



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: March 31, 2026

AGENDA ITEM: Consider a motion to adopt Resolution Number 03-31-26-03 approving the revisions to the Procurement policy.

PREPARED BY: Taylor Bird, Finance Manager

BACKGROUND:

The procurement policy was originally adopted in 2021 and then revised in 2025, to align with the implementation of the new ERP software. At that time July 1, 2025, updates were made to enhance efficiency by introducing Master Service Agreements (MSAs) with subsequent Statements of Work (SOWs), as well as adjusting purchase categories and thresholds to better reflect organizational needs.

MSAs were established to streamline vendor engagements through pre-negotiated terms, reducing administrative burden and improving cost efficiency. Subsequent SOWs define the specific scope, deliverables, and timelines for each engagement, allowing for flexibility while maintaining procurement compliance. Additionally, purchase categories were updated, including increasing the Micro purchase threshold to \$2,500, introducing a new Mini purchase category (\$2,500–\$15,000), and adjusting the Small purchase range to \$15,000–\$25,000. These changes provided clearer spending guidelines and improved operational efficiency.

The suggested revisions at this time are limited in scope and focus specifically on clarifying purchase order (PO) requirements across procurement thresholds. The revisions distinguish between goods and services, establish when a PO is required versus when a contract is sufficient, and reinforce approval requirements at each purchasing level. The suggested language improves internal controls, aligns procurement practices with operational workflows in the ERP system, and strengthens audit clarity without changing procurement thresholds or overall purchasing authority.

RECOMMENDATION:

Adopt Resolution Number 03-31-26-03 approving the revisions to the Procurement policy.