



## **Procurement Policy Review**

City Council Meeting  
November 15, 2022

# Presentation Overview

- **Background**
- **Procurement Project Timeline**
- **City of Huntington Beach Procurement Policies**
- **Staff Survey of Neighboring Cities**
- **PFM Review**
- **PFM Recommendations**



# Background

- On July 19, Mayor Pro Tem Posey requested a plan to review the City's Procurement Policies
- On September 6 – City Council approved moving forward with the procurement policy review
- Staff, with the help of our consultants, PFM, developed a comprehensive procurement policy review and implementation plan

## Goal: Advance Public Policy & Build Public Trust



# Procurement Project Timeline

## Phase 1

### Policy Direction

- Signature authority
- Bid thresholds
- Public Works contracts

(Based on best practices and comparison with other cities, legal compliance, fairness and transparency)



## Phase 2

### Updates & Direction

- Contract terms
- Software agreements
- Real estate
- Sub recipient agreements
- Concessions & leases
- Emergency procurement
- Code of ethics
- Municipal code updates



## Phase 3

### Workflow & Implementation

- Contract manual
- Administrative regulations
- Update workflow
- IT system integration
- Training
- Go live

November 15th

December - April

May - September

# City of Huntington Beach Procurement Policies

## Goods & Services

➤ Purchases of supplies and services (other than professional services)

*City Charter Section 613, Municipal Code 3.02*

Amount	Method	Authority
\$0 - \$30,000	Informal Bid	Department Head (DH), Finance
\$30,000 or more	Competitive Bid	City Council - through the budget process

# City of Huntington Beach Procurement Policies

## Professional Services

➤ Consultants, architects, engineers

*City Charter Section 613, Municipal Code 3.03, AR 228*

Amount	Method	Authority
\$30,000 or less	Informal Bid	Department Head (DH)
\$30,000 to \$50,000	Competitive Bid	DH, Finance
\$50,000 to \$100,000	Competitive Bid	DH, Finance, City Manager
\$100,000 or more	Competitive Bid	City Council

# City of Huntington Beach Procurement Policies

## Public Works Construction

- Physical construction and improvements of any City infrastructure

*City Charter Section 614, AR 119*

Amount	Method	Authority
\$25,000 or less	Informal Bid	DH, City Manager
\$25,000 or more	Competitive Bid	City Council

# City of Huntington Beach Procurement Policies

## Signature Authority Levels

Amount	Contract Type	Authority
Unlimited	Goods	Dept Head & City Manager (subject to bidding requirements set forth in Muni Code 3.02 & City Council budget approval)
Unlimited	Services	Dept Head & City Manager (subject to bidding requirements set forth in Muni Code 3.02 & City Council budget approval)
\$0 - \$50,000	Professional Services	Dept Head
\$50,000 - \$100,000	Professional Services	City Manager
Over \$100,000	Professional Services	City Council
\$0 - \$100,000	Expert Services	City Attorney
Over \$100,000	Expert Services	City Council
\$0 - \$25,000	Public Works	Dept Head & City Manager
Over \$25,000	Public Works	City Council



# Staff Survey of Neighboring Cities

## Goods & Services

City	Formal Bid Threshold	City Council Approval Threshold
Newport Beach	Over \$25,000	Over \$120,000
Santa Ana	Over \$25,000	Over \$50,000
<b>Huntington Beach</b>	<b>Over \$30,000</b>	<b>Approved through budget</b>
Irvine	Over \$45,000	Over \$1,000,000
Anaheim	Over \$50,000	Over \$200,000
Costa Mesa	Over \$50,000	Over \$100,000



# Staff Survey of Neighboring Cities

## Professional Services

City	Formal Bid Threshold	City Council Approval Threshold
Newport Beach	Over \$25,000	Over \$120,000
<b>Huntington Beach</b>	<b>Over \$30,000</b>	<b>Over \$100,000</b>
Irvine	Over \$45,000	Over \$1,000,000
Anaheim	Over \$50,000	Over \$200,000
Costa Mesa	N/A	Over \$100,000
Santa Ana	N/A	Over \$25,000



# Staff Survey of Neighboring Cities

## Public Works Construction

City	Formal Bid Threshold	City Council Approval Threshold
Anaheim	Over \$15,000	Over \$400,000
<b>Huntington Beach</b>	<b>Over \$25,000</b>	<b>Over \$25,000</b>
Santa Ana	Over \$25,000	Over \$250,000
Newport Beach	Over \$120,000	Over \$120,000
Costa Mesa	Over \$200,000 *	Over \$200,000
Irvine	Over \$200,000 *	Over \$1,000,000

\* Per Public Contract Code section 22032 (c), which is set by the State of California



# PFM Review

- City of Huntington Beach contracted with PFM to review and assess specific areas of the procurement process discussed in the September 6<sup>th</sup> staff presentation to City Council.
- As part of this work, the PFM team has reviewed relevant statutes, ordinances and administrative regulations; research on comparable cities (including California cities that have won NPI AEP multiple times); best practices; and data on procurement activity and spending requested from the City.



