
CITY OF TEMPE
REQUEST FOR COUNCIL ACTION

Council Meeting Date: 11/03/2016
Agenda Item: 6C7

ACTION: Hold the second and final public hearing to adopt an ordinance amending Tempe City Code Chapter 26A, Article I, related to Procurement, Sections 26A-1 through 26A-22, and Chapter 26A, Article II, related to Materials Management, Sections 26A-50 through 26A-52. (Ordinance No. O2016.61)

FISCAL IMPACT: There is no fiscal impact to City funds.

RECOMMENDATION: Adopt Ordinance No. O2016.61.

BACKGROUND INFORMATION: This is the introduction and first public hearing for an ordinance to amend the Tempe City Code, Chapter 26A, relating to general procurement and materials management. Staff is recommending changes to Article I dealing with procurement (Sections 26A-1 through 26A-22) and Article II dealing with materials management (Sections 26A-50 through 26A-52). These changes were first presented and discussed with City Council at the August 11, 2016 Work Study Session which resulted in Council directing staff to move forward and schedule the required public hearings. All recommended changes are shown on the attachment to this Request for Council Action.

Staff is requesting a number of changes to the Procurement Code which will improve operational efficiencies. Key changes include:

- Raise the City's formal bid limit from \$50,000 to \$100,000;
- Raise the City's informal procurement limit from \$49,999 to \$99,999;
- Allow e-signatures for formal vendor offers to accommodate future on-line bid submission;
- Miscellaneous language clean-up and clarifications to improve the administration of the Procurement Code for both procurement staff and suppliers;

Over the past several years a number of public entities have increased their formal bid limit to \$100,000 including the State of Arizona, Arizona State University, Maricopa County Community College District, Maricopa County, and all K-12 public school districts. The increase in the bid limit will allow Procurement staff to be more responsive to internal customers in the processing of contracts. This increase should also improve the ability of the City to contract with more local suppliers.

ATTACHMENTS: Ordinance No. O2016.61

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