

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

An ordinance amending Chapter 2, “Administration,” of the Dallas City Code, by amending Sections 2-30, 2-31, and 2-32; increasing the threshold from \$50,000 to \$100,000 for purchases that require city council approval and purchases that require competitive bids and competitive scaled proposals; increasing the threshold for certain administrative actions and contracts from \$100,000 to \$300,000 for goods, general, professional, personal, and others services, and \$500,000 for architecture, engineering and construction services; providing a penalty not to exceed \$500; providing a saving clause; providing a severability clause; and providing an effective date.

WHEREAS, the 89<sup>th</sup> Texas Legislature met in regular session between January 15, 2025 and June 2, 2025; and

WHEREAS, S.B. 1173 was filed on February 7, 2025; and

WHEREAS, S.B. 1173 provides certain monetary restrictions for when local governmental entities in Texas must use formal competitive procurement methods; and

WHEREAS, S.B. 1173 increases the monetary threshold from \$50,000 to \$100,000, for when cities are required to use formal competitive procurement methods; and

WHEREAS, S.B. 1173 was approved by both chambers of the Texas Legislature; and

WHEREAS, S.B. 1173 was filed without signature from the Governor on May 29, 2025 and took effect on September 1, 2025; Now, Therefore;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That Subsection (d) of Section 2-30, “General Delegation of Contracting Authority,” of Division 1, “Purchasing and Contracting Generally,” of Article IV, “Procurement,” of Chapter 2, “Administration,” of the Dallas City Code, is amended to read as follows:

“(d) The city manager is authorized to approve the following by administrative action, without further city council action:

(1) A contract for the purchase of goods, general services, [~~or facility construction,~~] or for any other lawful municipal purpose not specifically described in this subsection, that requires a city expenditure not exceeding \$300,000 [~~100,000~~], except that no formal administrative action is required for the purchase of non-legal advertising placement (media buys).

(2) A contract for architecture, engineering, or facility construction (public works project), that requires a city expenditure not exceeding \$500,000.

(3) Except as provided in Paragraph (4[3]), a change order to a contract required by state law to be procured through competitive bid, competitive sealed proposal, or an alternative delivery method that increases or decreases the contract price by \$50,000 or less, provided that the original contract price may never be increased by more than 25 percent.

(4[3]) A change order to a contract for facility construction (public works project) required by state law to be procured through competitive bid, competitive sealed proposal, or an alternative delivery method that increases or decreases the contract price by \$100,000 or less, provided that the original contract price may never be increased by more than 25 percent.

(5[4]) A contract for personal, professional, or planning services requiring a city expenditure not exceeding \$100,000, except that no formal administrative action is required to execute a contract for real estate appraisal services requiring a city expenditure not exceeding \$50,000.

(6[5]) An amendment to a contract not required by state law to be procured through competitive bid, competitive sealed proposal, or an alternative delivery method, which amendment increases the contract price by \$100,000 or less or causes any decrease in the contract price, except that approval of the city council is required on an amendment that increases the contract price by \$100,000 or less if:

(A) the original contract price does not exceed \$100,000 and the amendment increases the total contract price to an amount greater than \$100,000; or

(B) the original contract price exceeds \$100,000 and the amendment increases the original contract price by more than 25 percent.

(7[6]) The exercise of a renewal option of a contract required by state law to be procured through competitive bid, competitive sealed proposal, or an alternative delivery method, if the city expenditure required during the renewal term does not exceed \$100,000 or the renewal amount specified in the resolution approving the original contract.

(8[7]) The exercise of a renewal option of a contract not required by state law to be procured through competitive bid or competitive sealed proposal, if the city expenditure

required during the renewal term does not exceed \$100,000 or the renewal amount specified in the resolution approving the original contract.

(9[8]) A contract with an intergovernmental agency pursuant to Chapter 791 of the Texas Government Code, as amended, that generates less than \$100,000 of revenue and does not require a city expenditure of upfront costs or other types of funding in excess of \$100,000.”

SECTION 2. That Section 2-31, “Rules Regarding Expenditures Not Exceeding \$50,000,” of Division 1, “Purchasing and Contracting Generally,” of Article IV, “Procurement,” of Chapter 2, “Administration,” of the Dallas City Code, is retitled to “Rules Regarding Expenditures Not Exceeding \$100,000.”

SECTION 3. That Subsection (e) of Section 2-31, “Rules Regarding Expenditures Not Exceeding \$100,000,” of Division 1, “Purchasing and Contracting Generally,” of Article IV, “Procurement,” of Chapter 2, “Administration,” of the Dallas City Code, is amended to read as follows:

“(e) A contract for facility construction that requires a city expenditure not exceeding \$100,000 [~~50,000~~] must provide that, in lieu of requiring performance and payment bonds, no money will be paid to the contractor for any work under the contract until the final completion and acceptance of the work by the city.”

SECTION 4. That Section 2-32, “Rules Regarding Expenditures Exceeding \$50,000,” of Division 1, “Purchasing and Contracting Generally,” of Article IV, “Procurement,” of Chapter 2, “Administration,” of the Dallas City Code, is retitled to “Rules Regarding Expenditures Exceeding \$100,000.”

SECTION 5. That Subsection (a), “Advertisement,” of Section 2-32, “Rules Regarding Expenditures Exceeding \$100,000,” of Division 1, “Purchasing and Contracting Generally,” of Article IV, “Procurement,” of Chapter 2, “Administration,” of the Dallas City Code, is amended to read as follows:

“(a) Advertisement. No city expenditure exceeding \$100,000 [~~50,000~~] may be made without advertising for competitive bids or competitive sealed proposals pursuant to Chapter 252, Texas Local Government Code, as amended, and this division, or without following the advertisement requirements in Chapter 2269, Texas Government Code, as amended, and this division, for alternative delivery methods, except in cases of an immediate emergency, or where competitive bidding, sealed proposal, or an alternative delivery method is not otherwise required by state law or the city charter.”

SECTION 6. That Subsection (f), “Competitive Sealed Proposals,” of Section 2-32, “Rules Regarding Expenditures Exceeding \$100,000,” of Division 1, “Purchasing and Contracting Generally,” of Article IV, “Procurement,” of Chapter 2, “Administration,” of the Dallas City Code, is amended to read as follows:

“(f) Competitive sealed proposals. For the purchase of goods and general services (including but not limited to community development items, high technology items, and insurance) requiring a city expenditure exceeding \$100,000 [~~50,000~~], the director may follow the competitive sealed proposal procedures authorized in this division and in Chapter 252, Texas Local Government Code, as amended. If the director chooses not to follow the competitive sealed proposal process, the purchase must be competitively bid as required by this division and by Chapter 252, Texas Local Government Code, as amended.”

SECTION 7. That, unless specifically provided otherwise by this ordinance or by state law, a person violating a provision of this ordinance is, upon conviction, punishable by a fine not to exceed \$500.

SECTION 8. That Chapter 2 of the Dallas City Code shall remain in full force and effect, save and except as amended by this ordinance.

SECTION 9. That any act done or right vested or accrued, or any proceeding, suit, or prosecution had or commenced in any action before the amendment or repeal of any ordinance, or part thereof, shall not be affected or impaired by amendment or repeal of any ordinance, or part thereof, and shall be treated as still remaining in full force and effect for all intents and purposes as if the amended or repealed ordinance, or part thereof, had remained in force.

SECTION 10. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of Chapter 1 of the Dallas City Code, as amended.

SECTION 11. That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:

TAMMY L. PALOMINO, City Attorney

By \_\_\_\_\_  
Assistant City Attorney

Passed \_\_\_\_\_