

ORDINANCE NO.

FILE OF CITY COUNCIL

BILL NO. 5 - 2024

FEBRUARY 7, 2024

AN ORDINANCE

Amending Part I Administrative Legislation, Chapter 5 Administration of Government, Article IV Financial Procedures, Section 21 Contracts by updating the language in Part A.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN:

SECTION ONE: That Sections 1, 3-7, 13-15, 18, and 21-23 be amended as follows:

ARTICLE IV Financial Procedures

§ 5-21. Contracts.

A. Administration. Contract administration for the City, including but not limited to authority as to preparation of specifications, vetting of bids, award of contracts and payment of bills, shall be vested in the Mayor and the Department of Finance to be exercised in accordance with procedures adopted by the Mayor, on file with City Council, and consistent with the requirements set forth herein.

(1) For professional services, the award of contracts or the engagement of ~~the award of contracts or the engagement of professional services over \$10,000,~~ coordination with and approval by resolution of City Council prior to contract or engagement execution is required. In the case of contracts or the engagement of professional legal services exempted from Council approval under provisions of the Home Rule Charter, the Administration and Solicitor's Office shall meet with City Council, at their request, and identify ~~forward a memo to the Clerk's Office informing Council of the service. The memo shall include~~ the name of the provider of service, projected rates and estimated total costs for such services, the terms of the contract, and the budgetary allocation.

(2) For the award of all contracts over \$40,000 that are done through cooperative purchasing, or ~~are~~ required to be bid, with recommendation of the lowest responsible bidder by the Department of

~~Administration Finance~~, and approval by resolution of City Council prior to contract execution are required.

(3) For all contracts over \$40,000 that are required to be bid, are professional services, or are done through cooperative purchasing, whenever an increase by 10% or more is recommended by the Administration, resubmission to City Council and approval by resolution prior to execution of any increase are required.

(4) For purposes of this article, when calculating the dollar value of a contract with renewal clauses, the maximum amount of all renewals provided for beyond the original term shall be included as if all renewals were exercised.

(5) The Administration shall make available to the City Clerk's Office a list by Department of each duly executed purchase order, identifying the vendor, the product or service purchased and the amount of each purchase order.

(6) The Administration shall establish and maintain an ongoing prioritized contract monitoring function consistent with established best practices to ensure that the objectives of City contracts are accomplished, and vendors meet their responsibilities. The Administration shall make available to Council and the Clerk's Office all information relating to this section.

(7) The Administration shall request City Council approval of a contract award or change order above the 10% threshold as established by City ordinance on a form supplied to the Administration by Council Office. The form shall include, but not be limited to the type of contract or change order, funding source, name and address of the recommended contract/ vendor/professional service provider/lowest responsible bidder, term of the contract, estimated completion date, description of the project or scope of services, the actual or estimated price and payment schedule, renewal options, maximum dollar value of all renewals if applicable, and reasons for recommendation.

(8) All ~~bid~~ contracts and engagement contracts that require Council approval under Chapter 5, Section IV, ~~with the exception of legal counsel exempt under the provisions of the Home Rule Charter~~ shall contain language noting such engagement is subject to Council approval by resolution at a public meeting.

(9) "Cooperative purchasing" is defined as procurement conducted by or on behalf of more than one public procurement unit or by a public procurement with an external procurement activity.

SECTION TWO: That this Ordinance takes effect ten (10) days after final passage.

SECTION THREE: That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

- What department or bureau is this bill originating from? Where did the initiative for the bill originate?

Finance/Purchasing. Ordinance is response to 5-21 Contracts being changed.

- Summary and facts of the bill.

All awarded contracts over \$40,000.00 that are done through cooperative purchasing, or are required to be bid, with recommendation of the lowest responsible bidder by the Department of Finance, approval by resolution of City Council prior to contract execution are required.

All contracts and engagement contracts that require Council approval under Chapter 5, Section IV, shall contain language noting such engagement is subject to Council approval by resolution at a public meeting.

- Purpose – Please include the following in your explanation:
 - a. What does the bill do? What are the specific goals or tasks the bill seeks to accomplish?

Allows purchasing to be more transparent with Cooperative Purchasing Agreement.

- b. What are the benefits of doing this? What are the drawbacks?

Council will see higher ticket items that are processed with Cooperative contracts.

Some drawbacks from implementing this is it will take a little longer than usual to process reqs/contracts as it will need to go before council for approval.

- c. How does this bill relate to the City's vision/mission/priorities?

Streamlining of procedures and improve transparency with City Council.

- Financial Impact – Please include the following in your explanation:

- a. Cost (initial and ongoing)

No implementation costs.

- b. Benefits (initial and ongoing)

City Council will be more aware of higher dollar amount purchase orders/contracts going out for Cooperative Contracts.

- Priority status – Are there any deadlines to be aware of?

N/A

- Why should Council unanimously support this bill?

Council should support this bill as it will allow purchasing to open communication on \$40,000+ purchase orders/contracts with them.