



CITY OF HARRISONBURG
**FINANCE
& PURCHASING**

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TO: Ande Banks, City Manager
FROM: Larry L. Propst, Director of Finance
DATE: October 1, 2024
RE: Procurement Policy Manual Update

Summary: Consider approving an updated and amended Procurement Policy Manual.

Background: Staff is requesting the approval of an updated and amended Procurement Policy Manual to align with Virginia Code, increase the purchasing thresholds, remove outdated information and procedures, and add new appendices such as a federal procurement guideline appendix. The original Manual was adopted in 1994 with the last significant updates in July 2004 and July 2017.

Key Issues: The changes to the Manual will achieve the following:

- Streamline the manual to adopt policies consistent with Virginia Code, including recent Code updates.
- Increase the purchasing thresholds which align the city with the purchasing thresholds of other similarly sized localities. This increase in thresholds will result in administrative efficiencies in the procurement process such as reducing the number of requisitions and purchase orders that are processed. Changes to the thresholds are noted in the following tables.

GOODS & NON-PROFESSIONAL SERVICES

\$10,000 & Under	No quotes required but encouraged.
\$10,001 - \$60,000 \$100,000	Three (3) written quotes on vendor letterhead
Over \$60,000 \$100,000	Sealed, Advertised ITB or RFP

PROFESSIONAL SERVICES

\$60,000 \$80,000 & Under	No quotes required but encouraged.
Over \$60,000 \$80,000	Sealed, Advertised ITB or RFP

- Institute formal procedures for negotiating with a low bidder in accordance with Virginia Code §2.2-4318
- Provide guidelines for staff in the procurement of goods and services utilizing federal funding that is in accordance with 2 CFR 200.317 – 327 “Uniform Guidance” (UG)
- Remove procedural items that can be further clarified in a (pending) City Procurement Procedures Manual.

Purchasing staff has a good working relationship with departments and will continue to assist and encourage departments to obtain best pricing even when formal quotes, proposals or bids are not required.

Environmental Impact: None.

Fiscal Impact: None.

Prior Actions: None.

Alternatives: (a) Approve the updated Procurement Policy Manual as requested,
(b) Approve the updated Procurement Policy Manual with changes; or
(c) Do not approve the updated Procurement Policy Manual.

Community Engagement: N/A.

Recommendation: Staff recommends approval of the updated and amended Procurement Policy Manual.

Attachments: Supplemental Appropriation.

Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

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