



ORDINANCE

AMENDMENTS TO THE PURCHASING ORDINANCES TO ALLOW SALE OF SURPLUS STOCK BY ONLINE AUCTION

CITY OF NASHUA

In the Year Two Thousand and Twelve

The City of Nashua ordains that Part I “Administrative Legislation”, Chapter 5 “Administration of Government”, Part VI “Officers and Employees”, Article XVII “Purchasing Manager”, of the Nashua Revised Ordinances, as amended, be hereby further amended by adding the following new underlined language and deleting the struck-through language as follows:

1. In Section 5-88 “Surplus Stock”:

“§ 5-88. Surplus stock.

- A. All using agencies shall submit to the Purchasing Manager, at such times and in such form as he shall prescribe, reports showing stocks of all supplies which are not longer used or which have become obsolete, worn out or scrapped.
- B. The Manager shall have the authority to transfer surplus stock to other using agencies. The Manager shall have the authority to sell, by sealed bid or online auction, all supplies which have become unsuitable for public use, or to exchange the same for, or trade in the same on, new supplies.
- C. Sales by sealed bid or online auction under this section shall be made to the highest responsible bidder and in conformance with § 5-78.
- D. With approval of the Finance Committee, the Purchasing Manager may donate, barter, gift or otherwise dispose of surplus material, stock or equipment which has failed to be sold, exchanged or traded pursuant to Subsection B.”

2. In Section 5-78 “Major purchases (greater than \$10,000)”:

“§ 5-78. Major purchases (greater than \$10,000).

- A. All supplies and contractual services, except as otherwise provided herein, when the estimated cost thereof shall exceed \$10,000 shall be purchased by formal,

written contract from the lowest responsible bidder, after due notice inviting bids. All sales of personal property which has become obsolete or unusable, when the estimated value shall exceed \$5,000, shall be sold by formal written contract to the highest responsible bidder, after due notice inviting bids.

B. Notice inviting bids shall be posted in two appropriate places, one of which shall be on the City's internet website or by publication published once in at least one official newspaper in the City and at least five days preceding the last day set for the receipt of bids. The website or newspaper notice required herein shall include a general description of the articles to be purchased or sold, and The Manager shall also advertise all pending purchases or sales by a notice posted on the public bulletin board in the City Hall.

(1) For all pending purchases or sales by sealed bids, the notice shall state where bid blanks and specifications may be secured, and the time and place for opening bids. The Manager shall also solicit sealed bids from all responsible prospective suppliers who have requested their names to be added to a bidders list, which the Manager shall maintain, by sending them a copy of such newspaper notice or such other notice as will acquaint them with the proposed purchase or sale. In any case, invitations sent to the vendors on the bidders list shall be limited to commodities that are similar in character and ordinarily handled by the trade group to which the invitations are sent. The Manager shall also advertise all pending purchases or sales by notice posted on the public bulletin board in the City Hall.

(2) For all online sales of surplus stock authorized under Sec. 5-88, the notice shall provide the website name and web address of the firm conducting the online auction on behalf of the City. Prior to an item being released to the winning bidder, the Manager will ensure that the winning bidder or their agent has signed a bill of sale.

C. When deemed necessary by the Manager, bid deposits shall be prescribed in the public notice inviting bids. Unsuccessful bidders shall be entitled to return of surety where the agent has required such. A successful bidder shall forfeit any surety required by the Manager upon failure on the bidder's part to enter a contract within 10 calendar days after the award.

D. Sealed Bids shall be submitted ~~sealed~~ to the Manager and shall be identified as bids on the envelope. Bids shall be opened in public at the same time and place stated in the public notices. A tabulation of all bids received shall be available for public inspection.

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This ordinance shall take effect following its passage.

LEGISLATIVE YEAR 2012

ORDINANCE: O-12-022

PURPOSE: Amendments to the purchasing ordinances to allow sale of surplus stock by online auction

ENDORSER(S): Mayor Donnalee Lozeau

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE: The city expects to realize greater revenue from the sale of surplus stock by utilizing online auctions. The city also anticipates some savings by putting notices inviting bids on the city website instead of placing ads in a local newspaper.

ANALYSIS

This legislation amends the purchasing ordinances to allow the sale of surplus stock by online auction, as an allowed alternative to the current method of sale by sealed bid. The legislation also allows one of the notices inviting bids to be published on the city website, instead of requiring it to always be published in a local newspaper.

Approved as to form: Office of Corporation Counsel

By: Dowling Clarke

Date: August 9, 2012

ORDINANCE 0-12-022

Amendments to the purchasing
to allow sale of surplus stock by
online auction

Endorsed by

Michelle Logan
Cheryl...

MAYOR

DEANE

IN THE BOARD OF ALDERMEN

1st READING AUGUST 14, 2012

Referred to:

PERSONNEL AND ADMINISTRATIVE

AFFAIRS COMMITTEE

2nd Reading OCTOBER 9, 2012

3rd Reading _____

4th Reading _____

Other Action _____

Passed OCTOBER 9, 2012

Indefinitely Postponed _____

Defeated _____

Attest *Cheryl...*
City Clerk

Ben...
President

Approved *Michelle Logan*
City Clerk

October 11, 2012
Date

Vetoed: _____

Veto Sustained: _____

Veto Overridden: _____

Attest: _____
City Clerk

President