



CITY OF CONCORD

New Hampshire's Main Street™

Purchasing Division

Tina M. Waterman, NIGP-CPP, CPPB
Purchasing Manager

DATE: September 17, 2024

TO: Honorable Mayor and Members of the City Council
Thomas J. Aspell, Jr., City Manager

FROM: Tina M. Waterman, Purchasing Manager

RE: Amendments to Purchasing Ordinance

Recommendation

Accept this report and approve the attached changes to the Purchasing Ordinance.

Background

Currently:

1. Chapter 31, Article 31-1-3, Purchasing Procedures
 - (a) Limited Purchases shall be purchases of materials, supplies, equipment or services of five thousand dollars (\$5,000) or less.
 - (b) Standard Purchases shall be purchases of materials, supplies, equipment and services in excess of five thousand dollars (\$5,000) and less than fifty thousand dollars and one cent (\$50,000.01). Whenever possible, such open-market purchases shall be based on at least three (3) written quotes.

The Purchasing Manager recommends the following amendments to the Purchasing Ordinance, Chapter 31, Article 31-1-3:

- (a) Limited Purchases shall be purchases of materials, supplies, equipment and services of [~~five~~] **ten** thousand dollars [~~(\$5,000)~~] **(\$10,000)** or less.
- (b) Standard Purchases shall be purchases of materials, supplies, equipment and services in excess of [~~five~~] **ten** thousand dollars [~~(\$5,000)~~] **(\$10,000)** and less than fifty thousand dollars and one cent (\$50,000.01). Whenever possible, such open-

market purchases shall be based on at least three (3) written quotes, whenever possible.

Discussion

Purchasing dollar amount thresholds were last amended in 2017. Since that time, there has been significant change in market conditions and we've seen a steep rise in prices for supplies, materials, equipment and services.

City departments often find it difficult to obtain 3 quotes from qualified service providers. Increasing the purchasing threshold would save time and money for user departments and purchasing staff.

Limited Purchases – increase the dollar amount threshold from \$5,000 to \$10,000:

1. Several other NH municipalities similar in size to Concord successfully use higher thresholds for these types of purchases.
2. This represents, on average, 1.9% of all City purchasing transactions and 1.7% of their total dollar value.

Standard Purchases – amend the dollar amount threshold to reflect the increase of Limited Purchases: \$10,000 - \$50,000.01.