



Staff Report

TO: City Council
FROM: Lisa Leach, CPA, Assistant Finance Director
DATE: August 19, 2025
SUBJECT: Finance Purchasing Policy Update

Description: Purchasing Policy Update to add additional language pertaining to streamlining the approval and encumbrance process for agreements.

Background and Analysis:

The City's Purchasing Policy serves as a critical framework for ensuring transparency, fiscal accountability, and operational efficiency in procurement activities. As part of ongoing process improvement efforts, staff identified an opportunity to streamline the approval and encumbrance process for agreements that have already received City Council authorization.

City Council Approval and Purchase Orders

Currently, departments are required to initiate separate requisitions and purchase order approval workflows even after City Council has formally authorized an agreement. This practice, while diligent, can result in delays in contract execution, encumbrance, and payment processing, particularly for time-sensitive services or vendor deadlines.

To address this, staff recommends adding the following language to the Purchasing Policy (page 93):

“When City Council approval is obtained for an agreement, that approval shall also serve as authorization for the associated requisition and purchase order. This streamlines the procurement process and ensures timely encumbrance and payment for approved agreements. Departments must still ensure all backup documentation and funding availability are confirmed before proceeding with the requisition. Documentation includes but is not limited to contract/agreement, Certificate of Insurance, Business License, Proposal, RFP (if needed), and/or quotes.”

This clarification reinforces internal accountability while aligning City processes with best practices used by peer agencies. It preserves necessary documentation requirements and budgetary oversight, ensuring departments remain responsible for

confirming both funding and compliance before procurement is finalized. The Purchasing Policy Update was reviewed by the Finance and Audit Committee on July 28, 2025, and it was recommended to approve the changes and forward onto City Council for final adoption.

An additional update was added for clarification of roles and responsibilities of approvals. Department Heads were replaced with Assistant City Manager, Deputy City Manager, Director and Departmental Director (pg 31 and pg 87).

Fiscal Impact:

No direct fiscal impact is associated with this policy update. The change is procedural and intended to improve efficiency within existing budget controls.

The cost to prepare this staff report was approximately \$350.

Recommended Action:

Approve the Purchasing Policy Update.

Attachments:

- A. 2025 City of Beaumont Financial Policy 08.19.25