# PFM Review

- The PFM team has also conducted interviews about the City's procurement policies and processes with the City Manager's Office, Finance, Purchasing, Public Works, Police, Administrative Services, Risk Management, City Attorney, and other key stakeholders.
- As detailed in this presentation, PFM plans to conduct additional research before providing all recommendations. The findings, analysis and recommendations herein are based on PFM's expedited review.



# PFM Review: Procurement Goals and Principles

- **What are the right goals for public procurement?**
  - Transparency
  - Fairness
  - Efficiency in Cost and Time
  - Effectiveness in Quality and Outcomes
- **What are the right principles to ensure that these goals are achieved?**
  - National Association of State Procurement Officials (NASPO) outlines a series of principles for state and local procurement
  - Many of these principles are already in place in Huntington Beach
  - Overall goals and principles should drive procurement reforms



# PFM Review: Procurement Goals and Principles

- **Principles for Public Procurement (NASPO)**

- Assurance of consistency of procedures and decision making
- Assurance of consistency of goals, objectives, and policies
- Measurement of the performance of the procurement system in light of its goals and objectives
- Recognition of procurement as a profession
- Recognition that procurement is a strategic function in government
- Centralized leadership of all aspects of the procurement process
- Recognition that procurement begins with coordinated planning with contracting user agencies



# PFM Review: Procurement Goals and Principles

- **Principles for Public Procurement (NASPO)**

- Assurance of the day-to-day adherence to the principles of public procurement, including a balance between accountability, innovation, and flexibility
- Timing to meet user agency requirements and to benefit from advantageous markets and technologies
- Maintenance of an environment of openness and fairness
- Balance between the need for fiscal accountability, the needs of user agencies, and opportunities for suppliers
- Effective leadership through close working relationships and effective communication with users and user agencies





# PFM Review: Transparency

- Public reporting on procurement and performance measures related to the procurement process seems limited.
  - Quarterly report on professional services contracts by City Clerk
  - Reporting on legal services and expert services is confidential
- No easy access to a single public database on contracts (e.g., value, purpose, procurement process, competition).
- Different requirements for bid thresholds, Council approvals and signing authority are inconsistent and difficult to understand.
- Lack of clarity on certain definition questions (e.g., maintenance vs. construction) and lack of process for different types of contracts (e.g., revenue, franchise, concession, innovation, IT, training).



# PFM Review: Fairness

- Based on data provided by Purchasing, the use of sole source contracts is limited. The City, however, does not appear to have a centralized means of recording sole source declarations.
  - Since February 2020, the City has utilized sole source contracts 11 times to procure goods, ranging from helicopter equipment to software to vehicles. All but one of these contracts were presented to Council. The total value of the sole source contracts over this time period was \$3.36 million.
- Data on competition is limited. It is only available for contracts let through PlanetBids. Data from PlanetBids suggest that more than one in four contracts are awarded on fewer than three bids.
  - Based on a review of 159 contracts issued solely through PlanetBids from June 2019 to August 2022, 43 (about 27 percent) of procurements had fewer than three bids.



# PFM Review: Fairness

- The City has a local preference provision for goods and services and provides for local preference points in the award of professional services contracts.
- The City does not currently have a policy to encourage contracting or subcontracting with minority and women owned businesses, or veteran or disabled owned businesses.



# PFM Review: Efficiency

- **Procurement data used for this analysis is limited.**
  - Data provided by Purchasing for all services contracts includes some contracts for goods.
  - Most of the goods purchases that were included were related to repair and maintenance contracts for the City's facilities.
  - Goods related to other non-professional service contracts tended to be included as part of the contract, and they were not separated out in the data set.
  - Credit card transactions, year-end accruals and transfers of items from the City's warehouse were excluded from the data set.
  - Goods purchased under Equipment and Supplies accounts were not included in the data sets provided.

