

# Procurement Ordinance Amendment

MCC Title 1, Chapter 21

March 16, 2023

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# Background:

## Mission Statement of the Purchasing Division

- To acquire quality materials and services for City departments
- In a timely and cost-effective manner
- Providing the resources needed to perform their jobs
- While maintaining an open and competitive bidding environment
- Being fair, open, and transparent
- Bringing value and efficiency to each procurement
- Operating within statute, City policy, and sound business practices



# The Goals of this Amendment

## **Update Mesa's Procurement Ordinance**

- Set Thresholds Appropriate for 2023
- Modernize Policy Language
- Reflect Current Procurement Tools
- Reflect Best Business Practices
- Make Processes Efficient and Effective
- Make Updating the Thresholds Easier

# Tenets of Procurement Ordinance Update

<b>Service</b>	Provide the materials and services departments need to serve Mesa residents and businesses
<b>Transparency</b>	Continue to provide the greatest transparency into our processes and purchases
<b>Local</b>	Encourage Local – Provide more opportunities to local businesses to compete through the quote process
<b>Current</b>	Update thresholds to reflect current purchase power
<b>Efficient</b>	Increase Efficiency – Reduce time to select vendors, approve contracts, and provide services
<b>Modern</b>	Update policies to reflect current best practice
<b>Streamline</b>	Less frequent requirement for lengthy procurement processes for both departments and vendors

# Mesa Procurement Policy is Layers of Law and Policy

Each layer is  
greater detail

- **City Charter**  
(Citizens)
- **City Code**  
(City Council)
- **Management Policy**  
(City Manager)
- **Procurement Rules**  
(Chief Procurement Officers)

# City Charter Section 609 Amended

Approved by voters – November 8, 2022

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## Objectives

1

Delegate  
Procurement  
Thresholds to be  
set by City Council  
via ordinance

2

Reaffirm the City's  
policy of open and  
competitive  
procurement

3

Provide efficient  
and responsible  
policies and  
procedures for  
procurement  
activities

4

Update and  
modernizing policy  
language to reflect  
current, best  
practice

# City Code Updates

Title 1 - CHAPTER 21 - THE PROCUREMENT OF MATERIALS, NON-PROFESSIONAL CONTRACT SERVICES AND CAPITAL IMPROVEMENTS

## Proposals:

01

**Raise City Council  
approval  
threshold**

02

**Raise formal  
solicitation  
threshold**

03

**Modernize and  
Update other  
language in the  
City Code**

# Procurement Threshold Comparison

	Quotes	Formal Solicitation	Council Approval Goods & Non- Professional Services	FY 22/23 Budget
<b>Mesa - Current</b>	<b>\$5,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$2.30B</b>
<b>Mesa - Proposed</b>	<b>\$10,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$2.30B</b>
Chandler	\$10,000	\$100,000	\$100,000	\$1.35B
Gilbert	\$10,000	\$100,000	\$100,000	\$1.67B
Tempe	\$5,000	\$100,000	\$100,000	\$1.13B
Scottsdale	\$10,000	\$25,000	Administrative	\$2.11B
Glendale	\$5,000	\$50,000	\$50,000	\$1.07B
Phoenix	\$8,600	\$100,000	\$100,000	\$5.97B



# Procurement Thresholds

Goods/Materials and Non-Professional Services

## Current

- Single Quote \$0 - \$5,000\*
- 3+ Quotes >\$5,000 - \$25,000\*
- Formal Solicitation and Council Approval >\$25,000

## Proposed

- Single Quote \$0 - \$10,000\*
- 3+ Quotes <\$10,000 - \$100,000\*
- Formal Solicitation and Council Approval >\$100,000

\* Established by the City Manager per Charter

# Procurement Ordinance Update Summary

- ✓ Amend the City Charter  
Approved by voters November 8, 2022
- Introduce Ordinance to Update City Code  
March 20, 2023
- Consider Ordinance to Update City Code  
April 3, 2023
- If the Amendment is approved:
  - Update Management Policies
  - Update Procurement Rules

Questions?





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