



MEMORANDUM

Ordinance 24-35, Amending HCC 3.16 and Resolution 24-083, Adopting the Revised Procurement Policy

Item Type: Backup Memorandum
Prepared For: Mayor Castner and Homer City Council
Date: August 12, 2024
From: Melissa Jacobsen, City Manager

The current version of the City's Procurement Policy and Procedures Manual was last revised in 2013. The policies are outdated and require updates to bring them in line with the City's current needs.

In 2023 a Finance Working Group was developed and is made up of staff from all City departments that work with procurement in some way. A survey went out to the working group and department directors seeking feedback on what challenges they have with the current policy, and the key responses were related to spending authority and lack of clarity/ease of use.

Following the staff survey, the City engaged with Carmen Jackson LLC, an accounting firm that holds a term contract with the City, to assist in drafting a revised policy manual that takes into account feedback from the survey, current best practices, and reference to state and federal regulations. I also collaborated with former Fire Chief Robert Purcell for guidance in adding a section for procurements under an emergency declaration. Lastly Council Members Lord and Davis, who are working with staff as finance champions, reviewed the documents with me and Finance Director Fisher before bringing these revisions to Council.

As a result of this work, the revised Procurement Policy and Procedures Manual and an ordinance amending Homer City Code 3.16 Procurements are provided for Council's consideration.

Key changes to the policy include:

- Inclusion of a statement of General Policies
- Increase in spending authority
 - Division Directors/Second in Command from \$3,000 to \$5,000
 - Department Heads from \$4,000 to \$10,000
 - City Manager from \$10,000 to \$50,000
 - City Council approval for procurement over \$50,000
- Revised procurement matrix
- Defined spending levels and approval requirements for small, intermediate, and large purchases
- Clarified purchasing procedures and Invitation to Bid/Request for Proposals process
- Addition of a section for procurement under a local disaster emergency declaration

RECOMMENDATION: Adopt Ordinance 24-35 and Resolution 24-083

Link to current Procurement Policy and Procedures Manual- <https://www.cityofhomer-ak.gov/cityclerk/procurement-policy-and-procedures-manual>