



## Legislation Text

---

**File #:** 22-223, **Version:** 1

---

**TITLE:**

Town Manager's Contracting Authority

**PURPOSE:** The purpose of this agenda item is for the Town Council to consider modifying the contracting authority for the Town Manager.

**DEPARTMENT:** Finance, Town Manager, and Town Attorney

**CONTACT INFORMATION:** Richard J. White III, Town Manager, 918-7315; Arche McAdoo, Finance Director, 918-7439; Nicholas Herman, Town Attorney, 919-929-3905

**INFORMATION:** Under Town Code Section 3-1 (b)(9)(i), the Town Manager is authorized to enter into contractual agreements that commit the Town to purchase goods and services when authorized by the Town Council. If not previously authorized by the Town Council, the Town Manager has authority to enter into contractual agreements when the acquisition amount for such goods or services is less than \$5,000.

Authorization by the Town Council is understood to mean the item or items have been approved in the annual operating budget.

In the summer of 2021, several service and construction contracts exceeding \$5,000 needed to be signed by the Town Manager while the Town Council was on break. In July 2021, the Town Council authorized temporary contract authority to the Town Manager to enter into and execute all contracts necessary for the operation of the Town. This temporary authority expired on September 14, 2021 at which time contracting authority for the Town Manager returned to the less than \$5,000 threshold for goods and services.

Rather than having one set of contracting thresholds for the summer months and another for non-summer months, a uniform standard that is applicable year-round is requested. This standard should also be expanded to cover contracts for construction and repair, equipment and apparatus. Based on a review of contracting threshold for some municipalities similar in size to Carrboro there does not seem to be a "one size fits all" approach to setting limits. Some have no limit for Manager's contracting authority and some have limits at less than \$5,000 (Attachment B).

In recommending new contract thresholds for the Town Manager, the following information was considered:

1. Formal bids are required for equipment and apparatus when the cost is above \$90,000.
2. For construction and repair contracts, State statutes require formal bids when the cost is \$500,000 or more; however, the Town has set a threshold of \$300,000 for formal bidding of construction and repair contracts..
3. Service contracts not covered by state statutes; however, the Town has established a limit of \$30,000 for formal bids. Also, Uniform Guidance requirements apply to service contracts when using federal funds.

To provide for uniformity and more efficient contracting, staff recommend that Section 3-1 (b)(9)(i), of the Town Code be revised to read as follows:

*“Enter into contracts for the purchase of goods or services or for construction or repairs when the Council has previously authorized the purchase of such goods or services or construction or repairs; or if the Council has not previously provided such authorization, when the amount of the contract for the purchase of goods or services does not exceed \$60,000, purchase of equipment and apparatus does not exceed \$60,000, and the amount of the contract for construction or repairs does not exceed \$150,000.”*

**FISCAL & STAFF IMPACT:** There is no fiscal impact associated with this modification of Town Code.

**RECOMMENDATION:** Staff recommend that the Town Council consider adoption of Attachment A to modify the Town Manager’s contracting authority.