



MEMORANDUM

To: Mayor and City Council

From: Kim Tiehen – Director of Strategic Financial Engagement

Date: September 9, 2025

Reference: Consider approval of an ordinance amending Chapter 1, Article 1-5, Section 1-5-6 (*Authority to Purchase and Approve Change Orders*) and authorizing the mayor to sign the necessary documents.

Introduction:

The purpose of this agenda item is to request Council approval of an amendment to the City of Coppell Code of Ordinances, Chapter 1 *Administration*, Article 1-5 *City Manager*, Section 1-5-6 *Authority to Purchase and Approve Change Orders*, Subsections (B)–(H).

Background:

City of Coppell Ordinance Section 1-5-6(D) currently states that purchases of personal property, construction contracts, or any other lawful municipal purpose requiring an expenditure exceeding \$50,000 must, by state law, be competitively bid.

Effective September 1, 2025, the Texas Legislature amended state law to increase the competitive bidding threshold from \$50,000 to \$100,000. To avoid having to amend the City’s ordinance every time the Legislature modifies this threshold, the attached amendment removes all specific dollar references and instead references the state statutory requirements outlined in the Texas Local Government Code. This guarantees the City’s ordinance stays aligned with state law in the future.

It is important to note:

- **Bid Threshold (State Law):** Purchases of \$100,000 or more must be competitively bid under state law. Purchases of less than \$100,000 do not require formal bidding; however, staff will continue to obtain at least three quotes to ensure fairness, transparency, and best value for the City.
- **Council Approval Threshold (City Ordinance):** Purchases of \$50,000 or greater will continue to be presented to Council for approval, even if state law does not require competitive bidding.
- **Council Discretion:** While state law sets the bidding threshold, Council may adopt more restrictive policies if desired, such as requiring bidding at \$50,000 instead of \$100,000.

Clarification of State Legal Requirements vs. Local Ordinance Requirement:
The competitive bidding threshold is established by state law (Texas Local Government Code, Chapter 252) and determines when a purchase must be formally bid. Separately, the City of Coppell has established a local ordinance requirement that certain purchases must be presented to the City Council for approval, regardless of whether state law requires competitive bidding. This distinction ensures that Council maintains oversight of significant expenditures, while staff remain responsible for ensuring compliance with competitive bidding requirements under state law.

For context, in Fiscal Year 2025, thirty-seven (37) agenda items exceeding \$100,000 were presented to Council, and eighteen (18) with a value between \$50,000 and \$100,000 were presented. The City Manager, or designee, remains responsible for ensuring compliance with Chapter 252 of the Texas Local Government Code when competitively bidding or awarding contracts.

Benefit to the Community:

This amendment ensures that the City's procurement procedures comply with current state law while maintaining Council oversight of purchases exceeding \$50,000. This supports efficiency, transparency, and compliance in purchasing processes.

Legal Review:

Legislative changes are reviewed regularly by City staff and the City Attorney to ensure compliance with state requirements.

Fiscal Impact:

There is no direct fiscal impact with this item.

Recommendation:

The Strategic Financial Engagement Department recommends approval of this item.