



STAFF REPORT
6/10/2026

TO: Honorable Mayor and City Council Members

FROM: Lincoln Bogard, Interim City Manager

PREPARED BY: Lincoln Bogard, Finance Director

SUBJECT: Review of City Manager Purchasing Authority – Proposed Ordinance Amendment

STAFF RECOMMENDATION:

Staff recommends Option A: That the City Council introduce and adopt an Ordinance amending the Coachella Municipal Code to increase the City Manager’s purchasing authority from \$25,000 to \$50,000 per transaction (Option A – Recommended). Alternatively, the Council may take no action and maintain the current \$25,000 limit (Option B). Both options are fully described in the Alternatives section of this report.

EXECUTIVE SUMMARY:

This staff report requests that the City Council consider an ordinance amendment to increase the threshold below which the City Manager may approve contracts and purchase orders without prior City Council approval. The City’s current limit of \$25,000 has not kept pace with inflation or regional practice. A comprehensive benchmarking review of all nine Coachella Valley cities and a sampling of comparable California cities of similar population reveals that Coachella’s limit is the lowest in the region – tied only with the City of La Quinta. Staff recommends an increase to \$50,000, which aligns Coachella with the majority of valley cities, partially restores purchasing power eroded by inflation, and reduces routine items on City Council agendas. All existing fiscal controls – including budget appropriations, competitive bidding requirements, Finance Department review, and annual independent audits – will remain fully in effect.

BACKGROUND:

The City of Coachella operates under a Council-Manager form of government. The City Council serves as the legislative and policy-making body, while the City Manager serves as Chief Executive Officer responsible for the day-to-day administration of City operations and implementation of Council directives. As part of that administrative role, the City Manager has been delegated purchasing authority to approve contracts and purchase orders up to a prescribed dollar threshold without requiring a separate Council vote.

The City Manager's current purchasing authority is set at \$25,000 per transaction, as established in the Coachella Municipal Code. Any contract, purchase order, or procurement exceeding that amount must be brought to the City Council for formal approval as an action item.

During a recent City Council meeting, a Council Member raised the possibility of lowering the City Manager's purchasing authority below the current \$25,000 threshold. In response, staff was directed to conduct a regional and statewide benchmarking review to inform the Council's deliberations. This staff report presents the findings of that review, addresses the proposal to lower the limit, and provides a staff recommendation.

DISCUSSION/ANALYSIS:

Staff conducted a comprehensive review of purchasing authority thresholds for all cities in the Coachella Valley, as well as a sampling of California cities with populations of approximately 50,000 – comparable to Coachella's population of approximately 41,941 (2020 Census).

Coachella Valley Benchmarking

The following table summarizes the City Manager purchasing authority limits for Coachella Valley cities. Limits noted with an asterisk (*) are estimated from publicly available procurement documents and staff reports and should be verified against each city's current municipal code prior to presentation.

Coachella's current limit of \$25,000 is the lowest in the Coachella Valley, matched only by the City of La Quinta. The majority of valley cities – Rancho Mirage, Desert Hot Springs, Cathedral City, and Indio – have set their thresholds at \$50,000. Palm Desert is at \$75,000, and Palm Springs has recently established a limit of \$150,000 for supplies and services contracts.

Nearby Inland Empire Agencies

Staff also reviewed purchasing authority limits for nearby cities in Riverside and San Bernardino Counties. Yucaipa (San Bernardino County, pop. 54,542) has an estimated CM purchasing authority of approximately \$50,000, as reflected in its purchasing policy and municipal code (MC §2.24; recommend verification of current threshold). Beaumont (Riverside County, pop. 52,286) sets its CM authority at below \$25,000 per Beaumont Municipal Code Chapter 3.02. Banning (Riverside County, pop. 32,265) has a \$25,000 CM signing authority, as confirmed in recent City Council agenda documentation. Calimesa (Riverside County, pop. 12,800) requires formal sealed competitive bids for all purchases exceeding \$25,000 under Calimesa Municipal Code §3.15.060, placing its effective CM authority at \$25,000.

