

PAROWAN CITY ORDINANCE NO. 2025-17

**AN ORDINANCE REPEALING PAROWAN CITY CODE CHAPTERS 13.04 AND 13.05 and
ENACTING NEW CHAPTERS 2.16 PROCUREMENT AND PURCHASING and
2.18 DISPOSAL OF CITY ASSETS**

WHEREAS, Parowan City is required under Utah law to ensure that the expenditure and disposal of public funds and property are conducted with fairness, transparency, and fiscal accountability; and

WHEREAS, existing Parowan City Code Chapters **13.04 Sales and Purchases of City Property** and **13.05 Purchasing Procedures and Disposal of City Property** were previously codified in **Title 13 Community Development and Public Facilities**, which is not consistent with their administrative subject matter; and

WHEREAS, the City Council finds it necessary and appropriate to repeal those outdated provisions and replace them with modernized and consolidated administrative procedures under **Title 2 Administrative Code**; and

WHEREAS, the new Chapters **2.16 Procurement and Purchasing** and **2.18 Disposal of City Assets** establish clear, uniform, and lawful procedures for procurement, purchasing, and disposal of City assets, ensuring compliance with the Utah Code, proper internal controls, and efficient use of public resources; and

WHEREAS, the City Council desires to provide an updated framework that reflects current purchasing practices, cost thresholds, and recordkeeping standards, and that authorizes the City Manager to administer day-to-day procurement duties under Council oversight;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF PAROWAN CITY, UTAH, AS FOLLOWS:

Section 1. Repeal.

Parowan City Code Chapters **13.04 Sales and Purchases of City Property** and **13.05 Purchasing Procedures and Disposal of City Property** are hereby repealed in their entirety.

Section 2. Adoption of Chapter 2.16 – Procurement and Purchasing.

Parowan City Code is hereby amended by adding a new Chapter 2.16, to read as follows:

Chapter 2.16 – Procurement and Purchasing

- A. **Purpose.** To establish uniform purchasing and contracting procedures that ensure fair competition, compliance with Utah law, fiscal accountability, and efficient use of public funds.
- B. **Purchasing Agent.** The City Manager is designated as the City's Purchasing Agent and shall oversee all procurement activities. The Purchasing Agent may delegate day-to-day purchasing functions to department heads or staff as necessary but remains responsible for compliance with this chapter. No purchase or contract shall be made except as authorized by this chapter and as appropriated in the City budget.
- C. **Requisitions and Purchase Orders.** The City shall utilize a requisition and purchase approval process as established and periodically adjusted by the Purchasing Agent to meet operational needs and best practices for internal controls. A formal purchase order shall not be required unless specifically requested by the vendor or determined necessary by the Purchasing Agent. The requisition approval process may employ a variety of methods, including but not limited to paper signatures, digital approvals via email or the City's financial software, and in some cases, pre-approved purchases. Regardless of the approval method, the department head with funds appropriated through the budget process shall be responsible for authorizing expenditures within their department. The Purchasing Agent may also authorize purchases for any department. In limited cases, the City Treasurer or Accounts Payable employee may be authorized to automatically pay recurring bills that are typical, planned, and within budget, such as utility bills, debt service payments, and other routine obligations.
- D. **Cost Thresholds.** Procurement thresholds, including limits for informal quotes, formal bidding, and City Council approval, shall be set by City Council resolution and may be adjusted from time to time to account for inflation and operational needs. The Purchasing Agent shall maintain and publish the current schedule of thresholds for staff reference.

