

ORDINANCE NO. 1045

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF WICKENBURG, STATE OF ARIZONA AMENDING THE TOWN OF WICKENBURG CODE CHAPTER 4 ADMINISTRATION, ARTICLE 4-4 PURCHASING, BY AMENDING SECTIONS 4-4-1 GENERAL AUTHORITY TO EXPEND FUNDS, 4-4-2 SPECIAL COUNCIL APPROVAL REQUIRED, 4-4-3 PURCHASE ORDERS REQUIRED, 4-4-4 EMERGENCY EXPENDITURES, 4-4-5 EXPENDITURES; SIGNATURES ON CHECKS AND RATIFICATION, 4-4-6 QUOTATION OR BID REQUIREMENTS, 4-4-9 APPLICATION TO EMPLOYEES AND PROFESSIONAL SERVICES, AND 4-4-12 PURCHASING FROM OTHER BIDS; ADDING NEW SECTIONS 4-4-4 DELIVERY OF PURCHASES, 4-4-5 PETTY CASH, 4-4-13 CHANGE ORDERS; REPEALING SECTION 4-4-10 EMERGENCY PURCHASES; RENUMBERING TO CONFORM; ALL RELATED TO PROCEDURES AND REQUIREMENTS FOR THE PURCHASE OF GOODS AND SERVICES BY THE TOWN; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; AND DECLARING AN EMERGENCY

BE IT ORDAINED by the Mayor and Common Council of the Town of Wickenburg, Arizona as follows:

Section 1. In General.

The Code of Wickenburg, Chapter 4 Administration, Article 4-4 Purchasing, is amended by amending Sections 4-4-1 General Authority to Expend Funds, 4-4-2 Special Council Approval Required, 4-4-3 Purchase Orders Required, 4-4-4 Emergency Expenditures, 4-4-5 Expenditures; Signatures on Checks and Ratification, 4-4-6 Quotation or Bid Requirements, 4-4-9 Application to Employees and Professional Services, and 4-4-12 Purchasing From Other Bids; adding new Sections 4-4-4 Delivery of Purchases, 4-4-5 Petty Cash, 4-4-13 Change Orders; and repealing Section 4-4-10 Emergency Purchases, to read as follows (deleted text appears in ~~strikeout~~; new text in ALL CAPS):

Section 4-4-1 General Authority to Expend Funds

- A. Council approval of the annual budget shall be construed to include authority for the making of Town expenditures as set forth in said budget.
- B. This article shall apply to all purchases of the Town, including but not limited to petty cash purchases, purchases billed through a vendor, purchases made with Town credit cards, and purchases made with vendor credit cards.

- C. All expenditures shall be charged to the appropriate department budget and shall not cause that budget to be exceeded. It is the responsibility of the Department Head to verify that the expenditure does not exceed the available budgeted funds. The Department Head shall sign the invoice when received to confirm that the goods have been received or that the services have been satisfactorily completed and that the invoice is accurate.
- D. To prevent unforeseen events causing a line item within the approved annual budget from exceeding the budget, transfers between line items other than contingencies shall only be made within the same fund as set forth below:
 - 1. A transfer from a capital item line (9#### accounts) requires Town Council approval prior to incurring the expense.
 - 2. A transfer other than from capital item lines, up to \$5,000 within the same fund requires approval by the Town Manager prior to incurring the expense.
 - 3. A transfer over \$5,000 within or between funds requires approval by the Town Council prior to incurring the expense.
- E. Violation of this article, including but not limited to the purchase of goods or services or the attempt to enter into contracts in violation of this article, may result in disciplinary action.

Section 4-4-2 Special Council Approval Required

- A. Council approval shall be required for all purchases from a sole source provider and for all purchases of more than fifty thousand dollars (\$50,000).
- B. Council approval shall be required in advance for any expenditure to be charged to any contingency budget or for any transfer from any contingency budget to any specific expenditure account.

Section 4-4-3 Purchase Orders Required

- A. The purpose of a purchase order is to create an encumbrance in the general ledger to permit the remaining balance of budgeted line items to be monitored. When the invoice is received by accounts payable from the Department Head, it shall be matched to the applicable purchase order and processed for payment. The encumbrance shall then be replaced by the actual expenditure. Violation of this article may result in disciplinary action.
- B. All Town purchases shall be by written purchase order except that purchase orders shall not be required:
 - 1. For contracts approved by the Council.
 - 2. For purchases of less than Two Hundred dollars (\$200.00) upon approval of the Department Head of the department for which the purchase applies.
 - 3. For utility expenses for gas, electric, water, sewer, sanitation, and telephone services.
 - 4. For vehicle fuel which is required when outside of the Town limits.
- C. Blanket purchase orders may be issued on a fiscal year basis to a vendor used at least monthly. This blanket purchase order will be closed out on June 30th of each year.

Section 4-4-4 Delivery Of Purchases

All items purchased with town funds shall be delivered only to town-owned property. Under no circumstances shall anything ordered with town funds or through a town purchase order be delivered to an employee's home, a Councilmember's home, a volunteer's home, or to any other non-town owned property.

Section 4-4-5 Petty Cash

- A. A petty cash fund may be established at the discretion of the Finance Director in departments for small purchases not exceeding ninety-nine dollars (\$99). Purchases using the petty cash fund shall be used only for unanticipated items for an immediate need. The petty cash fund shall not be used to circumvent the requirements of this article.
- B. The custodian of the petty cash fund shall arrange for a secure, locked location for the fund. The fund shall be subject to an audit at any time by the Finance Director or a designated representative. The sum of unused cash and receipts shall equal the original advance.
- C. Petty cash shall not be disbursed by the custodian of the petty cash fund without a dated and itemized receipt. All receipts shall be signed by the custodian's Department Head with the budget line to be charged. The receipt shall be submitted within 72 hours of purchase. No expenditures from petty cash shall cause the budget line to be exceeded.
- D. Petty cash funds shall not be used to cash checks, to make personal loans or for salary advances.
- E. A request to replenish petty cash funds shall be made to accounts payable by the 15th of every month, unless no disbursements have been made since the last request.

Section 4-4-6 Emergency Expenditures

Nothing in article 4-4 shall be construed to prohibit emergency expenditures. The requesting Department Head shall be responsible for determining the validity of all emergency purchase requests for goods or services. The Town Manager shall review the request and may authorize the emergency purchase without complying with the procedures of this article. However, when an emergency expenditure is made under the authority of this Section, a full written report specifying the nature of the emergency and the amount of the expenditure shall be made to the Council at the next regularly scheduled Council meeting. Invoices for the purchase of emergency goods or services shall be signed by both the requesting Department Head and the Town Manager.

Section 4-4-7 Signatures and Ratification

- A. All checks for expenditures of Town monies shall bear two (2) signatures, one of the Town Clerk, and the other of either the Mayor or Vice Mayor. A facsimile signature plate safeguarded by the finance department shall be utilized to affix all such signatures.
- B. All agreements and contracts of the town approved by the Town Council shall be signed by the Mayor or Vice Mayor, the Town Clerk, and the town attorney.

- C. All agreements and contracts of the town not requiring Town Council approval shall be signed by the Town Manager or his designee.
- D. Copies of all Town expenditures shall be provided to the Town Manager, Mayor, and Common Council at least one (1) time each month including, but not necessarily limited to the monthly check register and invoices paid report.

Section 4-4-8 Quotation or Bid Requirements

- A. Except as provided in Sections 4-4-9 through 4-4-15 of this Article, prior to purchases of goods or services, quotations or bids shall be sought according to the following schedule:

