

COUNCIL DECISION REQUEST

SUBJECT: Amendment to Administrative Policy A201 - Contracts

MEETING DATE: March 17, 2011

PAYSON GOAL: NEW: EXISTING:

ITEM NO.:

TENTATIVE SCHEDULE:

SUBMITTED BY: Debra A Galbraith

AMOUNT BUDGETED:

SUBMITTAL TO AGENDA
APPROVED BY TOWN MANAGER

EXPENDITURE REQUIRED: \$0.00

CONT. FUNDING REQUIRED: \$0.00



EXHIBITS (If Applicable, To Be Attached):
Administrative Policy A201

POSSIBLE MOTION

- 1) I move to approve the amendment to signatory authority in Administrative Policy A201 – Contracts

SUMMARY OF THE BASIS FOR POSSIBLE MOTION:

In September 2008, Administrative Policy A201 was written to put the long-standing policy regarding signatory limitations on contracts into a written form for clarity and process description. A recent event has caused the need for an exception to be added under the Town Managers signatory authority.

The recent merger between Alltel and AT&T created a March 31 deadline for the termination of all Alltel phone services. Alltel was the company that provided data service lines to the Town's public safety (Police and Fire) vehicle laptops, among other telephonic needs. Although the Town was told by Alltel that there would be no structural changes to the services provided, AT&T's solution was on that would not provide the same stability of the data service that Alltel provided. Discussions were held with AT&T and they decided they could offer the same product, but at a very high monthly cost. Staff contacted Verizon who was able to provide the same services and at the same monthly cost as that of the former Alltel package.

In order to meet the March 31 deadline, the contract with Verizon could not wait until the March 17 Council meeting as new laptops need to be built, sent and received prior to March 31. Verizon could not begin this work without a signed contract. The cost of the service and the laptops is in the current adopted budget, as it is every year.

The exception added to the signatory authority of the Town Manager allows the Town Manager to sign contracts for over \$25,000 IF they are for routine (repair & maintenance, equipment rental/lease etc.) and are in the adopted budget. Any change order, new contract, bid award, or other non-routine contract over \$25,000 will continue to come to Council for approval and signature.

PROS:

Allows budgeted day-to-day, routine contracts to be signed by the Town Manager as needed.

CONS:

PUBLIC INPUT (if any):

BOARD/COMMITTEE/COMMISSION ACTIONS/RECOMMENDATIONS (if any) (give dates and attach minutes):

FUNDING:

Acct:	Budget:	Available:	Expense:	Remaining:
Acct:	Budget:	Available:	Expense:	Remaining:
Acct:	Budget:	Available:	Expense:	Remaining:
BA:				Date:

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Administrative Policy
CONTRACTS
Administration- A201

Effective Date:
September 2008

Revised Date:
March 2011

CONTRACTS

Summary

Contracts are needed by various departments at various times to secure services. This policy establishes who can negotiate a contract, who reviews the contract, who signs the contract and when/if the contract needs to go before the Town Council for approval. It also establishes where the original contract resides.

Authority to Contract

1. Department Heads may contract for services as needed that are within their budget authority.
2. A Purchase Order will be created by the department and forwarded to Financial Services with a copy of the contract.
3. All funding for contracts must be approved by the Financial Services Department.
4. All contracts must be reviewed by the Legal Department for form and completeness. The Legal Department may create their own contract as feel necessary.

Signature Authority

1. Department Heads may sign contracts up to the cost of \$10,000.
2. The Town Manager signs contracts at a cost of \$10,001 to \$25,000.
 - a. **Exception: The Town Manager can sign contracts, regardless of the value, for annual repair and maintenance and annual rental agreements per the annual budget adopted by the Town Council**
3. The Mayor signs contracts at a cost above \$25,001.

Council Approval

1. Contracts for major projects, out of the ordinary items and non-budgeted items must be approved by the Town Council.
2. All contracts requiring Mayoral signature must be approved by the Town Council.



Administrative Policy
CONTRACTS
Administration– A201

Effective Date:
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Contract Distribution

1. All original contracts must be given to the Town Clerk Department for filing.
2. Copies of all contracts will be given to the Town Attorney's Office, the department involved in the contract and to Financial Services.