



CITY OF MARSHALL AGENDA ITEM REPORT

Presenter:	E.J. Moberg
Meeting Date:	Tuesday, January 13, 2026
Category:	CONSENT AGENDA
Type:	ACTION
Subject:	Adopt an Annual Election to Set a Micro-Purchase Threshold of \$25,000
Background Information:	<p>The City implemented a federal purchasing policy during 2021 that addressed methods of procurement, including procurement by micro-purchase to purchase supplies or services using simplified acquisition procedures, not to exceed \$10,000.</p> <p>2 CFR § 200.320 (a) (1)(iv) [see https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d] states:</p> <p style="padding-left: 40px;"><i>(iv) Non-Federal entity increase to the micro-purchase threshold up to \$50,000.</i> Non-Federal entities may establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section. The non-Federal entity may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with § 200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:</p> <p style="padding-left: 80px;">(A) A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit;</p> <p style="padding-left: 80px;">(B) An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or,</p> <p style="padding-left: 80px;">(C) For public institutions, a higher threshold consistent with State law.</p> <p>Minn. Stat. § 471.345, subd 5 allows contracts estimated to be \$25,000 or less to be made either upon quotation or in the open market.</p> <p>The \$25,000 amount specified is a higher threshold consistent with state law, so staff recommends Council annually approve the statutory amount as the threshold for micro-purchases. The \$25,000 threshold was approved by Council in January 2023, January 2024 and January 2025.</p> <p>This threshold is requested annually.</p>
Fiscal Impact:	
Alternative/Variations:	
Recommendations:	Adopt an annual election to set a micro-purchase threshold of \$25,000 to be consistent with current Minnesota statutes for the Federal Grant (Uniform Guidance) policy approved in November 2021.