

ORDINANCE NO. 5534

AN ORDINANCE ALLOWING DEPARTMENT DIRECTORS TO ENTER INTO CONTRACTS UP TO \$25,000 WITH A SINGLE VENDOR WITHOUT PRIOR CITY COUNCIL APPROVAL BY AMENDING SECTION 3.04.090 OF THE RAPID CITY MUNICIPAL CODE.

WHEREAS, SDCL 9-1-5 authorizes the governing body of municipalities to delegate to any employee the authority to enter into contracts on behalf of the municipality subject to any limits set by the governing body; and

WHEREAS, the City of Rapid City has previously adopted Section 3.04.090 of the Rapid City Municipal Code (RCMC) which allows department directors to enter into a single contract or multiple contracts with a single vendor so long as the aggregate amount of the contracts does not exceed \$15,000; and

WHEREAS, City staff has recommended that the maximum aggregate amount for contracts that can be entered into without prior City Council approval be increased to \$25,000 so it is consistent with the minimum amount for purchases which require public bidding in SDCL 5-18-3; and

WHEREAS, on August 3, 2009, the City Council directed the City Attorney's Office to prepare an ordinance amendment increasing the amount for contracts not requiring prior City Council approval from \$15,000 to \$25,000.

NOW THEREFORE, BE IT ORDAINED by the City of Rapid City that Section 3.04.090 of the RCMC be amended to read as follows:

3.04.090 Contracting authority delegated to department directors.

A. Department directors authorized by the Mayor to approve and sign purchase orders shall also have the authority to enter into contracts on behalf of the City within the limits established in §3.04.030, provided that any necessary funding is available within the department's budget and the contract is first reviewed and approved by the City Attorney.

B. If an individual department director enters into a contract or multiple contracts with a single vendor with an aggregate cost of more than ~~\$15,000~~ 25,000 in a year, approval by the Council will first be required for all contracts in excess of the ~~\$15,000~~ 25,000 aggregate. Notwithstanding this subsection, in the event of extenuating circumstances, a department director may enter into contracts with a single vendor that exceeds the ~~\$15,000~~ 25,000 limit, provided that the requirements of the laws on competitive bidding are satisfied. The extenuating circumstances shall be reported to the Council at its next regular meeting.

CITY OF RAPID CITY

Mayor

ATTEST:

Finance Officer
(SEAL)

First Reading:
Second Reading:
Published:
Effective: