

Office of Project Excellence

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October 21, 2015

Honorable Members of the City Council  
155 Deer Hill Avenue  
Danbury, CT 06810

Re: Increase of sealed bid threshold  
Code of Ordinances Sections 2-146 & 147

Dear Members of the Council:

I submit for your consideration the attached ordinances providing for modifications to the City's purchasing. The proposed modifications to the ordinances, which notably will increase the City's sealed bid threshold from \$5,000.00 to \$10,000.00, will bring the City's threshold more in line with a surveyed average of surrounding communities as well as the State of Connecticut. Additionally, the proposal will enable the City to participate in reverse auctions.

The proposed modification provide for a means of more efficient City operations while maintaining rigorous internal controls. By raising the limit for when sealed bids are needed there is an estimated time savings of one to two months per project that falls between the current and proposed levels. Additionally, this will increase productivity for both the department conducting the project as well as the Purchasing Department. However, those projects will still be required to obtain three competitive quotes, in order to ensure that fiscal restraint and management are maintained.

Therefore, it is requested that an Ad hoc Committee be formed to review the proposed ordinance changes. The Office of the Corporation Counsel has prepared a proposed draft ordinance which is attached hereto.

Thank you for your consideration in this matter.

Truly yours,

Stephen J. Nocera

Director

Office of Project Excellence.

CC: Mayor Mark D. Boughton  
David St. Hilaire, Finance Director  
Laszlo L. Pinter, Deputy Corporation Counsel  
Robin L. Edwards, Assistant Corporation Counsel



# ORDINANCE

CITY OF DANBURY, STATE OF CONNECTICUT  
CITY COUNCIL

\_\_\_\_\_ A.D. 2015

**Be it ordained by the City Council of the City of Danbury:**

Sec. 2-146. Purchasing and bidding procedure/reverse auction option.

(a) **SEALED BIDS.** If the amount of the expenditure, purchase or contract for purchasing, including a continuing order or contract for the purchase of the same commodity over a period of twelve (12) months, involves the expenditure of ten thousand hundred dollars (\$10,000.00) or more, for a list of related items commonly sold by the same vendors, the purchasing agent shall invite sealed bids or proposals, giving at least five (5) days' public notice thereof by publication at least once in a newspaper having circulation in the city, by invitations mailed to known vendors and by posting on a public bulletin board in the office of the purchasing agent. All invitations to bid shall include detailed specifications or indicate where they can be obtained, shall specify the time and place where the bids shall be filed, the time and place where bids will be opened and the time after opening within which an award will be made or all bids rejected. The requirements for public notice and sealed bids concerning a purchase may be waived by the common council after a determination that it is in the best interest to do so. The foregoing provisions of this subsection notwithstanding, invitations for sealed bids or proposals, at the discretion of the purchasing agent, shall not be required for contracts for services or where the proportion of services to materials for a particular job is at least seventy (70) percent labor.

(b) **PUBLIC BID OPENING.** Bids shall be publicly opened by the purchasing agent at the time and place specified and the full detail of each bid shall be recorded. The agent may, at his discretion, invite interested city personnel to the public opening if, in his judgment, it would be of benefit to the process. An abstract of the record of bids shall be posted for public inspection and shall have added to it information indicating the basis for awarding the contract or purchase order and the name of the successful bidder. Such abstract shall remain posted for five (5) days after the award has been made.

(c) **FAILURE TO PROVIDE NECESSARY INFORMATION.** If any prospective bidder fails, neglects or refuses to furnish the purchasing agent with such financial statements and other information as may be required to determine his responsibility as a bidder, his bid shall not be considered. If he fails, neglects or refuses to submit bids in response to not fewer than three (3) consecutive requests therefore on commodities of a class furnished by him, his name may be removed from the list of prospective bidders. Bid irregularities or informalities may be waived by the purchasing agent with prior approval of the office of the corporation counsel.

