



## FINANCE AND ADMINISTRATION STAFF REPORT

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**TO:** Finance and Administration Department      **DATE:** February 14, 2025  
**DEPARTMENT:** Administration Department  
**PREPARED BY:** Cristal Munoz, Administrative Analyst  
**PRESENTER:** Cristal Munoz, Administrative Analyst  
**AGENDA TITLE:** Receive Recommendation to Increase Purchasing Authority for City Manager and Update Purchasing Policy

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### RECOMMENDATION

Following the Committee's thorough review and discussion, Staff recommends forwarding this item with an ordinance increasing the City Manager's signing authority from \$25,000 to \$45,000 to the City Council amending Section 3.20 (Purchasing Policies and Procedures) of the Fort Bragg Municipal Code.

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### BACKGROUND

The City's procurement regulations, policies, and procedures are codified in Chapter 3.20 (Purchasing Policies and Procedures) of the City of Fort Bragg Municipal Code. The Purchasing Ordinance was last amended in 2015. City Staff recommends the proposed amendments to the Purchasing Ordinance based on its experience working with the existing code and following a review of purchasing regulations in surrounding jurisdictions. The proposed Ordinance is intended to streamline the procurement process and provide anticipated gains in efficiency.

The current purchasing policy approvals are defined in Chapter 3.20 of the City of Fort Bragg Municipal Code (Purchasing Policies and Procedures)). The Purchasing Ordinance has been in place for many years and has provided guidance for purchasing decisions. As the City's operations have expanded, so needs to modify the Purchasing Ordinance to allow for more efficient operations.

### DISCUSSION AND ANALYSIS

The current signing authority for the City Manager was established at \$25,000 in 2015 by Ordinance 917-2015. Since then, inflation, rising costs of goods and services, and increasing complexities of municipal operations have diminished the efficacy of this limit. This proposal aims to modernize the signing authority to meet the evolving needs of the City. This would facilitate operational proficiency and increasing the limit to \$45,000

AGENDA ITEM NO. XX

would empower the City Manager to address urgent needs more promptly while reserving significant expenditures for Council oversight. At present, projects and purchases of goods and services that cost up to \$45,000 can be handled using informal quotes. This process will not increase the workload for City staff, as it is already a standard procedure. For amounts exceeding \$45,000, formal bidding procedures must be followed, as outlined in Section 3.20.060, and the Council is responsible for awarding the contract.

Increasing the City Manager’s signing authority can enhance efficiency and reduce administrative delays. The current limits often burden the City Council with routine approvals, which slows down decision-making and diverts attention from strategic priorities. Additionally, inflation and rising costs diminish the effectiveness of existing thresholds. Delays in approving small contracts can impede infrastructure maintenance and emergency responses. By aligning with peer cities that have higher limits, Fort Bragg could streamline its operations while maintaining strong internal controls for accountability.

Current purchasing limits table from the Administrative Regulations No. P-5

Amount of Requisition	Required Approval	Bidding Needed?	Purchase Order Required?	Contract Required? <sup>1</sup>
\$1 - \$2,499	Department Manager	None	No	No
\$2,500 –\$ 4,999	City Manager	None	No	Yes
\$5,000 - \$25,000	City Manager	Yes, see item 3 below	Yes	Yes
Greater than \$25,000	City Council	Yes, see item 7 below	Yes	Yes

Several municipalities have established signing authorities for City Managers at or above \$45,000, reflecting a trend toward allowing City Managers to approve higher-value contracts without needing Council approval. Staff researched municipalities similar in size and scope to Fort Bragg, and found that the typical signing authority for City Managers falls within a more modest range, often between \$25,000 and \$100,000. Notable examples include the City of Morro Bay and the City of Healdsburg, both with a signing authority of \$50,000 and the City of Arcata, where the limit is currently set at \$75,000. In contrast, the City of Willits has a lower limit capped at \$25,000.

The cities with higher thresholds, like those in Arcata and Healdsburg, facilitate smoother day-to-day operations. Decisions to increase signing authority are often made to reduce delays in approving smaller contracts and to enhance administrative efficiency.

**FISCAL IMPACT/FUNDING SOURCE**

There is no direct, explicit fiscal impact to modifying the purchasing Ordinance. However, it is anticipated that the proposed Ordinance will result in administrative cost savings due to the increased efficiency arising from the increase in threshold amounts, City Manager contract authority, and streamlining of procurement processes.

**ENVIRONMENTAL ANALYSIS:**

None.

**STRATEGIC PLAN/COUNCIL PRIORITIES/GENERAL PLAN CONSISTENCY**

alignment to the General Plan to ensure operational efficiencies.

**ALTERNATIVES:**

Propose alternatives and not revise the chapter.

**ATTACHMENTS:**

1. Municipal Code 3.20.040 Redline
2. Administrative Regulation No. P-5 – Redline

**NOTIFICATION:**