



ORDINANCE

INCREASING THE PURCHASING THRESHOLD FOR FINANCE COMMITTEE APPROVAL FROM \$10,000 TO \$25,000

CITY OF NASHUA

In the Year Two Thousand and Eighteen

The City of Nashua ordains that Part I “Administrative Legislation”, Chapter 5 “Administration of Government”, Article XVII “Purchasing Manager”, of the Nashua Revised Ordinances, as amended, be and hereby is further amended by deleting the struck-through language and adding the new underlined language as follows:

“§ 5-82. Procedures on competitive proposals.

...

- B. After evaluation of competitive proposals, written or verbal negotiations may be conducted with one or more parties who have submitted proposals. Such negotiations are designed to achieve terms and conditions most favorable to the City. Such negotiations need not be conducted where time constraints preclude additional negotiations or where acceptance of an initial offer without discussion would result in fair and equitable prices and further negotiations would not result in terms and conditions substantially more favorable to the City. Purchase requirements with a final negotiated price exceeding ~~\$10,000~~ \$25,000 shall be presented to the Finance Committee for approval prior to contract award pursuant to § 5-90B and C.”

“§ 5-84. Special purchase procedures.

...

- B. The purchasing file shall be documented to provide justification for use of the above exceptions. Additionally, within 10 working days of any such purchase exceeding ~~\$10,000~~ \$25,000, the Purchasing Manager or using agency shall give written notice to the Finance Committee.”

ORDINANCE

“§ 5-90. Authority of Finance Committee.

...

- C. Finance Committee approval shall be obtained prior to the award of contracts exceeding ~~\$10,000~~ \$25,000. This does not preclude the Purchasing Manager from seeking Finance Committee approval or providing advisement to the committee for purchase awards less than ~~\$10,000~~ \$25,000 when considered appropriate. Approval of a bid or contract award by the Finance Committee or Board of Aldermen generally shall be complete and final.”

“§ 5-91. Amendment to contracts.

No contract may be amended as to its scope of work or so as to increase sums payable to the contractor, without Finance Committee approval for amendment amounts exceeding ~~\$10,000~~ \$25,000; and without the Board of Aldermen approval for amendment amounts exceeding \$1,000,000, except that the Mayor may approve changes in the scope of work and/or sums payable to a contractor if all of the following conditions are met:...”

“§ 5-138. Contracts.

All contracts and amendments to contracts, regardless of value, in which the City becomes involved or engaged shall be reviewed by the City Corporation Counsel, all contracts and amendments in excess of ~~\$10,000~~ \$25,000 shall be reviewed and approved by the Finance Committee prior to award, and all contracts and amendments in excess of \$1,000,000 shall be reviewed and approved by the Finance Committee and approved by the Board of Aldermen prior to award, except for emergency situations as defined in §§ 5-90 and 5-91.”

All ordinances or parts of ordinances inconsistent herewith are hereby repealed.

This ordinance shall become effective at the time of passage.

LEGISLATIVE YEAR 2018

ORDINANCE:

O-18-031

PURPOSE:

Increasing the purchasing threshold for Finance Committee approval from \$10,000 to \$25,000

ENDORSERS:

Mayor Jim Donchess
Alderman-at-Large Michael B. O'Brien, Sr.

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE:

None.

ANALYSIS

This ordinance increases the purchasing threshold required for Finance Committee approval from \$10,000 to \$25,000. It does not change general purchasing requirements for a bid process for items that exceed \$10,000. The Financial Services Division provided the following additional information: Approximately 30% of the items presented to the Finance Committee for approval during the past three fiscal years were less than \$25,000. These items represented only 2% - 4% of the total dollar value of the items presented.

Approved as to form:

Office of Corporation Counsel

By: Douglas Clarke

Date: 17 December 2018