

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF HOLLYWOOD, FLORIDA, AMENDING SECTION 38.40 OF THE CODE OF ORDINANCES, REGARDING PURCHASING; EXPANDING EXEMPTION FOR PURCHASES OF INSURANCE TO INCLUDE PURCHASES OF THIRD PARTY ADMINISTRATIVE SERVICES WHEN CITY IS SELF-INSURED.

WHEREAS, Section 38.40 of the Code of Ordinances requires competitive bids or competitive proposals for purchases made by the City, but exempts certain purchases from these requirements; and

WHEREAS, one type of purchase that is exempt is the purchase of insurance through the City's agent of record; and

WHEREAS, for several types of coverage, the City is self-insured; and

WHEREAS, when the City is self-insured, the City generally retains third-party administrators with specialized knowledge and experience to administer the self-insurance programs; and

WHEREAS, the City's agent of record has the expertise to make a selection of third-party administrators, but under the current language of the "insurance" exemption, such purchases are not exempt from the competitive bid or competitive proposal requirements; and

WHEREAS, staff recommends that the City Commission expand the exemption to include purchases of third-party administrative services in situations in which the City is self-insured;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA:

Section 1: That Section 38.40 of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

* * *

PURCHASING

(Coding: Words and figures underscored are additions to existing law; words and figures ~~struck through~~ are deletions.)

* * *

§ 38.40 COMPETITIVE BIDDING OR COMPETITIVE PROPOSALS REQUIRED; EXCEPTIONS.

* * *

(C) Only the following situations are exempt from the competitive bid and competitive proposal requirements of this subchapter:

* * *

(9) *Insurance.* Purchases of insurance through the city's agent of record are exempt from the competitive bid and competitive proposal requirements of this subchapter; however, such purchases with estimated annual cost in excess of \$50,000 require prior approval of the governing body. For purposes of this paragraph, "insurance" shall include third party administrative services in situations in which the city is self-insured.

* * *

Section 2: That it is the intention of the City Commission that the provisions of this ordinance shall become and be made a part of the Code of Ordinances of the City of Hollywood, Florida, and the provisions of this ordinance may be renumbered to accomplish such intention.

Section 3: That if any word, phrase, clause, subsection or section of this ordinance is for any reason held unconstitutional or invalid, the invalidity thereof shall not affect the validity of any remaining portions of this ordinance.

Section 4: That all sections or parts of sections of the Code of Ordinances, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict herewith be and the same are hereby repealed to the extent of such conflict.

Section 5: That this ordinance shall be in full force and effect immediately upon its passage and adoption.

ADVERTISED on _____, 2016.

PASSED on first reading this _____ day of _____, 2016.

ORDINANCE AMENDING PURCHASING ORDINANCE TO EXPAND "INSURANCE"
EXEMPTION TO INCLUDE PURCHASES OF THIRD-PARTY ADMINISTRATIVE
SERVICES WHEN CITY IS SELF-INSURED

PASSED AND ADOPTED on second reading this _____ day of
_____, 2016.

PETER BOBER, MAYOR

ATTEST:

PATRICIA A. CERNY, MMC
CITY CLERK

APPROVED AS TO FORM & LEGALITY
for the use and reliance of the
City of Hollywood, Florida only:

JEFFREY P. SHEFFEL, CITY ATTORNEY