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MEMORANDUM

Finance Department

To: Mayor Jackola and City Council

October 8, 2025

From: Brandon Neish, Finance Director

Subject: Proposed Amendment to Purchasing Limits

I. INTRODUCTION

The Lebanon Municipal Code (LMC) governs purchasing in the City of Lebanon. The code for public contracting was first established in 2018 and last updated in 2021. The LMC was crafted to follow Oregon Revised Statutes (ORS) 279 (Public Contracting) and the "Model Rules" established by the Oregon Attorney General. In 2021, the LMC was updated to match State law which has again updated.

II. CURRENT REPORT

Since the last update to LMC 3.04, state purchasing limits in ORS have increased to reflect today's economic environment. Procurement is divided into three levels:

- Small procurements: Purchases may be made without a competitive process. Staff are encouraged to "shop around," but requirements are minimal.
- Intermediate procurements: Requires at least three informal quotes to ensure best value. Selection may consider factors beyond price, such as location or delivery time.
- Large procurements: Requires formal public bidding, with selection generally based on lowest price.

Previously, limits were set at under \$10,000 (small), \$10,000-\$150,000 (intermediate), and over \$150,000 (large). In 2024, the Legislature raised these thresholds to under \$25,000, \$25,000-\$250,000, and over \$250,000.

The City proposes amending LMC 3.04 to remove the fixed dollar amounts and instead reference ORS directly. This ensures future state updates will apply automatically without further code amendments.

III. RECOMMENDATION

Move to adopt Ordinance No. 2025-09 to amend the Lebanon Municipal Code Section 3.04. These changes would take effect thirty (30) days after adoption by the City Council (November 7, 2025).

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