



City of Eustis

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TO: EUSTIS CITY COMMISSION
FROM: TOM CARRINO, CITY MANAGER
DATE: OCTOBER 17, 2024
RE: PURCHASING THRESHOLD DISCUSSION

Introduction:

Commission has expressed interest in increasing the City's purchasing thresholds for large and small purchases and for allowing the City Manager authority to pre-approve budgeted items that need to be ordered expeditiously, so as not to lose the opportunity to procure them.

Background:

The City's Purchasing Ordinance allows all small purchases, \$2,000 and below, to be procured at the department level and everything over \$2,000 is routed to the Purchasing Dept. to obtain competitive quotes and/or to ensure compliance with the City's Ordinance.

Purchases between \$2,000.01 and \$50,000 require a minimum of 3 competitive quotes, when possible, and must be in accordance with all the requirements set forth in the City Ordinance.

Additionally, all purchases over \$50,000 require a formal sealed solicitation, which is advertised and opened in a public forum at a designated time and place.

On the next page is a spreadsheet that shows the dollar amount at which local entities require Commission approval.

| <u>Entity Name:</u> | <u>Formal Bid Threshold:</u> |
|---------------------|---|
| TAVARES | \$25,000 (w/exceptions possible for sole source, emergencies, etc...) |
| CLERMONT | \$50,000 |
| LEESBURG | APPROVAL PENDING ON: \$50,000 GENERAL FUND \$75,000 PROPRIETARY FUND |
| LAKE COUNTY | \$75,000 |
| MOUNT DORA | \$75,000 |
| ORANGE COUNTY | \$100,000 |
| GROVELAND | \$250,000 |
| SUNNY ISLES BEACH | \$50,000 |
| DUNEDIN | \$50,000 |
| ENGLEWOOD | \$35,000 |
| LAUDERHILL | \$60,000 |
| TEMPLE TERRACE | \$50,000 |
| PLANTATION | \$35,000 |

There are exemptions for purchases that are spelled out in the ordinance that allow us to waive the 3 quote or formal sealed solicitation requirement. Some of these exemptions include legal services, state contract purchases, used equipment, sole source purchases, etc. However, the formal solicitation threshold, which requires Commission approval still stands, regardless of the procurement method.

In addition to reviewing purchasing thresholds, the Commission also asked staff to present options for a pre-approval process for purchases that meet specific criteria. Below is an example of ordinance wording for City Manager pre-approval:

“The City Commission may authorize the waiver of procurement procedures upon the recommendation of the City Manager, or designee, when it is in the City’s best interest to do so to obtain goods and services which cannot be acquired through the normal purchasing

process due to insufficient time, the nature of the goods or services, or other factors, under the circumstances and only after a good faith review of all available sources and negotiation as to price, delivery and terms of said good or service. The formal approval for the pre-approved good or service will be brought before the Commission as soon as possible.”

Recommended Action:

Discuss the Commissioner's desire to increase the thresholds and to allow the City Manager pre-approval authority, with the stipulation that the purchases are brought before the Commission for approval as soon as possible thereafter.

Prepared by:

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Reviewed by:

Lori Carr, Finance Director