



## CITY OF GRAND PRAIRIE ORDINANCE

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**MEETING DATE:** 08/19/2025

**PRESENTER:** Thao Vo, Director of Management Services

**TITLE:** An Ordinance of the City of Grand Prairie, Texas, Amending Chapter 2, "Administration," Article III, "City Manager," Section 2-55, "Authority to Execute Certain Interlocal Agreements," of the Code of Ordinances, to Increase the City Manager's Interlocal Agreement Authority from \$50,000 to \$100,000 to Align with State Law, Effective September 1, 2025

**REVIEWING COMMITTEE:** (Reviewed by the Finance & Government Committee on 08/05/2025)

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### **SUMMARY:**

To update Section 2-55 of the City Code to allow the City Manager to execute interlocal agreements up to \$100,000 without separate City Council approval, in line with the new state-mandated competitive bidding threshold established by Senate Bill 1173, effective September 1, 2025.

### **BACKGROUND:**

Currently, the City Manager may execute contracts with other governmental entities (interlocal agreements) for the performance of governmental functions or services, provided the value does not exceed \$50,000. This limit mirrors the general competitive bidding threshold established under state law.

In 2025, the Texas Legislature passed Senate Bill 1173, raising the municipal competitive bidding threshold from \$50,000 to \$100,000, effective September 1, 2025. At this same Council meeting, the City will also consider a resolution to increase the City Manager's general contracting authority to match this new state limit. Section 2-55 of the City Code provides a fixed \$50,000 cap specific to interlocal agreements, which must be amended by ordinance.

This ordinance will update Section 2-55 of the City Code to align with the new competitive bidding threshold established by state law that will go into effect on September 1, 2025. It ensures consistency across the City's contracting authorities and will streamline intergovernmental collaboration on joint projects, shared services, and emergency cooperation. City Council will continue to review and approve all interlocal agreements exceeding \$100,000.

### **ATTACHMENTS / SUPPORTING DOCUMENTS:**

- None

## **BODY**

**AN ORDINANCE OF THE CITY OF GRAND PRAIRIE, TEXAS, AMENDING CHAPTER 2, “ADMINISTRATION,” ARTICLE III, “CITY MANAGER,” SECTION 2-55, “AUTHORITY TO EXECUTE CERTAIN INTERLOCAL AGREEMENTS,” TO INCREASE THE CITY MANAGER’S INTERLOCAL CONTRACTING AUTHORITY FROM \$50,000 TO \$100,000 TO ALIGN WITH THE COMPETITIVE BIDDING THRESHOLD SET BY STATE LAW; ESTABLISHING AN EFFECTIVE DATE**

**WHEREAS**, the City of Grand Prairie is authorized to enter into interlocal agreements with other local governments for the provision of governmental functions and services, as permitted by Chapter 791 of the Texas Government Code; and

**WHEREAS**, Section 2-55 of the City Code currently limits the City Manager’s administrative authority to execute such interlocal agreements to contracts not exceeding \$50,000 in value; and

**WHEREAS**, the 89th Texas Legislature adopted Senate Bill 1173, which raises the competitive bidding threshold for municipalities from \$50,000 to \$100,000, effective September 1, 2025; and

**WHEREAS**, the City Council desires to update its Code of Ordinances to maintain consistency between state law and the City Manager’s administrative contracting authority across all types of contracts.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS, THAT:**

**SECTION 1.** Section 2-55(a) of the Code of Ordinances of the City of Grand Prairie is hereby amended to read as follows:

“(a) Any contract between the city and another local governmental entity for the performance of governmental functions or services that does not exceed one hundred thousand dollars (\$100,000.00) is deemed authorized by the city council.”

**SECTION 2.** All ordinances or parts of ordinances in conflict herewith are repealed to the extent of such conflict.

**SECTION 3.** This ordinance shall take effect on September 1, 2025.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS, ON THIS THE 19TH DAY OF AUGUST 2025.**