



## CITY OF MARSHALL AGENDA ITEM REPORT

<b>Presenter:</b>	E.J. Moberg
<b>Meeting Date:</b>	Tuesday, January 14, 2025
<b>Category:</b>	CONSENT AGENDA
<b>Type:</b>	ACTION
<b>Subject:</b>	Adopt an annual election to set a micro-purchase threshold of \$25,000
<b>Background Information:</b>	<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 <a href="https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d">https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d</a>] states:</p> <p style="padding-left: 40px;"><b>(iv) <i>Non-Federal entity increase to the micro-purchase threshold up to \$50,000.</i></b> 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 <a href="#">§ 200.334</a>. 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 <a href="#">§ 200.520</a> 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 and January 2024.</p> <p>This threshold is requested annually.</p>
<b>Fiscal Impact:</b>	
<b>Alternative/Variations:</b>	
<b>Recommendations:</b>	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.