DOLLAR RANGE QUOTATION OR BID REQUIREMENTS

- \$0 - \$4,999.99. No quotations or bids are required.
 - \$5,000.00 - \$9,999.99. A minimum of three (3), when feasible, TELEPHONE QUOTATIONS shall be solicited.
 - \$10,000.00 - \$24,999.99. A minimum of three (3), when feasible, written quotations shall be solicited and the selection approved by the Town Manager.
 - \$25,000.00 - \$49,999.99. Sealed bids shall be solicited through newspaper advertising and the vendor list maintained by the Town Clerk's office with a design towards obtaining the greatest number of bid responses, with the selection to be approved by the Town Manager.
 - \$50,000.00 and Above. Sealed bids shall be solicited through newspaper advertising, from the vendor's lists maintained by the Town Clerk's Office, with a design towards obtaining the greatest number of bidders and bid responses, and upon receipt of the bids, the responsible Department Head shall prepare his/her written recommendation to the Council for award of the contract.
- B. Notwithstanding the provisions of Subsection A of this Section, no public official, relative of a public official, employee, or relative of an employee, shall supply goods or services to the Town unless pursuant to a sealed bid process, except where such purchase does not exceed three hundred dollars (\$300.00) in a single transaction, and the aggregate total of all transactions for the fiscal year does not exceed one thousand dollars (\$1,000). For purposes of this section, "relative" means the spouse, child, child's child, parent, grandparent, brother or sister of the whole or half blood and their spouses and the parent, brother, sister or child of a spouse.
- C. Notwithstanding the provisions of Subsection A of this Section, a purchase from a sole source supplier of goods and services may be made without receiving quotations or competitive bids, provided that a written report from the requesting Department Head explaining the sole source request, is signed by the Town Manager as being approved, and is then approved by Council. A sole source supplier means a vendor who is the only acceptable vendor able to furnish a certain good or service. Once approved by Council the Department Head may proceed with the regular purchase procedure.

Section 4-4-9 Application to Employees and Professional Services

- A. Nothing in Sections 4-4-8 through 4-4-10 shall be construed to apply to the hiring of Town employees or professional persons who receive monthly fees as independent contractors.
- B. Unless required by Council, the bidding and other requirements of Sections 4-4-8 through 4-4-10 shall not apply to professional services. For purposes of this section, "professional services" include but are not limited to accounting, auditing, engineering, physicians, attorneys or similar professions.

Section 4-4-10 Change Orders

- A. Change orders which do not increase a contract amount may be approved and executed by the Town Manager.
- B. Change orders which increase a contract amount may be approved and executed by the Town Manager provided the aggregate of all change orders pertaining to the contract do not exceed \$2,000, change orders exceeding an aggregate of \$2,000 require approval of the Council.

Section 4-4-11 Purchasing From Other Bids

Notwithstanding any other provision of this article, the town, by and through its authorized personnel, may purchase any goods or services for which funds have been duly appropriated, regardless of the amount of purchase from, or off of, any other governmental entity's master or specific bidding list if, in the opinion of the Town Manager a separate bidding process is not likely to result in a lower price for such goods or services.

* * *

The following sections shall be renumbered to conform:

Section 4-4-7 to Section 4-4-9
Section 4-4-8 to Section 4-4-10
Section 4-4-11 to Section 4-4-12
Section 4-4-13 to Section 4-4-14
Section 4-4-14 to Section 4-4-15
Section 4-4-15 to Section 4-4-16
Section 4-4-16 to Section 4-4-17
Section 4-4-17 to Section 4-4-18
Section 4-4-18 to Section 4-4-29
Section 4-4-19 to Section 4-4-20
Section 4-4-20 to Section 4-4-21
Section 4-4-21 to Section 4-4-22

Section V. Declaring an Emergency.

The immediate operation of the provisions of this Ordinance is necessary for the preservation of the public peace, health and safety of the Town of Wickenburg, and an emergency is hereby declared to exist. This Ordinance shall be in full force and

effect from and after its passage, adoption and approval by the Common Council of the Town of Wickenburg.

PASSED AND ADOPTED by the Town Council of the Town of Wickenburg,
Arizona, this 15th day of June, 2009.


KELLY C. BLUNT, MAYOR

ATTEST:

By: Donna Riffel
Donna Riffel, Town Clerk for Donna Riffel

APPROVED AS TO FORM:

By: Kelly T. Schwab
Kelly T. Schwab, Town Attorney
Curtis, Godwin, Sullivan, Udall & Schwab, P.L.C.,

Number of Councilmembers Present: 7
Number of Votes For: 7
Number of Votes Against: 0
Number of Abstentions: 0

CERTIFICATION

I HEREBY CERTIFY that the foregoing Ordinance Number 1045 was duly passed and adopted by the Common Council of the Town of Wickenburg, Arizona, at a regular meeting held on the 15th day of June 2009 and that a quorum was present at the meeting.

Donna Riffel for
Donna Riffel
Donna Riffel, Town Clerk