

## City Council – Action Request Form

**Date:** October 15, 2024

**To:** Mayor, Mayor Pro Tempore, and Members of the City Council

**From:** Angela Carmon, City Attorney  
Ben Rowe, Assistant City Manager  
Darren Redfield, Purchasing Director

**Council Action Requested:**  
Resolution Authorizing the Increase of Federal Procurement Policy Micro-Purchase Threshold

**Strategic Focus Area:** Service Excellence  
**Strategic Objective:** N/A  
**Strategic Plan Action Item:** No  
**Key Work Item:** No



**Summary of Information:**  
Federal procurement rules are more stringent in most cases from state rules; most notably federal procurement requirements begin at \$10,000, but North Carolina General Statutes (N.C.G.S.) procurement requirements begin at \$30,000. Thus, local government staff must take extra care to understand and document solicitation efforts at a lower threshold than they may be accustomed.

However, federal regulation code 2 C.F.R. 200.320 allows a non-Federal entity, such as the City of Winston-Salem, to self-certify, on an annual basis, a micro-purchase threshold not-to-exceed \$50,000 and maintain documentation to be made available to federal awarding agencies and auditors. The School of Government at UNC-Chapel Hill has provided legal guidance and recommends that local governing boards self-certify to raise the micro-purchase thresholds to match up with the North Carolina General Statutes, as noted below.

The City Attorney and Purchasing Director recommend that the City Council authorize self-certification of the following micro-purchase thresholds for all City procurement using federal funding as follows:

- A. \$30,000 for the purchase of apparatus, supplies, materials, or equipment;
- B. \$30,000 for construction or repair work;
- C. \$50,000 for the purchase of services not subject to competitive bidding under North Carolina law; and
- D. \$50,000 for professional services subject to the qualifications-based selection process (aka the Mini-Brooks Act) in N.C.G.S. 143-64.31, which only applies when the City has exempted itself in writing from the Mini-Brooks Act.

**Committee Action:**

| <b>Committee</b> | <u>FC-10/15/2024</u> | <b>Action</b>  | <u>Approval</u> |
|------------------|----------------------|----------------|-----------------|
| <b>For</b>       | <u>Unanimous</u>     | <b>Against</b> | <u></u>         |

**Remarks:**

This self-certification shall last until June 30, 2025. Non-Federal entities, such as the City of Winston-Salem, are required to self-certify every year.

M/WBE comment: 2 CFR 200 requires that local governments document their solicitation of M/WBE vendors for all procurement opportunities that exceed the micro-purchase threshold using federal funds. By policy, City staff are to include known M/WBE vendors in all bid opportunities, including those using federal funding; however, procurement under the micro-purchase thresholds would not be subject to federal audit.