

ORDINANCE NO. 2006-01

AN ORDINANCE PROVIDING FOR THE ADOPTION OF THE REVERSE INTERNET AUCTION OPTION FOR THE PURCHASE OF GOODS AND SERVICES, AND FOR OTHER PURPOSES.

WHEREAS; Act 1957 of 2005, codified as Arkansas Code Annotated section 14-58-303(c), provides that cities and towns of this state shall have the option to make purchases by participation in a reverse Internet auction; and

WHEREAS, the Act requires that a city or town wishing to implement reverse Internet auctions must enact an ordinance authorizing same; and

WHEREAS, the Act forbids the use of reverse Internet auctions for purchases and contracts for construction projects and materials; and

WHEREAS, the City Council finds that the use of Internet reverse auctions will result in significant savings in the expenditure of public funds and is therefore in the public interest;

NOW, THEREFORE, be it enacted by the City Council of Cherokee Village, Arkansas:

SECTION 1: For purposes of this ordinance

- (a) "Reverse Internet auction" means an Internet-based process in which bidders are given specifications for items and services being sought for purchase by a municipality; and bid against themselves in order to lower the price of the item or service to the lowest possible level; and
- (b) "Reverse Internet auction vendor" means an Internet-based entity that hosts a reverse Internet auction.

SECTION 2: A reverse Internet auction as contemplated by this ordinance shall not be used for purchases and contracts for construction projects and materials.

SECTION 3: Bidders shall be provided instructions and individually secured passwords for access to the reverse Internet auction by either the city, town, or reverse Internet auction vendor.

SECTION 4: The bidding process shall be timed, and the time shall be part of the reverse Internet auction specifications.

SECTION 5: The reverse Internet auction shall be held at a specific date and time.

SECTION 6: The reverse Internet auction and bidding process shall be interactive with each bidder able to make multiple bids during the allotted time.

SECTION 7: Each bidder shall be continually signaled his or her relative position in the bidding process.

SECTION 8: Bidders shall remain anonymous and shall not have access to other bidders or bids.

SECTION 9: The governing body shall have access to real-time data including all bids and bid amounts.

SECTION 10: The governing body may create by an additional ordinance reverse Internet auction specifications for the anticipated purchase of a specific item or purchase.

SECTION 11: The fee may be included as part of the bids received during the reverse Internet auction and paid by the winning bidder or paid separately by the governing body.

SECTION 12: The governing body retains the right to refuse all bids made during the reverse Internet auction.

SECTION 13: The governing body retains the right to begin the reverse Internet auction process anew if the governing body determines it is in the best interest of the city or town.

SECTION 14: All powers and duties assigned to the "governing body" in this ordinance are hereby delegated and shall be executed by the mayor, except as otherwise determined by motion or resolution approved by a majority vote of the City Council in specific instances.

SECTION 15: If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

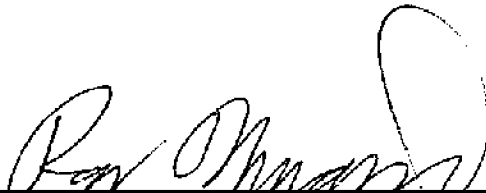
SECTION 16: All ordinances or parts of ordinances in conflict are hereby repealed.

SECTION 17: Due to the urgent need to purchase equipment in time for spring road work an emergency is hereby declared to exist, and this Ordinance will be in full force and effect from and after its passage and approval by a two-thirds majority of the whole City Council of Cherokee Village.

PASSED AND APPROVED BY THE CHEROKEE VILLAGE CITY COUNCIL.

DATED: January 19, 2006

APPROVED:



ATTEST