ORDINANCE NO. 2024-14

AN ORDINANCE OF IVINS CITY, UTAH, INCREASING PURCHASE ORDER AUTHORIZATION AMOUNTS AND ELIMINATING THE REQUIREMENT FOR ADDITIONAL CITY COUNCIL APPROVAL FOR CERTAIN EXPENSES OTHERWISE ADEQUATELY DESCRIBED IN, AND WHICH COST LESS THAN THE AMOUNT ANTICIPATED BY, THE APPROVED ANNUAL BUDGET

WHEREAS, section 3.12.203 of the Ivins City Code currently requires department head approval for expenses up to $7,500, additional city manager approval for all expenses over $7,500 up to $15,000 and over $15,000 for expenses deemed "routine," and additional city council approval for expenses over $15,000 deemed "non-routine";

WHEREAS, additional controls exist to protect against fraud and other improper procurement activities, which controls include, among other things, the requirement of a detailed purchase order (ICC 3.12.201), oversite of the procurement activities, including purchase orders and appropriated budgets, by the purchasing agent (ICC §§ 3.12.202, 207), signing of checks by two staff members (ICC 3.12.206), review of all purchasing activities by the city manager (ICC § 3.12.208), and the budget approved by the City Council;

WHEREAS, because adequate controls exist the City Council has determined that reasonably increasing the approval limits and eliminating city council review of otherwise already approved budgeted items is appropriate to reduce the administrative burden on city staff and the City Council without materially increasing the risk of fraud or other improper procurement activities.

NOW, THEREFORE, BE IT ORDAINED BY THE IVINS CITY COUNCIL that Sections 3.12.102, 3.12.203 and 3.12.204 of the Ivins City Code are hereby amended to now read as follows:

PART 1

GENERAL PROVISIONS

3.12.1012: DEFINITIONS:

As used in this chapter:

BIDDING: The procedure used to solicit quotations on price and delivery from various prospective suppliers of supplies, equipment and/or contractual services.

BUILDING IMPROVEMENT: Includes any repair, maintenance or construction of city owned buildings.

BUSINESS: Any corporation, limited corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.

CHANGE ORDER: A written order directing the contractor to suspend work or make changes, which the appropriate clauses of the contract authorize, without the consent of the contractor, or

any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity or other provisions of any contract accomplished by mutual action of the parties to the contract.

CITY: When used in this chapter, refers to Ivins City.

CONTRACT: Any city agreement for the procurement or disposal of supplies, services or construction.

DEPARTMENT HEAD: That individual who administers a department or his/her designee as specified in writing to the purchasing agent or, in the absence of a department head, the city manager.

EMERGENCY CONDITION: A situation that creates a threat to public health, welfare or safety.

FIXED ASSET: Capital asset purchased for or valued at five thousand dollars ($5,000.00) or greater.

INVITATION FOR BIDS: All documents, whether attached or incorporated by reference, used for soliciting bids.

OFFEROR: Person submitting the bid. See also definition of Responsible Bidder.

PAYMENT BOND: A contract of guaranty for the protection of each person supplying labor, service, equipment or material for the performance of the work provided for in a contract.

PERFORMANCE BOND: A contract of guaranty executed subsequent to award by a successful bidder to protect the city from loss due to the inability of the bidder to complete the contract as agreed.

PERSON: Any business, individual, union, committee, club, other organizations or group of individuals.

PROCUREMENT: Purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any supplies, services or construction.

PROFESSIONAL SERVICES: Services such as auditing, architects, engineers, consulting, contracts or other service providers.

PUBLIC WORKS ~~IMPROVEMENT~~PROJECT: Includes any repair, maintenance or construction of streets, water transportation and storage, sewer, and storm drain projects.

PURCHASE DESCRIPTION: The words used in a solicitation to describe the supplies, services or construction to be purchased and includes specifications attached to or made a part of the solicitation.

PURCHASE ORDER: Official document used in committing city funds for the purchase of supplies, equipment or services.

PURCHASING AGENT: That person duly authorized by the city manager to administer purchasing policies and regulations.

REQUEST FOR PROPOSALS (RFP): All documents, whether attached or incorporated by reference, utilized for proposal solicitation.

