

City Commission

AGENDA SUMMARY

APPROVED - DISAPPROVED
BY CITY COMMISSION

DATE: Aug 4, 2022



SUBJECT: Ordinance #4813-22: Third Reading
An ordinance to consider raising the sealed bid limit to \$50,000 (Purchasing)

MEETING: City Commission - Aug 04 2022

DEPARTMENT: Purchasing

STAFF CONTACT: Debbie Dillon, Director

SUMMARY:

Consideration of an ordinance to raise the sealed bid limit from \$25,000 to \$50,000 which is now allowable as per Senate Bill #2489 that became effective May 11, 2022.

STAFF RECOMMENDATION:

Recommend approval

SUPPORTING DOCUMENTS:

bid limit increase second reading

ORDINANCE NO. 4813-22

AN ORDINANCE TO INCREASE THE THRESHOLD OVER WHICH PUBLIC ADVERTISEMENT AND SEALED BIDS ARE REQUIRED IN ACCORDANCE WITH TENNESSEE CODE ANNOTATED SECTION 12-3-1212 BY AMENDING TITLE 5, CHAPTER 1 OF THE CODE OF JOHNSON CITY AND TO REPEAL ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH

BE IT ORDAINED BY THE CITY OF JOHNSON CITY as follows:

SECTION I. That Title 5, Chapter 1, of the Code of Johnson City is hereby amended to add the following:

The original Section 5-102(3) reads as follows:

5-102. Authority to make purchases and negotiate contracts.

(3) The threshold over which public advertisement and sealed competitive bids or proposals are required shall be twenty-five thousand dollars (\$25,000.00) for nonemergency, nonproprietary purchases. At least three (3) written quotations shall be required whenever possible for purchases costing between ten thousand dollars (\$10,000.00) and twenty-five thousand dollars (\$25,000.00). Purchases of like items shall be aggregated for purposes of the bid threshold. The City Manager, as purchasing agent, or his designated Purchasing Director, are authorized to make purchases as specified herein pursuant to Tenn. Code Ann. §12-3-1212 and the Charter of the City of Johnson City.

The new Section 5-102(3), as amended, is substituted as follows:

5-102. Authority to make purchases and negotiate contracts.

(3) The threshold over which public advertisement and sealed competitive bids or proposals are required to an amount not to exceed fifty thousand dollars (\$50,000.00) for nonemergency, nonproprietary purchases. At least three (3) written quotations shall be required whenever possible for purchases costing between ten thousand dollars (\$10,000.00) and fifty thousand dollars (\$50,000.00). Purchases of like items shall be aggregated for purposes of the bid threshold. The City Manager, as purchasing agent, or his designated Purchasing Director, are authorized to make purchases as specified herein pursuant to Tenn. Code Ann. §12-3-1212 and the Charter of the City of Johnson City.

SECTION II. BE IT FURTHER ORDAINED that all ordinances and parts of

ordinances in conflict herewith be and the same are hereby repealed.


SECTION III. BE IT FURTHER ORDAINED that this ordinance shall take effect from and after its passage on third and final reading as required by law, the public welfare requiring it.

PASSED IN OPEN, PUBLIC MEETING
ON THE FIRST READING 7-7-22

PASSED IN OPEN, PUBLIC MEETING
ON THE SECOND READING 7/21/22

PASSED IN OPEN, PUBLIC MEETING
ON THE THIRD READING 8/4/22
APPROVED AND SIGNED IN OPEN
MEETING ON THE 4th DAY OF
August, 2022

FOLLOWING PASSAGE ON THIRD
READING



JOSEPH C. WISE, MAYOR
Todd Fowler, Vice-Mayor

ATTEST:

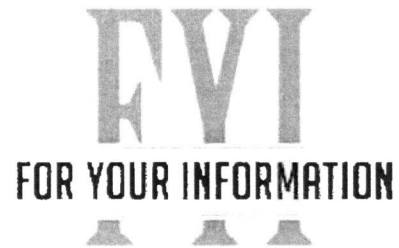
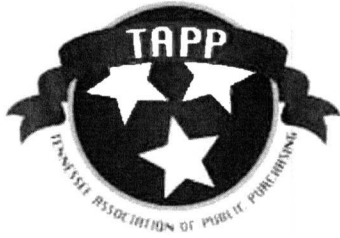


CITY RECORDER

APPROVED AS TO FORM:



CITY ATTORNEY



All,

Through the efforts of the Legislative Committee of TAPP, we were able to get two pieces of legislation passed through the General Assembly. Those are:

1. One allows local governments with centralized procurement and a fulltime procurement agent to raise their threshold for sealed bids to a maximum of \$50,000.
- 2 One clarifies existing legislation about negotiations.

