items, goods and services. The City Manager and Finance Director recommended an increase in the current limit of \$30,000 in §§ 69-2 and 69-5 to \$150,000, both for the value of the contract that can be negotiated by the City Manager without going out to bid, and the value of the contract that can be awarded by the City Manager instead of the Mayor and Council. These changes do not prevent the City Manager from using a full bid process for contracts under \$150,000 in value (See §69-2(C)). In addition, it was recommended that §69-3 be amended to include any increased contract amount.

The Finance Department will ensure that all aspects of internal controls related to this change will not violate or compromise the primary functions of those controls (minimize risks and protect assets; ensure accuracy of records; promote operational efficiency; and encourage adherence to policies, rules, regulations, and laws). Written contracts must still be in place for the purchases.

There was discussion at the work session about a requirement that the City Manager report to the Council for sole source contracts over a certain amount, which ranged from \$50,000 to \$150,000. There is already a requirement in the Code, in §69-2(C) that the City Manager report to the Mayor and Council when requested to do so on any award made by him. This provision has been amended, based on Council

discussion, to require a report from the City Manager when a contract in excess of \$50,000 is made to a sole source.

The primary intent in requesting this increase is to allow the City to be more responsive to near-term needs of the City on items that have been previously approved by Council in the budget, including by amendment. The City Manager will continue to communicate important pending purchasing actions and decisions. This change is **not** intended to:

- Circumvent any part of the Purchasing Policy
- Reduce communications regarding purchases from the City Manager to Mayor and Council
- Only require competitive purchasing on items greater than \$150,000
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Fiscal Impact:

This item has no fiscal impact.

Council Options:

1. Introduce Ordinance 22-O-11, to amend City Code Chapter 69 to increase the current limit of \$30,000 to \$150,000, both for the value of the contract that can be negotiated by the City Manager without going out to bid (§69-2) and the value of the contract that can be awarded by the City Manager instead of the Mayor and Council (§69-5); to include a reporting requirement, and to conform §69-3 to the new limit.
2. Recommend increases of a different amount.
3. Take no action.

Staff Recommendation:

Option 1

I move to introduce Ordinance 22-O-11, which amends City Code §§69-2 and 69-5 to increase from \$30,000 to \$150,000 the value of the contract that can be negotiated by the City Manager without going out to bid, and the value of the contract that can be awarded by the City Manager instead of the Mayor and Council, to include a reporting requirement, and to amend §69-3 to conform to these changes.

Attachments:

1. Ordinance 22-O-11