



HISTORIC
FRANKLIN
TENNESSEE

ITEM #8
FINANCE
01-19-12

MEMORANDUM

December 29, 2011

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Russell Truell, Assistant City Administrator for Finance and Administration
Brian Wilcox, Purchasing Manager

SUBJECT: Proposed resolution (No. 2012-05) to increase from \$10,000 to \$25,000 the maximum value of a contract or agreement that the City Administrator is authorized to execute on behalf of the City without first seeking approval from the Board of Mayor and Aldermen

Purpose

The purpose of this memorandum is to present a recommendation that the Board of Mayor and Aldermen (BOMA) consider increasing from \$10,000 to \$25,000 the maximum value of a contract or agreement that the City Administrator is authorized to execute on behalf of the City, including vendor offers or intents to offer products and/or services, without first seeking approval from the Board of Mayor and Aldermen, effective July 1, 2012.

Background

On October 13, 2009, the Board of Mayor and Alderman voted to adopt Resolution No. 2009-25, a resolution to authorize the City Administrator to enter into agreements on behalf of the City of Franklin for the purchase of goods or services, including offers or intents to offer, in the amount of ten thousand dollars (\$10,000) or less without seeking prior approval from the Board of Mayor and Aldermen. At the time Resolution No. 2009-25 was adopted, the \$10,000 limit on the delegated authority equaled the City's then-current procurement threshold for sealed submittals pursuant to public advertisement. Effective July 1, 2011, per Ordinance No. 2010-72, the City's procurement threshold for sealed submittals pursuant to public advertisement was increased from \$10,000 to \$25,000. Thus, since July 1, 2011, if a procurement valued at between \$10,000 and \$25,000 involved a contract or agreement, then that contract or agreement has still required approval by the Board of Mayor and Aldermen even though the selection of the vendor to be awarded the purchase has not. An example of such a scenario is on the January 10, 2012 Board agenda ("Consideration of contract award to Pittsburg Tank & Tower Maintenance Co., Inc. of Henderson, Kentucky in the total amount of \$14,600.00 for water storage tank inspection services for the Water Distribution Division of the Water Management Department"). The City Administrator will continue to submit a listing of actions taken on behalf of the Board. This provides a public record of the actions taken by the City through this designated authority.

Financial Impact

Staff is not aware that the increased delegated authority proposed above would have a negative financial impact on the City. Staff anticipates that the increased delegated authority proposed above would serve to expedite the conduct of the City's business for contracts and agreements valued between \$10,000 and \$25,000.

Options

The Board of Mayor and Aldermen have the option of declining to increase from \$10,000 to \$25,000 the maximum value of a contract or agreement that the City Administrator is authorized to execute on behalf of the City without first seeking approval from the Board of Mayor and Aldermen.

Recommendation

Staff recommends that the Board of Mayor and Aldermen consider increasing from \$10,000 to \$25,000 the maximum value of a contract or agreement that the City Administrator is authorized to execute on behalf of the City, including vendor offers or intents to offer products and/or services, without first seeking approval from the Board of Mayor and Aldermen, effective July 1, 2012. Proposed Resolution No. 2012-05 is attached for consideration.

RESOLUTION NO. 2012-05

A RESOLUTION TO RESCIND RESOLUTION NO. 2009-25 AND TO AUTHORIZE THE CITY ADMINISTRATOR TO EXECUTE CONTRACTS AND AGREEMENTS ON BEHALF OF THE CITY FOR AMOUNTS OF \$25,000.00 OR LESS WITHOUT FIRST SEEKING APPROVAL FROM THE BOARD OF MAYOR AND ALDERMEN

WHEREAS, the Board of Mayor and Aldermen of the City of Franklin, Tennessee resolved on October 13, 2009 that it was in the best interests of the City to authorize the City Administrator to enter into agreements on behalf of the City for the purchase of goods or services, including offers or intents to offer, in the amount of ten thousand dollars (\$10,000.00) or less without seeking prior approval from the Board of Mayor and Aldermen; and

WHEREAS, the Board of Mayor and Aldermen of the City of Franklin, Tennessee ordained on November 23, 2010 that it was in the best interests of the City to increase from ten thousand dollars (\$10,000.00) to twenty-five thousand dollars (\$25,000.00) the City's procurement threshold for sealed submittals pursuant to public advertisement, effective July 1, 2011; and

WHEREAS, the Board of Mayor and Aldermen of the City of Franklin, Tennessee now believe that removing from the Board of Mayor and Aldermen's agendas approval of contracts and agreements for amounts of not more than twenty-five thousand dollars (\$25,000.00) and not less than ten thousand dollars (\$10,000.00) provides for more expedient conduct of City business; and

WHEREAS, the Board of Mayor and Aldermen of the City of Franklin, Tennessee now find that it is in the best interests of the City to increase from ten thousand dollars (\$10,000.00) to twenty-five thousand dollars (\$25,000.00) the maximum value of a contract or agreement that the City Administrator is authorized to execute on behalf of the City without first seeking approval from the Board of Mayor and Aldermen so that said maximum value equals the City's current procurement threshold for sealed submittals pursuant to public advertisement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE THAT:

Section 1. Resolution No. 2009-25, a resolution adopted by the Board of Mayor and Alderman on October 13, 2009 to authorize the City Administrator to enter into agreements on behalf of the City of Franklin for the purchase of goods or services, including offers or intents to offer, in the amount of ten thousand dollars (\$10,000.00) or less without seeking prior approval from the Board of Mayor and Aldermen, is hereby rescinded in its entirety.

Section 2. The City Administrator is hereby authorized to execute contracts and agreements on behalf of the City of Franklin, Tennessee in the amount of twenty-five thousand dollars (\$25,000.00) or less without first seeking approval from the Board of Mayor and Aldermen.

Section 3. The effective date of this resolution shall be July 1, 2012.

Adopted this ____ day of _____, 2012.

ATTEST:

CITY OF FRANKLIN, TENNESSEE

BY: _____
Eric S. Stuckey, City Administrator / City Recorder

BY: _____
Dr. Ken Moore, Mayor

APPROVED AS TO FORM:

BY: _____
Kristen L. Corn, Staff Attorney