

REPORT TO THE BOARD OF MAYOR & ALDERMEN

DATE: November 24, 2025

FROM: Valesa Wells, Finance Director

SUBJECT: Ordinance 2025-14 - **Second Reading and Public Hearing** - An Ordinance Amending the Purchasing Expenditures Section of the Collierville, Tennessee Code of Ordinances Found in Title III, Chapter 37, Section 37.018 (A) by Increasing the Stated Procurement Thresholds

INTRODUCTION:

The purpose of this agenda item is to request the Board of Mayor and Aldermen (the “Board”) consider approving an increase in the formal bid and proposal purchase thresholds to \$50,000, as authorized by Tennessee state statute governing procurement expenditures.

BACKGROUND:

The last revision to Collierville’s purchasing ordinance occurred at the Board’s October 8, 2018 meeting. At that time, state law authorized municipalities to raise their formal bid and proposal threshold up to \$25,000 and the Town adjusted its thresholds to align accordingly.

Tennessee Public Acts Chapter 513, which became effective March 1, 2024, authorized municipalities with a centralized purchasing authority and a full-time purchasing agent to increase, by resolution or ordinance, its purchasing threshold for public advertisement and sealed competitive bids or proposals to an amount not to exceed \$50,000 for non-emergency, nonproprietary purchases. For purchases costing less than the threshold but more than forty percent (40%) of that amount, or some lower limit set by the governing body, three (3) written quotes should be obtained when possible. The statute also requires that purchases of like items be aggregated for threshold calculation. (Please refer to Section 13 of the attached *Tennessee Public Chapter 513, Senate Bill 379/House Bill 284*.)

DISCUSSION:

At the time the original legislation was enacted, staff did not recommend adjusting the Town’s purchasing thresholds to align with the levels authorized by the State. This action seeks to update the Town’s purchasing ordinance to reflect the maximum thresholds currently permitted under Tennessee law. Increasing the threshold for formal bids and proposals to \$50,000 will improve administrative efficiency by reducing the number of procurements requiring formal solicitation, while maintaining appropriate fiscal controls and transparency. Routine purchases below this threshold will continue to follow the Town’s established purchasing policies and procedures.

This increase is expected to allow departments to respond more quickly to immediate needs, such as equipment purchases and service repairs, which can be delayed when required to follow the Town’s formal contracting processes. It will also enhance staff efficiency by enabling smaller projects such as fence repairs, larger equipment maintenance, and facility-related repairs to be completed more promptly, as arranging for three vendors to provide on-site quotes can be challenging. Overall, the adjustment in thresholds will significantly reduce downtime for staff, equipment, and critical operations.

Updating the ordinance at this time ensures the Town’s purchasing procedures remain consistent with state law while promoting operational efficiency across departments and procurement functions. If approved, this ordinance will become effective January 1, 2026.

BUDGET IMPACT:

There is no direct fiscal impact associated with this action. Increasing the threshold will not increase expenditures but will streamline the purchasing process and reduce administrative time and costs associated with preparing and advertising formal bids for lower-dollar purchases.

ATTACHMENTS:

[Ordinance 2025-14 - Procurement Thresholds Revision.pdf](#)

[Tennessee Public Chapter 513 - SB 379 - HB 284.pdf](#)

PROPOSED MOTION:

To approve Ordinance 2025-14 on second reading.

Board Action: Motion By _____ Seconded By _____

Vote Total	Hall	Jordan	Robbins	Marshall	Stamps	Fraser
Yes						
No						
Abstain						