(d) **CERTIFIED CHECK / BID BOND.** In connection with each advertised request for bids, the purchasing agent may require a certified check or a bid bond to be submitted with the bid, which checks or bid bonds shall be submitted subject to any requirements governing contracts for work to be done on city projects. A certified check or bid bond need not be required for the purchase of commercially available commodities. In the event any bidder shall refuse to accept, within a time specified by the purchasing agent, a contract awarded to him, he shall forfeit his bond to the city, and such contract may be awarded to the next lowest responsible qualified bidder, subject to the same terms and conditions as set forth herein.

(e) **REVERSE AUCTION.** Pursuant to the provisions of Section 4A-60b of the Connecticut General Statutes, whenever the City, through the Purchasing Agent, determines that the use of a reverse auction is advantageous to the City and will ensure a competitive contract award, the City may use a reverse auction to award a contract for goods or supplies, in accordance with any applicable requirement of the general statutes and policies of the City. The City may contract with a third party to prepare and manage any such reverse auction.

**COPY SHOWING DELETIONS AND NEW LANGUAGE.**

THAT Section 2-146 of the Code of Ordinances of Danbury, Connecticut is hereby amended to read as follows:

Sec. 2-146. Purchasing and bidding procedure/REVERSE AUCTION OPTION.

(a) SEALED BIDS. If the amount of the expenditure, purchase or contract for purchasing, including a continuing order or contract for the purchase of the same commodity over a period of twelve (12) months, involves the expenditure of ~~TEN five thousand dollars (\$10,000.00) - (\$5,000.00)~~ or more, for a list of related items commonly sold by the same vendors, the purchasing agent shall invite sealed bids or proposals, giving at least five (5) days' public notice thereof by publication at least once in a newspaper having circulation in the city, by invitations mailed to known vendors and by posting on a public bulletin board in the office of the purchasing agent. All invitations to bid shall include detailed specifications or indicate where they can be obtained, shall specify the time and place where the bids shall be filed, the time and place where bids will be opened and the time after opening within which an award will be made or all bids rejected. The requirements for public notice and sealed bids concerning a purchase may be waived by the common council after a determination that it is in the best interest to do so. The foregoing provisions of this subsection notwithstanding, invitations for sealed bids or proposals, at the discretion of the purchasing agent, shall not be required for contracts for services or where the proportion of services to materials for a particular job is at least seventy (70) percent labor.

(b) PUBLIC BID OPENING. Bids shall be publicly opened by the purchasing agent at the time and place specified and the full detail of each bid shall be recorded. The agent may, at his discretion, invite interested city personnel to the public opening if, in his judgment, it would be of benefit to the process. An abstract of the record of bids shall be posted for public inspection and shall have added to it information indicating the basis for awarding the contract or purchase order and the name of the successful bidder. Such abstract shall remain posted for five (5) days after the award has been made.

(c) FAILURE TO PROVIDE NECESSARY INFORMATION. If any prospective bidder fails, neglects or refuses to furnish the purchasing agent with such financial statements and other information as may be required to determine his responsibility as a bidder, his bid shall not be considered. If he fails, neglects or refuses to submit bids in response to not fewer than three (3) consecutive requests therefore on commodities of a class furnished by him, his name may be removed from the list of prospective bidders. Bid irregularities or informalities may be waived by the purchasing agent with prior approval of the office of the corporation counsel.

(d) CERTIFIED CHECK / BID BOND. In connection with each advertised request for bids, the purchasing agent may require a certified check or a bid bond to be submitted with the bid, which checks or bid bonds shall be submitted subject to any requirements governing contracts for work to be done on city projects. A certified check or bid bond need not be required for the purchase of commercially available commodities. In the event any bidder shall refuse to accept, within a time specified by the purchasing agent, a contract awarded to him, he shall forfeit his bond to the city, and such contract may be awarded to the next lowest responsible qualified bidder, subject to the same terms and conditions as set forth herein.

