



# Huntsville, Alabama

305 Fountain Circle  
Huntsville, AL 35801

## Cover Memo

**Meeting Type:** City Council Regular Meeting **Meeting Date:** 3/12/2026

**File ID:** TMP-6642

**Department:** Finance

**Subject:**

**Type of Action:** Approval/Action

Ordinance amending Chapter 2, Article IV, Division 1 of Ordinance 96-864 to revise Sections 2-181, 2-184, and 2-188 updating the provisions governing small-dollar purchases and establishing a purchase threshold that automatically aligns with the competitive bid threshold set forth in the State of Alabama’s competitive bid law. (Introduced on February 26, 2026, Regular Council Meeting)

Ordinance No. 26-196

**Finance Information:**

**Account Number:** N/A

**City Cost Amount:** \$ N/A

**Total Cost:** \$ N/A

**Special Circumstances:**

**Grant Funded:** \$ N/A

**Grant Title - CFDA or granting Agency:** N/A

**Resolution #:** N/A

**Location: (list below)**

**Address:** N/A

**District:** District 1  District 2  District 3  District 4  District 5

**Additional Comments:**

Section 41-16-50(g) of the Code of Alabama allows the Department of Public Examiners to request an adjustment to the competitive bid threshold every three years. To keep the City’s purchasing limits aligned with inflation and rising costs, the proposed change would automatically adjust the City’s small-dollar purchase threshold whenever the state competitive bid threshold is updated.

**ORDINANCE NO. 24--\_\_\_\_\_**

**BE IT ORDAINED** by the City Council of the City of Huntsville, Alabama, that Article IV, Division 2, Procurement, of Chapter 2, Administration, of the Code of Ordinances, City of Huntsville, is hereby amended to read as follows:

**Section 1.** Section 2-181: the definition of “Financial Interest” is amended to read as follows:

Financial interest means:

- (1) Ownership of any interest or involvement in any relationship from which or as a result of which a person within the past year has received or is presently or in the future entitled to receive more than the small purchase threshold as defined in Section 2(d)(2) per year, or its equivalent.
- (2) Ownership of more than five percent of any property or business; or
- (3) Holding a position in a business such as officer, director, trustee, partner, employee or the like, or holding any position of management.

**Section 2.** Sections 2-184(d)(2) and (3) are amended to read as follows:

- (2) The small-dollar threshold shall be established at an amount equal to one-half of the competitive bid threshold as provided in Section 41-16-50(a), Code of Alabama, 1975, as amended. For purchases equal to this amount up to the amount requiring competitive bidding under state law, Procurement shall, insofar as practicable, obtain written competitive price quotes from not fewer than three businesses. The award shall be made to the lowest responsive and responsible business submitting a written quotation. All written quotations obtained pursuant to this section shall be maintained as a public record in accordance with applicable law.
- (3) . For purchases under the small-dollar threshold, Procurement services shall adopt operational procedures for making said purchases. Such operational procedures shall provide for obtaining adequate and reasonable competition for the supply or service being purchased. Further, such operational procedures shall require the proper accounting for the funds expended and facilitate an audit of the small purchase made.

**Section 3.** Section 2-188(b)(20)(b) and (c). Purchases with Federal Transit Administration Funds are amended to read as follows:

- (b) The small-dollar threshold shall be established at an amount equal to one-half of the competitive bid threshold as provided in Section 41-16-50(a), Code of Alabama, 1975, as amended, but shall not exceed the prevailing micro purchase threshold set by the Federal Transit Administration. For purchases equal to this amount up to the amount requiring competitive bidding under state law, Procurement shall, insofar as practicable,

obtain written competitive price quotes from not fewer than three businesses. The award shall be made to the lowest responsive and responsible business submitting a written quotation. All written quotations obtained pursuant to this section shall be maintained as a public record in accordance with applicable law.

(c) For purchases under the small-dollar threshold, Procurement services shall adopt operational procedures for making said purchases. Such operational procedures shall provide for obtaining adequate and reasonable competition for the supply or service being purchased. Further, such operational procedures shall require the proper accounting for the funds expended and facilitate an audit of the small purchase made.

**Section 4.** Section 2-188(b)(22). Purchases with Federal Transit Administration Funds are amended to read as follows:

(22) Micro-purchase Davis-Bacon. The City of Huntsville, Alabama adheres to the Davis-Bacon Act for prevailing wage and hour restrictions that applies to construction contracts over \$2,000.00.

**Section 5.** Section 2-188(b)(23). Purchases with Federal Transit Administration Funds are amended to read as follows:

(23) Price quotations (small purchase). Insofar as it is practical, as determined by the City of Huntsville, Alabama for small-dollar purchases as defined in Section 2-188(20)(b) up to the amount required for competitive bids, written competitive prices will be solicited from at least three businesses. Award shall be made to the responsive and responsible business offering the lowest quoted price. Such written quotes shall be maintained.

**Section 6.** Section 2-188(b)(56). Purchases with Federal Transit Administration Funds are amended to read as follows:

(56) *Federal clauses.* The City of Huntsville, Alabama will ensure that all applicable FTA clauses and certifications are included in any procurement actions that may utilize FTA funds exceeding the micro-purchase limit and construction contracts over \$2,000.00. To ensure that all FTA clauses and certifications are included in the FTA funded procurement, the procurement division uses a solicitation preparation checklist similar to the form under subsection (c). If it is determined that FTA compliance is required, public transit will use FTA C4220.1F, as amended, "Provisions, Certifications, Reports, Forms, and Other Matrices of Third Party Provisions," subsection (c) of this ordinance.

**Section 7.** With the exception of the amendments made herein, all other portions of Chapter 2, Article IV of the Code of Ordinances, City of Huntsville, Alabama, shall remain unchanged and in full force and effect.

**Section 8.** This ordinance shall become effective upon its adoption and approval.

**ADOPTED** this the 26th day of February, 2026.

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President of the City Council  
of the City of Huntsville, Alabama

**APPROVED** this the 26th day of February, 2026.

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Mayor of the City of  
Huntsville, Alabama