

# Public Contracting

## 101 & 102

City Council  
July 14, 2025

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Finance & Public Works  
Departments



# Public Contracting 101

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Finance Department

# Procurement Guidelines / Processes



Professional Consulting Services

Non-Professional Consulting  
Services

Public Works Projects:  
Formal Competitive Bidding

Procurement Thresholds  
Authorities

Sole Source / Single Source

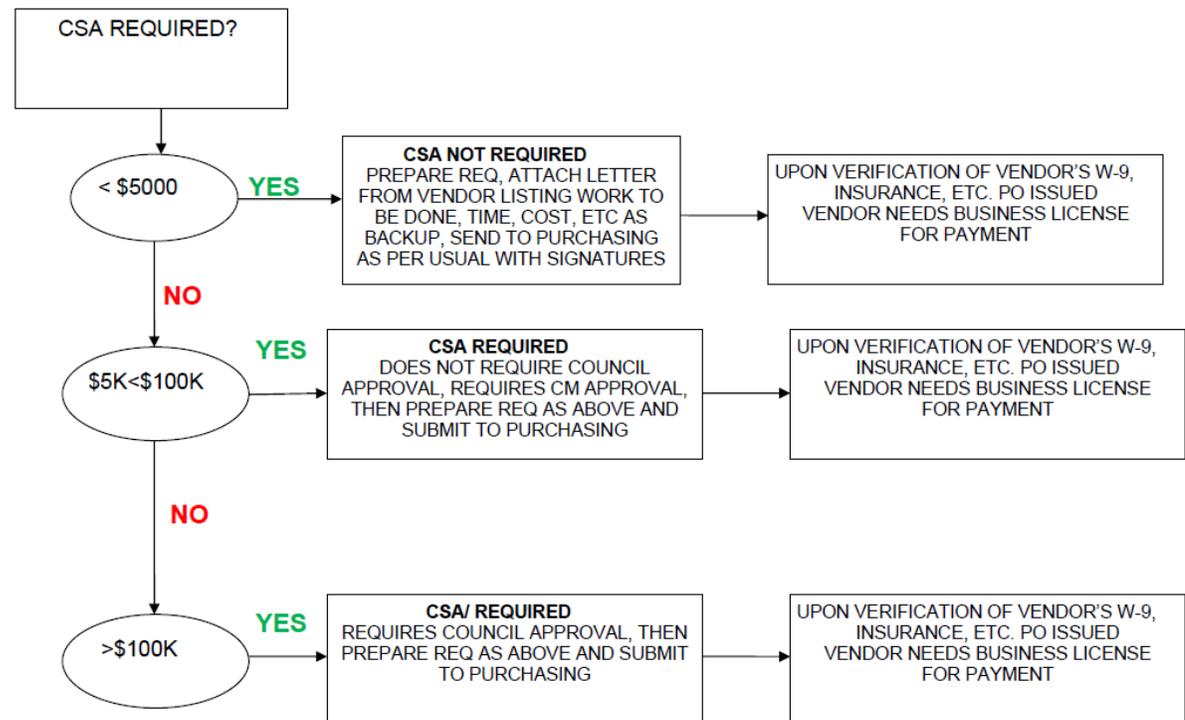
# Professional Consulting Services



## Professional Services

- Include, but not limited to, facility planning and engineering, information and telecommunication services organization development, environmental impact reports, financial feasibility studies and traffic analysis.

## CONSULTING SERVICES AGREEMENT (CSA) AND FLOW CHART



# Non-Professional Consulting Services

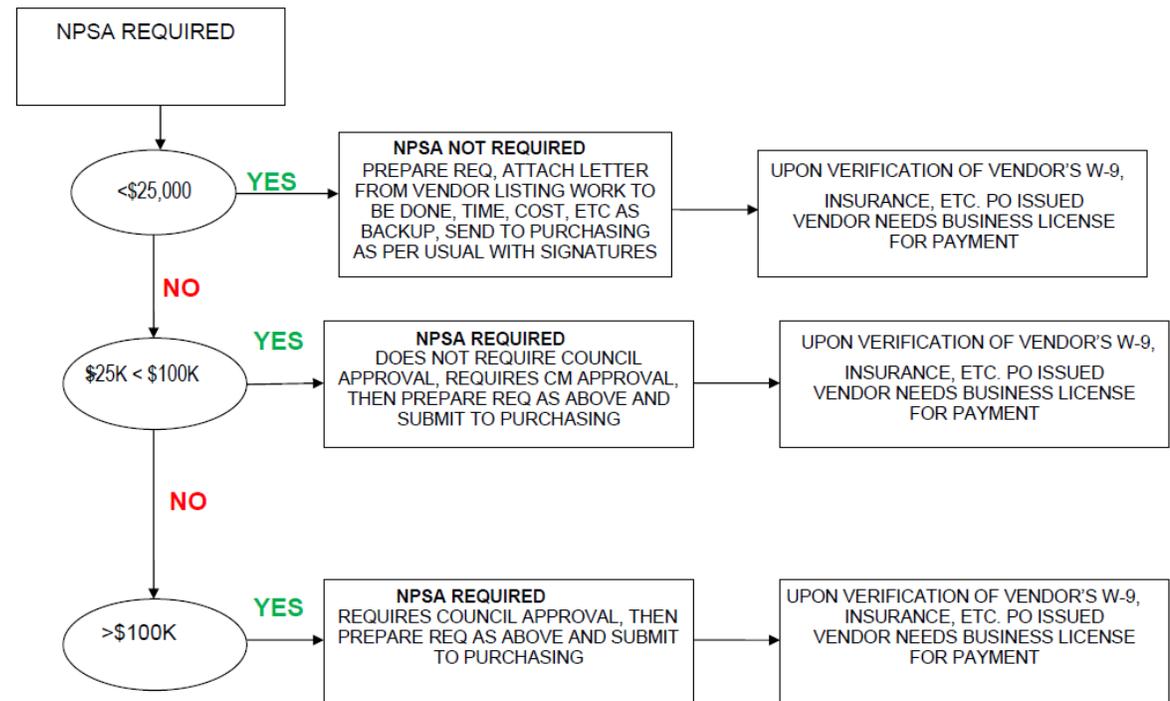


## Non-Professional Services

- Include, but not limited to, janitorial, landscaping, non-specialized transport, hauling or moving, and minor installations, repair or maintenance to City facilities or equipment

## NON-PROFESSIONAL SERVICES AGREEMENTS (NPSA)

### FLOW CHART



# Public Work Projects: Informal Quotes vs. Formal Competitive Bidding



## Informal Quotes

- \$60,000 - \$200,000
- Requires a least three (3) quotes from qualified vendors

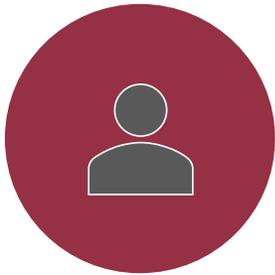
## Formal Competitive Bidding

- Over \$200,000
- Detailed, written specifications must be included in bid packets
- Public noticing published not less than 7 days before sealed bid opening

# Procurement Threshold Authorities

	A	B	C	D
1	<b>Maintenance Services</b>			
2	<b>Current Amount</b>	<b>Purpose</b>	<b>Required Authorization Document</b>	<b>Approval Authority</b>
3	\$25,000 or Less	Quotations from competitive sources	Purchase Order	Department Director or Designee
4	\$25,001 - \$100,000	Solicitation of at least three sources	Non-Professional Services Agreement	City Manager
5	\$100,001 or Greater	Solicitation of at least three sources	Non-Professional Services Agreement	City Manager & City Council
6	<b>External Professional Services</b>			
7	<b>Current Amount</b>	<b>Purpose</b>	<b>Required Authorization Document</b>	<b>Approval Authority</b>
8	\$5,000 or Less	Quotations from competitive sources	Purchase Order	Department Director or Designee
9	\$5,001 - \$60,000	Quotations from competitive sources	Professional Services Agreement	City Manager
10	\$60,001 - \$100,000	Solicitation of at least three sources	Professional Services Agreement	City Manager
11	\$101,000-\$200,000	Solicitation of at least three sources	Professional Services Agreement & Resolution	City Manager & City Council
12	\$200,001 or Greater	Request for Proposal procedure required	Professional Services Agreement & Resolution	City Manager & City Council
13	<b>Public Works Projects</b>			
14	<b>Current Amount</b>	<b>Purpose</b>	<b>Required Authorization Document</b>	<b>Approval Authority</b>
15	\$5,000 or Less	Quotations from competitive sources	Purchase Order	Department Director or Designee
16	\$5,001 - \$100,000	Solicitation of at least three sources	Professional Services Agreement	City Manager
17	\$101,000 - \$200,000	Solicitation of at least three sources	Professional Services Agreement & Resolution	City Manager & City Council
18	\$200,001 or Greater	Formal bid procedure required	Professional Services Agreement & Resolution	City Manager & City Council
19	<b>Goods, Material, Equipment, Furnishing, and Supplies</b>			
20	<b>Current Amount</b>	<b>Purpose</b>	<b>Required Authorization Document</b>	<b>Approval Authority</b>
21	\$60,000 or Less	Quotations from competitive sources	Purchase Order	Department Director or Designee
22	\$60,001 - \$100,000	Solicitation of at least three sources	Purchase Order	Department Director or Designee
23	\$101,000-\$200,000	Solicitation of at least three sources	Non-Professional Services Agreement & Resolution	City Manager & City Council
24	\$200,001 or Greater	Formal bid procedure required	Non-Professional Services Agreement & Resolution	City Manager & City Council

# Sole Source / Single Source



A **sole source** purchase refers to purchasing without competitive bidding for goods, materials, supplies and some services only available from one vendor.



A **single source** purchase refers to purchasing without competitive bidding for goods, materials, supplies and some services from one vendor when multiple vendors are available.



Departments must submit a Sole/Single Source request form with a requisition for review and approval.



If use of these sources appears to be necessarily ongoing or consistent, then City Council shall by resolution authorize use of these vendors without competitive bidding.

# Public Contracting 102

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Public Works Department

# Capital Improvement Project Phases

## Pre-Design

**Feasibility studies**  
**Conceptual design**  
**Public outreach**

- Professional consulting services
- RFP/RFQ



## Design Development

**Preparation of construction documents**

- Professional consulting services
- RFP/RFQ



## Construction & Closeout

**Public Works Contracts**

- Competitive bidding
- Design consultant provides support during construction



A person in a grey suit and blue tie is shown from the chest down, balancing a stack of coins on the left and a row of wooden blocks on the right. The background is blurred.

# Contingency

***Designated amount of funds set aside in a project budget to account for unexpected costs***

- Important risk management tool
- Prepares for changes in scope or errors and omissions
- Avoids “cost cutting”
- Allows for flexibility in design process

***Should not be used to accomplish the original scope of the project***

# Contingency

## How is Percentage of Contingency Determined

- Complexity of the work involved
- Amount of unknowns
- Size of contract

# Change Orders

## ***Amendment to Contract that Changes the Scope of Work and Fee***

- Reviewed by Engineering staff and approved by City Manager or designee
- Contractor or Consultant must demonstrate to City's satisfaction that work falls outside of original project scope



Unforeseen Conditions



City Requests



Design Scope Change



Errors & Omissions

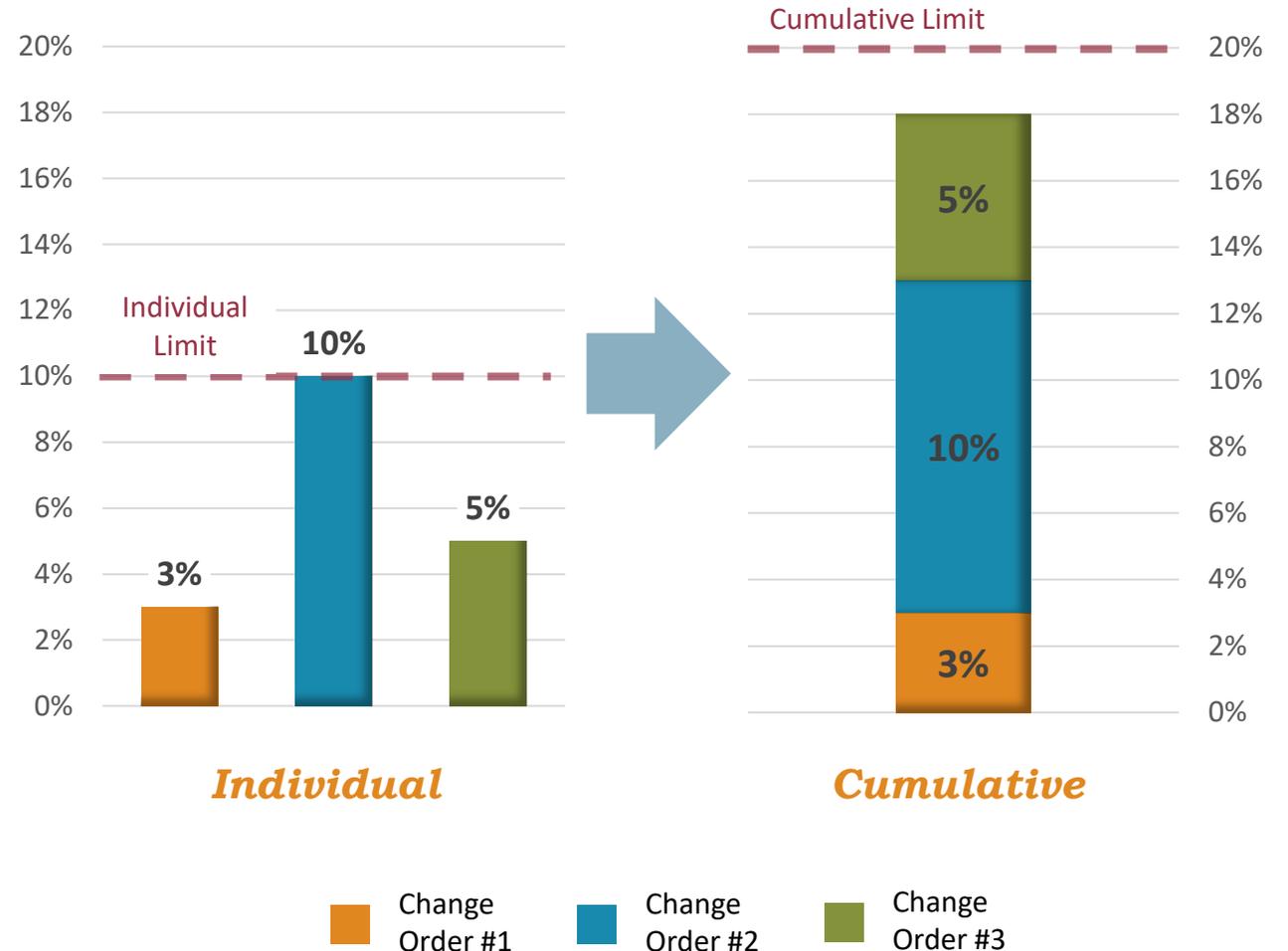


Regulatory Compliance

# Individual vs Cumulative Change Orders

*Individual and Cumulative Change Order Limits are used to manage project scope and budget effectively*

- **Individual Change Order Limit**
  - Individual COs that exceed limit require Council approval
  - Independent of other COs
  - Focus on cost of single change
- **Cumulative Change Order Limit**
  - Any CO that would cause cumulative amount to exceed limit requires Council approval
  - Focus on overall budget impact of approved changes
  - Protects against scope creep



# Change Orders

## Memorial Park

- Funds credited back to the project through Change Order
- Change Order used to better secure perimeter fence



## Bancroft Paving

- Change Order used to lower existing traffic signal conduits
- Change Order will be utilized to address EMBUD repairs



# Change Order Contingency

## Risks of Not Utilizing Contingency



### Project Delays

Project paused until Council authorizes Change Orders



### Budget Overruns

May result in construction delay claims



### Scope Reductions

Key features may be sacrificed to stay on budget



### Less Flexibility

Discourages exploration of alternatives that could add value and enhancements

## Best Management Practices



### Delegate Authority

City Manager, PW Director, or City Engineer may approve Change Orders up to contingency limits



### Classify Change Orders

Improves project understanding  
Data can improve future project delivery



### Pre-Qualification

Establish pre-qualification process for large or complex projects



### Alternative Contracting

On-Call Construction Services  
California Uniform Public Construction Cost Accounting Act (CUPCCA)

# Questions & Discussion

