

**CITY OF KODIAK
ORDINANCE NUMBER 1440 (SUB2)**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK
AMENDING KODIAK CITY CODE CHAPTER 3.12 TO INCREASE CERTAIN
DOLLAR THRESHOLD AMOUNTS AND AMEND CONTRACTING AUTHORITY**

WHEREAS, Kodiak City Code 3.12.020 provides that the City Manager may make an acquisition, sale, transfer, or contract without council approval, open market, or bidding procedures, only if the value of the property, service, or contract does not exceed \$35,000; and

WHEREAS, Kodiak City Code 3.12.030 and 3.12.040 provide that the City Manager may make purchases, sales or contracts having an estimated value in excess of \$35,000 but not more than \$50,000 on the open market without newspaper advertisement; and

WHEREAS, Kodiak City Code 3.12.090 requires City Council approval for purchases, sales, or contracts having an estimated value in excess of \$35,000; and

WHEREAS, the cost of goods and services has increased substantially since these dollar limits were enacted; and

WHEREAS, an increase in the dollar limit on the City Manager's contracting authority in Kodiak City Code 3.12.020 to \$50,000 and on the City Manager's authority to use open market procedures to \$50,000 would recognize the increase in the cost of goods and services since these dollar limits were established, and support the efficient operation of City government.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Kodiak, Alaska, as follows:

Section 1: Classification. This is a code ordinance.

Section 2: Amendment to KCC 3.12.020. Kodiak City Code 3.12.020 is hereby amended to read as follows:

3.12.020 Limitation on City Manager's authority

(a) The City Manager may make an acquisition, sale, transfer, or contract authorized by KCC 3.12.010 without Council approval, open market, or bidding procedures, if the value of the property, service, or contract does not exceed **\$50,000** ~~35,000~~ **and the contract, purchase, or sale is not subject to the requirements of City Charter Section V-17.**

(b) **The manager may delegate contracting authority provided by subsections (a) and (d) of KCC 3.12.010 to the director of a city**

[Bold and underlined added. Deleted language stricken through.]

department or agency or to the city clerk for any contract or purchase that does not exceed \$20,000.

Section 3: Amendment to KCC 3.12.090. Kodiak City Code 3.12.090 is hereby amended to read as follows:

3.12.090 Purchase, contract, or sale valid when—prohibited when

(a) A purchase, contract, or sale subject to the provisions of this chapter shall not be valid, enforceable, or binding upon the city unless the established requirements have been satisfied and the contract, purchase, or sale approved by the city manager or, if of greater than \$35,000 value, by the council. **is approved in accordance with this section.**

(b) An acquisition, sale, or transfer of property or services shall not be divided or split into several acquisitions, sales, or transfers for the purpose of avoiding the requirements of this chapter relating to open market or bidding requirements.

(c) Except as provided in subsection (e), a contract, purchase, or sale that does not exceed \$50,000 may be approved by the city manager.

(d) Except as provided in subsection (e), a contract, purchase, or sale with a value exceeding \$50,000 may be approved by the council. Such approval may be provided by motion, resolution, or ordinance.

(e) The following contracts, purchases, or sales must be approved ordinance as specified by Charter V-17:

(1) Any contract which by its terms will not be fully executed within five years and which cannot be terminated by the City upon not more than one month's notice without penalty; and

(2) The sale or lease of any city property, real or personal, or the sale or other disposal of any interest therein, the value of which property, lease, or interest is more than \$30,000.

(f) For the purpose of (e)(2) of this section, the value of a lease of an interest in city property shall be determined by the total rent payable for the term of the lease; provided, however, that if the city may terminate the lease prior to the end of the term without penalty, the value of the lease shall be determined based on the total rent payable for the minimum term or duration before the city may terminate without penalty.

[Bold and underlined added. Deleted language stricken through.]

Section 4: This ordinance shall be effective one month following final passage and publication in accordance with Kodiak Charter Article II Section 13.



CITY OF KODIAK

Pat Moran

MAYOR

ATTEST:

Michelle Sherwin-Nelson
CITY CLERK

First Reading: October 26, 2023
Second Reading: November 9, 2023
Effective Date: December 15, 2023

[Bold and underlined added. Deleted language stricken through.]

