

First Reading: June 28, 2022
Second Reading: July 12, 2022

ORDINANCE NO. 13854

AN ORDINANCE AMENDING CHATTANOOGA CITY CODE, PART II, CHAPTER 2, SECTIONS 2-549, 2-551, AND 2-552, REGARDING COUNCIL APPROVAL NOT REQUIRED FOR EXPENDITURES NOT EXCEEDING FIFTY THOUSAND DOLLARS (\$50,000.00); APPROVAL OF EXPENDITURES EXCEEDING FIFTY THOUSAND DOLLARS (\$50,000.00); AND WHEN BIDS ARE REQUIRED AND SPENDING WILL BE APPROVED ANNUALLY PRIOR TO PASSAGE OF THE BUDGET.

WHEREAS, on May 11, 2022, Governor Bill Lee signed Senate Bill No. 2489 as Public Chapter 1016 that amended Tenn. Code Ann. Section 12-3-1212 and allows the City of Chattanooga to raise its procurement bid threshold from \$25,000.00 to \$50,000.00; and

WHEREAS, this Ordinance amends three sections of the City Code to include language that allows the Purchasing Agent to reflect these changes in the Purchasing Manual;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE:

SECTION 1. That Chattanooga City Code, Part II, Chapter 2, Section 2-549, be amended by deleting same in its entirety and substituting in lieu the following:

Sec. 2-549. - Approval not required for expenditures not exceeding fifty thousand dollars (\$50,000.00).

Where the amounts of requisitions or contracts approved by the Purchasing Agent do not exceed fifty thousand dollars (\$50,000.00), approval by the City Council shall not be necessary for the issuance of a purchase order, payment of an invoice, or the execution of a contract. All amounts over the fifty thousand dollars (\$50,000.00) threshold shall require public advertisement and sealed competitive bids or proposals for nonemergency or nonproprietary purchases. In no event shall a requisition, invoice, or contract be split or divided into two (2) or more purchases with the intent of evading the necessity for having competitive bids or proposals and/or the necessity of obtaining the approval of the City Council.

SECTION 2. That Chattanooga City Code, Part II, Chapter 2, Section 2-551, be amended

by deleting same in its entirety and substituting in lieu the following:

Sec. 2-551. - Approval of expenditures exceeding fifty thousand dollars (\$50,000.00).

Whenever any requisition, invoice, or contract calls for the expenditure of more than fifty thousand dollars (\$50,000.00), the issuance of a purchase order, the payment of an invoice, or the award of a contract shall be subject to the approval of the City Council and shall not be binding on or create any liability against the city until approved by the City Council. Such approval shall be by resolution or by motion adopted by majority vote of the City Council; provided, however, that such approval shall not be necessary where an invoice or requisition is issued pursuant to a prior lawful contract or pursuant to an ordinance authorizing such expenditure and spending will be approved annually prior to passage of the budget.

SECTION 3. That Chattanooga City Code, Part II, Chapter 2, Section 2-552, be amended

by deleting same in its entirety and substituting in lieu the following:

Sec. 2-552. - When bids required; advertisements for bids.

Whenever any requisition, invoice or contract calls for an expenditure exceeding fifty thousand dollars (\$50,000.00), there shall be public advertisement for competitive bids or proposals; provided, however, purchases under fifty thousand dollars (\$50,000.00) shall also be subject to advertisement and bids in the case of purchases of like items which individually cost less than fifty thousand dollars (\$50,000.00), but which are customarily purchased in lots of two (2) or more, if the total purchase price of such items would exceed fifty thousand dollars (\$50,000.00) during any fiscal year. Notice for bid invitations and/or requests for proposals shall be advertised at least once in one (1) or more daily newspapers published in the City at least ten (10) days prior to the time set for a public opening of bids and/or proposals. The Purchasing Agent, in collaboration with the head of any department, will issue such invitations to bid and/or requests for proposals to vendors in the items or services to be purchased in addition to, but not in lieu of the advertisement required under this section. Secondhand equipment or specialized equipment or equipment purchased from any federal, state, or municipal agency, where it is not practicable to take bids, may be purchased without taking bids, but such purchases shall be subject to the requirements of sections 2-549 and 2-551.

No public advertisement nor competitive bidding or proposals shall be required for purchases up to forty percent (40%) of the above amount established for purchases requiring full public advertisement and competitive bidding or proposals. For purchases between forty percent (40%) and one hundred percent (100%) of said amount, such purchases shall be based upon three (3) written quotes.

SECTION 4. BE IT FURTHER ORDAINED, That this Ordinance shall take effect two (2) weeks from and after its passage.

Passed on second and final reading: July 12, 2022



CHAIRPERSON

APPROVED: DISAPPROVED:



MAYOR

PAN/HGB/mem/v7