

# MAYOR & COUNCIL AGENDA COVER SHEET

**MEETING DATE:**

January 5, 2009

**CALL TO PODIUM:**

Harold Belton

**RESPONSIBLE STAFF:**

Harold Belton, Director  
Finance and Administration

**AGENDA ITEM:**

(please check one)

<input type="checkbox"/>	Presentation
<input type="checkbox"/>	Proclamation/Certificate
<input type="checkbox"/>	Appointment
<input type="checkbox"/>	Public Hearing
<input type="checkbox"/>	Historic District
<input type="checkbox"/>	Consent Item
<input type="checkbox"/>	Ordinance
<input checked="" type="checkbox"/>	Resolution
<input checked="" type="checkbox"/>	Policy Discussion
<input type="checkbox"/>	Work Session Discussion Item
<input type="checkbox"/>	Other:

**PUBLIC HEARING HISTORY:**

(Please complete this section if agenda item is a public hearing)

Introduced	11/24/08
Advertised	11/28/08
Hearing Date	12/15/08
Record Held Open	12/26/08
Policy Discussion	

<b>TITLE:</b>
Resolution of the Mayor and City Council of Gaithersburg, Maryland, to Amend Section 57 of the City Charter Entitled "Purchasing and Contracts" to Establish Limits for Bidding of Contracts and Purchases by Resolution

<b>SUPPORTING BACKGROUND:</b>
<p>The Mayor and City Council discussed a proposed amendment to Section 57 of the Charter and adoption of a Resolution establishing administrative purchasing procedures. The Charter amendment would delete purchasing limits from the Charter and require adoption of purchasing procedures by resolution. The proposed purchasing procedures would increase the current purchasing limits.</p> <p>Section 57 of the City Charter establishes dollar limits for purchases requiring sealed bids and Council approval. These dollars limits have not been updated since 1997. The Finance Department has surveyed other jurisdictions to compare the City's purchasing limits with other governments and found that the City's purchasing limits are generally below other similar jurisdictions.</p>

<b>DESIRED OUTCOME:</b>
Vote on Resolution

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE MAYOR AND CITY COUNCIL  
OF GAITHERSBURG, MARYLAND, TO AMEND  
SECTION 57 OF THE CITY CHARTER ENTITLED  
“PURCHASING AND CONTRACTS” TO ESTABLISH  
LIMITS FOR BIDDING OF CONTRACTS AND  
PURCHASES BY RESOLUTION**

WHEREAS, Section 57 of the Charter of the City of Gaithersburg establishes monetary minimums for when the City Manager is required to advertise for sealed bids for contracts and purchases; and

WHEREAS, Section 57 of the Charter of the City of Gaithersburg establishes monetary minimums for when contracts and purchases by the City must be approved by resolution of the City Council; and

WHEREAS, City staff has thoroughly reviewed the purchasing requirements in jurisdictions throughout the region and found that the City’s monetary minimums are significantly lower than other jurisdictions; and

WHEREAS, City staff has recommended that the monetary minimums established by the City Charter be increased and that the City Charter be amended to permit the Mayor and City Council to establish monetary minimums for contracts and purchases by resolution; and

WHEREAS, the amendment of Section 57 of the Charter of the City of Gaithersburg was duly considered by the Mayor and City Council at a public hearing held on December 15, 2008:

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of Gaithersburg, in public meeting assembled, that Section 57 of the City Charter is hereby amended as follows:

Section 1 – That Section 57 of the Charter of the City of Gaithersburg be, and the same is, repealed and reenacted with amendments as follows:

**Sec. 57. Purchasing and contracts.**

The city manager shall be required to advertise for sealed bids for all contracts or purchases ~~in excess of fifteen thousand dollars (\$15,000.00);~~ in accordance with purchasing procedures adopted by resolution of the council. ~~provided, that the council may, by resolution, permit negotiation without sealed bids of contracts for professional services, insurance coverage or other services or of products, where, in the opinion of the council, the interests of the city would be best served by~~

~~negotiated contracts.~~ All contracts or purchases in excess of ~~thirty thousand dollars (\$30,000.00)~~ the minimum established by the purchasing procedures shall be approved by resolution of the council; provided, however, in any public emergency declared by the chief executive officer of the state, Montgomery County or the city to protect and preserve inhabitants or property within the city or the carrying out of obligations under any mutual assistance agreement between jurisdictions, the city manager is authorized to expend any appropriated and unencumbered funds for this purpose without approval by council resolution. ~~The city manager may contract with any supplier who offers goods or services on the same terms as provided other state and local governments or agencies who have arrived at those terms through a competitive procurement procedure and where the city manager finds the cost of the items to be purchased is equal to or less than that which could be obtained through the city's competitive bidding procedure. The city manager shall have the authority to enforce purchasing rules and regulations not inconsistent herewith. The council may, by ordinance or resolution, establish further regulations for city purchases and contracts not inconsistent herewith.~~

Section 2 – BE IT FURTHER RESOLVED that the date of the adoption of this resolution is January 5, 2009, and that the amendment to the Charter of the City of Gaithersburg, as herein adopted, shall be and become effective on February 24, 2009, unless on or before said date a proper petition for referendum of this resolution shall be filed as permitted by law.

Section 3 – BE IT FURTHER RESOLVED that a complete and exact copy of this resolution shall be posted at City Hall, 31 South Summit Avenue, Gaithersburg, Maryland 20877, until February 19, 2009, and a fair summary of the proposed Charter amendment contained in this resolution shall be published in a newspaper of general circulation in the City of Gaithersburg not fewer than four (4) times at weekly intervals before February 19, 2009.

Section 4 – AND BE IT FURTHER RESOLVED that as soon as the Charter amendment hereby enacted shall become effective, either as herein provided or following a referendum, the City shall send or cause to be sent to the Department of Legislative Reference the following information concerning this Charter resolution: (1) the complete text of this resolution; (2) the date of enactment of the Charter amendment; (3) the date of the referendum election, if any; (4) the number of votes cast for or against this resolution whether by the City Council or in a referendum; and (5) the effective date of the Charter amendment contained herein.

ADOPTED by the City Council this 5th day of January, 2009.

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SIDNEY A. KATZ, MAYOR and  
President of the Council

THIS IS TO CERTIFY that the foregoing Resolution was adopted by the City Council in a public meeting assembled on the 5th day of January, 2009. This Resolution will become effective on the 24th day of February, 2009.

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Angel L. Jones, City Manager

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
<del>Single strikethrough</del>	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by Amendment.</i>
<del>Double boldface strikethrough</del>	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>



**COMPILATION OF PURCHASING INFORMATION REQUESTS BY GOVERNMENT**

Thursday, December 27, 2007

1. Is a copy of your purchasing policy online?
2. At what value is a purchase order required?
3. What are your limits for over the counter type purchases up to those purchases which require an IFB, RFP?
4. What are your limits which require presentation to the governing body?
5. If quotes are required, how many are your minimum?

<b>Government</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Gaithersburg, Maryland</b>	only intranet	\$1,000	\$1,000 - \$15,000 - Quotes \$15,000 - \$30,000 RFP/IFB	\$15,000	3
<b>Upper Occoquan Sewage Auth</b>	not currently	ALL	\$30,000	\$50,000 Eng Services \$100,000 Sole Source \$100,000 All Const.	3
<b>Rockville, Maryland</b>	yes	\$2,000	Under \$2,000 Purchase Card \$2,000 - \$15,000 Quotes Over \$15,000 Formal Bids	\$100,000	3
<b>MD National Park &amp; Planning</b>	no	ALL - Based on Rick Asses.	\$5,001 - \$25,000 Informal Bid \$25,001 Formal Bid	No requirement based on limits.	Informal quotes - 5 Formal quotes - 10
<b>Frederick, Maryland</b>	only intranet	\$50.00	\$0 - \$2,499 No quote \$25,000 - \$29,999 quotes \$30,000 and over formal bid	\$30,000	3
<b>Prince William Cty, Va</b>	yes	\$1,000	\$1,000 - \$49,999 Informal quote \$50,000 and above - Formal bid \$30,000 Prof. Services - RFP	\$100,000	3 less than \$30,000 4 for \$30,000 and less than \$50,000



# CITY OF GAITHERSBURG

## FINANCE ADMINISTRATION

<b>Bowie, Maryland</b>	yes, in the chair	All contracts must have	10,000	\$10,000		3
<b>METRO</b>	yes	\$100,000	\$100,000	Varies depending on commodities. Routine items used for the daily operation require no Board approval Other one time items require Board Approval >\$100,000		3
<b>Leesburg, VA</b>	no	All \$1,000 - \$49,999 Require Verbal or written quotes. IFB required at \$50,000		\$100,000		4
<b>WSSC</b>	no	\$5,000	\$25,000	Construction & Goods & Services over \$750,000. A/E Services \$500,000		3
<b>Fauquier Cnty, VA</b>	yes	\$1,200	\$1,200	\$100,000		3
<b>Upper Occouquan Sewer Authority</b>	In Development	All or Procurement Card	\$30,000	Engineering - \$50,000 Sole Source - \$100,000 Sole Source with Expansion - related construction Emergency Contracts - Next Board Meeting Construction - \$100,000 All PPEA		3
<b>WASA</b>	yes	\$2,500	\$100,000	\$100,000 - \$1,000,000		3