The signed bills for these are attached. Also attached are three other pieces of legislative that passed that affects procurement.

Camille

[senate-bill-2881-insurance-not-by-bid-2022.pdf](#)

[senate-bill-2489-public-chapter-2489-bid-threshold-to-50000-2022-1.pdf](#)

[senate-bill-2352-public-chapter-1036-highway-threshold-25000-2022.pdf](#)

[senate-bill-1993-israel-non-boycott-act-2022.pdf](#)

[senate-bill-779-allowing-full-negotiations-discussions-2022.pdf](#)



State of Tennessee

PUBLIC CHAPTER NO. 1016

SENATE BILL NO. 2489

By Briggs, Bailey, Bowling

Substituted for: House Bill No. 2600

By McKenzie, Whitson, Beck, Towns, Camper, Gloria Johnson, Hazlewood, Thompson

AN ACT to amend Tennessee Code Annotated, Section 12-3-1212, relative to thresholds for competitive sealed bids.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 12-3-1212, is amended by deleting the section and substituting:

(a) Notwithstanding another law to the contrary, a county, municipality, utility district, or other local governmental entity having centralized purchasing authority with a full-time purchasing agent may, by resolution or ordinance of its governing body, increase the threshold over which public advertisement and sealed competitive bids or proposals are required to an amount not to exceed fifty thousand dollars (\$50,000) for nonemergency, nonproprietary purchases.

(b) Notwithstanding another law to the contrary, a county, municipality, utility district, or other local governmental entity having non-centralized purchasing authority may, by resolution or ordinance of its governing body, increase the threshold over which public advertisement and sealed competitive bids or proposals are required to an amount not to exceed twenty-five thousand dollars (\$25,000) for nonemergency, nonproprietary purchases.

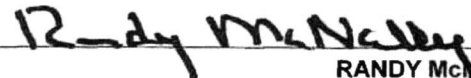
(c) At least three (3) written quotations are required when possible for purchases costing less than the bid threshold established under subsection (a) or (b), but more than forty percent (40%) of such bid threshold or some lower amount as may be established by the governing body in a resolution. Purchases of like items must be aggregated for purposes of the bid threshold.

(d) For purposes of this section, a "full-time purchasing agent" means a person who devotes the whole of the person's working time to the demands and duties of the office of purchasing agent.

SECTION 2. This act takes effect upon becoming law, the public welfare requiring it.

SENATE BILL NO. 2489

PASSED: April 25, 2022


RANDY McNALLY
SPEAKER OF THE SENATE


CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 11th day of May 2022


BILL LEE, GOVERNOR

ORDINANCE NO. 4593-15

AN ORDINANCE TO INCREASE THE THRESHOLD OVER WHICH PUBLIC ADVERTISEMENT AND SEALED BIDS ARE REQUIRED IN ACCORDANCE WITH TENNESSEE CODE ANNOTATED SECTION 12-3-1212 AND TO REPEAL ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH

BE IT ORDAINED BY THE CITY OF JOHNSON CITY as follows:

SECTION I. That a new subsection 5-102(3) be added to the Code of the City of Johnson City Tennessee which shall read as follows: "The threshold over which public advertisement and sealed competitive bids or proposals are required shall be twenty-five thousand dollars (\$25,000.00) for nonemergency, nonproprietary purchases. At least three (3) written quotations shall be required whenever possible for purchases costing between ten thousand dollars (\$10,000.00) and twenty-five thousand dollars (\$25,000.00). Purchases of like items shall be aggregated for purposes of the bid threshold. The City Manager, as purchasing agent, or his designated Purchasing Director, are authorized to make purchases as specified herein pursuant to Tenn. Code Ann. §12-3-1212 and the Charter of the City of Johnson City."

SECTION II. BE IT FURTHER ORDAINED that all ordinances and parts of ordinances in conflict herewith be and the same are hereby repealed.

SECTION III. BE IT FURTHER ORDAINED that this ordinance shall take effect from and after its passage on third and final reading as required by law, the public welfare requiring it.

PASSED IN OPEN, PUBLIC MEETING
ON THE FIRST READING 19/15/2015

PASSED IN OPEN, PUBLIC MEETING
ON THE SECOND READING 03 Nov 2015

PASSED IN OPEN, PUBLIC MEETING
ON THE THIRD READING 19 Nov 2015

APPROVED AND SIGNED IN OPEN
MEETING ON THE 19th DAY OF
November, 2015
FOLLOWING PASSAGE ON THIRD
READING

W. C. Nor
MAYOR