

PROPOSED BY: Staff

Bill No: 22-2941

INTRODUCED BY: Alderman Fitzpatrick

Ordinance No: 2926

AN ORDINANCE AUTHORIZING AN AMENDED SECTION 2-333 OF THE MUNICIPAL CODE RELATING TO APPROVAL OF THE WARRANT LIST AND PAYMENT OF BILLS AND STATING THE INTENTION OF THE CITY TO PARTICIPATE IN THE MISSOURI LOCAL GOVERNMENT EXPENDITURE DATABASE TO BE MAINTAINED AND CREATED BY THE STATE OF MISSOURI NO LATER THAN JANUARY 1, 2023

WHEREAS, Section 2-333 of the Municipal Code provides a process for approval and payment of accounts payable for the City of Des Peres and the board of aldermen desire to adjust the threshold for bills to be placed on a warrant list, amend the procedures for approval of the warrant list, and for payment of bills to provide for payment of bills in a circumstance in which the board of aldermen are unable to meet to review and approve the warrant list due to lack of a quorum or cancellation of a regular meeting; and

WHEREAS, the 101st General Assembly of the State of Missouri adopted HB271 which includes creation of the Missouri Local Government Expenditure Database allowing cities and counties to voluntarily post on the state website a record of all expenditures incurred and provides, subject to appropriation, for state reimbursement of the costs for participation; and

WHEREAS, the City of Des Peres currently maintains a monthly check register on the city website reporting a list of all checks issued by the city and the board of aldermen desire to expand its transparency by voluntarily participating in the Missouri Local Government Expenditure Database;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF DES PERES, MISSOURI, AS FOLLOWS:

Section One: Section 2-333. Payment of Bills of the Municipal Code of the City of Des Peres is hereby repealed and a new section adopted in lieu thereof to read as follows with language to be added underlined and language to be deleted stricken:

S2-333 Payment of Bills-

- (a) No bill shall be paid unless a warrant has first been prepared and executes by the head of the department in which the expense was incurred and the warrant has been approved by the following city officials:
1. The director of the department in which the purchase has been made to verify the authenticity of the purchase and receipt of the goods included therein; and
 2. The director of finance to verify that the purchasing code has been followed, that the item is being charged to the correct account and that sufficient funds remain within the departmental budget; and
 3. The city administrator for final approval.

- (b) All warrants in excess of ~~one thousand dollars (\$1,000)~~ **three thousand dollars (\$3,000)** shall be appear on a warrant list submitted to the board of aldermen for review and approval. No bill on said warrant list shall be paid without approval of the board of aldermen except as authorized by the city administrator ~~herein~~.
- (c) The city administrator is authorized to approve payment prior to the board approval for deposits, all expenditures relating to payroll **and employee benefits**, utility bills including street lighting, **invoices for equipment purchases for which contracts were previously approved by the board of aldermen** and such other bills for which a reasonable discounts can be received from early payment or when holding same for board approval would result in penalties
- (d) **In the event the board of aldermen is unable to meet due to lack of a quorum or cancellation of a meeting and fails to call a special meeting for purposes of payment of bills, the Mayor may approve the warrant list without board approval and report the same to the board of aldermen at their next regular meeting.**
- (e) **The city voluntarily agrees to participate in the Missouri Local Government Expenditure Database effective January 1, 2023 as provided in Section 37.1091 RSMO. The director of finance shall take all reasonable administrative steps seek reimbursement of all costs for participation as provided in Section 371.094.5 RSMO.**

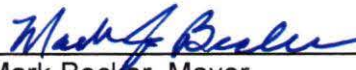
Section Two: This ordinance shall be in full force and effect both from and after its passage and approval by the Board of Aldermen.

Voting in Favor: Barrett, Concagh, Fitzpatrick, Kleinschmidt, Osherow, and Pound

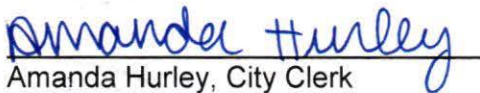
Voting Against:

Absent:

This ordinance passed this 24th day of January, 2022.


Mark Becker, Mayor

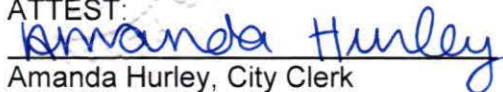
ATTEST:


Amanda Hurley, City Clerk

This ordinance approved this 24th day of January, 2022.