Until amended by resolution, the following thresholds apply:

Purchase Category	Dollar Range	Method	Approval Required
Small Purchases	Up to \$5,000	Direct purchase (best effort)	Department Head
Informal Competitive Quotes	\$5,001 – \$25,000	3 Quotes/Bids (if available, can be website pricing, or written, must be documented)	Department Head & City Manager
Formal Bids / IFB	Over \$25,000	Sealed Bids (public notice, public opening)	City Council approval of award
Professional Services	Up to \$10,000	Direct Selection (best effort)	Department Head
Professional Services – RFP/RFQ	Over \$10,000 (or any complex service)	RFP/RFQ required (with evaluation criteria)	Department Head & City Manager (Council approval if contract exceeds \$25,000)
50k + Construction	Over \$50,000 (Utah Code Title 14 “Little Miller Act”)	Competitive Bid/RFP (performance and payment bonds as required by state law)	City Council approval of award

E. **Council Override.** The City Council may, by resolution, temporarily adjust or waive procurement thresholds for a specific project or emergency circumstance when determined to be in the best interest of the City. Any such resolution shall state the project, the adjusted threshold, and the justification for the change. Temporary adjustments under this section do not amend the general procurement thresholds unless explicitly stated.

F. Procurement Methods

1. Small Purchases

- a. Purchases below the “small purchase” threshold may be made if reasonably priced and within budget. Best efforts should be made by purchaser to obtain best value for the City.
- b. Competitive quotes should still be sought where practical.

2. Informal Competitive Quotes

- a. Purchases above the small purchase threshold and below the formal bid threshold require at least three (3) written quotes, if available (may be an online quote).
- b. Award shall normally be made to the lowest responsible vendor meeting specifications. Department Head & City Manager may use a best value award based on documented and reasonable evaluation criteria.

3. Formal Sealed Bids (Invitation for Bids – IFB)

- a. Purchases exceeding the formal bid threshold shall be solicited by public notice with sealed bids.
- b. The City shall provide at least 10 days' public notice by posting on the Parowan City Website or State Procurement Website and any other method designated by the Purchasing Agent.
- c. Bids shall be opened publicly at the time and place designated in the notice.
- d. The City shall normally award sealed bids to the lowest responsive and responsible bidder. The City Council may use a best value award based on published evaluation criteria.

4. Requests for Proposals (RFP) and Requests for Qualifications (RFQ)

- a. Used when price is not the sole determining factor or where technical or professional services are required.
- b. RFPs and RFQs shall state evaluation criteria and weighting.
- c. Proposals shall be reviewed by an evaluation committee appointed by the Purchasing Agent.

G. **Local Bidder Preference.** When evaluating bids for purchases of goods, materials, or services funded solely with City funds, a responsive and responsible bidder with a principal office or place of business located within County limits shall be deemed to have submitted a bid equal to the lowest non-local bid if the local bid is within 3% of the lowest bid amount. If more than one local bidder qualifies under this section, the award shall be made to the lowest of those qualifying local bidders. This preference shall not apply to purchases made with state or federal funds, where prohibited by law, purchases under cooperative contracts, or state bid programs.

H. Ethics and Conflicts of Interest

1. No City officer or employee may have a financial interest in a contract or purchase in violation of Utah Code Title 10, Chapter 3, or the Utah Public Officers and Employees Ethics Act.
2. Gifts, Gratuities, and Favors:
 - a. No City officer or employee shall accept any gift, gratuity, or favor with a value exceeding \$50, unless permitted by law or properly disclosed in accordance with the Utah Public Officers' and Employees' Ethics Act (Title 67, Chapter 16, Utah Code)
 - b. An "occasional, non-pecuniary gift" valued at \$50 or less is considered permissible and does not require disclosure.
 - c. Gifts should never be accepted if they:
 - i. are intended to improperly influence a public official's or employee's duties,
 - ii. serve as a reward for an official act, or
 - iii. are given by persons or entities involved in a governmental action that the recipient may affect, unless proper disclosure is made
 - iv. Any gift with value above \$50 or those that qualify as more than nominal must be disclosed promptly in writing to the City's governing body or legal authority, following the procedures established in the Utah Ethics Act.
3. Any City employee involved in drafting specifications or evaluating bids/proposals shall disclose potential conflicts and recuse themselves where appropriate.

I. Exceptions to Procurement Cost Thresholds

1. **Emergency Procurement.** In an actual emergency threatening public health, safety, or essential services, the Purchasing Agent may authorize procurement without normal procedures. Emergency purchases shall be limited to what is necessary to address the immediate situation. The Purchasing Agent shall document the circumstances and report emergency procurements to the City Council.
2. **Single-Source Procurement.** Procurement without competition is allowed only when the Purchasing Agent determines in writing that:
 - a. Only one source is available;

- b. Compatibility with existing equipment or systems requires a sole vendor; or
- c. Other unique circumstances justify the purchase.

