

**AN ORDINANCE TO AMEND PROVISIONS CONCERNING PURCHASING PROCEDURES AND DELEGATION OF PURCHASING AUTHORITY BY AMENDING CHAPTER 3.04 OF THE RAPID CITY MUNICIPAL CODE**

WHEREAS, the City of Rapid City has adopted regulations to govern the procedures for city employee purchases of materials, supplies, equipment, and services on behalf of the City in Rapid City Municipal Code (RCMC) Chapter 3.04; and

WHEREAS, the City has adopted ordinances authorizing department directors to make purchases in amounts less than the limits requiring competitive bidding; and

WHEREAS, RCMC Section 3.04.030 refers to the competitive bidding requirements in SDCL 5-18A-14 in explaining the limits of the Council's delegation to the Mayor and directors; and

WHEREAS, generally RCMC Chapter 3.04 has been interpreted that department directors may authorize expenditures and/or sign contracts up to \$25,000; and

WHEREAS, in 2020 South Dakota Legislature amended SDCL 5-18A-14 to increase the bid limit for public improvement projects from \$50,000 to \$100,000; and

WHEREAS, a change to the municipal code is required to reflect the change in state law; and

WHEREAS, the City wishes to clarify the limits of the delegation from the Council to the Mayor and department directors by adopting the dollar amounts exempt from public bidding as set by the South Dakota Legislature in SDCL Chapter 5-18A.

NOW THEREFORE, BE IT ORDAINED by the City of Rapid City, that Section 3.04.030 of the Rapid City Municipal Code is hereby amended to read in its entirety as follows:

**3.04.030 Purchasing procedures.**

A. Whenever any eCity department director ~~or officer or other person~~ desires to make any purchase of materials, supplies, equipment, ~~printing~~ or services on behalf of the eCity, he or she shall issue a purchase order therefor.

B. Department directors shall make reasonable attempts to obtain informal quotations for any purchase in excess of \$5,000.

C. It shall be the duty of the department director to preaudit the purchase order or contract prior to incurring the obligation and the preaudit shall be directed toward the determination of whether funds for the purchase are available within the ~~and~~ appropriations unexpended or uncommitted ~~in the fund or funds involved and toward the necessity for the purchase.~~

D. The City Attorney's Office shall review and approve any contractual terms for the purchase prior to the department director signing any contract or purchase order.

~~B. The Mayor, any department director, or acting department director as designated by the Mayor, or designee of the foregoing, may approve and sign a purchase order if the amount shall be less than the applicable amount for which competitive bidding is required by SDCL § 5-18A-14, without prior approval by the Common Council. Reasonable attempts shall be made by all department directors to obtain informal quotations from local suppliers for any item or repair in excess of \$5,000.~~

~~C. All purchases in excess of the limit provided in subsection B. must comply in all respects with SDCL Chapters 5-18A through 5-18D.~~

~~D. E. Procurements utilizing federal funds are subject to *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)* and any other federal statutes and regulations governing the use and payment of such funds.~~

F. Unless the purchase is approved by the Mayor or a department director pursuant to Section 3.04.090, the Common Council shall approve all purchases in accordance with the requirements of SDCL Chapters 5-18A through 5-18D.

(Ord. 6188, 2017; Ord. 6141, 2016; Ord. 5951 (part), 2013; Ord. 5730, 2011; Ord. 5167 (part), 2006; Ord. 3663, 2001; Ord. 3000, 1993; prior code § 2-138)

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

**3.04.090 ~~Contracting~~Purchasing authority delegated to department directors.**

A. The Mayor or any department director may approve and sign a purchase order or enter into a contract on behalf of the City without prior approval by the Common Council for the following expenditures:

~~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.~~

1. Supplies and services, except services provided in subsection A.4, for an amount less than \$25,000.
2. Equipment for an amount less than \$50,000.
3. Public improvements, as defined by SDCL 5-18A-1(22), for an amount less than \$100,000.
4. Professional services, as defined by SDCL 5-18A-1(19), or equipment repairs, for an amount less than the maximum contract amount for direct selection of consultants in the City's Technical Consultant Selection Procedure.

B. Aggregate Limit. No individual department director may ~~enter into a contract or multiple contracts with~~ authorize expenditures under this Section with a single vendor within a calendar year with an aggregate cost exceeding the applicable limit provided ~~above~~ in Section A ~~in a calendar year without approval by the Council or appropriate governing body.~~ Notwithstanding this subsection, ~~in the event of~~ if extenuating circumstances warrant, a department director may ~~enter into contracts with~~ authorize expenditures from a single vendor that exceeds the above limits, provided that the requirements of the laws on competitive bidding are satisfied. The department director shall promptly report the extenuating circumstances ~~shall be reported to the Council at its next regular meeting.~~

C. All purchases in excess of the limits provided in subsection ~~B~~ A, must comply in all respects with SDCL Chapters 5-18A through 5-18D and shall be approved by Council.

(Ord. 6133, 2016: Ord. 5951 (part), 2013: Ord. 5534, 2009: Ord. 5167 (part), 2006)

**CITY OF RAPID CITY**

---

Mayor

Attest

---

Finance Director

(seal)

First Reading:  
Second Reading:  
Published:  
Effective: