

ORDINANCE NO. 2006-01
CITY OF HIGHLAND, ARKANSAS

**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©, 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 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 Highland, 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 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 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 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 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 circumstances 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 ordinance or parts of ordinance in conflict are hereby repealed.

PASSED AND ADOPTED THIS 14 DAY OF March, 2006.

ATTEST:


Mary Wiles, Recorder


David Shackelford, Mayor

(Seal)

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