

BOARD OF ALDERMEN

ITEM NO. B(2)

AGENDA ITEM ABSTRACT MEETING DATE: June 17, 2003

TITLE: A Request to Adopt An Ordinance Amending the Town Code to Update Provisions Relating to the Town Manager's Authority to Enter into Contractual Agreements

DEPARTMENT: Management Services	PUBLIC HEARING: No
ATTACHMENTS: A. Proposed Ordinance	FOR INFORMATION CONTACT: L. Bingham Roenigk, Assistant Town Manager, 918-7300 Jan Bryant-Berry, Purchasing Officer, 918-7301

PURPOSE

The Management Services Department, in updating internal administrative practices for contracts, is requesting the Board to amend the Town Code relating to the Authority of the Town Manager to enter into contractual agreements. The proposed ordinance amends the current Town Code, clarifying the Town Manager's authority to execute contracts, allows the Town Manager to delegate authority to sign contracts on behalf of the Town of Carrboro, and adds authority for the Town Manager to sign emergency contracts under specified conditions outlined in the Town Code.

INFORMATION

Due to the number of small and routine service contracts and purchase orders that are processed by town staff, it is recognized that requiring the Manager to execute these small dollar contracts and to sign all purchase orders would be extremely time consuming and cumbersome, thus hindering the departments from providing services to the public in a expeditious manner. This amendment is intended to clarify and update the Town Code to bring consistency between current practices and the Town Code.

For example, the Town's purchasing policy authorizes department heads to create purchase orders to conduct day-to-day services and these contracts are signed by the Assistant Town Manager and by the Purchasing Officer (with limited authority). The Town Manager does not and has not signed purchase orders as a practice since the Board of Aldermen has already implicitly or explicitly approved the purchased items within the budget.

In addition, numerous service contracts are processed by various departments, particularly the Parks and Recreation Department, for vendors to teach classes, provide performances, and to set up equipment. It would be difficult to execute these contracts in a timely manner if the Town Manager's signature were required. Currently, the Department Head and the Assistant Town Manager (for pre-audit purposes) sign these contracts.

The proposed ordinance identifies specific internal controls in delegating the Town Manager's authority to execute contracts on behalf of the Town. It specifies that the Board of Aldermen may by resolution authorize other officials to execute specific documents on behalf of the Town and authorizes the Manager

to delegate in writing to other employees the authority to execute specific documents or classes of documents. Other controls include the Finance Officer's signature that sufficient funds exist to pay for the contract (pre-audit clause) and limiting the Manager's authority to signing contracts only where the Board of Aldermen has specifically appropriated funds for the expenditure or if not currently budgeted, the contract must be less than \$5,000.

This proposed amendment also adds a section that allows the Manager to contract on behalf of the Town during an emergency. The Town having gone through disasters such as Hurricane Fran and more recently, the ice storm of December 4, 2002, it is essential that the Manager be able to execute agreements that can expedite much needed services and goods to enable the Town to operate under normal conditions as quickly as possible. Following the execution of a contract under emergency conditions, the Manager must bring the matter before the Board of Aldermen for their review and approval during a public meeting at the earliest possible date.

The proposed amendment to the current Ordinance is included in Attachment A.

ADMINISTRATION'S RECOMMENDATION

The Administration recommends that the Board approve the attached Ordinance.