

When must a city take bids in order to purchase goods or services?

The answer depends on the class of the city affected and what ordinances the city has in effect regarding bids for purchasing. With the exception of public improvements, state law in Arkansas requires only that bids be taken for purchases in cities of the first class.

Ark. Code Ann. §14-58-303 provides that the mayor or his authorized representative has the exclusive power and responsibility to make purchases. In cities of the first class, bids must be taken for purchases that exceed the sum of twenty thousand dollars (\$20,000). The bidding process is also described in this statute. For purchases under \$20,000.00, the council of a first-class city must enact procedures by ordinance.

On the other hand, the council may waive bidding by ordinance in “exceptional cases where this procedure is deemed not feasible or practical.” Ark. Code Ann. § 14-58-303 (b)(2)(B). In addition, the law now provides that bids are not required for motor fuels, oil, asphalt, asphalt oil, natural gas, and in certain cases, new motor vehicles. Ark. Code Ann. § 14-58-104 (Act 756 § 23 of 2009).

A first class city’s purchase of all types of insurance requires competitive bidding. See Ark. Code Ann. § 14-58-304. However, this requirement does not apply to cities and towns participating in Municipal League programs. Ark. Op. Atty. Gen. No. 83-198.

Cities of the second class and incorporated towns have no requirement to take bids for general purchasing under 14-58-303, although a city or town could pass an ordinance to require bidding or other procedures.

Here is an exception to this rule: Cities of all classes must take bids for any public improvements, which include the major repair or alteration or the erection of buildings or other structures or other permanent improvements, exceeding \$20,000 in costs. This law is found at Ark. Code Ann. § 22-9-203, which also contains the procedure for taking bids for contracts for public improvements which exceed \$20,000.