

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: January 11, 2023

TO: Top Management

FROM: Mark Washington, City Manager 

SUBJECT: **City Manager Administrative Order 2023-02: Authority to Authorize Purchases under Chapter 11 of the City Code, as amended, limited to \$2,500 for City Employees other than the Deputy City Manager, Assistant City Manager, Managing Directors, and Purchasing Agent**

Background

On December 6, 2022, the City Commission adopted an “Ordinance amending Chapter 11 ‘Purchases, Contracts and Sales’ of the City Code to increase various purchasing process dollar thresholds.” The purpose of this ordinance amendment is to respond to procurement challenges, including supply chain issues, with a more flexible purchasing process enabled by increased dollar thresholds for various administrative requirements.

One such threshold is the authority for City employee approval (subject to compliance with applicable City Charter and Code provisions, rules and policies) of purchases not currently covered by a City contract, which previously was authorized for purchases up to \$2,500. Through the ordinance amendment, that authority was increased to authorize purchases up to \$10,000; however, this increased authority is intended to be exercised only by myself, the Deputy City Manager, Assistant City Manager, Managing Directors, and Purchasing Agent. All other staff, including Department Directors, are intended to be limited to the pre-existing \$2,500 authority.

Rather than writing this differential authority into the City Code, which would limit the City’s flexibility to reorganize and to respond to future procurement challenges, Chief Financial Officer Molly Clarin noted in the cover memo to the ordinance amendment that this would be handled “by policy as authorized in the “Purchases, Contracts and Sales” ordinance” i.e., Chapter 11 of the City Code.

The ordinance amendment containing the increased dollar thresholds, including the authority for City employee approval of purchases, will become effective on January 5, 2023, per Title V., Sec. 9 of the City Charter. Policy updates related to the amendment are under development. However, to ensure the authority to authorize purchases is limited by position as noted in paragraph two above, I am issuing this Administrative Order.

Authority

Sec. 1.504(2) of Chapter 11 “Purchases, Contracts and Sales” of Title I of the City Code provides that, “The authority delegated under this subsection may be used only by those employees specifically empowered to do so by the City Manager. This Section shall be implemented by a City Commission Policy.” Sec. 6 of the implementing policy, City Commission Policy 700-09, provides that, “Either the Purchasing Agent or the City Manager may limit the authority granted to any employee to a particular amount or as otherwise determined appropriate by the Purchasing Agent or City Manager.”

Order

Under the authority granted to the City Manager by Chapter 11 of the City Code and City Commission Policy 700-09, I hereby order that all City staff other than the Deputy City Manager, Assistant City Manager, Managing Directors, and Purchasing Agent shall be limited in their authority to authorize purchases to a maximum amount of \$2,500 (the pre-existing amount). The Deputy City Manager, Assistant City Manager, Managing Directors, and Purchasing Agent may authorize purchases up to the maximum amount of \$10,000 as set forth in the ordinance amendment.

This Administrative Order is effective immediately and will remain in force until rescinded or superseded by an administrative or City Commission policy.