

**MOTION:**

**SECOND:**

**RE:                AUTHORIZATION TO AMEND PUBLIC PROCUREMENT POLICY AND PROCEDURES  
                      MANUAL**

**ACTION:**

**WHEREAS**, the acquisition of goods and services below the micro-purchase threshold may be accomplished without competitive quotes; and

**WHEREAS**, the current threshold for micro-purchases is \$3,000 for federally funded purchases and \$5,000 for non-federally funded purchases; and

**WHEREAS**, management seeks to amend the Public Procurement Policy and Procedures manual to increase the threshold for all micro-purchases to \$10,000 in accordance with the U.S. Office of Management and Budget memorandum OM-18-18, "Implementing Statutory Changes to the Micro-Purchase and Simplified Acquisition Thresholds for Financial Assistance," issued June 2018.

**NOW, THEREFORE, BE IT RESOLVED** that the Potomac and Rappahannock Transportation Commission does hereby authorize the Executive Director to amend the Public Procurement Policy and Procedures manual to increase the threshold for micro-purchases to \$10,000 for all purchases and to update the level of competition for small purchases, effective immediately, as shown in Attachment A.

**Votes:**

**Ayes:**

**Abstain:**

**Nays:**

**Absent from Vote:**

**Alternate Present Not Voting:**

**Absent from Meeting:**

Attachment A to Resolution 19-07-11E

Levels of Competition for Small Purchases

Degree of Required Competition – Revised Thresholds

<b>Anticipated Expenditure</b>	<b>Degree of Competition Required</b>
Up to \$10,000	1 Documented Quote; Exempt from Competition
\$10,001 to \$30,000	At Least 2 Verbal Quotes Sought and Documented
\$30,001 to \$100,000 (Goods & Non-Professional Services)*	At Least 4 Written Quotes Sought and Documented
Greater Than \$25,000 (Transportation Related Construction)*	Competitive Sealed Bidding (or Competitive Negotiation if Permissible and Warranted)
\$30,001 to \$80,000 (Professional Services) *	At Least 4 Written Quotes Sought and Documented
Greater Than \$80,000 (Professional Services) *	Competitive Negotiation Required; Request for Proposals
Greater Than \$100,000 (Goods and Non-Professional Services)*	Competitive Sealed Bidding (or Competitive Negotiation if Permissible and Warranted)

*\*Reflects the current threshold established by the Virginia Public Procurement Act.*



July 11, 2019

TO: Madam Chair Anderson and PRTC Commissioners

FROM: Betsy Massie *Betsy Massie*  
Director of Grants & Project Management

THROUGH: Robert A. Schneider, PhD *RSchneider*  
Executive Director

SUBJECT: Authorization to Amend Public Procurement Policy and Procedures

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Recommendation:

Authorize the Executive Director to amend the Public Procurement Policy and Procedures manual to a) increase the threshold for micro-purchases to \$10,000 for all purchases, and b) change the level of competition for small purchases, effective immediately.

Background:

Micro-purchases are generally for the procurement of goods typically sold "off-the-shelf" as well as select services (e.g. repairing a gas leak or replacing a facility camera). The acquisition of goods and services below the micro-purchase threshold may be accomplished without competitive quotes. An award is made only if it is determined the price is fair and reasonable.

In June 2018, the U.S. Office of Management and Budget (OMB) issued memorandum OM-18-18, "Implementing Statutory Changes to the Micro-Purchase and the Simplified Acquisition Thresholds for Financial Assistance." This memorandum raised the threshold for Micro-Purchases under Federal financial assistance awards to \$10,000 for all recipients. The increase applies to Federal Transit Administration (FTA) funded procurements made on or after June 20, 2018.

Staff recommends amending the Public Procurement Policy and Procedures Manual to adopt the FTA threshold as a ceiling for all micro-purchases; the current micro-purchase threshold is \$3,000 for Federally funded purchases and \$5,000 for non-federally funded purchases. An increase in the micro-purchase threshold will allow for greater flexibility for the procurement of goods typically sold "off-the-shelf" as well as select services.

The degree of required competition for small purchases will be revised to reflect the \$10,000 micro-purchase limit as well as to adjust the number and type of quotes required based upon the magnitude of the anticipated expenditure as reflected in the table below. These changes are in alignment with the current Virginia Public Procurement Act (VPPA).

Degree of Required Competition – Revised Thresholds

<b>Anticipated Expenditure</b>	<b>Degree of Competition Required</b>
Up to \$10,000	1 Documented Quote; Exempt from Competition
\$10,001 to \$30,000	At Least 2 Verbal Quotes Sought and Documented
\$30,001 to \$100,000 (Goods & Non-Professional Services)*	At Least 4 Written Quotes Sought and Documented
Greater Than \$25,000 (Transportation Related Construction)*	Competitive Sealed Bidding (or Competitive Negotiation if Permissible and Warranted)
\$30,001 to \$80,000 (Professional Services) *	At Least 4 Written Quotes Sought and Documented
Greater Than \$80,000 (Professional Services) *	Competitive Negotiation Required; Request for Proposals
Greater Than \$100,000 (Goods and Non-Professional Services)*	Competitive Sealed Bidding (or Competitive Negotiation if Permissible and Warranted)

*\*Reflects the current threshold established by the Virginia Public Procurement Act.*

This action will authorize an amendment to the Public Procurement Policy and Procedures manual to reflect these changes.

Fiscal Impact:

There is no direct funding impact associated with amending the Public Procurement Policy and Procedures manual.