

TOWN OF PALM BEACH

Information for Town Council Meeting on: September 12, 2023

TO: Mayor and Town Council

VIA: Kirk W. Blouin, Town Manager

VIA: Robert Miracle, CPA Deputy Town Manager, Finance and Administration

FROM: Dean Mealy, II NIGP-CPP, CPPO Town Procurement and Contract Manager

RE: Resolution No. 110-2023, Approving Update to Purchasing Thresholds

DATE: August 25, 2023

STAFF RECOMMENDATION

Staff recommends Town Council approve Resolution No. 110-2023, approving update to Purchasing Thresholds.

SUMMARY EXPLANATION/BACKGROUND

The Town Manager's award authority has not been modified since October 2018. His authority is currently two tracked, one for goods and services up to \$65,000 and the other for construction with a cap of \$100,000.

With the approval of the recommendation, all contracts greater than \$100,000 in value, including multi-year contracts, will be presented to the Town Council for review, comment, and approval.

Based on the last year of requisitions processed, the change from \$65,000 to \$100,000 for goods and services will result in the Town Manager processing eighteen (18) additional requisitions annually.

All existing thresholds for formal bidding will remain in effect. The new approval threshold will be updated in Administrative Procedure No. 1-23-3, Procurement and Contract Management Policy and Procedures Manual once approved by the Town Council.

It should be noted that for FY23, Procurement and Contract Management has processed a total of 1,081 requisitions. Procurement and Contract Management can provide the Town Council with a list of any requisition processed with the newly recommended thresholds monthly or quarterly if so desired.

I reached out to three local municipalities that we have similar approaches to when procuring goods, services and construction as follows:

Municipality**City, Town, or Village Manager Award Authority**

City of Palm Beach Gardens	.025 of approved budget, for this FY, the award authority is \$590,000 (For fiscal 2024 this threshold will be increased to \$660,000)
Town of Boca Raton	\$200,000 if an approved budget item for goods/services and \$500,000 if an approved budget item for construction
Village of Wellington	\$65,000 for goods and services

Under the §287.017 regarding purchasing categories, the Town has historically adhered to Category 2 which is \$35,000 for establishing the formal bidding process. The statute does not mandate an awarding amount for an agency if the procurement has been executed to meet all requirements of the governing statutes.

Additionally, a recommendation is made to move the single quote threshold from \$3,500 to \$5,000. In recommending the increase of the one quote to \$5,000 allows for a higher minimum in the event of FEMA reimbursement. FEMA uses the most restrictive of published thresholds. In this case, the Town would still have a lower threshold, however, we strongly believe that we have all adequate controls to address any potential issues to secure goods, services, and construction.

Under the recommendation, the following number of purchase orders would have been approved as follows in FY23:

Current Model in FY23**If changes are approved in FY23**

PO Value	No. Processed	Approved by	PO Value	No. Processed	Approved by
\$1 - \$3,499	471	Procurement Manager	\$1 - \$4,999	556	Procurement Manager
\$3,500 - \$9,999	241	Procurement Manager	\$5,000 - \$9,999	156	Procurement Manager
\$10,000 - \$34,999	208	Procurement Manager	\$10,000 - \$34,999	208	Procurement Manager
\$35,000 - \$64,999	62	Town Manager	\$35,000 - \$99,999	99	Town Manager
\$65,000 - \$99,999*	2	Town Manager			
\$65,000 - \$99,999**	17	Town Manager			
\$65,000 - \$99,999	18	Town Council			
>\$100,000	62	Town Council	>\$100,000	62	Town Council

* Construction awards up to \$100,000 are currently authorized to be approved by Town Manager

** Multi-year awarded by Town Council and Town Manager approves purchase order based on that approved award

FISCAL IMPACT

There is no fiscal impact or funding source issue. All requisitions for goods, services, and construction are routed through Finance for budget check and secondary review.

TOWN ATTORNEY REVIEW

This format has been utilized by the Town in previous recommendations and was approved by the Town Attorney.