

DATE: *August 11, 2014*
TO: Mayor and City Council
FROM: Finance Department
SUBJECT: 2014 Procurement, Purchasing, & Travel Rate Schedule



RECOMMENDED ACTION

Approve 2014 Procurement, Purchasing, & Travel Rate Schedule as an amendment to the existing policy.

ISSUE

Staff recently completed a review of the procurement and purchasing policies of the City and determined that a number of the sections were inconsistent and in need of updating.

REQUEST

Approval of the attached schedule of limits for each category of procurement mode, the dollar thresholds for staff and Council approvals, travel per diem, reimbursement rates, and noted exceptions.

DISCUSSION

The review of the policy was focused on approval limits for different amounts associated with purchasing of supplies, equipment, and services. While it has been the practice to secure some of the items and services in accordance with the attached schedule, staff was unable to locate the corresponding documents in support of such practice. In addition, staff is proposing to realign several other policy related rates to bring the policy in line with customary practices as well as state purchasing regulation. It is the staff recommendation to provide a comprehensive revision to the policy in 2015.

2014 PROCUREMENT, PURCHASING, AND TRAVEL RATE SCHEDULE



Procurement Method*:

	<u>From</u>		<u>To</u>
Competitive Sealed Bid:	\$ 100,000	& up	
Competitive Sealed Proposal:	\$ 100,000	& up	
Informal Bid / Written Quote:	\$ 10,000	to	\$ 99,999.99
Telephone Bid / Quotes:	\$ 5,000	to	\$ 9,999.99
Director's Discretion:	0	to	\$ 4,999.99

Notes: Expected costs above the minimum in the range will require at least that level of documentation/methodology.

Approval Requirements*:

	<u>From</u>		<u>To</u>	
City Council:	\$ 100,000	& up		All*
City Council:	\$ 50,000	to	\$ 99,999.99	Unbudgeted ⁴
City Manager:	\$ 25,000	to	\$ 99,999.99	Budgeted
City Manager:	\$ -	to	\$ 49,999.99	Unbudgeted ⁴
Assistant City Manager	\$ 5,000	to	\$ 24,999.99	Budgeted
Director's Discretion:	0	to	\$ 4,999.99	Budgeted

Note: Expenses above the minimum in the range will require that level of approval or higher.

Travel & Expense Rates:

Mileage Reimbursement Rates:	Current IRS rate
Per Diem (meals):	\$50.00
High Cost Area:	Actual Reasonable Expense

***Exceptions:**

Applies to budgeted items / expenses only

- 1 MGAG gas purchases
- 2 Appointed Professionals (Engineers, Auditors, Attorneys, etc.)
- 3 Joint Purchasing Programs (e.g., MGAG or State DOAS -Contract)
- 4 Emergency Purchases (with Council Ratification)