



City of Needles, California Request for City Council Action

CITY COUNCIL NPUA

Regular Special

Meeting Date: December 9, 2025

Title: Adopt Purchasing Ordinance Number 678-AC, Amending Chapter 8, Article II of the Needles Municipal Code (Second Reading)

Background: Purchasing Ordinance 524-AC, adopted in 2006, increased purchasing limits for all materials, supplies, equipment and professional services. Under Ordinance 524-AC, purchases between \$5,000 and \$14,999 require staff to solicit 3 informal bids and purchases of \$15,000 or more require a formal bid.

Purchasing Ordinance 658-AC, adopted in 2023, increased the formal bid limit solely for “utility related” projects, supplies and equipment to \$100,000 or more, with no informal bid requirement. However, Ordinance 524-AC still governs non-utility related ordinary purchases for materials, supplies, equipment, and professional services.

In the two decades since Ordinance 524-AC was adopted, the rate of inflation has increased 59.46 percent, effectively eroding the purchasing power of the dollar and requiring bids on what now are standard and ordinary purchases necessary for daily city operations. In today’s dollars, the \$5,000 limit for small purchases is only \$3,136.

Staff reviewed a number of Purchasing Ordinances from other well-run, small cities in California to determine if higher purchasing limits are in force in cities elsewhere in the state. Staff found that nearly every other city surveyed had higher purchasing limits and most were significantly higher. The table below summarizes the findings:

| | CALIFORNIA COMPARISON CITIES | | | | | | | |
|----------------------------------------------|------------------------------|--------------------------|-----------------------|-------------------------|---------------------|-------------------------|--------------------------|---------------------------|
| | NEEDLES Ord. 524-AC | BARSTOW | DESERT HOT SPRINGS | GLENDORA | HUNTINGTON BEACH | OJAI | PALM SPRINGS | SANTA BARBARA |
| SMALL PURCHASES (No quote or bid) | <\$5,000 | <\$15,000 | <\$50,000 | <\$2,500 | <\$30,000 | <\$5,000 | <\$5,000 | <\$10,000 |
| INFORMAL BIDS | >\$5,000 - <\$15,000 | >\$15,000 - <\$24,999 | Not required | >\$2,500 - <\$50,000 | Not required | >\$5,000 - <\$30,000 | >\$15,000 - <\$75,000 | >\$10,000 - <\$100,000 |
| FORMAL BIDS | >\$15,000 | >\$25,000 | >\$50,000 | >\$50,000 | >\$30,000 | >\$30,000 | <\$75,000 | >\$100,000 |

Although other cities have much higher bid limits, staff recommends the following increases for non-utility related materials, supplies, equipment and professional services. Staff believes these levels are appropriate for the City of Needles at this time.

Proposed Bid Limits:

Small Purchases: <\$15,000

Informal Bids: \$15,000 to \$29,999

Formal Bids: \$30,000 or More

Additionally, the Purchasing Ordinance revision proposes increasing the capitalization threshold from \$5,000 to \$10,000 consistent with the Federal OMB Uniform Guidance (2 CFR Part 200) for federal grants and financial assistance, which was increased to the same threshold on October 1, 2024. The City’s independent auditors agree with this change.

Lastly, the proposed revision cleans up the language and reorganizes this section of the Municipal Code for clarity.

There are no changes proposed to the bid limits for utility-related purchases nor to the limits for non-utility public projects. The Needles Charter requires formal bids for all non-utility public projects greater than \$15,000 and changes to the City Charter require voter approval or staff would have proposed raising that threshold as well.

Fiscal Impact: None. However, the higher bid limits will significantly reduce staff and finance time to procure materials, supplies, equipment, and professional services. Additionally, it will increase operational efficiency across all departments.

Environmental Impact: None.

Recommended Action: Waive full reading and Adopt Purchasing Ordinance Number 678-AC, Amending Chapter 8, Article II of the Needles Municipal Code (Second Reading)

Submitted By: Jill Taura, Interim Finance Director

City Manager Approval: Patrick J. Martinez

Date: 12/4/2025

Other Department Approval (when required): _____

Date: _____