



City of Grand Island

Tuesday, May 28, 2013

Council Session

Item F-3

#9431 - Consideration of Amending Chapter 27 of the City Code Relative to Purchasing

Staff Contact: Stacy Nonhof, Assistant City Attorney

Council Agenda Memo

From: Stacy R. Nonhof, Assistant City Attorney

Meeting: May 28, 2013

Subject: Purchasing/Procurement Ordinance

Item #'s: F-3

Presenter(s): Stacy R. Nonhof, Assistant City Attorney

Background

The City of Grand Island has a procurement policy in place for purchasing capital items. This policy requires competitive bidding with at least three independent bids. An exception is made when using the state bidding process. State bids are allowed because competitive bidding has already been done at the state level and the best price has been negotiated. A national competitive buying group utilizes the same principles as the state bidding process which could be utilized to make specialized vehicle purchases such as boom trucks, bucket trucks, fire department apparatus, etc. Currently the City Code does not specifically authorize use of the State bidding or other competitive buying groups.

Discussion

Many buying groups that City Departments have been interested in joining are free of charge. These groups have already done the bidding process as required in the City Code. Various departments will be able to look at the items on these lists and not only know the final price, but also the detailed specifications. Buying groups such as the State Contract list currently used and others that are available on a national level will eliminate partial need for the City to pay for the design of certain capital items. These lists are of items already designed and ready for sale. These lists show the lowest priced items for sale after a solicitation has been made. Currently, the City requires that if a capital item is to be purchased, there must be a design phase and a bidding phase prior to any purchase. The benefit to these lists is that the items are already designed, any modifications available are indicated along with the costs of modifications and the list is comprised of items that have been determined to be the lowest bid for that specific item/design. By utilizing these lists, the City will be eliminating the cost of designing items itself and will know the final price of the item from the outset. These buying groups are used by government and non-profit corporations to make purchases of specialty

equipment. These groups utilize the same concept as state bidding to ensure the lowest price to the end user.

The requested change to City purchasing policy can be utilized by many city departments including, but not limited to, police, fire, utilities, parks, and public works. The change will allow for increased purchasing power for the City *and* will save time and expense in the procurement process.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council amends City purchasing policy to allow the use of the State Contract list and cooperative purchasing agreements after approval by Council.

Sample Motion

Move to adopt Ordinance #9431 amending Chapter 27 of the City Code to approve the use of the State Contract list and other buying groups for City departments.

ORDINANCE NO. 9431

An ordinance to amend Grand Island City Code Chapter 27, pertaining to purchasing from the State of Nebraska Contracts list and other approved Cooperative Purchasing forums, to repeal any ordinance or parts of ordinances in conflict herewith; and to provide for publication and the effective date of this ordinance.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA:

SECTION 1. Chapter 27 of the Grand Island City Code is hereby amended to read as follows:

Article V. Cooperative Purchasing

§27-62. Nebraska State Contract List

City departments are not required to advertise for bids when purchasing items from the Nebraska State Contract list as all statutory bidding requirements have been met in approving this list.

§27-63. Cooperative Purchasing Agreements

City departments will be allowed to use local, state or national Cooperative Purchasing Agreements.

The Chief Purchasing Agent shall review all agreements to determine that they meet statutory bidding requirements before approval by the City Council.

The City Council shall approve all said agreements prior to use.

Use of Cooperative Purchasing will preclude the requirement of advertising for bids.

SECTION 2. Any ordinances or parts of ordinances in conflict herewith be, and hereby are, repealed.

SECTION 3. This ordinance shall be in force and take effect from and after its passage and publication, within fifteen days in one issue of the Grand Island Independent as provided by law.

ORDINANCE NO. 9431 (Cont.)

Enacted: May 28, 2013.

Attest:

Jay Vavricek, Mayor

RaNae Edwards, City Clerk

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Approved as to Form	□ _____
May 24, 2013	□ City Attorney