



City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

1000 Rochester Hills Dr.
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Legislative File No: 2018-0222

TO: Mayor and City Council Members

FROM: Joe Snyder, Chief Financial Officer
Lisa Cummins, Procurement Manager

DATE: June 18, 2018

SUBJECT: Request for Second Reading to amend Section 2-275 of Article VI, Purchasing, Of Chapter 2 Administration, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to increase the Mayor's Purchasing authority limit, and repeal conflicting ordinances.

REQUEST:

To accept for Second Reading to amend Section 2-275 of Article VI, Purchasing, Of Chapter 2 Administration, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to increase the Mayor's Purchasing authority limit, and repeal conflicting ordinances.

BACKGROUND:

The existing Purchasing Ordinance was adopted in 1999 and currently allows the City to make purchases and enter into contracts in an amount up to \$1,000 before competitive quotes are required and without any further approvals. Over the past 19 years, the purchasing power of that \$1,000 amount has eroded due to inflation. In review of the Bureau of Labor Statistics CPI Inflation Calculator, \$1,000 in 1999 has the same purchasing power of approximately \$1,504 in 2018.

The Purchasing Ordinance amendment proposed is intended to increase efficiency in the City's purchasing process for those employees needing to make small dollar purchases and relieve some of the burden that is put on departments when they are trying to operate efficiently in their positions. For these reasons, it is requested that the limit to obtain competitive quotes be increased from \$1,000 to \$2,000. It is intended that the increase requested will allow the City to have a sustainable quote threshold for years to come.

RECOMMENDATION:

It is recommended that City Council accept for Second Reading to amend Section 2-275 of Article VI, Purchasing, Of Chapter 2 Administration, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan, to increase the Mayor's Purchasing authority limit, and repeal conflicting ordinances.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
Deputy Clerk		