(e) REVERSE AUCTION. PURSUANT TO THE PROVISIONS OF SECTION 4A-60b OF THE CONNECTICUT GENERAL STATUTES, WHENEVER THE CITY, THROUGH THE PURCHASING AGENT, DETERMINES THAT THE USE OF A REVERSE AUCTION IS ADVANTAGEOUS TO THE CITY AND WILL ENSURE A COMPETITIVE CONTRACT AWARD, THE CITY MAY USE A REVERSE AUCTION TO AWARD A CONTRACT FOR GOODS OR SUPPLIES, IN ACCORDANCE WITH ANY APPLICABLE REQUIREMENT OF THE GENERAL STATUTES AND POLICIES OF THE CITY. THE CITY MAY CONTRACT WITH A THIRD PARTY TO PREPARE AND MANAGE ANY SUCH REVERSE AUCTION.

Note: New language is indicated by **CAPITALIZATION COMBINED WITH UNDERLINING** except that capitalization is not utilized for the letters in parenthesis which indicate subsections.

Deleted language is indicated ~~strikeouts~~.



# ORDINANCE

CITY OF DANBURY, STATE OF CONNECTICUT

CITY COUNCIL

\_\_\_\_\_ A.D. 2015

**Be it ordained by the City Council of the City of Danbury:**

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Sec. 2-147. Purchases under \$10,000.00.

(a) If the amount of expenditures is estimated to be less than ten thousand dollars (\$10,000.00), the purchase may be made in the open market without the necessity for formal advertising or competitive bidding, except that where the amount is estimated to be between five thousand dollars (\$5,000.00) and ten thousand dollars (\$10,000.00), written quotations from at least three (3) bidders are to be obtained whenever possible; where the amount is greater than one thousand dollars (\$1,000.00) but less than five thousand dollars (\$5,000.00), at least three (3) verbal quotes for pricing shall be obtained.

(b) Purchases or sales in sums less than one thousand dollars (\$1,000.00) may be awarded based on a single bid, or competitive bids which may be sought and accepted orally.

(c) Local purchase orders may be used at the discretion of the city department involved for work in progress with authorization by the purchasing agent, provided that such purchase order does not involve an amount greater than two hundred dollars (\$200.00).

**COPY SHOWING DELETIONS AND NEW LANGUAGE.**

THAT Section 2-147 of the Code of Ordinances of Danbury, Connecticut is hereby amended to read as follows:

Sec. 2-147. Purchases under \$10,000.00 ~~5,000.00~~.

(a) If the amount of expenditures is estimated to be less than TEN ~~five~~ thousand dollars (\$10,000.00) ~~(\$5,000.00)~~, the purchase may be made in the open market without the necessity for formal advertising or competitive bidding, except that where the amount is estimated to be between FIVE THOUSAND ~~twenty-five hundred~~ dollars (\$5,000.00) ~~(\$2,500.00)~~ and TEN ~~five~~ thousand dollars (\$10,000.00) ~~(\$5,000.00)~~, written quotations from at least three (3) bidders are to be obtained whenever possible; where the amount is greater than ONE THOUSAND ~~five hundred~~ dollars (\$1,000.00) ~~(\$500.00)~~ but less than FIVE THOUSAND ~~twenty-five hundred~~ dollars (\$5,000.00) ~~(\$2,500.00)~~, at least three (3) verbal quotes for pricing shall be obtained.

(b) Purchases or sales in sums less than ONE THOUSAND ~~five hundred~~ dollars (\$1,000.00) ~~(\$500.00)~~ or less may be awarded based on a single bid, or competitive bids which may be sought and accepted orally.

(c) Local purchase orders may be used at the discretion of the city department involved for work in progress with authorization by the purchasing agent, provided that such purchase order does not involve an amount greater than TWO ~~one~~ hundred dollars (\$200.00) ~~(\$100.00)~~.

Note: New language is indicated by **CAPITALIZATION COMBINED WITH UNDERLINING** except that capitalization is not utilized for the letters in parenthesis which indicate subsections.

Deleted language is indicated ~~strikeouts~~.