

**ORDINANCE**

**AN ORDINANCE AMENDING CHAPTER 47 OF THE CITY OF COATESVILLE'S CODE GOVERNING "PROCUREMENT AND PURCHASING" TO COMPLY WITH RECENT AMENDMENTS BY THE PENNSYLVANIA DEPARTMENT OF LABOR AND INDUSTRY RAISING THE DOLLAR THRESHOLD FOR PUBLIC BIDDING FROM \$18,500.00 TO \$19,400.00 RAISING THE AMOUNTS PERMITTED TO BE CONTRACTED BY SOLICITATION OF ORAL BIDS FROM \$6,000.00 TO \$10,500.00 AND MAINTAINING THE AMOUNT THAT CAN BE TAKEN FROM PETTY CASH AT \$50.00 AND PERMITTING A MAXIMUM EXPENDITURE OF UP TO \$10,500.00 IF AUTHORIZED BY THE CITY MANAGER AND SUPPLYING A COST OF LIVING ADJUSTMENT WITH RESPECT TO THE PUBLIC BID THRESHOLD AMOUNT**

WHEREAS, the City of Coatesville is a Third Class City located in Chester County, Pennsylvania; and

WHEREAS, the City of Coatesville is governed by the Third Class City Code and the Home Rule Charter; and

WHEREAS, the City currently has a Procurement Code found at Chapter 47 of the City Code governing procedures for procurement of equipment, material, supplies and repairs or services, which identifies procedures needed to enter into any procurements and purchases based upon the costs of such procurements and purchases; and,

WHEREAS, due to the inflation and other factors, the earlier dollar amounts used to establish which procurements and purchases are subject to public bid and which procurements and purchases are subject to solicitation of oral quotes have become outmoded and out of date to the true costs of procurements and purchases; and,

WHEREAS, the Pennsylvania Department of Labor and Industry has increased bidding thresholds for calendar year 2015 such that the minimum procurement and purchase price subject to public bid is to be raised from \$18,500.00 to \$19,400.00 (subject to adjustment based upon the consumer price index) in order to address the passage of time and other factors just referenced; and,

WHEREAS, it has been recognized that the procurement and purchasing provisions of the City Code should be amended to be consistent with current Third Class City Code as this will more realistically address procurement practices in the City.

NOW THEREFORE in consideration of the foregoing, the City of Coatesville does hereby amend Chapter 47 of the City Code titled "Procurement and Purchasing" to read in its entirety as follows:

**47-1 – Compliance with provisions.**

All procurement and purchases shall be made in accordance with the provisions of the Home Rule Charter and this chapter.

**47-2 – Procurement of equipment, materials, supplies and repairs or services.**

All procurement of equipment, materials, supplies and repairs or services shall be documented as follows:

- A. Expenditures under Fifty Dollars (\$50.00) may be made from the petty cash account and shall be supported by receipts. Purchases of common supplies and materials may be made by controlled, open accounts maintained by local suppliers offering the best terms and services, up to a monthly total not to exceed Eight Hundred Seventy-Five Dollars (\$875.00) with each supplier.
- B. Expenditures of One Thousand Dollars (\$1,000.00) or more up to a maximum of Ten Thousand Five Hundred Dollars (\$10,500.00) shall be authorized by a standard form of purchase order signed by the Director of Finance and approved by the City Manager.

**47-3 – Other purchases and contracts.**

Unless otherwise required by state law, other purchases and contracts shall be made as follows:

- A. In an amount not exceeding Ten Thousand Five Hundred Dollars (\$10,500.00), by the City Manager or his/her designee, in the open market after such inquiry as he or she deems necessary to ensure that the price or offer obtained is the most advantageous to the City.
- B. In an amount from Ten Thousand Five Hundred Dollars (\$10,500.00) and not exceeding Nineteen Thousand Four Hundred Dollars (\$19,400.00) by the City Manager or his/her designee, by solicitation of bids orally, by telephone or in writing from at least three (3) suppliers. Written tabulation of solicitations made and quotations received shall be maintained on file one (1) year. For a purchase or contract exceeding Ten Thousand Five Hundred Dollars (\$10,500.00), lack of competition is permissible only when an emergency exists which permits no delay because of the possibility of injury to life or destruction of property or when only one (1) source of supply is available and the City Manager or Finance Director shall so certify. If an award is made under the terms of this subsection, a report of such award, together with a statement justifying the lack of competition, shall be made to the City Council by the City Manager.

**47.4 - Procurement of equipment and supplies through State Cooperative Purchasing Program.**

For equipment and supplies, not exceeding Nineteen Thousand Four Hundred Dollars (\$19,400.00) in the Pennsylvania State Cooperative Purchasing Program, the City Manager may purchase from the contract without any further solicitation or invitation of bids, unless it is known that lower prices are available elsewhere. For purchases over Nineteen Thousand Four Hundred (\$19,400.00), Council approval is needed to acquire items through the state program.

**47.5 - Conditions on purchases and contracts exceeding \$19,400.00.**

- A. Unless otherwise exempt from bidding as provided herein or by provision of the Home Rule Charter, purchases and contracts in excess of Nineteen Thousand Four Hundred (\$19,400.00) shall be made only upon approval of the Council and on the following conditions:
  - (1) Invitations to bid made by advertisement at least two (2) times (the last not fewer than seven (7) days before the bid opening date (which bid opening shall occur at least ten (10) days after the first advertisement), in at least one (1) newspaper of general circulation and by mail to known qualified and interested suppliers or contractors, as well as posted at the City Hall.
  - (2) Written specifications, terms and conditions.
  - (3) Bid bond or deposit in the amount of ten percent (10%) of bid.
- B. All contract documents shall have the approval of the City Solicitor prior to advertisement and shall be executed in accordance with Home Rule Charter Section 2-607A.
- C. All exemptions and restrictions/conditions set forth in the Third Class City Code at 53 P.S. § 36901, as amended, are incorporated herein by reference and enforceable by the City.
- D. The determination of the value of a purchase or contract requiring a public bid as set forth herein shall be adjusted based upon the consumer price index for all urban consumers as specified in 53 P.S. § 36903.1, as amended.

**47-6 – Certificate of financial interest.**

Every contract shall contain a certification that no elected or appointed official of the city or any employee thereof has any direct or indirect financial interest with any person or other entity proposing to contract with the city which has not been disclosed as required by Home Rule

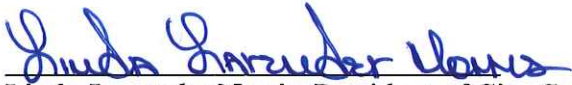
Bill: 9-2015

Ordinance: 1452-2015

Charter § 2-702B. This requirement shall also be made a part of any and all subcontracts.

This Ordinance shall be effective thirty (30) days after publication following final adoption in accordance with the City Charter and the Third-Class City Code.

ENACTED AND ORDAINED this 27 day of April, 2015.



Linda Lavender Norris, President of City Council

ATTEST:



Michael O'Rourke, Interim City Manager

CERTIFICATION

I HEREBY CERTIFY that the foregoing Ordinance was introduced on the 23<sup>rd</sup> day of March, 2015, and was duly enacted by the Council of the City of Coatesville, Chester County, Pennsylvania on the 27 day of April, 2015, that the vote upon the said Ordinance has been recorded in the Minutes of the City Council and that the Ordinance has been fully recorded.



Michael O'Rourke, Interim City Manager