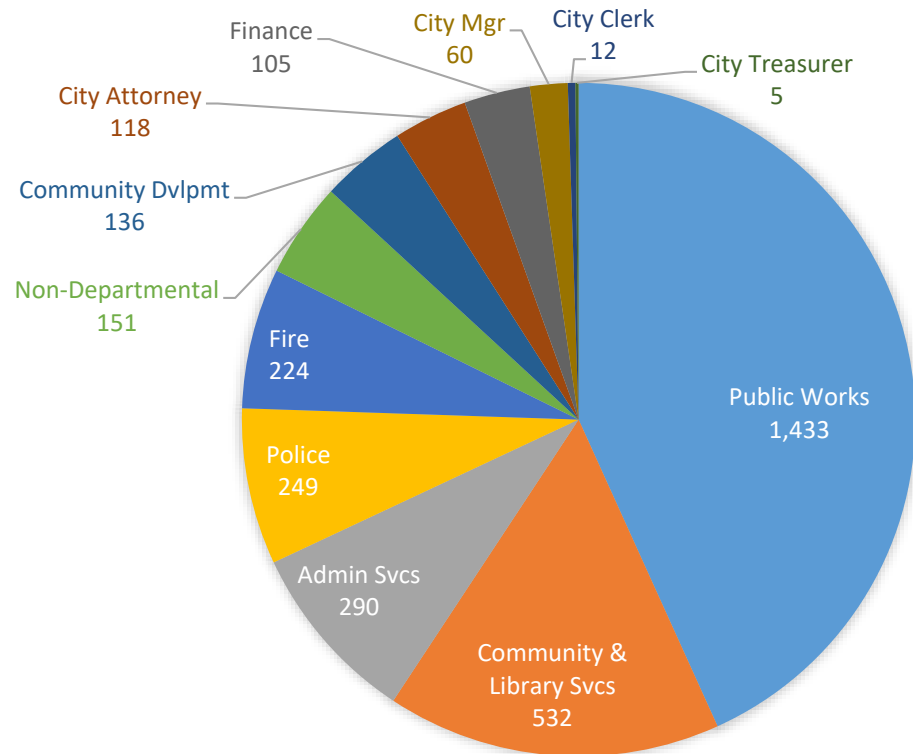


# PFM Review: Efficiency

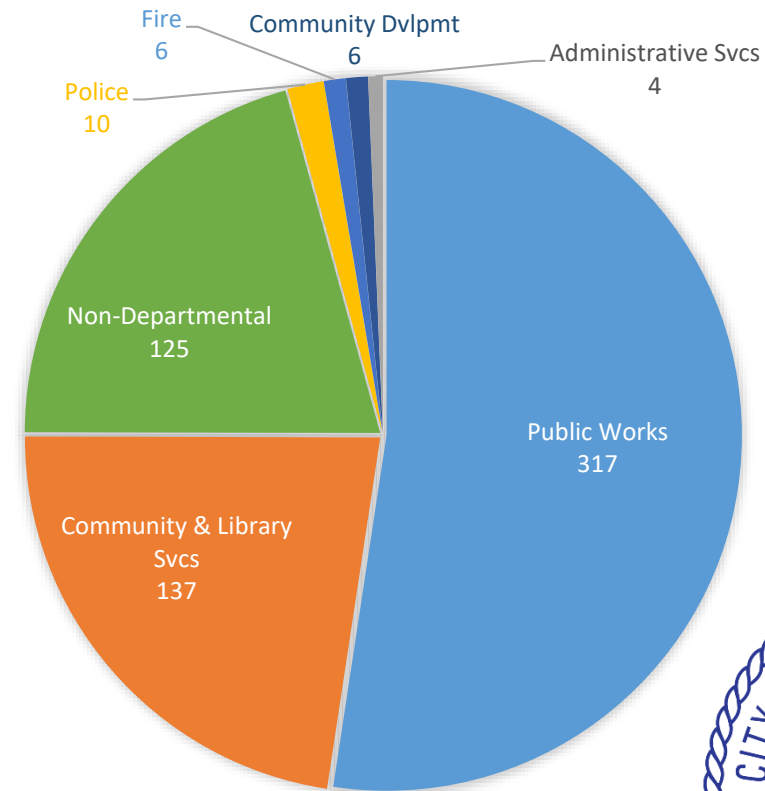
- Based on data from Purchasing, Public Works drives procurement activity and cost in Huntington Beach (see discussion of limitations on data – prior slide).
- While most contracts are for under \$30,000, most contracting cost is attributable to contracts of \$500,000 or more.
- Centralized procurement in Huntington Beach appears to be working. Departments interviewed to date report general satisfaction with centralized roles of Purchasing and Public Works.
- City reviews cost of contracts and provides for additional costs on public works projects through contract contingencies. But the City does not appear to regularly and systematically compare contract costs to other public entities.
  - There is no clear provision in the Municipal Code or Administrative Regulations for “best and final offer” and it is done in limited circumstances.
  - Audit oversight of individual contracts or the contract process is limited to the annual financial audit (NOTE: Council has recently approved annual cycle of external financial and performance audits).

