



13
39

CITY MANAGER'S OFFICE
RECEIVED
JAN 20 1989

DEPARTMENT OF
GENERAL SERVICES

CITY OF SACRAMENTO
CALIFORNIA

5730 - 24TH STREET
BUILDING FOUR
SACRAMENTO, CA
95822-3699

OFFICE OF THE DIRECTOR

APPROVED
BY THE CITY COUNCIL

916-449-5548

January 19, 1989

PASSED FOR
PUBLICATION
& CONTINUED
TO 3-7-89

JAN 31 1989

DIVISIONS:

City Council
Sacramento, California

OFFICE OF THE
CITY CLERK

COMMUNICATIONS
FACILITY MANAGEMENT
FLEET MANAGEMENT
PROCUREMENT SERVICES

Honorable Members in Session:

**SUBJECT: AMENDING THE COMPETITIVE BIDDING REQUIREMENTS
AND UPDATING THE INFORMAL BIDDING PROCESS**

APPROVED
BY THE CITY COUNCIL

MAR 07 1989

OFFICE OF THE
CITY CLERK

SUMMARY

This report requests the establishment of a \$25,000 competitive bidding for purchases of supplies and non-professional services and public projects and updating the informal bidding process (Resolution #78-684).

BACKGROUND

In July of 1988, by resolution, City Council authorized a November 1988 Ballot Measure E to amend Article XIV (Public Contracts and Supplies), Sections 201 and 202 of the City Charter to provide that competitive bidding for public projects, and for contracts for goods, equipment, materials, and supplies would be required when the cost exceeds the amounts specified by the City Council by ordinance.

The effect of Ballot Measure E was the elimination of specified dollar amounts from the City Charter and allow the City Council to determine, from time to time, in its discretion, the appropriate limits above which competitive bidding is required.

On November 8, 1988, City voters approved Measure E 86,897 (78%) to 24,512 (22%).

City Council
Amending the Competitive Bidding Requirements
and Updating the Informal Bidding Process
Page 2

~~13~~
39

In the report recommending the Charter Amendment, staff advised that it intends to request the City Council to establish, by ordinance, a limitation in the amount of \$25,000 for Public Projects and for Supplies, etc., based on inflationary increases, other public agency limits, increased efficiency, and decreased turnaround time required for routine items and services.

In addition to the establishment of the formal competitive bid process for purchases of supplies, non-professional services, and public projects above \$25,000, Resolution No. 78-684 approving open market transaction procedures for purchases of supplies, non-professional services, and public projects not required to be formally bid needs to be amended to reflect the new limits.

FINANCIAL IMPACT

No additional City costs will be incurred as a result of this change.

POLICY CONSIDERATIONS

The current City code provisions of Chapters 57 and 58 relating to competitive bidding requirements for contracts for public works projects and contracts for supplies and non-professional services would be amended with the enactment of the attached ordinance as follows:

| | <u>Dollar Limitations</u> | | | |
|--|---------------------------|----------|-----------------|----------|
| | <u>Current</u> | | <u>Proposed</u> | |
| Chapter 57 - Purchase of Supplies or Non-Professional Services | | | | |
| Informal Competitive Bidding | Less than | \$10,000 | Less than | \$25,000 |
| Formal Competitive Bidding | In excess of | \$10,000 | In excess of | \$25,000 |
| Chapter 58 -Public Works Contracts | | | | |
| Informal Competitive Bidding | Under | \$ 5,000 | Under | \$25,000 |
| Formal Competitive Bidding | In excess of | \$ 5,000 | In excess of | \$25,000 |

13
39

Also, Resolution No.78-684, the procedure to be utilized in the informal bidding process for contracts and purchases would be increased from less than \$10,000 to less than \$25,000, and the Purchasing Manager's discretion for expenditures on non-competitive awards would be increased from \$500 up to \$2,000.

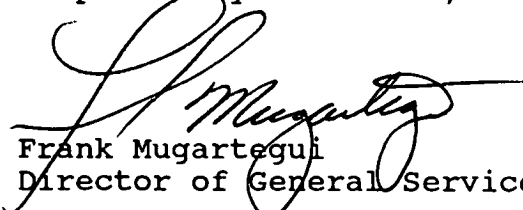
MBE/WBE EFFORTS

Increasing the informal competitive bidding limits for contracts and purchases to \$25,000 should enhance the City's efforts towards achieving the City's twenty percent minority and five percent female goals in this area, through the simplification of the process.

