



# City Council Report

**Date:** March 20, 2023  
**To:** City Council  
**Through:** Michael Kennington, Deputy City Manager/Chief Financial Officer  
**From:** Ed Quedens, Business Services Director  
Kristy Garcia, Procurement Administrator  
**Subject:** Ordinance to Update the Mesa City Code Title 1, Chapter 21 – The Procurement of Materials, Non-Professional Contract Services and Capital Improvements (Citywide)

## Purpose and Recommendation

Council is requested to approve an ordinance amending the Mesa City Code Title 1, Chapter 21 – The Procurement of Materials, Non-Professional Contract Services and Capital Improvements, including raising the threshold for formal solicitations requiring City Council approval to \$100,000.

## Background

City purchases are generally governed by the City Charter and City Code, and related policies and procedures. In May 2022, the City began the process of updating, modernizing, and clarifying the City's procurement requirements by Council approving the placement of a proposed Charter amendment on the ballot on November 8, 2022. Proposition 477 amending Charter Section 609 "Procurements" was approved by the voters by approximately 70% Yes, 30% No.

The Charter amendment retained the \$25,000 formal solicitation (now referred to as "Large Dollar Procurements" in the Charter) Council approval threshold but now allows the Council to modify the amount by adopting an ordinance through its public Council meeting processes.

## Proposal

The proposed changes to Mesa City Code Title 1, Chapter 21 ("Procurement Ordinance") are intended to reflect the purchasing power of 2023, modernize and update policy language, reflect current procurement tools, reflect best business practices, and make processes more efficient and effective.

The highest level of Mesa's procurement policy and requirements are established by the City Charter approved by our citizens. Next is the Procurement Ordinance adopted by Council, followed by Management Policy established by the City Manager, then the Procurement Rules established by the Chief Procurement Officer, and finally Procurement Bulletins and procedures issued by the Purchasing Division. Each level

builds upon the previous and gets more granular. Council's approval of the amendment to the Procurement Ordinance builds on the City Charter amendment and, in turn, with the approval of an amendment, other policies and requirements will be approved accordingly.

The Procurement Ordinance was last updated on May 7, 2012. Changes in this update of the City Code are consistent with the recent Charter amendment and include:

- Updating the definition of Capital Improvements to be consistent with the definition of Construction in Arizona Revised Statutes. (1-21-2)
- Defining "Large Dollar Procurements" as Procurements of Materials and Non-Professional Services that exceed \$100,000. (1-21-2)
- Updating the definition of "Public Notice" to include the current best practice of posting solicitation opportunities on the City website. (1-21-2)
- Defining "Small Dollar Procurements" as Procurements of Materials and Non-Professional Services of \$100,000 or less. (1-21-2)
- Designating
  - Capital Improvements greater than \$100,000 must be approved by Council (1-21-3)
  - Procurements of Materials and Non-Professional Services of \$100,000 or less (Small Dollar Procurements) be made in accordance with procedures established by the City Manager. (1-21-4)
  - Procurements of Materials and Non-Professional Services greater than \$100,000 be made by Competitive Selection, Sole Source, Cooperative contract use, or Emergency Procurements, and must be approved by the City Council. (1-21-4)
- Formalizing that the City Council by ordinance or resolution, both of which require public notice, may adopt alternative Procurement processes as needed. (1-21-5)
- Various clarifications and language updates throughout the Code.

## **Alternatives**

Council could decide not to adopt the ordinance amendment with the proposed changes to the City Code, and the City's procurement policies and thresholds would remain, including the \$25,000 formal solicitation threshold that have been in place since 2004.

## **Fiscal Impact**

If approved, there would be operational efficiencies in acquiring materials needed for City operations, however there is no direct budgetary impact.

## **Coordinated With**

Engineering Department  
City Attorney's Office