# Public Works Drives Procurement Activity

**Number of Contracts by Department (FY2019-2022\*)**  
All Services (Professional Services, Repair and Maintenance Goods and Services, and Other Services)



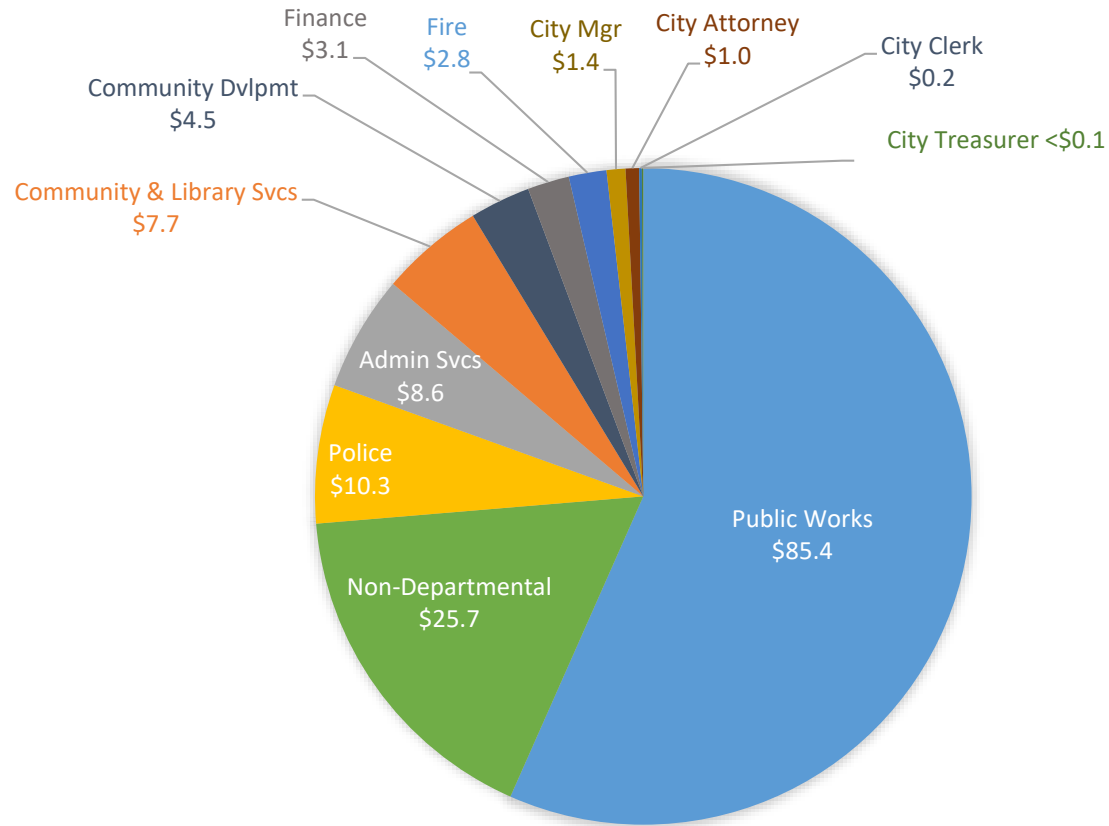
**Number of Contracts by Department (FY 2019-2022\*)**  
Capital (Construction Services, Equipment and Vehicles)