Documentation of the justification shall be kept with the purchase file.

- 3. **Cooperative Purchasing.** The City may participate in state cooperative contracts, local purchasing contract awards, purchasing consortia, and interlocal agreements when determined to be in the City's best interest by the Purchasing Agent.

- J. **Recordkeeping.** All solicitations, quotes, bids, proposals, and contracts shall be maintained in accordance with the City's records retention schedule and Utah public records law.

Section 3. Adoption of Chapter 2.18 – Disposal of City Assets.

Parowan City Code is hereby amended by adding a new Chapter 2.18, to read as follows:

Chapter 2.18 – Disposal of City Assets

- A. **Purpose.** The purpose of this ordinance is to establish clear, consistent, and efficient procedures for the disposal of City property, to safeguard public resources, and to align City policy with Utah law.

- B. **Definitions.**

- 1. **Surplus Property** - means any City-owned property that is no longer needed, useful, or suitable for municipal purposes.
 - 2. **Real Property** - means land and improvements owned by the City.
 - 3. **Personal Property** - means all other tangible property, including equipment, vehicles, furniture, and supplies.
 - 4. **De Minimis Property** - means personal property with an estimated value of less than \$500.

- C. **Authority.**

- 1. The City Manager's approval is required for the disposal of:
 - a. De minimis property; and

- b. Personal property with an estimated value under \$5,000
- 2. The City Council's approval is required for the disposal of:
 - a. Personal property with an estimated value of \$5,000 or more; and
 - b. Real property.

D. Disposal of Personal Property.

- 1. Disposal methods may include:
 - a. Public auction or sealed bid;
 - b. Trade-in for replacement equipment;
 - c. Direct sale to a specific entity when authorized by the City Council;
 - d. Donation to nonprofit or governmental entities;
 - e. Recycling, scrapping, or other lawful disposal of salvage-valued property; or
 - f. Qualifying Employee retirement gifts according to adopted Personnel Policy.
- 2. Surplus property with an estimated value of \$5,000 or more shall first be declared surplus by the City Council prior to disposal.
- 3. The City shall reserve the right to reject any and all bids or establish a minimum bid.

E. Disposal of Real Property. Real property shall disposed of after being declared surplus and approved by the City Council. Such disposal shall comply with Utah Code §§ 10-8-2 and 10-8-2.4, including notice and public hearing requirements. The City Council may authorize negotiated sales, exchanges, or other lawful dispositions consistent with state law.

F. Exceptions.

- 1. Boundary line agreements, rights-of-way, and easements no longer needed may be conveyed by City Council without declaring the property surplus.
- 2. Intergovernmental transfers may be authorized by agreement of the City Council.

3. De minimis property and Personal Property with an estimated value of less than \$5,000 may be disposed of administratively without a surplus declaration by the City Council.

G. Recordkeeping.

The City Recorder shall maintain records of all disposals, including item descriptions, disposal method, and sale price or value, in accordance with the City's records retention schedule.

Section 4. Codification.

The City Recorder is directed to codify these new chapters in Title 2 of the Parowan City Code, and to make such numbering and formatting adjustments as are necessary for proper integration.

Section 5. Severability.

If any section, sentence, clause, or portion of this ordinance is held invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the remaining portions of this ordinance, which shall remain in full force and effect.

Section 6. Effective Date.

This ordinance shall become effective immediately upon publication or posting as required by Utah law.

PASSED AND ADOPTED by the City Council and Mayor of the City of Parowan, Iron County, State of Utah, this 9th day of October 2025.

PAROWAN CITY

Mollie Halterman, Mayor

VOTING:

AYE | NAY | ABSTAIN | ABSENT

David Burton

✓ _____

Rochell Topham

✓ _____

Sharon Downey

✓ _____

John Dean

✓ _____

David Harris

✓ _____

Attested by:

Callie Bassett

Callie Bassett, City Recorder

