

Memorandum Regarding Council Bill No. 2025-16: An Ordinance increasing the City's purchasing thresholds.

Background:

The City's purchasing and contract code (Chapter 2, Article VI) contains three purchasing thresholds. The intent behind the thresholds is, as a purchase amount increase in cost then the formality required to complete the purchase increases. The current thresholds and requirements are summarized below:

- For purchases which do not exceed \$5,000, the City Administrator is authorized to enter into contracts for those purchases without the need to engage in any competitive procurement process. (See Nixa City Code Section 2-190.)
- For purchases costing \$5,000 or more but less than \$10,000, the City Administrator must obtain at least three competitive written bids, proposals, or qualifications from independent vendors. These bids, proposals, or qualifications may be solicited by telephone, written notice, or other reasonable means. (See Nixa City Code Section 2-176.)
- For purchases costing \$10,000 or more, the City Administrator must advertise for sealed competitive bids, proposals, or qualifications after obtaining an authorizing resolution from the City Council. The requirement to obtain an authorizing resolution does not apply to purchases of supplies, materials, or equipment. (See Nixa City Code Section 2-175.)

Analysis:

Due to cost increases, staff has found that the middle threshold (\$5,000 - \$10,000) is hardly ever used. Staff are requesting an increase in the thresholds. The proposed thresholds and requirements are summarized below:

- **No change** is requested for purchases which do not exceed \$5,000. The City Administrator will continue to be authorized to enter into contracts at this level without the need to engage in any competitive procurement process.
- For purchases costing more than \$5,000 but less than **but less than \$20,000**, the City Administrator must obtain at least three competitive written bids, proposals, or qualifications from independent vendors. These bids, proposals, or qualifications may be solicited by telephone, written notice, or other reasonable means.

- For purchases costing **\$20,000 or more**, the City Administrator must advertise for sealed competitive bids, proposals, or qualifications after obtaining an authorizing resolution from the City Council. The requirement to obtain an authorizing resolution does not apply to purchases of supplies, materials, or equipment.

Additionally, City staff are requesting modifications to Section 2-180 of the Nixa City Code to increase the threshold for when cooperative purchases require Council approval. Currently the threshold is set at \$10,000 or more. Staff are requesting that this be increased to \$20,000 or more. Further, language is proposed that would exempt the purchase of supplies, materials, or equipment from the requirement for City Council approval.

Recommendation:

Staff recommends approval of this Council Bill.

MEMO SUBMITTED BY:

Nick Woodman | City Attorney

Attachments:

Council Bill No. 2025-16.

1 **AN ORDINANCE OF THE COUNCIL OF THE CITY OF NIXA AMENDING CHAPTER 2,**
2 **ARTICLE VI, DIVISION 1, SECTIONS 2-175, 2-176, & 2-180 OF THE NIXA CITY CODE**
3 **TO INCREASE THE VARIOUS PURCHASING THRESHOLDS CONTAINED THEREIN.**
4

5 **WHEREAS** the City's current purchasing regulations establish thresholds for
6 purchases made by the City; and
7

8 **WHEREAS** City staff are requesting City Council authorization to increase these
9 thresholds; and
10

11 **WHEREAS** the City Council desires to modify the City Code as set forth herein.
12

13 **NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF**
14 **NIXA, AS FOLLOWS, THAT:**
15

16 **SECTION 1:** Chapter 2, Article VI, Division 1, Section 2-175 of the Nixa City Code
17 is hereby amended by repealing said section in its entirety and adopting in lieu thereof a
18 new section which shall read as follows (Explanation: Language in bold-face type (e.g.,
19 **thus**) is language to be added. Language in bold-faced brackets (e.g., **[thus]**) is not
20 enacted and is intended to be omitted or deleted.):
21

22 Sec. 2-175. – Contracts of **twenty** ~~**[ten]**~~ thousand dollars or more.
23

24 (a) The city administrator shall not contract for the purchase of any supplies, materials,
25 equipment, or services costing **\$20,000.00** ~~**[\$10,000.00]**~~ or more unless a competitive
26 procurement process has been utilized and the provisions of this section have been
27 followed.
28