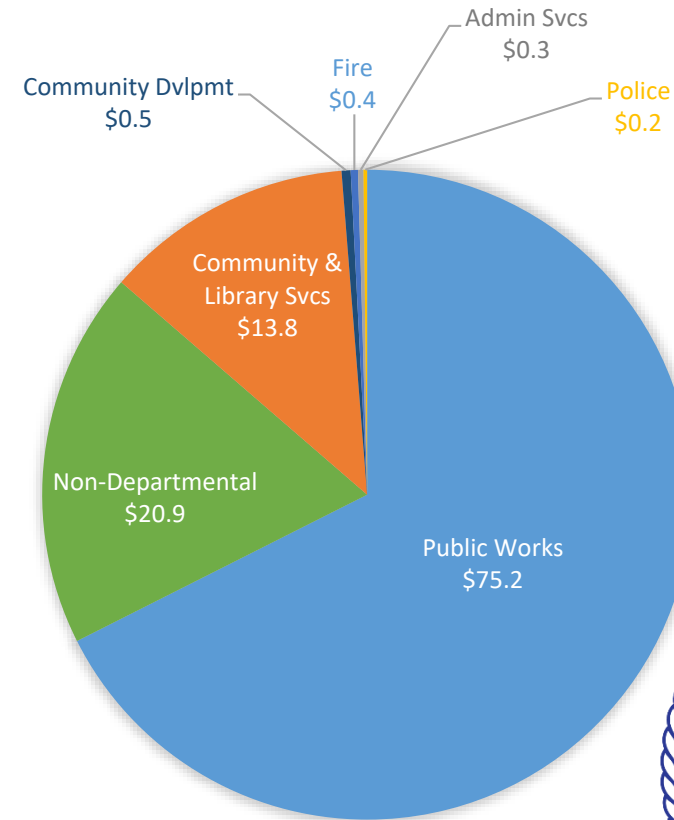
\*FY 2019-2022 includes data from FY 2019-2020, FY 2020-2021, and FY 2021-2022

# Public Works Drives Procurement Spending

Value of Contracts by Department (FY 2019-2022\*) (in millions)  
All Services (Professional Services, Repair and Maintenance Goods and Services, and Other Services)



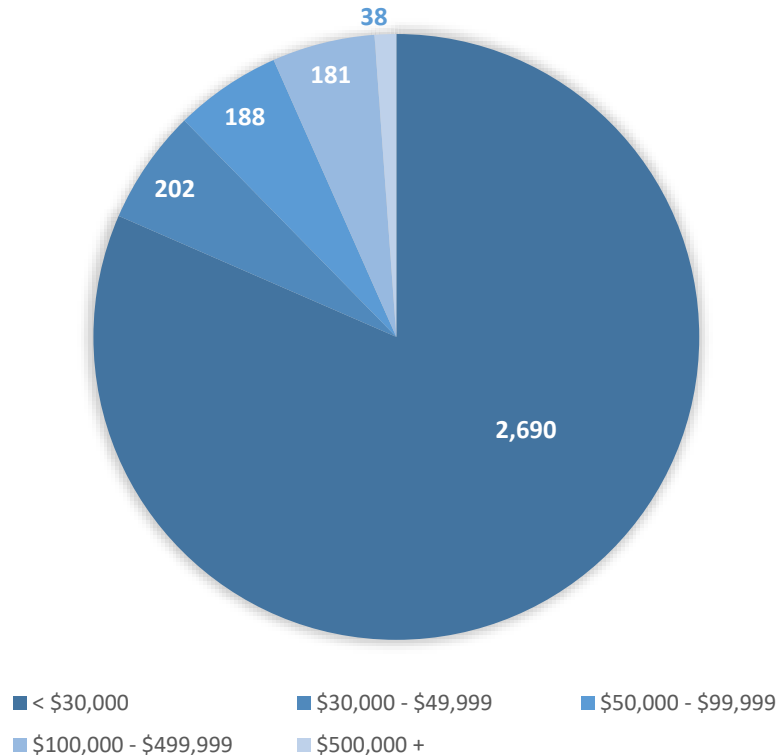
Value of Contracts by Department (FY 2019-2022\*) (in millions)  
Capital (Construction Services, Equipment and Vehicles)



