

**AN ORDINANCE TO UPDATE THE CONTRACTING AUTHORITY
DELEGATED TO DEPARTMENT DIRECTORS BY AMENDING
SECTION 3.04.090 OF THE RAPID CITY MUNICIPAL CODE**

WHEREAS, SDCL 9-1-5 allows the Common Council to delegate the authority to enter into contracts on behalf of the municipality to any employee of the City; and

WHEREAS, the City of Rapid City has established by ordinance a purchasing system for the acquisition of supplies and materials by department directors, which allows department directors to make purchases under the limit established by state law requiring competitive bidding; and

WHEREAS, the City of Rapid City has also by ordinance delegated to department directors the ability to enter into contracts in an amount less than \$25,000; and

WHEREAS, the delegation of authority to department directors allows the City to efficiently provide services to the citizens of Rapid City; and

WHEREAS, the Common Council desires to increase the current limits on the authority of department directors to reflect the increasing costs of supplies and improve the efficiency of the purchasing system; and

WHEREAS, the Common Council further desires to change the contracting authority to bring it in line with the purchasing authority of department directors.

NOW THEREFORE, BE IT ORDAINED by the City of Rapid City, that Section 3.04.090 of the Rapid City Municipal Code be and is hereby amended to read in its entirety as follows:

A. The Mayor and department directors authorized to approve and sign purchase orders shall also have the authority to enter into contracts on behalf of the City within the limits established in § 3.04.030, provided that any necessary funding is available within the department's budget and the contract is first reviewed and approved by the City Attorney.

B. If an individual department director enters into a contract or multiple contracts with a single vendor with an aggregate cost ~~of more than \$25,000~~ exceeding the limits provided above in a calendar year, approval by the Council will first be ~~required for all contracts in excess of the \$25,000 aggregate~~. Notwithstanding this subsection, in the event of extenuating circumstances, a department director may enter into contracts with a single vendor that exceeds the ~~\$25,000~~ above limits, provided that the requirements of the laws on competitive bidding are satisfied. The extenuating circumstances shall be reported to the Council at its next regular meeting.

CITY OF RAPID CITY

Attest

Mayor

Finance Officer

(seal)