



Council Policy 36 Update

October 16, 2023

Summary of Changes

- Staff continually assesses the city's operational and purchasing processes, and from time to time will recommend changes to Policy 36 to ensure efficient and effective purchasing processes are in place.
 - Staff recommends the following changes to Council Policy 36
 - Change in signature authority
 - Updating interlocal agreement authority
 - Specifying who can release a competitive solicitation on behalf of the city
 - Updated minor textural changes, further defining specific actions
- Staff believes these clarifications and enhancements will increase purchase operation efficiencies, ultimately impacting each city department.

Section 5.12 Cooperative Purchases

- Interlocal agreements allow two or more government entities to consolidate purchases to leverage economies of scale in an effort to reduce costs.
- This method of procurement is accomplished through interlocal agreements with other public agencies.
 - Currently, interlocal agreements are approved by city council. All future purchases as a result of that interlocal agreement are approved pursuant to Council Policy 36 – Purchasing Policy.
 - The proposed change will allow the city manager to execute interlocal agreements. All subsequent contracts will be brought forward to council if the cost exceeds \$50,000.
- Interlocal agreements do not bind the city to future contracts, appropriate funding nor do they have fiscal impact. City Council has the right to cancel interlocal agreements with 30 days' written notice.

Section 5.16 Signature Authority

Section 5.16 (a)

- In 2021 contracting authority was centralized to the City Manager and Purchasing Manager.
 - This action reduced risk and provided the City with a contract process that would ensure contracts were negotiated in compliance with all applicable policies and procedures.
 - As such, inefficiencies developed in the contract review, negotiation and execution process creating the need to make policy changes.
 - Delegating controlled signature authority back to departments is necessary in order to regain efficiency in this process.

Section 5.16 Signature Authority

The incremental delegation of signature authority will alleviate a backlog in the contract review process while upholding the approval authority department directors and the Purchasing Manager currently have.

Current levels of signature authority:

- City Manager – up to \$50,000
- Purchasing Manager – up to \$10,000

Proposed levels of signature authority:

- City Manager – up to \$50,000
- Deputy City Manager – up to \$25,000
- Purchasing Manager – up to \$10,000
- Department Director – up to \$3,000

Textural Changes

- Staff has made minor textural changes to Council Policy 36 that are provided in the redline copy. They are intended to simply provide clarity to specific areas of the policy.

Staff Recommendation

- Approve amendments section 5.12 and 5.16 as presented.