

One-rdg. \_\_\_\_\_  
P. Hrngs. \_\_\_\_\_  
Pgs. 3  
Filed: 10-11-16

Sponsored by: Hosmer

First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

COUNCIL BILL NO. 2016-232

GENERAL ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE

1 AMENDING the Springfield City Code, Chapter 2, Administration, Article VI, Finances,  
2 Division 2, Purchasing, Section 2-401, known as the Purchasing Manual,  
3 by amending Subsection 13-3.104, Paragraph 8, Contract Performance  
4 and Payment Bonds, by increasing the minimum dollar amount of  
5 construction contracts that require performance, labor and materials  
6 bonds to \$50,000.00 in the City's Purchasing Manual.  
7  
8

9 BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD,  
10 MISSOURI, as follows, that:

11 NOTE: Language being added is underlined and language being removed is  
12 ~~stricken~~.  
13

14  
15 Section 1 – the Springfield City Code, Chapter 2, Administration, Article VI,  
16 Finances, Division 2, Purchasing, Section 2-401, Subsection 13-3.104, Paragraph 8,  
17 Contract Performance and Payment Bonds, is hereby amended as follows:  
18

19 13-3.104 REGULATIONS GOVERNING COMPETITIVE BIDDING  
20

21 8. Contract Performance and Payment Bonds - When a construction contract is  
22 awarded, for an amount exceeding ~~\$25,000.00~~\$50,000.00, a bond shall be delivered  
23 to the City and shall become binding on the parties upon the execution of the  
24 contract; which bond shall be a performance, labor and materials bond satisfactory  
25 to the City, executed by a surety company authorized to do business in this state or  
26 otherwise secured in a manner satisfactory to the City, in an amount equal to 100%  
27 of the price specified in the contract. If the amount of the contract is less than  
28 ~~\$25,000.00~~\$50,000.00, such bond may be required at the recommendation of the  
29 contracting department or the City Purchasing Agent.  
30

31 Section 2 – Severability Clause. If any section, subsection, sentence, clause or  
32 phrase of this ordinance is for any reason held to be invalid, such decision shall not  
33 affect the validity of the remaining portions of this ordinance. The City Council hereby

34 declares that it would have adopted the ordinance and each section, subsection,  
35 sentence, clause, or phrase thereof, irrespective of the fact that any one or more  
36 sections, sentences, clauses, or phrases be declared invalid.

37  
38 Section 3 – Savings Clause. Nothing in this ordinance shall be construed to  
39 affect any suit or proceeding now pending in any court or any rights acquired or liability  
40 incurred nor any cause or cause of action occurred or existing, under any act or  
41 ordinance repealed hereby. Nor shall any right or remedy of any character be lost,  
42 impaired, or affected by this ordinance.

43  
44 Section 4 – This ordinance shall be in full force and effect from and after  
45 passage.

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47 Passed at meeting: \_\_\_\_\_

48  
49  
50 \_\_\_\_\_  
51 Mayor

52  
53  
54 Attest: \_\_\_\_\_, City Clerk

55  
56 Filed as Ordinance: \_\_\_\_\_

57  
58  
59 Approved as to form: , Assistant City Attorney

60  
61 Approved for Council action: , City Manager  
62  
63

**EXPLANATION TO COUNCIL BILL NO: 2016- 232**

FILED: 10-11-16

ORIGINATING DEPARTMENT: Finance

PURPOSE: To amend the Springfield City Code, Chapter 2, Administration, Article VI, Finances, Division 2, Purchasing, Section 2-401, known as the Purchasing Manual, by amending Subsection 13-3.104, Paragraph 8, Contract Performance and Payment Bonds, by increasing the minimum dollar amount of construction contracts that require performance, labor and materials bonds to \$50,000.00 in the City's Purchasing Manual.

BACKGROUND: In Late 2014, in an effort to provide relief to contractors, the State of Missouri passed modifications to Missouri's Public Prompt Pay Act (34.057 RSMo) and Public Works Bonding Act (107.170 RSMo). These provisions revised and expanded the scope of Missouri's Public Prompt Payment Act and, among other benefits for contractors working on public works projects, reduced delays in payments due from public owners, provided clarification of the professionals protected through these Acts, and raised the floor value for requiring construction contractors to furnish a bond from \$25,000.00 to \$50,000.00. The immediate ordinance will update the City's bonding requirement, set out in Subsection 13-3.104, Paragraph 8 of the City's Purchasing Manual, to match Missouri's statutory requirements by requiring bonds for construction contracts with the City that are estimated to exceed \$50,000.00. Depending upon the type and nature of the construction project, Paragraph 8 of Subsection 13-3.104 will continue to allow the City, if needed, to require a bond for projects with estimated costs of \$50,000.00 or less, if recommended by the City Purchasing Agent or the contracting department.

REMARKS: In conjunction with the immediate ordinance, a similar council bill is being presented to City Council to simultaneously amend the corresponding section of the City Code, Chapter 2, Administration, Article I, In General, Section 2-5, Bonds on public works projects, by increasing the minimum dollar amount of construction contracts that require performance, labor and materials bonds to \$50,000.00 in the City Code also.

RECOMMENDATION: The Departments of Finance, Public Works, and Environmental Services recommend approval of the proposed amendments.

Submitted by:

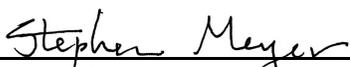
  
\_\_\_\_\_  
Interim Director of Finance

Recommended by:

  
\_\_\_\_\_  
Dan Smith, Director of Public Works

Approved by:

  
\_\_\_\_\_  
Greg Burris, City Manager

  
\_\_\_\_\_  
Steve Meyer, Director of Environmental Services