

**City of Missoula, Montana
New Business Item**

Item: City of Missoula Purchasing Resolution Update

Council Meeting

Date: November 30, 2022

Sponsor(s):

Eric Hallstrom, Chief Operations Officer; Leigh Griffing, Financial Services Director; Scot Colwell, Fleet Services Director; Marty Rehbein, City Clerk

Prepared by:

Click or tap here to enter text.

Ward(s) Affected:

- | | |
|---------------------------------|---|
| <input type="checkbox"/> Ward 1 | <input type="checkbox"/> Ward 4 |
| <input type="checkbox"/> Ward 2 | <input type="checkbox"/> Ward 5 |
| <input type="checkbox"/> Ward 3 | <input type="checkbox"/> Ward 6 |
| | <input checked="" type="checkbox"/> N/A |

Action Required:

Adopt an updated purchasing resolution.

Recommended Motion(s):

I move the City Council:

Adopt a resolution establishing certain purchasing policies and authorizing the mayor to approve agreements with no fiscal impact or that convey budgeted revenue to the city, and/or purchases of certain budgeted supplies, materials, services, vehicles, machinery, equipment, appliances, apparatus, construction, repair, and maintenance, and accept easements of benefit to the City.

Background and Alternatives Explored:

The City's current purchasing resolution was last updated in 2015 and sets the threshold for bringing budgeted purchases to Council for approval at \$25,000.

Currently, a significant portion of Council committee meetings are devoted to the specific consideration of purchases that were approved by the Council as part of the City's annual budget. In addition, the City invests hundreds of hours of staff time to the process of referring City purchases to Council.

The proposal would raise the threshold for bringing purchases contemplated in the budget to City Council for approval from \$25,000 to \$80,000. About half the purchases referred to Council are for less than \$80,000. This proposal would therefore reduce the number of purchase referrals to Council for consideration by half.

The revised resolution would also authorize the Mayor to approve vehicle, machinery, and equipment purchases that were approved as part of the CIP.

This specific change is designed to respond to tight timelines created by current supply chain strains. Particularly when purchasing vehicles, time is of the essence. While most vehicles cost less than \$80,000, most purchases are for multiple vehicles and aggregate to well over the proposed threshold. In order to remain nimble and respond rapidly to changes in the market, we propose that Council authorize the mayor to approve purchases of vehicles, machinery, and

equipment included as part of the adopted budget (or as part of the Mayor's executive budget if the budget has not been finalized).

Financial Implications:

Since the changes to this policy are premised upon prior council action during the budget process, there should be no significant impacts to the City budget. To the extent that the changes allow the City to take advantage of tight purchasing windows, it may mitigate the costs incurred by missing a purchasing window, including the reduction in service levels.

Links to external websites:

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