

1st Reading: June 22, 2020
2nd Reading: July 13, 2020

Presented By:
Finance Director/City Manager

Action Taken:
Yes 6
No 8
Abstain 0

CITY OF NOME, ALASKA

ORDINANCE NO. O-20-06-08

AN ORDINANCE AMENDING NOME CODE OF ORDINANCES CHAPTER 17.40 TO INCREASE THE CITY MANAGER'S CONTRACT AUTHORITY FROM FORTY THOUSAND TO FIFTY THOUSAND DOLLARS INCLUDING THE AUTHORITY FOR CONTRACT AMENDMENTS AND TO ADD A PROCESS FOR SMALL CONTRACT PROCUREMENT OF NON-CONSTRUCTION SERVICES AND SUPPLIES

WHEREAS, the City of Nome frequently purchases services and supplies funded in whole or in part with federal or state grants or loans; and

WHEREAS, federal and state grant and loan agreements usually require the City to comply with financial standards commonly known as GASB; and

WHEREAS, GASB standards include policies relating to procurement which are set out in Chapter 17.40 of the Nome Code of Ordinances; and

WHEREAS, the city's most recent audit has identified current procurement policies which are not reflected in Chapter 17.40; and

WHEREAS, Chapter 17.40 was last updated in 2014 and it is in the public interest to update Chapter 17.40 to maintain compliance with GASB standards for procurement;

NOW, THEREFORE, be it ordained by the Nome Common Council that Chapter 17.40 of the Nome Code of Ordinances be amended as follows:

Section 1. Classification. This is a Code ordinance.

Section 2. Amendment of Section 17.40.070(A). Title 17, Chapter 40, Section 070 Subsection A of the Nome Code of Ordinances is hereby amended to read as follows [deleted text is ~~overstruck~~; added text is underlined]:

17.40.070 Approval of contracts; report to Council.

A The City Manager may execute a contract for supplies, services or construction under which the city is obligated to pay no more than ~~forty~~ fifty thousand dollars (~~\$40,000.00~~) (\$50,000.00) without Council approval. The City Manager shall provide quarterly reports to the Council of all expenditures over ten thousand dollars (\$10,000.00).

Section 3. Amendment of Section 17.40.070(B). Title 17, Chapter 40, Section 070 Subsection B of the Nome Code of Ordinances is hereby amended to read as follows [deleted text is ~~overstruck~~; added text is underlined]:

B. No contract for supplies, services or construction under which the city is obligated to pay more than ~~forty~~ fifty thousand dollars (~~\$40,000.00~~) (\$50,000.00) may be executed unless the Council has approved a memorandum setting forth the following essential terms of the contract:

1. The identity of the contractor;
2. The contract price;
3. The nature and quantity of the performance that the city shall receive under the contract;
4. The using department; and
5. The time for performance under the contract.

Section 4. Amendment of Section 17.40.090(B). Title 17, Chapter 40, Section 090 of the Nome Code of Ordinances is hereby amended to read as follows [deleted text is ~~overstruck~~; added text is underlined]:

17.40.090 Contract amendments.

A Contract amendments shall not be used to avoid procurement by the competitive procedures established under this chapter.

B. A contract amendment may not be executed unless the Council has approved a memorandum setting forth the changes to the essential terms of the contract if the amendment will cause the price of the contract, as amended, to exceed:

1. ~~Forty~~ Fifty thousand dollars (~~\$40,000.00~~) (\$50,000.00); or
2. One hundred ten percent of the original contract price or ~~forty~~ fifty thousand one dollars (~~\$40,001.00~~) (\$50,001.00), whichever is greater, if the original contract price exceeded forty fifty thousand dollars (~~\$40,000.00~~) (\$50,000.00).

C. As in subsection B above, no combination of contract amendments may be executed unless the Council has approved a memorandum setting forth the changes to the essential terms of the contract if the combination of amendments will cause the price of the contract, as amended in aggregate, to exceed:

1. ~~Forty~~ Fifty thousand dollars ~~(\$40,000.00)~~ (\$50,000.00); or
2. One hundred ten percent of the original contract price or ~~forty~~ fifty thousand one dollars ~~(\$40,001.00)~~ (\$50,001.00), whichever is greater, if the original contract price exceeded ~~forty~~ fifty thousand dollars ~~(\$40,000.00)~~ (\$50,000.00).

Section 5. Amendment of Section 17.40.100(b). Title 17, Chapter 40, Section 100(b) of the Nome Code of Ordinances is hereby amended by adding a new subsection (2) to read as follows (with following subsections to be renumbered as 4-9):

2. By small purchase procurement under the procedure in Section 17.40.125, where authorized by that section;

Section 6. Amendment of Chapter 17.40. Title 17, Chapter 40 of the Nome Code of Ordinances is hereby amended by adding a new section 17.40.125 to read as follows:

17.40.125 Small purchase procurement.

A. Any contract between the threshold of ten thousand dollars and one cent (\$10,000.01) and fifty thousand dollars (\$50,000.00) may be made in accordance with the procedures of NCO 17.40.140(B); provided, however, that contract requirements shall not be artificially divided so as to constitute a small purchase under this section.

B. The purchasing agent will identify vendors that are qualified and available to provide services, supplies, or other property, and solicit quotations from at least three vendors, or from all vendors if there are no more than three. The quotation must be in writing. Award shall be made to the business offering the lowest acceptable quotation. The name of the business submitting a quotation, and the date and amount of each quotation, shall be recorded and maintained as a public record.

Section 7. Amendment of Section 17.40.130. Title 17, Chapter 40, Section 130 of the Nome Code of Ordinances is hereby amended to read as follows [deleted text is ~~overstruck~~]:

17.40.130 Limited competition procurement.

A. The purchasing agent may procure ~~supplies, services and~~ construction having an estimated value not exceeding fifty thousand dollars (\$50,000) by soliciting bids or proposals from a limited number of potential contractors under this section.

B. The purchasing agent will identify vendors that are qualified and available to provide the ~~supplies, services or~~ construction, and solicit bids or proposals from at least three vendors, or from all vendors if there are no more than three. The solicitation must be in writing and shall be in a form reasonably calculated to yield the lowest responsive

bid by a responsible bidder. In soliciting bids or proposals, the purchasing agent shall allow each vendor that submits a bid an equal opportunity to negotiate price, delivery schedule and terms.

C. The purchasing agent shall award the contract to the lowest responsive and responsible bidder. The purchasing agent shall keep a record of all solicitations of bids under this section, the bids received, and the awards made thereon.

Section 8. Effective Date. This ordinance shall be effective upon passage.

APPROVED and SIGNED this 13th day of July, 2020.



Handwritten signature of John K. Handeland in blue ink, written over a horizontal line.

JOHN K. HANDELAND
Interim Mayor

ATTEST:



Handwritten signature of Christine Piscoya in blue ink, written over a horizontal line.

CHRISTINE PISCOYA
Deputy City Clerk