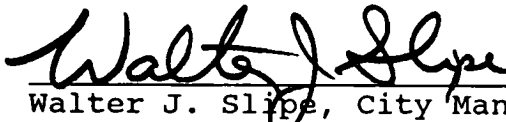
RECOMMENDATION

It is recommended that the City Council: (1) enact the attached ordinance amending Chapters 57 and 58 of the City Code establishing the competitive bidding limitation of \$25,000 for public projects and purchases and contracts for supplies and non-professional services; and (2) adopt the attached resolution updating the open market transaction procedures for purchases of supplies, non-professional services, and public projects not required to be formally bid.

Respectfully submitted,


Frank Mugartegui
Director of General Services

RECOMMENDATION APPROVED:


Walter J. Slupe, City Manager

January 31, 1989
All Districts
Ordn: PFP: January 31, 1989
Action: March 7, 1989

Contact person to answer questions: Frank Mugartegui - 449-5548

ORDINANCE NO. 89-015

13
39

AD BY THE SACRAMENTO CITY COUNCIL ON DATE OF

ORDINANCE AMENDING SECTIONS 57.201, 57.202, 57.301, 58.201, 58.202 AND 58.301 OF THE SACRAMENTO CITY CODE RELATING TO COMPETITIVE BIDDING REQUIREMENTS FOR CONTRACTS FOR PUBLIC PROJECTS AND CONTRACTS FOR SUPPLIES AND NONPROFESSIONAL SERVICES

APPROVED
BY THE CITY COUNCIL
MAR 07 1989
OFFICE OF THE
CITY CLERK

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Sections 57.201, 57.202, and 57.301 of the Sacramento City Code are hereby amended to read, respectively, as follows:

§ 57.201 Contracts under twenty-five thousand dollars.

Subject to the availability of the funds and the procedures set forth in this chapter, the city manager is hereby authorized to bind the city, by written contract or purchase order, involving an expenditure under twenty-five thousand dollars in any one transaction, without first advertising therefor or obtaining specific authorization by the city council, for the purchase of supplies or nonprofessional services for the city.

§ 57.202 Contracts of twenty-five thousand dollars or more.

Unless otherwise provided herein, all contracts for supplies or non-professional services involving an expenditure of twenty-five thousand dollars or more shall be awarded by the city council. Such contracts shall be formal written agreements executed by the city manager on behalf of the city. The signature by the city manager shall constitute his certification that there remains unexpended and unapplied balances of the appropriations or funds applicable thereto sufficient to pay the estimated expenses of executing such contract.

§ 57.301 When advertising required.

Where the cost of supplies or nonprofessional services required by the city equals or exceeds the sum of twenty-five thousand dollars, the city council shall order the city clerk to call for formal bids therefor by advertising at least once in the official newspaper of the city not less than ten calendar days prior to the date set for receiving such bids. The city council, when it deems it to be advisable, may require more than one advertising of the call for bids.

13
39

SECTION 2.

Sections 58.201, 58.202 and 58.301 of the Sacramento City Code are hereby amended to read, respectively, as follows:

§ 58.201 Contract under twenty-five thousand dollars.

Subject to the availability of funds and the procedures set forth in this chapter, the city manager is hereby authorized to bind the city, by written contract or purchase order, involving an expenditure under twenty-five thousand dollars in any one transaction, without first advertising therefor or obtaining specific authorization by the city council, for the undertaking of a public project required by the city.

§ 58.202 Contracts of twenty-five thousand dollars or more.

Unless otherwise provided herein, all contracts for public projects involving an expenditure of twenty-five thousand dollars or more shall be awarded by the city council. Such contracts shall be formal written agreements executed by the city manager on behalf of the city. The signature by the city manager shall constitute his certification that there remains unexpended and unapplied balances of the appropriations or funds applicable thereto sufficient to pay the estimated expense of executing such contract.

§ 58.301 When advertising required.

Where the cost of a public project required by the city equals or exceeds the sum of twenty-five thousand dollars, the city council shall order the city clerk to call for formal bids therefore by advertising at least once in the official newspaper of the city not less than fourteen calendar days prior to the date set for receiving such bids. The city council, when it deems it to be advisable, may require more than one advertising of the call for bids.

DATE PASSED FOR PUBLICATION:

DATE ENACTED:

DATE EFFECTIVE:

MAYOR

ATTEST:

CITY CLERK

13
39

ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

ORDINANCE AMENDING SECTIONS 57.201, 57.202, 57.301, 58.201, 58.202 AND 58.301 OF THE SACRAMENTO CITY CODE RELATING TO COMPETITIVE BIDDING REQUIREMENTS FOR CONTRACTS FOR PUBLIC PROJECTS AND CONTRACTS FOR SUPPLIES AND NONPROFESSIONAL SERVICES

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Sections 57.201, 57.202, and 57.301 of the Sacramento City Code are hereby amended to read, respectively, as follows:

§ 57.201 ~~Contracts not equalling or exceeding ten~~ under twenty-five thousand dollars.

