

Public Contracting

101 & 102

City Council
July 14, 2025

Finance & Public Works
Departments



Public Contracting 101

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

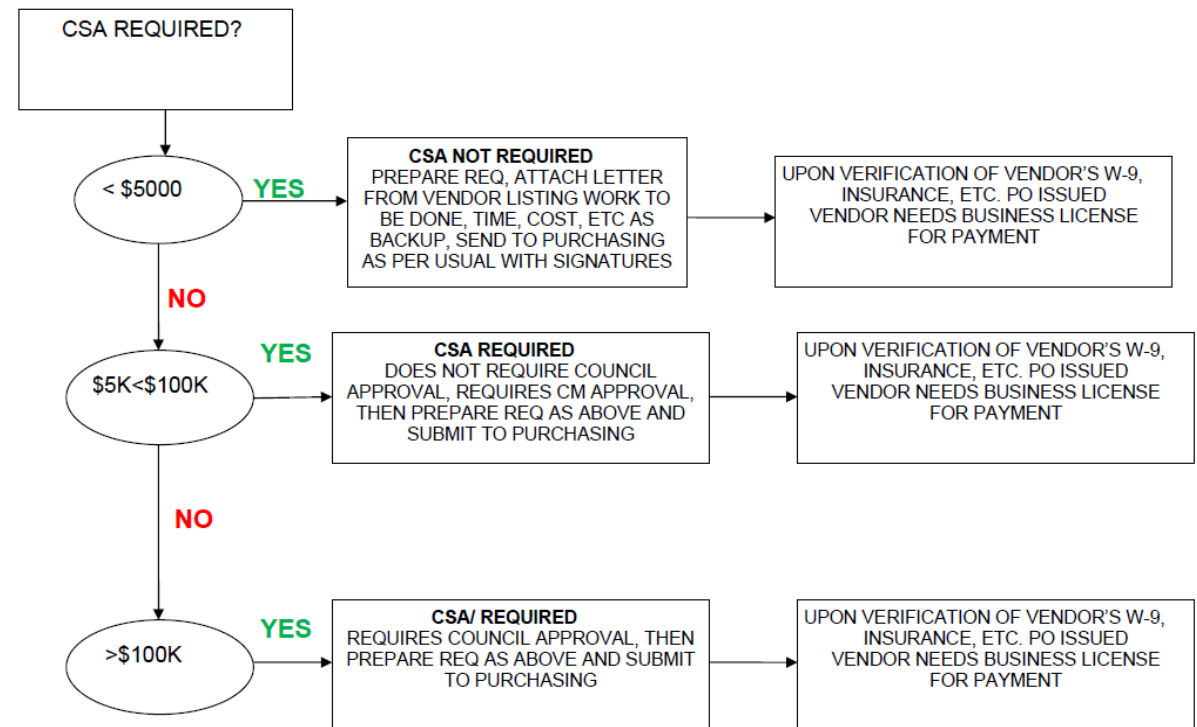
Professional Consulting Services



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

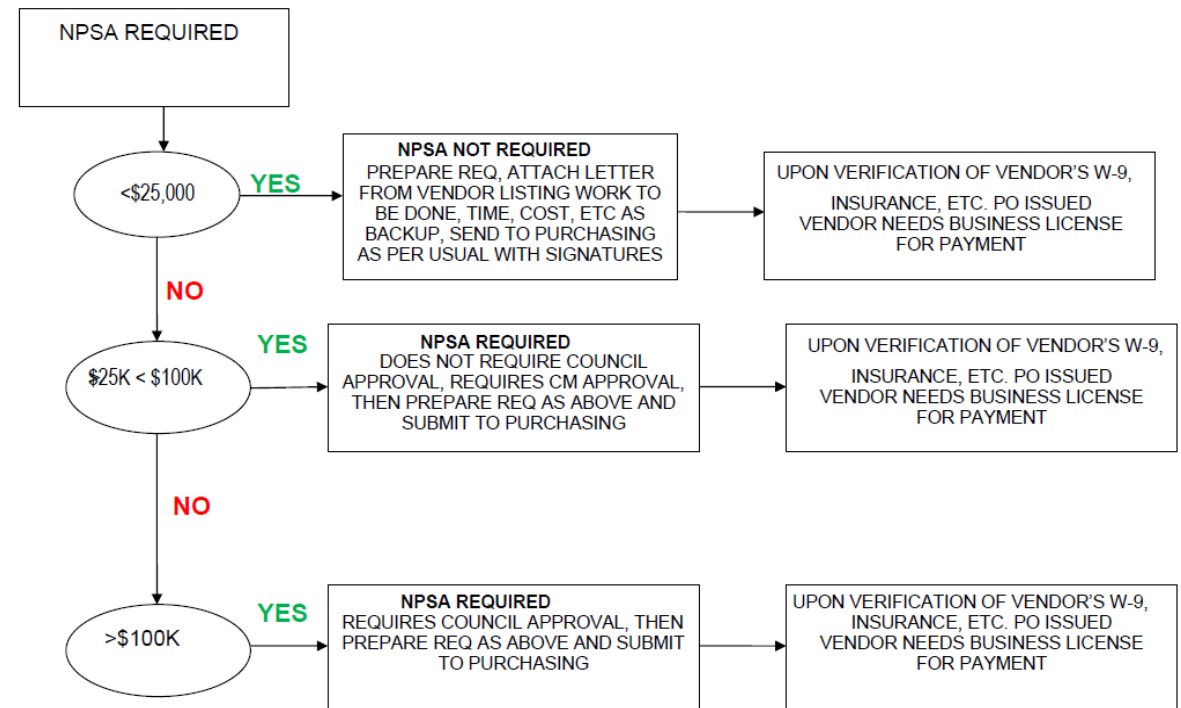


Non-Professional Services

- 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	Maintenance Services			
2				
3				
4				
5				
6	External Professional Services			
7	External Professional Services			
8				
9				
10				
11				
12				
13	Public Works Projects			
14	Public Works Projects			
15				
16				
17				
18				
19	Goods, Material, Equipment, Furnishing, and Supplies			
20	Goods, Material, Equipment, Furnishing, and Supplies			
21				
22				
23				
24				

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

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 shirt is shown from the chest down, standing behind a white table. They are carefully balancing a stack of coins on the left and a line of dominoes on the right. The background is blurred, showing an indoor setting with warm lighting.

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

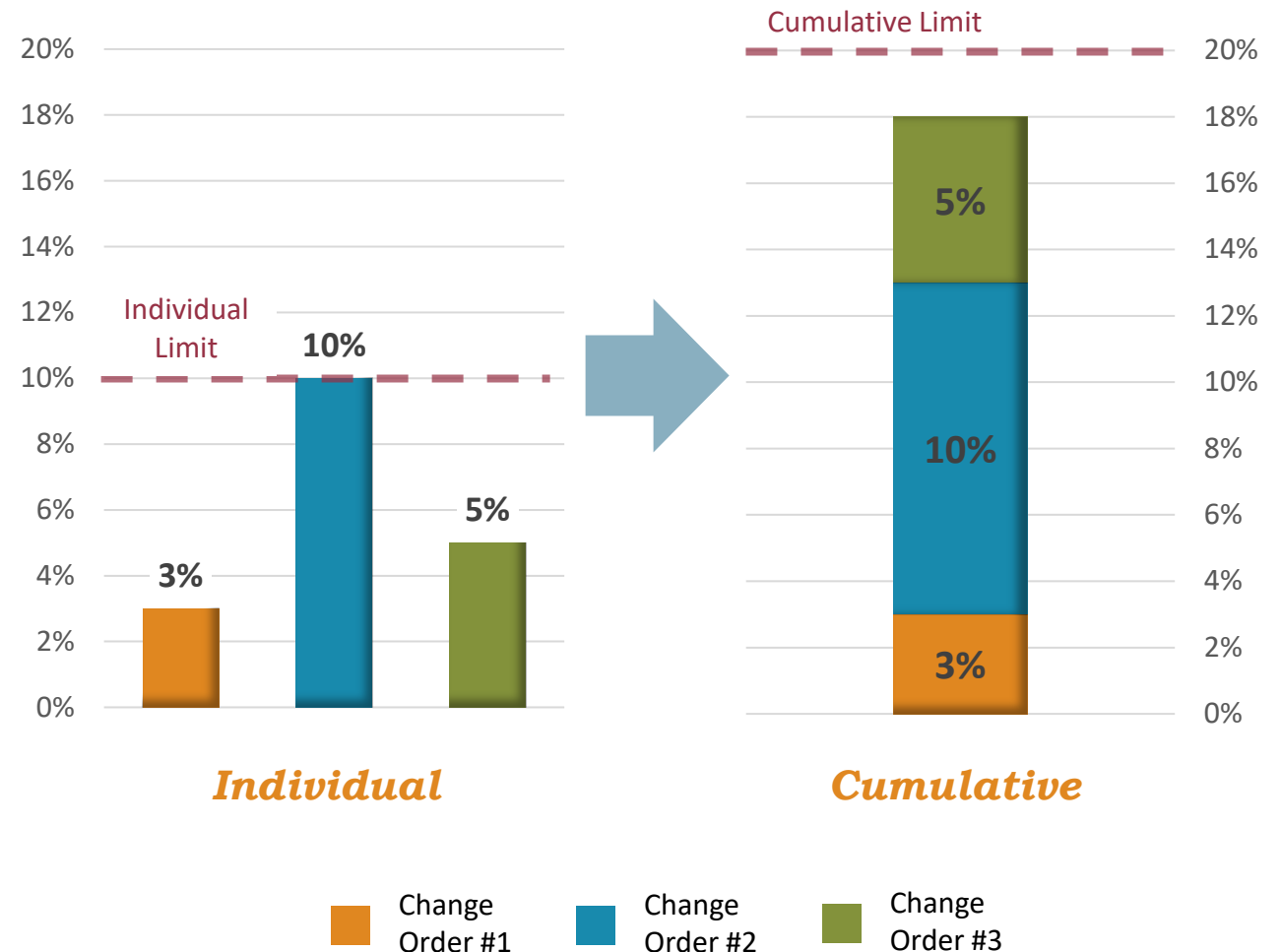


Regulatory Compliance

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

