



## EXECUTIVE SUMMARY

To: James Scholl, City Manager

From: David Sermak, Central Purchasing Specialist OS

Date: September 3, 2019

Re: Amending City of Key West Purchasing Approval Thresholds

Cc: Mark Finigan, Director, Finance

### **Action Statement:**

Respectfully request that in an effort for City staff to more efficiently and expeditiously procure small dollar items, the City of Key West Finance Department propose amendments to Sec. 2-553, Sec. 2-736 through Sec. 2-739 and Sec. 2-766 through Sec. 2-845 of the City of Key West Purchasing and Procurement Ordinances to more suitably reflect current dollar values for supplies and services necessary for the effective operation of City government.

### **Background:**

Since the inception of the current City purchasing and procurement code in 1986 and latest update of purchasing thresholds in 1989, inflation as reflected by the Consumer Price Index (CPI), for the costs of goods and services has nearly doubled. As written the current City of Key West purchasing and procurement code does not allow for an automatic adjustment to the purchasing thresholds. Over time, these thresholds are restricting the approval of purchases required by various City departments in an efficient manner.

### **Justification:**

The current approval thresholds for purchasing and procurement have not been updated to reflect current pricing for goods and services in over two decades, thus creating impediments for departments trying to respond to the needs of its citizens on a timely basis. Amending the current pricing thresholds to better reflect current market conditions for supplies and services will expedite purchasing without diminishing the authority of the City Commission to approve large dollar goods and services.

In an addition to the ordinance, the purchasing agent will be required, on a quarterly basis, to submit a report to the City Commission of all purchases of goods or services between \$20,000.01 and \$50,000.00. This report allows the City Commission to be advised of those purchases and reduces the number of items placed on the Commission's agenda.

**Recommendation:**

It is my belief that by approving the changes to the purchasing and procurement ordinances the City Commission is not relinquishing any authority originally intended in the code. It is merely making changes to reflect the steady rise over three decades for those supplies and services customarily used in City government. The proposed updated thresholds will bring the City of Key West in line with other county and city municipalities of similar size within the State of Florida