Mark Becker, Mayor

ATTEST:


Amanda Hurley, City Clerk

First Reading 01-10-2021
Second Reading 01-24-2021



CITY OF DES PERES INTERNAL MEMO

TO: Mayor and Board of Alderman
Audit & Finance Committee

FROM: Tracy Hansen, Director of Finance

DATE: February 26, 2018

RE: Review and update of purchasing policy

The Government Finance Officers Association (GFOA) recommends regular review and update of financial policies as a best practice. In following these best practices as well as in response to a request from staff, a review of the purchasing policy has been undertaken. Policies from six other municipalities of our general size and region, two with recreational facilities, were compared with Des Peres' with the goal of keeping the Board oversight function in place while maintaining staff flexibility and improving operating efficiency. I also reached out to the GFOA list serve to get a general idea of what other cities in the state are using as their formal bid threshold. I contacted directly Ballwin, Kirkwood, Town and Country, Richmond Heights, Maryland Heights and Maplewood and reviewed each of their purchasing policies. Only one city, Maplewood, had bid thresholds lower than the City of Des Peres. All the other local cities that I contacted and reviewed had formal request for proposal (RFP) thresholds of \$7,500 or higher. \$10,000 seems to be the norm when I surveyed the GFOA list serve.

I would like to recommend the following revisions to the purchasing policy, which comprises Sections 2.311 through 2.334.

	Current Thresholds	Recommended Thresholds
Formal Bidding & Summary Sheet w/ Approval of BOA	Purchases greater than \$5,000	Purchases greater than \$10,000
Written quotes & Summary Sheet	Purchases >\$3,000 & <\$5,000	Purchases >\$3,000 & <\$10,000
Oral Bids & Summary Sheet	Purchases >\$1,500 & < \$3,000	Purchases >\$1,500 & < \$3,000
Prudent Man Standard	Purchases under \$1,500	Purchases under \$1,500

The current limit of \$5,000 for the RFP process creates significant additional work and additional time, at least 30 days, for many purchases which are repetitive in nature and/or are used in the regular course of business: concrete for patch work, deer study, Office 2016, chemicals, lawn mowers, small equipment items, mirrors, pool vacuums. The larger threshold will allow for the same level of price comparison

RFP data

Amount	2016	2017
< \$5,000	3	6
\$5K-\$7.5K	7	6
\$7.5K-\$10K	6	5
\$10K-\$15K	13	8
\$15-\$25K	7	7
\$25K-\$50K	16	13
\$50-\$100K	6	5
\$100K+	5	5
Total	63	55

without creating the additional steps of the cumbersome paperwork and time necessary for the bid process. Larger projects, purchases and contracts which typically fall above the \$10,000 threshold will still require the formal bid process and approval of the Board of Alderman. Further, the purchases under \$10,000 will still require getting written or oral quotes to ensure that we are getting the best price.

In 2016, there were 13 purchases that would have been affected by the new thresholds. In 2017 there were 11.

I would also like to recommend the following change to our purchasing policy, which is not an official directive of the code.

The Finance Department currently creates a Warrant List for each board meeting which includes payments to vendors for amounts greater than \$1,000. The payments are held in the vault and not released to vendors until the Warrant List is formally approved via the Consent Agenda, with the exception of utility payments and employee benefit payments. In order to minimize the number of checks that are being issued, the Finance department began combining invoice payments onto one check. Therefore, the number of checks over \$1,000 went up. Since we can't release a check before it is approved, there are numerous vendors that incur delays in prompt payment. Further, for payments that are over \$1,000, in order to ensure that a vendor's payment is not delayed another two weeks, Department Directors must submit their payable vouchers to the Finance Department the Wednesday prior to the Board meeting. The low threshold means that more payments are delayed.

This amount has not been modified in over 30 years, if ever. I am recommending that we at a minimum, raise the Warrant List limit to \$3,000.

- Ballwin –no warrant list, entire check register is posted their website
- Maryland Heights –check register is approved by board at council meeting, however, payments are mailed prior to approval
- Richmond Heights –no warrant list
- Town and Country –Warrant list, all checks listed, payments held until approved
- Maplewood –no warrant list
- Kirkwood –no warrant list