RESPONSIBLE BIDDER: A bidder who submits a responsible bid; who has furnished, when requested, information and data to prove that his financial resources, production or service facilities, service reputation and experience are adequate to make satisfactory delivery of the supplies, equipment or contractual services on which he bids; and who has not violated or attempted to violate any provisions of this chapter.

ROUTINE EXPENSES: Expenses such as payroll, payroll taxes and related expenses, utility bills and similar expenses, payment for previously approved leases, contracts, professional services and maintenance of city equipment and property. Included in the definition of a "routine expense" is any expense for:

(1) a tangible or intangible good that may aid in the performance of the work of the city, including but not limited to supplies, equipment, vehicles, software, etc.; provided however that such item must at a minimum be (a) generally identified by type (i.e., "truck," "software," etc.) in the approved annual budget and therein assigned a specific amount constituting the maximum amount that can be spent on the item without obtaining additional approval by the city council and (b) actually cost less than the specified maximum amount; and

(2) a service that occurs at least annually, including but not limited to maintenance of city equipment and property such as road resurfacing, etc., that was anticipated when the annual budget was approved and which, if paid, will not exceed the total appropriated amount for that category of expense as reflected in the approved annual budget.

A "routine expense" does not include any expense related to a new building improvement, a new capital improvement project, or a new professional service contract until such building improvement, capital improvement project, or professional service contract has otherwise been approved as required by this chapter or other applicable law.

SPECIFICATION: Any description of the physical or functional characteristics, or of the nature of a supply, service or construction item. It may include a description of any requirement for inspection, testing, or preparing a supply, service or construction item for delivery. (Ord. 2006-27, 2006; amd. Ord 2024-14, 2024)

PART 2

PURCHASING AUTHORITY

3.12.203: AUTHORIZATION REQUIRED:

(1) Purchase orders shall require authorization as follows:

AMOUNT	AUTHORIZATION REQUIRED
Up to $10,000~~$7,500~~	Department Head
Over $10,000 up to $25,000~~$7,500 up to $15,000~~	Department Head and City Manager
Over $25,000 ~~$15,000~~ – routine expenses	Department Head and City Manager
Over $25,000~~$15,000~~ – non-routine expenses	Department Head, City Manager, and City Council

(2) Authorization of purchase orders for expenditures within the amounts specified above shall be made prior to the purchase of any item or service. Each department head approving a routine expense greater than twenty-five thousand dollars ($25,000.00) shall provide the city council with a report of such expense within 30 days of approving the expense. The city manager shall ensure that such reports are timely made to the city council.

(3) All purchase orders for expenditures over twenty-five thousand dollars ($25,000.00) ~~fifteen thousand dollars ($15,000.00)~~, excluding routine ~~expenditures~~expenses, shall be approved by the city council prior to the purchase of any item or service.

(4) The department head's approval on all purchase orders shall signify that there are sufficient unencumbered funds in the requesting department's appropriated budget for the purchase.

(5) Nothing in this section removes any other procurement process or requirement as described in this chapter or any other applicable law, including but not limited to any requirement for obtain bids/quotes or following specified standards for selection or awards, etc. (Ord. 2015-16, 2015; amd. Ord 2023-07, 2023; amd. Ord 2024-14, 2024)

3.12.204 DEPARTMENT HEAD AUTHORIZATION:
Each department head shall be authorized to purchase items costing up to ten thousand dollars ($10,000.00) ~~seven thousand five hundred dollars ($7,500.00)~~ and to disperse and authorize use of the purchase orders~~,~~ which ~~he/she~~ the department head has received from the purchasing agent. (Ord. 2006-27, 2006; amd. Ord. 2015-15, 2015; amd. 2023-07, 2023, amd. 2024-14, 2024)

Effective Date: This Ordinance shall become effective immediately upon passage and publication.

PASSED AND ADOPTED BY THE IVINS CITY COUNCIL, STATE OF UTAH, ON THIS ____ DAY OF AUGUST, 2024 BY THE FOLLOWING VOTE:

	AYE	NAY	ABSTAIN	ABSENT
Mike Scott	_____	_____	_____	_____
Kevin Smith	_____	_____	_____	_____
Sharon Barton	_____	_____	_____	_____
Sharon Gillespie	_____	_____	_____	_____

Lance Anderson _____ _____ _____ _____

_____
Chris Hart, Mayor

ATTEST:

_____
Kari D. Jimenez, City Recorder