Inflation Impact

The real purchasing power of the \$25,000 threshold has declined significantly since it was established. Using the U.S. Bureau of Labor Statistics Consumer Price Index, \$25,000 in approximately 2010 has an equivalent value of approximately \$38,000 to \$40,000 in 2025 dollars. Maintaining the limit unchanged means that each year the City Manager's effective administrative authority covers a progressively smaller share of routine operational purchases, increasing the volume of items requiring formal Council approval.

Operational Considerations

Each purchase or contract above the City Manager's threshold must be placed on a City Council agenda as a standalone action item. This requires preparation of a staff report, Finance Department and City Attorney review, and Council deliberation time. When routine operational expenditures – such as equipment maintenance contracts, professional services agreements, software renewals, and general services – routinely fall between \$25,000 and \$50,000, the result is a high volume of low-risk, administrative items occupying Council agenda time more productively devoted to policy and strategic matters.

Response to Proposal to Lower the Limit

A Council Member has proposed lowering the City Manager's purchasing authority below \$25,000. Staff does not recommend this course of action for the following reasons:

1. No Coachella Valley city currently has a purchasing authority limit lower than \$25,000. Reducing the limit would place Coachella below every neighboring city, including those with smaller populations and operating budgets.
2. Reductions in purchasing authority are typically justified by documented procurement failures, audit findings, or material internal control deficiencies. No such findings exist for the City of Coachella.
3. The City's existing fiscal controls function independently of the City Manager's signing threshold. All expenditures – regardless of amount – must be within the Council-adopted budget, comply with applicable competitive bidding requirements, receive Finance Department review, and are subject to annual independent audit. Lowering the signing threshold does not enhance these controls; it only increases administrative burden.
4. Reducing the threshold would meaningfully increase the number of routine agenda items brought before the Council, creating operational inefficiency without a corresponding improvement in fiscal oversight.

ALTERNATIVES:

1. Option A (Staff Recommended – Increase to \$50,000): Adopt an Ordinance amending the Coachella Municipal Code to increase the City Manager's purchasing authority from \$25,000 to \$50,000 per transaction. This option aligns Coachella with the majority of Coachella Valley cities, is consistent with nearby Inland Empire agencies and California cities of similar population, partially restores purchasing power eroded by inflation, and reduces routine items on City Council agendas. All existing fiscal controls remain fully intact.
2. Option B (No Change – Maintain at \$25,000): Take no action and maintain the City Manager's purchasing authority at the existing \$25,000 per transaction. Under this option, the current Municipal Code provision remains unchanged. Coachella would remain tied with La Quinta as the lowest purchasing authority limit in the Coachella Valley. This option responds directly to the expressed Council Member concern regarding executive spending authority and retains maximum Council oversight over all expenditures above \$25,000. However, it does not

address the erosion of purchasing power by inflation, and the operational burden of routine agenda items for purchases between \$25,000 and \$50,000 continues.

3. Provide alternative direction.

FISCAL IMPACT:

Adoption of the proposed ordinance will have no direct fiscal impact on the General Fund or any other City fund. The City Manager's purchasing authority is a procurement threshold – not a separate spending authorization. All expenditures must remain within Council-approved budget appropriations regardless of the signing authority limit. Adoption is expected to produce modest indirect savings through reduced staff time associated with preparing and processing Council agenda items for routine purchases that would no longer require formal Council approval.

RECOMMENDED ALTERNATIVE(S):

Staff recommends Option A: That the City Council introduce and adopt an Ordinance amending the Coachella Municipal Code to increase the City Manager's purchasing authority from \$25,000 to \$50,000 per transaction. This action aligns Coachella with the majority of Coachella Valley cities and nearby Inland Empire agencies, partially restores purchasing power eroded by inflation, reduces routine Council agenda items, and preserves all existing fiscal controls fully intact. Should the Council prefer to maintain the current limit, Option B (no action) is also presented and would require no amendment to the Municipal Code.