



To: Honorable Mayor and City Council Members

From: Wendell K. Willard

Date: For Submission on the June 3, 2014 City Council Meeting Agenda

Item: Resolution authorizing amendment to the City's Purchasing Policies to incorporate provisions of Georgia HB 774 amending O.C.G.A. § 32-4-113 to change the threshold in which municipalities can negotiate road maintenance and construction contracts

City Attorney's Recommendation:

The City Attorney's Office recommends that the Council approve the attached resolution authorizing amendment to the City's Purchasing Policies to incorporate the provisions of Georgia HB 774.

Background and Discussion:

During the 2014 session of the General Assembly House Bill 774 was adopted. On April 29, 2014, Governor Nathan Deal signed the bill into law with an effective date of July 1, 2014.

HB 774 amended O.C.G.A. § 32-4-113 to change the threshold in which municipalities can negotiate road maintenance and construction contracts to those involving an expenditure that is less than \$200,000.00. Prior to HB 774, the authorized threshold for negotiating road contracts was \$20,000.00. Pursuant to this amendment, a contract involving an expenditure of more than \$20,000.00 but less than \$200,000.00 may be awarded with the submission of at least two (2) estimates. Formal sealed bids are not required.

In light of the passage of HB 774 and in order to streamline the City's procurement process and promote the most efficient and effective execution of contracts for the construction, reconstruction, or maintenance of all or part of a public road in the City including, but not limited to, a contract for the purchase of materials, for the hiring of labor, for professional services, or for other things or services incident to such work, City staff wishes to amend the City's Purchasing Policies, effective July 1, 2014, to include provisions to accomplish the following:

City staff shall seek estimates from capable qualified contractors and negotiate such contracts involving an expenditure of more than \$20,000.00 but less than \$200,000.00



to represent the best value for the City. Specifically, formal sealed bids outlined in the City's Purchasing Policy V.C.2.c. are not required in connection with such contracts.

Attachments:

Resolution to amend the City's Purchasing Policies to incorporate the provisions of Georgia HB 774.

Alternatives:

Determine not to amend the City's Purchasing Policies to incorporate the provisions of Georgia HB 774.

**STATE OF GEORGIA
COUNTY OF FULTON**

A RESOLUTION AUTHORIZING AMENDMENT TO THE CITY'S PURCHASING POLICIES TO INCORPORATE THE PROVISIONS OF GEORGIA HB 774 AMENDING O.C.G.A § 32-4-113 TO CHANGE THE THRESHOLD IN WHICH MUNICIPALITIES CAN NEGOTIATE PUBLIC ROAD MAINTENANCE AND CONSTRUCTION CONTRACTS

WHEREAS, during the 2014 session of the Georgia General Assembly, House Bill 774 ("HB 774") was adopted; and

WHEREAS, on April 29, 2014, Governor Nathan Deal signed HB 774 into law with an effective date of July 1, 2014; and

WHEREAS, HB 774 amends O.C.G.A. § 32-4-113 to change the threshold in which municipalities can negotiate contracts involving public roads, as defined in O.C.G.A. § 32-1-3, to those involving an expenditure that is less than \$200,000.00; and

WHEREAS, prior to the passage of HB 774 the authorized threshold for negotiating contracts involving public roads was \$20,000.00; and

WHEREAS, pursuant to HB 774, a public road contract involving an expenditure of more than \$20,000.00 but less than \$200,000.00 may be awarded with the submission of at least two (2) estimates, without the requirement of a formal bid process; and

WHEREAS, in order to streamline the City's procurement process and promote the most efficient and effective execution of contracts for the construction, reconstruction, or maintenance of all or part of a public road in the City, staff desires to amend the City's Purchasing Policy to be consistent with the provisions of HB 774 amending O.C.G.A. § 32-4-113;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sandy Springs, Georgia, while in regular session on June 3, 2014, at 6:00 p.m. as follows:

1. The City's Purchasing Policy shall be amended, effective July 1, 2014, to provide that City staff shall seek competitive estimates from capable qualified contractors and negotiate contracts representing the best value for the City for the construction, reconstruction, or maintenance of all or part of public roads in the City including, but not limited to, contracts for the purchase of materials, for the hiring of labor, for professional services, or for other things or services incident to such work involving an expenditure of more than \$20,000.00 but less than

\$200,000.00, and further that formal sealed bids outlined in the City's Purchasing Policy V.C.2.c. shall not be required in connection with such contracts.

2. City Council hereby authorizes the City Manager and the Purchasing Division of the City's Finance Department to take such action deemed necessary to accomplish the purpose of this resolution.

RESOLVED this the _____ day of June, 2014.

Approved:

Russell K. Paul, Mayor

Attest:

Michael Casey, City Clerk

(SEAL)