

ORDINANCE NO. 0-2024-0009

AN ORDINANCE AMENDING ARTICLE 2-7-5 OF THE OREM CITY CODE TO ADJUST DOLLAR THRESHOLDS FOR BID PROCESSES IN THE CITY'S PURCHASING PROCEDURES

WHEREAS the City of Orem engaged in a citywide study conducted by MGT of America Consulting ("MGT") in 2023 to identify areas of strength, as well as areas in which the City could improve processes, staffing levels and/or organizational structures, and service delivery to improve outputs and outcomes; and

WHEREAS City staff from every department worked with MGT to consider changes and/or updates in processes that would improve efficiency and provide cost-savings; and

WHEREAS the City of Orem has established, through ordinance, purchasing procedures and disposal of property procedures to protect the public's property and to ensure a fair and appropriate procurement process; and

WHEREAS the MGT study findings recommended that the dollar thresholds for purchases and bid processes outlined in the City's purchasing procedures in Article 2-7-5 of the Orem City Code be adjusted for current inflation rates, and be updated for inflation rates periodically going forward; and

WHEREAS the adjustment in dollar thresholds for purchases and services will streamline bid processes and reduce the requirements for excessive paperwork to procure critical equipment, such as replacement police fleet vehicles, and other needed supplies and services; and

WHEREAS the City studied dollar threshold amounts in purchasing and bid processes of sister cities and Utah County and found the recommended changes to be in line with other local county and municipal government procurement ordinances; and

WHEREAS the City Council finds it necessary to amend Article 2-7-5 of the Orem City Code to adjust the dollar thresholds outlined in the bid processes for purchases of supplies or contractual services; and

WHEREAS the City Council finds the proposed amendments to be in the best interest of the City and necessary to protect, preserve the health, welfare, and safety of city residents in general; and

WHEREAS the City posted the City Council meeting agenda in the Orem Public Library, the Orem City Webpage, and the City Offices at 56 North State Street; and

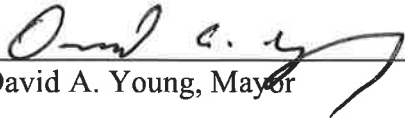
WHEREAS the matter having been submitted and the City Council having fully considered the request as it relates to the health, safety, and general welfare of the City.


NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF OREM, as follows:

1. The City Council hereby amends Article 2-7-5 of the Orem City Code pertaining to the dollar threshold amounts considered in the bid processes of the City's purchasing procedures as shown in Exhibit "A" which is attached hereto and incorporated herein by reference.
2. If any of these ordinance amendments shall be declared invalid, such decision shall not affect the validity of the remainder of this ordinance.
3. All other ordinances, policies, and resolutions in conflict herewith are hereby repealed.

4. This ordinance shall take effect immediately upon passage and publication in a newspaper of general circulation in the City of Orem.

PASSED, APPROVED, and ORDERED PUBLISHED this 9 day of April 2024.


David A. Young, Mayor

ATTEST:

Teresa McKittrick, City Recorder



COUNCILMEMBER	AYE	NAY	ABSTAIN
Mayor David A. Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jenn Gale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Killpack	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jeff Lambson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tom Macdonald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LaNae Millett	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Spencer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

EXHIBIT A



CODE OF ORDINANCES

CHAPTER 2. ADMINISTRATION

Article 2-7. Purchasing Procedures and Disposal of City Property

2-7-5. Choice of Bid Process.

Except as otherwise provided in this Article or by provisions of State or Federal law, purchases of supplies or services shall follow one of the bid processes outlined below for the appropriate dollar amount. The cost of the supply or service shall not be divided to avoid bid requirements. In cases where more than one alternative is listed as acceptable for a given dollar amount, any of the listed alternatives shall be acceptable, and the City shall not incur any liability for choosing one alternative over another.

- A. ~~Supplies and contractual services having an estimated value in excess of \$25,000-0050,000.~~ Purchases of supplies or contractual services having an estimated value in excess of ~~twenty five~~Fifty ~~†~~Thousand ~~d~~Dollars (~~\$2550,000.00~~) shall be pursuant to one of the following procedures:
1. Formal competitive bidding.
 2. Request for proposals. (If approved by the City Purchasing Agent pursuant to 2-7-4(B).)
 3. Reverse auction.

(Ord. No. 661, Revised, 04/10/1990; Ord. No. O-07-0047, Amended 10/23/2007)[Ord. # O-2018-0004, 02/13/2018]

- B. ~~Supplies and contractual services having an estimated value between \$105,000.00. and \$2550,000.00.~~ Purchases of supplies or contractual services having an estimated value of greater than ~~Ten-Five~~ Thousand Dollars (~~\$105,000.00~~) but less than or equal to ~~twenty five~~Fifty ~~†~~Thousand ~~d~~Dollars (~~\$2550,000.00~~) shall be pursuant to one of the following procedures:
1. Formal competitive bidding.
 2. Request for proposals.
 3. Written bid procedure.
 4. Documented price quote procedure.
 - 4-5. Reverse auction.

(Ord. No. 661, Revised, 04/10/1990; Ord. No. O-07-0047, Amended 10/23/2007)[Ord. # O-2018-0004, 02/13/2018]

- ~~C. Supplies and contractual services having an estimated value between \$3,500.00 and \$10,000.00. Purchases of supplies or contractual services having an estimated value of greater than Three Thousand Five Hundred Dollars (\$3,500.00) but less than or equal to Ten Thousand Dollars (\$10,000.00) shall be pursuant to the one fo the following procedures:~~
1. ~~Formal competitive bidding~~



- ~~2. Request for proposals.~~
- ~~3. Written bid procedure.~~
- ~~4. Documented price quote procedure.~~
- ~~5. Reverse auction.~~

D.C. Supplies and contractual services having an estimated value of \$~~3,500,000.00~~ \$3,505,000.00 or less. Whenever the supplies or contractual services have an estimated value of \$~~3,500,005,000.00~~ or less, the City need not follow any formal bid procedure, but shall seek to obtain the best price possible.-

(Ord. No. 661, Revised, 04/10/1990; Ord. No. O-07-0047, Amended 10/23/2007)[Ord. # O-2018-0004, 02/13/2018]

Effective on: 2/16/2018