



City of Maricopa

Legislation Text

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The Mayor and Council shall hear a presentation on proposed changes to City Code, Chapter 3 - Administration. Discussion and Direction.

One of the first tasks given to City Manager Horst was to evaluate the effectiveness of our current centralized purchasing system. The current system had proven to be a frustration to department directors whose projects and/or supply needs are being delayed. We have experienced lost productivity as personnel have waited for needed supplies, equipment or select services. A centralized purchasing process adds a layer of bureaucracy to every transaction and removes decision autonomy from Department Directors who are charged, not only with the provision of public services, but with accountability in how public funds are used.

Supply chain issues, such as lagging processing and delivering times occur when a purchasing department makes strategic buying decisions when ultimately it is the department director who should be able to direct purchasing decisions as the subject expert in the services they are tasked to provide.

The proposal before you today is a result of this evaluation. A user committee was formed and all departments took part in a team approach to seeking a more effective and efficient decentralized purchasing system. It continues all requires checks and balances as set forth by law and best practice provisions. Under a decentralized purchasing program, supplies are purchased by each department on demand to meet immediate and long-term needs. Department Directors are in the best position to understand the needs of the department. Under a decentralized purchasing program, order processing is fast and easy. If a need arises, it can be sourced and filled more timely. Replacements that are defective or damages can be initiated immediately without routing it through a centralized process.

The proposed changes to City Code, Chapter 3 - Administration are primarily in the following sections.

Section 3-20 - Acting City Manager

The City Manager shall appoint an Acting City Manager. In the event the City Manager is unable to designate, and until Council appoints an interim City Manager, his powers and duties shall be performed by the following officers of the city and they are so appointed in the following order as each succeeding officer may be absent or disabled: (a) Administrative Services Director, (b) City clerk.

Section 3-24 - Authority to Contract

(b) The City Manager may delegate to Department Directors portions of these responsibilities as they relate to purchasing as set forth above. The City Manager is specifically authorized to delegate contracting authority to bind the City for all legal purposes as

follows: (1) Department Directors are authorized to execute contracts in amounts of \$25,000 or less, provided the costs of such agreements are authorized in the current budget. (2) Authorizes applications and all necessary paperwork to apply for grant funds on behalf of the City.

Sec. 3-211 - Council Approval; When Required

In the following instances council approval must be obtained prior to purchase being made or contract being signed: (a) Where prior approval is required by this code; (b) Where the purchase of the item and/or the funds are not provided in the budget as adopted, and is in excess of \$50,000.

Sec. 3-212 Purchasing Director; Duties

The City Manager shall be designated as Purchasing Director. (a) The City Manager may delegate to Department Directors portions of these responsibilities as they relate to purchasing as set forth above. The City Manager is specifically authorized to delegate contracting authority to bind the City for all legal purposes as follows: (1) Department Directors are authorized to execute contracts in amounts of \$25,000 or less, provided the costs of such agreements are authorized in the current budget.

Sec. 3-213 Purchases in General

Purchases under \$10,000 - The Purchasing Director, or his designee, may order the item as needed without further formality.

Purchases from \$10,000 to \$50,000 - The Purchasing Director, or his designee, shall obtain at least three written quotes.

Purchases in Excess of \$50,000 - Purchases shall be made in accordance with Section 3-215, Bidding Procedures.

Sec. 3-214 Exclusive Service

(a) The use of this Article may be considered unreasonable if, the Purchasing Director determines after a good faith review of available resources, that there may be more than one source for the required good or service but: (i) The firm, company or individual is the single provider of goods or services which have unique characteristics essential to the operational needs of the City and no other product or service will be suitable for use; or (ii) The firm, company or individual has unique historical, institutional knowledge and experience which will provide a continuity of service, efficiency and cost effectiveness not available from any other vendor; or (iii) The unique and specialized expertise of one source of services is unlikely to be obtained from any other source.

Sec. 3-218 Emergency Purchases

The City Manager may delegate the authority to secure, by informal procedure, at the lowest obtainable or advantageous price, any supplies, materials, equipment or services regardless of the amount of the expenditure. An emergency shall be deemed to exist if: (a) There is a great public calamity, (b) There is immediate need to prepare for national or local defense, (c) There is a breakdown in machinery or an essential service which requires the immediate purchase of supplies or services to protect the public health, welfare and safety, (d) An essential departmental operation

affecting the public health, welfare and safety would be greatly hampered if the prescribed purchasing procedure would cause an undue delay in procurement of the needed item or service.

Sec. 3-221 Local Preference

All purchases where the estimated value of the transaction does not exceed \$50,000 shall be evaluated under the local vendor preference criteria. A "local vendor" shall be defined as a business that has an established physical location within the city limits. (a) For purchases under the amount of \$5,000, a local vendor shall be given a credit of five percent. (b) For purchases between \$5,000 and \$50,000, a local vendor shall be given a credit of one percent. (c) There shall be no local vendor preference for purchases where the formal bidding procedure is followed.

Sec. 3-251 Surplus Supplies and Equipment

(c) The amount received for any property sold pursuant to this chapter shall be deposited in the general fund or other fund so designated by the purchasing director.

Other minor wording changes or clarifications were made for clarification purposes.

This item will be presented by Brenda Hasler, Senior Financial Analyst and Jennifer Brown, Administrative Services Director.

Staff recommends the Mayor and Council hear the presentation on proposed changes to City Code, Chapter 3 - Administration and provide direction and appropriate feedback.