



ORDINANCE

REGARDING FINANCE COMMITTEE APPROVAL OF CONTRACT AMENDMENTS

CITY OF NASHUA

In the Year Two Thousand and Fourteen

The City of Nashua ordains that Part I “Administrative Legislation”, Chapter 5 “Administration of Government” of the Nashua Revised Ordinances as amended, be hereby further amended as follows:

1. In Part 4 “Officers and Employees”, Article XVII “Purchasing Manager”, Section 5-91 “Amendment to contracts”, delete the struck-through language:

“§ 5-91. Amendment to contracts.

No contract over \$10,000 may be amended as to its terms or scope of work, be terminated, or be amended so as to increase sums payable to the contractor, without Finance Committee approval ~~for amendment amounts exceeding \$10,000~~; and without the Board of Aldermen approval for amendment amounts exceeding \$1,000,000, except that the Mayor may approve changes in the scope of work and/or sums payable to a contractor if all of the following conditions are met:

- A. The Mayor determines an emergency exists as defined in § 5-90G that requires immediate award of an amendment to an existing contract, and follows the notification procedure prescribed in that subsection;
- B. The increased sums authorized are available from existing appropriations and do not exceed \$100,000; and
- C. The Mayor makes a written finding that an immediate contract amendment is required to protect the public health or safety or to avoid substantial financial loss to the City and that the circumstances do not permit the convening of a special meeting of the Finance Committee in time to deal with the crisis. The written finding, specifying in detail the reason for the change, the need for immediate action, and the changed contract terms and amounts, shall be immediately filed with the City Clerk, and shall be presented to the Finance Committee at its next meeting for review.”

2. In Part 7 “Taxation and Finance”, Article XXVII “Contracts and Loans”, Section 5-138 “Contracts”, delete the struck-through language and add the new underlined language:

“§ 5-138. Contracts.

All contracts and amendments to contracts, regardless of value, in which the City becomes involved or engaged shall be reviewed by the City Corporation Counsel, all ~~contracts and amendments~~ in excess of \$10,000 and all contract amendments to those contracts shall be reviewed and approved by the Finance Committee prior to award, and all contracts and amendments in excess of \$1,000,000 shall be reviewed and approved by the Finance Committee and approved by the Board of Aldermen prior to award, except for emergency situations as defined in §§ 5-90 and 5-91.”

All ordinances or parts of ordinances inconsistent herewith are hereby repealed.

This legislation shall take effect following its passage.

LEGISLATIVE YEAR 2014

ORDINANCE: O-14-011

PURPOSE: Regarding finance committee approval of contract amendments

ENDORSER(S): Alderman-at-Large Jim Donchess
Alderman-at-Large David W. Deane
Alderman Ken Siegel
Alderman David Schoneman

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE: The elimination of the \$10,000 threshold for change order approval will result in additional staff time to draft communications and present such changes to the Finance Committee. There could be additional costs to the contract for delays in obtaining Finance Committee approval.

ANALYSIS

This legislation requires that any amendments made to contracts over \$10,000, in terms, scope of work, or sums payable to the contractor, be approved by the finance committee. The legislation also requires termination of contracts to be approved by the finance committee. Currently, contract amendments of up to \$10,000 are allowed, similar to the requirement that only contracts exceeding \$10,000 need to be approved by the finance committee.

Requiring this additional number of contract amendments to be approved by the finance committee regardless of their amount would at times cause project delays and additional project costs.

Note that if there was an original contract for less than \$10,000, for which no finance committee approval was necessary, and then a change order for less than \$10,000 was proposed for that contract that raised the total value of that contract to greater than \$10,000, the current ordinances do already require that contract amendment to be approved by the finance committee, since the contract would now reach the \$10,000 threshold.

Approved as to form: Office of Corporation Counsel

By: Doreen O'Neil

Date: February 21, 2014



ORDINANCE

REGARDING FINANCE COMMITTEE KNOWLEDGE OF CONTRACT AMENDMENTS

CITY OF NASHUA

In the Year Two Thousand and Fourteen

The City of Nashua ordains that Part I “Administrative Legislation”, Chapter 5 “Administration of Government”, Part 4 “Officers and Employees”, Article XVII “Purchasing Manager”, Section 5-91 “Amendment to contracts” of the Nashua Revised Ordinances as amended, be hereby further amended by adding the new underlined language as follows:

“§ 5-91. Amendment to contracts.

For any contract previously approved by the Finance Committee, the Mayor shall inform the Finance Committee within ten (10) business days of any amendment to the contract terms, scope of work, or sums payable to the contractor, or if the contract was terminated. No contract may be amended as to its scope of work or so as to increase sums payable to the contractor, without Finance Committee approval for amendment amounts exceeding \$10,000; and without the Board of Aldermen approval for amendment amounts exceeding \$1,000,000, except that the Mayor may approve changes in the scope of work and/or sums payable to a contractor if all of the following conditions are met:

- A. The Mayor determines an emergency exists as defined in § 5-90G that requires immediate award of an amendment to an existing contract, and follows the notification procedure prescribed in that subsection;
- B. The increased sums authorized are available from existing appropriations and do not exceed \$100,000; and
- C. The Mayor makes a written finding that an immediate contract amendment is required to protect the public health or safety or to avoid substantial financial loss to the City and that the circumstances do not permit the convening of a special meeting of the Finance Committee in time to deal with the crisis. The written finding, specifying in detail the reason for the change, the need for immediate

ORDINANCE

AMENDED O-14-011

action, and the changed contract terms and amounts, shall be immediately filed with the City Clerk, and shall be presented to the Finance Committee at its next meeting for review.”

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