



## Legislation Text

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**File #:** O-1920-40, **Version:** 1

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**CONSIDERATION OF ORDINANCE O-1920-40 UPON SECOND AND FINAL READING:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, AMENDING SECTION 8-203 OF ARTICLE II, CHAPTER 8 OF THE CODE OF THE CITY OF NORMAN FROM REQUIRING CITY COUNCIL APPROVAL FOR ALL CONTRACTS EXCEEDING TWENTY-FIVE THOUSAND DOLLARS (\$25,000) TO REQUIRING CITY COUNCIL APPROVAL FOR ALL CONTRACTS EXCEEDING FIFTY THOUSAND DOLLARS (\$50,000); AND PROVIDING FOR THE SEVERABILITY THEREOF.

**BACKGROUND:** Section 8-203 of the City Code requires City Council approval for all contracts for, or purchases of, supplies, equipment, or contractual services where the valuation exceeds \$25,000. Prior to March 1992, Council approved all contracts and purchases where the valuation exceeded \$5,000. As the City grew, so did the recognition that a \$5,000 threshold was too low. In 2000, the Council amended the code to raise the threshold to \$12,500, and in 2008, Council raised it to its current threshold of \$25,000.

**DISCUSSION:** Last October, the City Council Finance Committee discussed whether the contract approval threshold should be raised again to \$50,000, the current state law threshold for competitive bidding of construction contracts. Reasons for raising the threshold discussed at the Finance Committee meeting included the additional staff and Council time spent on items with a valuation between \$25,000 and \$50,000 that are required to be placed on a Council meeting agenda. It is important to note that items that require an appropriation of funds would still be required to come to Council before Staff can proceed. The Finance Committee asked that the issue be forwarded to the remainder of Council with a recommendation to change the ordinance to "line up with State statute level for competition bidding".

Ordinance O-1920-40 effectively raises the threshold for contracts and purchases required to be approved by Council from \$25,000 to \$50,000, which would equal the current threshold for competitive bids in the Competitive Bidding Act and the City Code.

**RECOMMENDATION:** Staff recommends approval of Ordinance O-1920-40 upon Second and Final Reading.