

## Update to Purchasing Policy

### August 20, 2021 Town Council Meeting

The Town's purchasing policy was last revised in May of 2014. The policy specifies that when the State of Delaware modifies their purchasing thresholds that the Town will adjust to match. This is recommended so that town contracts meet the State's requirements, avoiding conflicts when grant funding is available. Delaware is revising purchasing thresholds as of September 1<sup>st</sup>, increasing the amount that requires formal bidding.

This draft policy update includes adjustments to two additional thresholds, which have not been adjusted since prior to 2014.

- Increasing the amount that a manager can authorize without prior approval by the Town Manager from \$1,000 to \$2,500.
- Increasing the amount where Town Council approval is required from \$25,000 to \$40,000.

The following information is from the State of Delaware Procurement Portal.

#### + Materiel and Non-Professional Services

- Less than \$10,000 – Open Market Purchase
- \$10,000 - \$24,999 – 3 Written Quotes
- \$25,000 and over – Formal Bid

**Effective September 1, 2021, formal procurement thresholds will increase and shall become:**

- Less than \$10,000 – Open Market Purchase
- \$10,000 - \$49,999.99 – 3 Written Quotes
- \$50,000 and over – Formal Bid

In the case of Materiel and Non-Professional Services, the dollar amount identified by the Purchasing and Advisory Council is a yearly cumulative limit. The dollar amount identified for Public Works and Professional Services are on a contract by contract basis, for which contracts shall not be fragmented to avoid reaching the dollar amount, and annual thresholds do not apply.

## + Public Works

- Less than \$50,000 – Open Market Purchase
- \$50,000 - \$99,999 – 3 Letter Bids
- \$100,000 and over – Formal Bid

**Effective September 1, 2021, formal procurement thresholds will increase and shall become:**

- Less than \$50,000 – Open Market Purchase
- \$50,000 - \$149,999.99 – 3 Letter Bids
- \$150,000 and over – Formal Bid

## + Professional Services

- Less than \$50,000 – Open Market
- \$50,000 and over – Formal RFP Process

**Effective September 1, 2021, formal procurement thresholds will increase and shall become:**

- Less than \$100,000 – Open Market
- \$100,000 and over – Formal RFP Process