

**STATEMENT OF BUDGET IMPACT**  
**(Policy Number 94-45)**  
**Budgetary Review of Proposed Resolution &**  
**Ordinances with Financial Implication.**

**Date:** June 26, 2015

**File:** BIS 15 – 235

**File:** TMP-2015-00281

**Proposed Legislation:**

AN ORDINANCE OF THE CITY OF HOLLYWOOD, FLORIDA, AMENDING CHAPTER 38 OF THE CODE OF ORDINANCES ENTITLED "PURCHASING" REPEALING SECTION 38.39(B)(3)(S), DIRECTOR, POWERS AND DUTIES; AMENDING SECTION 38.40, COMPETITIVE BIDDING OR COMPETITIVE PROPOSALS REQUIRED; AMENDING SECTION 38.42, FORMAL CONTRACT PROCEDURE; AMENDING SECTION 38.43, OPEN MARKET PROCEDURE; AMENDING SECTION 38.48, TERMINATION, EXTENSION, AND RENEWAL OF CONTRACTS.

**Statement of Budget Impact:**

1. ☐ No Budget Impact associated with this action;
2. ☐ Sufficient budgetary resources identified/available;
3. ☐ Budgetary resources not identified/unavailable;
4. ☒ Potential Cost Savings is possible with this action;
5. ☒ Will not increase the cost of Housing;
6. ☐ May increase the cost of Housing; (CDAB review required)

**Explanation:**

The proposed Ordinance proposes certain amendments to the City's Purchasing Ordinance following a review of the City's purchasing practices, policies, and the Purchasing Code by the National Institute of Government Purchasing (NIGP) and consistent with the recommendations made in the NIGP study.

The amended sections of the Purchasing Code include:

§38.39 Director; Powers and Duties

§38.40 Competitive Bidding or Competitive Proposals Required; Exceptions

§38.42 Formal Contract Procedures

§38.43 Open Market Procedure

§38.48 Termination, Extension and Renewal of Contracts.

The principal change in several of the amended sections deal with the dollar threshold required for action. For example, the minimum dollar threshold of annual purchases requiring competitive bids was increased from \$25,000 to \$50,000. Similarly, the threshold dollar requirement when a formal written contract after due public notice is required was raised from an annual cost of \$25,000 to \$50,000. With respect to contract renewals, where the original contract was authorized by the City Commission, the renewal of the contract would require City Commission approval where the estimated annual cost of the renewal exceeded \$250,000 instead of the original \$50,000 threshold amount. Additionally, a listing of "Other Contractual Services" that are not subject to competitive procurement requirements was added to §38.40.

The NIGP study concluded that "[R]evising the dollar threshold for both small purchases as well as formal solicitations will provide for enhanced efficiency for small dollar purchases while ensuring appropriate controls and consistency for all formal procurement opportunities." In turn, this will permit a better usage of staff time and resources for large dollar transactions and potentially reduce the cost of handling small dollar purchases.

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