Subject to the availability of the funds and the procedures set forth in this chapter, the city manager is hereby authorized to bind the city, by written contract or purchase order, involving an expenditure ~~not equalling or exceeding ten~~ under twenty-five thousand dollars in any one transaction, without first advertising ~~therefore~~ therefor or obtaining specific authorization by the city council, for the purchase of supplies or nonprofessional services for the city.

§ 57.202 ~~Contracts in excess of ten of twenty-five~~ thousand dollars or more.

Unless otherwise provided herein, all contracts for supplies or non-professional services involving an expenditure ~~equalling or exceeding ten of twenty-five thousand dollars or more~~ shall be awarded by the city council. Such contracts shall be formal written agreements executed by the city manager on behalf of the city. The signature by the city manager shall constitute his certification that there remains unexpended and unapplied balances of the appropriations or funds applicable thereto sufficient to pay the estimated expenses of executing such contract.

§ 57.301 When advertising required.

Where the cost of supplies or nonprofessional services required by the city equals or exceeds the sum of ~~ten~~ twenty-five thousand dollars, the city council shall order the city clerk to call for formal bids ~~therefore~~ therefor by advertising at least once in the official newspaper of the city not less than ten calendar days prior to the date set for receiving such bids. The city council, when it deems it to be advisable, may require more than one advertising of the call for bids.

13
39

SECTION 2.

Sections 58.201, 58.202 and 58.301 of the Sacramento City Code are hereby amended to read, respectively, as follows:

§ 58.201 Contract under five twenty-five thousand dollars.

Subject to the availability of funds and the procedures set forth in this chapter, the city manager is hereby authorized to bind the city, by written contract or purchase order, involving an expenditure ~~not exceeding five~~ under twenty-five thousand dollars in any one transaction, without ~~first advertising~~ ~~therefore~~ therefor or obtaining specific authorization by the city council, for the undertaking of a public project required by the city.

§ 58.202 Contracts ~~in excess of five~~ of twenty-five thousand dollars or more.

Unless otherwise provided herein, all contracts for public projects involving an expenditure ~~exceeding five~~ of twenty-five thousand dollars or more shall be awarded by the city council. Such contracts shall be formal written agreements executed by the city manager on behalf of the city. The signature by the city manager shall constitute his certification that there remains unexpended and unapplied balances of the appropriations or funds applicable thereto sufficient to pay the estimated expense of executing such contract.

§ 58.301 When advertising required.

Where the cost of a public project required by the city equals or exceeds the sum of ~~five~~ twenty-five thousand dollars, the city council shall order the city clerk to call for formal bids therefore by advertising at least once in the official newspaper of the city not less than fourteen calendar days prior to the date set for receiving such bids. The city council, when it deems it to be advisable, may require more than one advertising of the call for bids.

DATE PASSED FOR PUBLICATION:

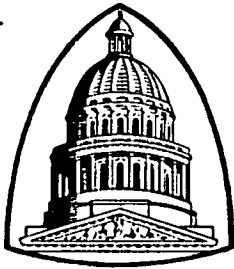
DATE ENACTED:

DATE EFFECTIVE:

MAYOR

ATTEST:

CITY CLERK



Sacramento Builders' Exchange, Inc.

1331 T STREET • P. O. BOX 1462 • SACRAMENTO, CALIFORNIA 95807
TELEPHONE 916/442-8991

RECEIVED
CITY CLERKS OFFICE
CITY OF SACRAMENTO
JAN 30 4 42 PM '89

13
39

January 31, 1989

The Sacramento City Council
915 I Street
Sacramento, CA 95814

Honorable Members in Session:

SUBJECT: AMENDING THE COMPETITIVE BIDDING REQUIREMENTS

The Sacramento Builders' Exchange has taken a neutral position on the City's recommendation to amend competitive bidding requirements and limits.

We do however feel that the increased force account limit from \$5000 to \$15,000 for remodel work is too high.

We have discussed the proposal with Mr. Mugartequi and his staff and we are in general concurrence with the changes.

Thank you for your attention.

Yours very truly,

Scott P. Leary
Governmental & Service Relations

SPL/mm
cc: Frank Mugartequi



"SERVING THE CONSTRUCTION INDUSTRY OVER 80 YEARS"