



CITY OF NOVI CITY COUNCIL
OCTOBER 24, 2022

SUBJECT: *Consideration to Introduce Ordinance No. 22-147.02, an Ordinance to Amend the City of Novi Code of Ordinances, as amended, Chapter 2, Administration, Article VI, Purchase and Sale of Property, Section 2-201, Authorization for Expenditures, with regard to the expenditure amounts requiring Council approval. **SECOND READING***

SUBMITTING DEPARTMENT: Finance

BACKGROUND INFORMATION: The Finance Department has proposed an update to the City's purchasing policy. In doing so, the department has requested an update to the amount required for Council approval and sealed bids. The current ordinance states Council must approve all contracts and or expenditures greater than \$15,000 and a formal bid process is required. The proposed ordinance amendment requests to increase that level to \$25,000. The ordinance was last updated 17 years ago. In that time the price for goods and services has continued to rise. According to the Consumer Price Index (CPI) and an inflation rate calculator, \$1.00 in 2005 is equal to \$1.51 in 2022; therefore, \$15,000 in 2005 is equal to \$22,650 in 2022. The Finance Department has concluded to round up the CPI amount to \$25,000. During this time period the City's overall budget has significantly increased as well and the \$25,000 threshold is also the current capital asset threshold for CIP and auditor/financial statement purposes.

RECOMMENDED ACTION: Consideration to Introduce Ordinance No. 22-147.02, an Ordinance to Amend the City of Novi Code of Ordinances, as amended, Chapter 2, Administration, Article VI, Purchase and Sale of Property, Section 2-201, Authorization for Expenditures, with regard to the expenditure amounts requiring Council approval.
SECOND READING

STATE OF MICHIGAN
COUNTY OF OAKLAND
CITY OF NOVI
ORDINANCE NO. 22-147.02

AN ORDINANCE TO AMEND THE CITY OF NOVI CODE OF ORDINANCES, AT CHAPTER 2, "ADMINISTRATION," ARTICLE VI, "PURCHASE AND SALE OF PROPERTY," WITH REGARD TO THE AMOUNTS REQUIRING COUNCIL APPROVAL.

THE CITY OF NOVI ORDAINS:

PART I. That Chapter 2, "Administration," Article VI, "Purchase and Sale of Property," is hereby amended to read as follows:

Sec. 2-201. - Authorization for expenditures.

The city manager, or his duly authorized representative, shall have exclusive power and responsibility to make sales and purchases of all supplies, apparatus, equipment, materials and other things requisite for public purposes and to make all necessary contracts for work or labor to be done, or material or other necessary things to be furnished for the benefit of the city where the amount of the expenditure for any purpose or contract does not exceed twenty-five thousand dollars (\$25,000.00). In all proposed sales or purchases in excess of twenty-five thousand dollars (\$25,000.00), the sale or purchase shall first be approved by city council. In all proposed sales and purchases in excess of twenty-five thousand dollars (\$25,000.00), formal sealed bids shall be requested and received and the sale or purchase shall be approved by the city council. No sale or purchase shall be divided for the purpose of circumventing the dollar-value limitations contained in this section. The council may authorize the making of public improvements or the performance of any other city work by any city department or agency without competitive bidding. Sales and purchases requiring competitive bidding shall conform to those procedures established by city Charter. The city shall retain the right to refuse all bids, or to waive any irregularities. The council may from time to time amend by resolution the amounts set forth herein.

PART II.

Severability. Should any section, subdivision, clause, or phrase of this Ordinance be declared by the courts to be invalid, the validity of the Ordinance as a whole, or in part, shall not be affected other than the part invalidated.

PART III.

Savings Clause. The amendment of the Novi Code of Ordinances set forth in this Ordinance does not affect or impair any act done, offense committed, or right accruing, accrued, or acquired or liability, penalty, forfeiture or punishment, pending or incurred prior to the amendment of the Novi Code of Ordinances set forth in this Ordinance.

PART IV.

Repealer. All other Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

PART V.

Effective Date: Publication. The provisions of this Ordinance shall become effective fifteen (15) days after its adoption and shall be published within 15 days of its adoption by publication of a brief notice in a newspaper circulated in the City, stating the date of enactment and the effective date of the ordinance, a brief statement as to the subject matter of this Ordinance and such other facts as the Clerk shall deem pertinent, and that a copy of the Ordinance is available for public use and inspection at the office of the City Clerk.

Robert J. Gatt, Mayor

Cortney Hanson, City Clerk

Certificate of Adoption

I hereby certify that the foregoing is a true and complete copy of the ordinance adopted at the regular meeting of the Novi City Council held on the 24th day of October, 2022.

Cortney Hanson, City Clerk