

**BILL NO. BL2019-1525** (VERCHER & HALL) – This ordinance would amend Section 4.12.010 of the Metropolitan Code of Laws regarding the definition of competitive bidding, in accordance with Tennessee State law.

Tennessee Code Annotated § 12-3-1212 enables local governmental entities with a full-time purchasing agent to increase the threshold over which public advertisement and sealed competitive bids or proposals are required for purchases to an amount not to exceed twenty-five thousand dollars (\$25,000).

MCL Sec. 4.12.010 sets forth requirements for purchases by the Metropolitan Government, ranging from oral and written quotations to competitive sealed bids, with different requirements based upon the dollar amount of the purchase. Under the current section, “competitive bidding” is defined as follows:

<u>Dollar Amount of Purchase</u>	<u>Requirements</u>
Up to \$999.99	One oral or written quotation required.
\$1,000.00 to \$3,999.99	A minimum of three verbal quotations required.
\$4,000.00 to \$9,999.99	A minimum of three written quotations required.
\$10,000.00 and above	Competitive sealed bids or request for proposals.

These thresholds have not been adjusted since 2002. In 2018, the Metropolitan Office of Internal Audit recommended that the threshold over which competitive bidding is required for purchases should be increased to the maximum amounts permitted by state law. The ordinance under consideration would eliminate oral quotations, adjust the various requirement thresholds, and otherwise amend the definition of “competitive bidding” to read as follows:

<u>Dollar Amount of Purchase</u>	<u>Requirements</u>
Up to \$2,499.99	A minimum of one written quotation required
\$2,500.00 to \$25,000.00	A minimum of three written quotations required
Above \$25,000.00	Competitive sealed bids or request for proposals

*Fiscal Note: This ordinance would streamline the procurement process by reducing the number and type of quotations required for specific purchase dollar amounts and by increasing the threshold at which competitive bids are required. By reducing the number of required quotations, the chances of receiving the lowest possible cost are likewise reduced. This proposal would accept that possibility in exchange for reduced administrative costs and simplified processing.*