

Proposed update to Town of Bethany Beach Purchasing Policy

The Town’s Purchasing Policy was established in May of 2014 and was last updated in August 2021. The Policy sets the Bidding Requirement for when three quotes/bids are required and when a Formal Bid or RFP process must be followed.

The Policy states that “The Town references thresholds set by the State of Delaware. When the State modifies a threshold the Town policy is adjusted to match.”. Matching our Town thresholds to the State’s thresholds is recommended to avoid confusion when spending State or Federal grant funds, which require compliance with State policies in addition to Town policies.

In January 2023 the State increased the threshold needed for formal bidding, which went into effect on 2/15/2023. In March the threshold needed for Open Market Purchases was increased effective 3/30/2023. The proposed change to the Town of Bethany Beach Purchasing Policy incorporates both these changes.

Material and Non-Professional Services	Previous Threshold	New Threshold
Open Market Purchase	Less than \$10,000	Less than \$50,000
3 Written Quotes	\$10,000 - \$49,999.99	\$50,000 - \$99,999.99
Formal Bid	\$50,000 or more	\$100,000 or more
 Public Works	 Previous Threshold	 New Threshold
Open Market Purchase	Less than \$50,000	Less than \$150,000
3 Letter Bids	\$50,000 - \$149,999.99	\$150,000 - \$249,999.99
Formal Bid	\$150,000 or more	\$250,000 or more
 Professional Services	 Previous Threshold	 New Threshold
Open Market Purchase	Less than \$100,000	Less than \$150,000
Formal RFP Process	\$100,000 and over	\$150,000 or more

Small Purchase Procedures and Thresholds

The Purchasing and Contracting Advisory Council established thresholds that trigger formal bidding procedures in the areas of Materiel and Non-Professional Services, Public Works, and Professional Services. State agencies are only required to use the formal bidding procedures when a purchase is made in an amount that exceeds the threshold limit.

Materiel and Non-Professional Services

- Less than \$50,000 – Open Market Purchase
- \$50,000 - \$99,999.99 – 3 Written Quotes
- \$100,000 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 \$150,000 – Open Market Purchase
- \$150,000 - \$249,999.99 – 3 Letter Bids
- \$250,000 and over – Formal Bid

Professional Services

- Less than \$150,000 – Open Market
- \$150,000 and over – Formal RFP Process