29 (b) Prior to advertising for sealed competitive bids, proposals, or qualifications the city
30 administrator shall obtain an authorizing resolution from the city council for purchases
31 totaling **\$20,000.00** ~~**[\$10,000.00]**~~ or more. When seeking an authorizing resolution
32 from the city council the city administrator shall present the proposed solicitation to
33 the council for review. The **requirement to obtain an authorizing resolution from**
34 **the city council** ~~**[requirements of this subsection]**~~ shall not apply to the purchase of
35 supplies, materials, or equipment.
36

37 (c) The city administrator shall advertise for sealed competitive bids, proposals, or
38 qualifications in a manner reasonably calculated to provide notice of the purchase at
39 least five days before the time set for the opening of bids or proposals.
40

41 (d) All bids, proposals, or qualifications must be sealed and addressed to the city and
42 must be received at the designated location, by the designated time for receipt, and
43 on the day specified in the solicitation issued by the city.
44

45 (e) The bids, proposals, or qualifications shall be opened by the city administrator at a
46 location specified in the solicitation issued by the city during normal city business

hours on the day specified in the solicitation, if practicable. If not practicable, then the bids or proposals shall be opened on the earliest day thereafter.

SECTION 2: Chapter 2, Article VI, Division 1, Section 2-176 of the Nixa City Code is hereby amended by repealing said section in its entirety and adopting in lieu thereof a new section which shall read as follows (Explanation: Language in bold-face type (e.g., **thus**) is language to be added. Language in bold-faced brackets (e.g., **[thus]**) is not enacted and is intended to be omitted or deleted.):

Sec. 2-176. – Contracts **more than** ~~[of]~~ five thousand dollars ~~[or more]~~ but less than **twenty** ~~[ten]~~ thousand dollars.

(a) The city administrator shall not contract for the purchase of any supplies, materials, equipment, or services costing **more than** \$5,000.00 ~~[or more]~~ but less than **\$20,000.00** ~~[\$10,000.00]~~ unless a competitive procurement process has been utilized and the provisions of this section or the procurement process of section 2-175 have been followed.

(b) The city administrator shall solicit by telephone, written notice, or other reasonable means, at least three competitive written bids, proposals, or qualifications if three independent vendors are available.

SECTION 3: Chapter 2, Article VI, Division 1, Section 2-180 of the Nixa City Code is hereby amended by repealing said section in its entirety and adopting in lieu thereof a new section which shall read as follows (Explanation: Language in bold-face type (e.g., **thus**) is language to be added. Language in bold-faced brackets (e.g., **[thus]**) is not enacted and is intended to be omitted or deleted.):

Sec. 2-180. – Cooperative purchasing.

(a) The city administrator is authorized to participate in cooperative purchasing programs with the United States or any agency of the United States, with the State of Missouri or any agency, municipality, or political subdivision of the State of Missouri, with other states or any agency, municipality or political subdivision of any of the state, or with any association of municipalities or political subdivisions, provided that the cooperative purchasing program of the other entity or agency followed is substantially similar to a competitive procurement process.

(b) Notwithstanding the foregoing, if a cooperative purchase totals **\$20,000.00** ~~[\$10,000.00]~~ or more, such contract must be submitted to the city council for approval. **The requirement to obtain city council approval shall not apply to the purchase of supplies, materials, or equipment.**

SECTION 4: The City Attorney, when codifying the provisions of this Ordinance, is authorized to provide for different section numbers, subsection numbers, and different internal citation references than those provided herein when such section numbers,

subsection numbers, or internal citation references are in error or are contrary to the intent of this Ordinance.

SECTION 5: Savings Clause. Nothing in this Ordinance shall be construed to affect any suit or proceeding now pending in any court or any rights acquired, or liability incurred nor any cause or causes of action occurred or existing, under any act or ordinance repealed hereby.

SECTION 6: Severability Clause. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Council hereby declares that it would have adopted the Ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

SECTION 7: This Ordinance shall be in full force and effect from and after its final passage by the City Council and after its approval by the Mayor, subject to the provisions of section 3.11(g) of the City Charter.

ADOPTED BY THE COUNCIL THIS 27th DAY OF May 2025.

ATTEST:

PRESIDING OFFICER

CITY CLERK

APPROVED BY THE MAYOR THIS _____ DAY OF _____ 2025.

ATTEST:

MAYOR

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY