



Legislation Text

File #: 22-659, **Version:** 1

Introduction and First Reading of an Ordinance Amending Title 1, Chapters 1-5 and 1-6 of the San Leandro Municipal Code Relating to Contracts for Public Works Projects and Contracts for Purchases

COUNCIL PRIORITY

- Fiscal Sustainability and Transparency

SUMMARY AND RECOMMENDATION

Staff recommends the City Council adopt the attached ordinance amending Title 1, Chapters 1-5 and 1-6 of the San Leandro Municipal Code relating to contracts for public works projects and contracts for purchases.

BACKGROUND AND DISCUSSION

The purpose of the ordinance is to enhance the City's ability to handle routine purchasing and public works projects in a timely and cost-effective manner. The threshold for public works projects requiring City Council approval was established over twenty years ago. The thresholds for competitive or informal bidding for purchases were established over ten years ago. The changes proposed by this ordinance will update the thresholds and facilitate the efficient accomplishment of smaller projects while still preventing favoritism and encouraging competition.

Currently, contracts for public works projects under \$50,000 are awarded by the City Manager, and contracts for \$50,000 or more must be awarded by the City Council. The proposed ordinance would instead authorize the City Manager to award contracts for public works projects and all other purchases up to \$100,000, and the City Council would award all contracts over \$100,000. This change is intended to reserve the use of City Council time to addressing larger projects, and to allow the City Manager to handle relatively routine matters. This change further makes for a more efficient purchasing process at a time when current staffing resources are lean. Timing to award public works contracts and make other purchases would be reduced, thereby expediting the acquisition of goods and services, which will provide welcome relief during the current environment of global supply chain issues.

The proposed ordinance would also raise the threshold at which informal competitive bidding is required for the purchase of equipment, materials, supplies and non-professional services from \$5,000 to \$60,000. Purchases between \$60,000 and \$200,000 would be made through informal bidding procedures, and purchases over \$200,000 would be subject to competitive bidding. This change is intended to speed up the award process; expedite project delivery; reduce the time, effort, and expense associated with bidding projects under \$200,000; and simplify administration for those projects. This change is also aligned with procurement best practices and is consistent with thresholds established by the California Legislature for a statewide purchasing program to streamline contracting for cities and special districts.

Review by Finance Committee

The Committee met on November 1, 2022 to review the proposed ordinance and unanimously recommended the item be moved forward to the City Council for adoption.

Fiscal Impact

There is no direct fiscal impact for this item. The increased purchasing thresholds would generate indirect cost savings by making the purchasing and service delivery processes more efficient through reduced procurement timelines.

ATTACHMENT

Att A: An Ordinance Amending Title 1, Chapters 1-5 and 1-6 of the San Leandro Municipal Code Relating to Contracts for Public Works Projects and Contracts for Purchases

PREPARED BY:

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