

**BERRYVILLE TOWN COUNCIL BUDGET AND FINANCE COMMITTEE  
MEETING AGENDA  
Berryville-Clarke County Government Center  
101 Chalmers Court, Second Floor  
Meeting Room A/B  
Regular Meeting  
April 24, 2018  
2:00 p.m.**

<u>Item</u>		<u>Attachment</u>
1. Call To Order	Erecka Gibson, Chair	
2. Approval of Agenda		
3. Discussion	Budget Contingency Policy	1
4. Discussion	Proposed amendment to Procurement Policy	2
5. Discussion	Procurement Policy Implementation / Next Steps	
6. Closed Session	No Closed Session Scheduled	
7. Other		
8. Adjourn		

↑ Denotes an item on where a motion for action is included in the packet

# Attachment 1

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**FINANCE AND ADMINISTRATION STAFF REPORT**

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**TO:** TOWN COUNCIL  
**FROM:** DESIREE MORELAND, TREASURER  
**SUBJECT:** BUDGET AND FINANCE COMMITTEE  
**DATE:** 4/17/2018  
**CC:** KEITH DALTON, TOWN MANAGER

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I have attached a couple of items that I would like the B&F Committee to address at their 4/24/2018 meeting.

First I have attached the ***Budget Contingency Policy*** that was submitted at the February 27, 2018 meeting. Chairman Gibson has indicated that she is fine with the policy as drafted; I have not had any comments from Mayor Dickinson. Is it ready to go to Council?

Next, I have my recommended amendment to the recently adopted Procurement Policy. This amendment would allow the Town to negotiate with the lowest bidder when the lowest responsive bid exceeds allocated funds. At Mayor Dickinson's request the word *available* has been replaced with the word *allocated* throughout the document and the word *shall* replaces *may* in both sections (1) and (2) as it applies to the reduction in the proposed scope of work.

Since our March 29, 2018 internal procurement training, Heather and Mia have been working to get electronic documents to department heads and Council. Heather is working on making the new forms fillable.

Town of Berryville  
Budget Contingency Policy

The purpose of the Budget Contingency Plan is to establish a guideline and general approach to:

- Respond to unanticipated significant revenue shortfalls.
- Provide funding for unanticipated, non-recurring, expenditures that cannot be absorbed within the operating budget.
- Provide temporary funding for an unanticipated, increase in operations or maintenance that cannot be absorbed within the operating budget.

Expenditures drawn from contingency funds shall require prior approval from the Town Manager. Notice of such action will be presented to the Town Council at their next monthly meeting.

Budget Contingency will be at least 3% of Total Operating Requirements. Based on an assessment of expenditure risk for the upcoming fiscal year the Town Manager may recommend a higher level of Contingency and include such recommendation in the Proposed Budget. The Town Council holds final authority upon approval of the annual budget.

# Attachment 2

## Negotiation with lowest responsible bidder.

Unless cancelled or rejected, a responsive bid from the lowest responsible bidder shall be accepted as submitted, except that if the bid from the lowest responsible bidder exceeds allocated funds, the town may negotiate with the apparent low bidder to obtain a contract price within allocated funds.

(a) Procedures for negotiations. If the town wishes to negotiate with the apparent low bidder to obtain a contract price within allocated funds, negotiations shall be conducted in accordance with the following procedures:

(1) The using agency shall provide the director of public works, in the case of construction projects, and the procurement officer, in all other matters, with a written determination that the apparent low bid exceeds allocated funds. Said determination shall be confirmed in writing by the treasurer or his/her designee. The using agency may also provide the appropriate officer/director with a suggested reduction in scope for the proposed purchase.

(2) The appropriate officer/director shall advise the lowest responsible bidder, in writing, that the proposed purchase exceeds allocated funds. He may further suggest a reduction in scope for the proposed purchase, and invite the lowest responsible bidder to amend its bid proposal based upon the proposed reduction in scope.

(3) Repetitive informal discussions with the lowest responsible bidder for purposes of obtaining a contract within allocated funds shall be permissible.

(4) The lowest responsible bidder shall submit an addendum to its bid, which addendum shall include any change in scope for the proposed purchase, the reduction in price and the new contract value.

(5) If the proposed addendum is acceptable to the town, the town may award a contract within funds allocated to the lowest responsible bidder based upon the amended bid proposal.

(6) If the town and the lowest responsible bidder cannot negotiate a contract within allocated funds, all bids shall be rejected.