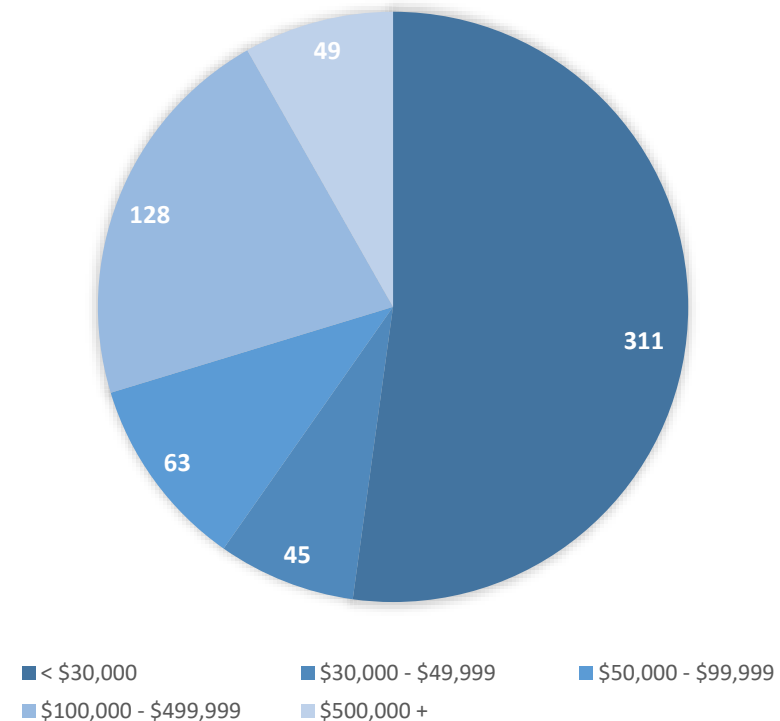
\*FY 2019-2022 includes data from FY 2019-2020, FY 2020-2021, and FY 2021-2022

# Most City Contracts are for \$30,000 or Less

Number of Contracts by Contract Value (FY 2019-2022\*)  
All Services (Professional Services, Repair and Maintenance Goods and Services, and Other Services)



Number of Contracts by Contract Value (FY 2019-2022\*)  
Capital (Construction Services, Equipment and Vehicles)



\*FY 2019-2022 includes data from FY 2019-2020, FY 2020-2021, and FY 2021-2022



# Most Cost is Attributable to Contracts \$500,000+

## Professional Services, Repair and Maintenance Goods and Services, and Other Contract Services FY 2019 – 2022\*

Contract Value	Amount	% of Contract Value
< \$30,000	\$18,154,993.67	12%
\$30,000 - \$49,999	\$7,811,694.28	5%
\$50,000 - \$99,999	\$12,788,626.39	8%
\$100,000 - \$499,999	\$38,517,578.48	25%
<b>\$500,000 +</b>	<b>\$73,832,208.23</b>	<b>49%</b>
<b>Total</b>	<b>\$151,105,101.05</b>	<b>100%</b>

\*Contracts with a negative value were not included.

## Capital (Construction Services, Equipment and Vehicles)

Contract Value	Amount	% of Contract Value
< \$30,000	\$3,093,244.74	3%
\$30,000 - \$49,999	\$1,807,523.32	2%
\$50,000 - \$99,999	\$4,524,567.20	4%
\$100,000 - \$499,999	\$27,680,072.91	25%
<b>\$500,000 +</b>	<b>\$74,996,085.25</b>	<b>67%</b>
<b>Total</b>	<b>\$112,101,493.42</b>	<b>100%</b>

\*Contracts with a negative value were not included.



\*FY 2019-2022 includes data from FY 2019-2020, FY 2020-2021, and FY 2021-2022

# PFM Review: Efficiency

- **Data on time from requisition to contract is limited.**
  - Electronic authorization is only used for professional service agreements.
  - The system is designed to support document management, not necessarily for collecting performance metrics. From January 1, 2022, until October 25, 2022, the City completed 282 Professional Services Approvals through the Laserfiche system.
  - Part I of the Professional Services Approvals form generally took 9.8 days, provided that the form did not have to be returned to the initiator (happened twice in the data set and in those cases the duration of that extra step was approximately 263 days).
  - After Part I is approved, the requestor must complete the bid process and then submit Part II of the form. This step takes an average of 64.7 days.
  - Once Part II is submitted, approval takes approximately 3.1 days. Current system does not track Council approval or time to execution after Council approval.



# PFM Review: Effectiveness

- The City's Contract Manual provides for evaluation of contractor performance, but interviews suggest that contractors are not regularly evaluated.
- With exceptions for certain public works contracts, the City does not appear to use prequalification as a means of ensuring vendor responsibility.
- Contract management skills reportedly vary by department and individual personnel.
- There does not appear to be a process in place for regularly measuring and managing performance of procurement process.



# PFM Review: Areas for Additional Analysis

- Emergency procurement and procurement in declared emergencies
- Compliance (e.g. EEO, Davis-Bacon, FEMA requirements)
- Insurance requirements and performance bonds
- Signature authorities
- Contractor payments
- Evaluation process for contractor selection
- Review staffing and technology requirements for implementation
- Sign off on IT procurements
- Renewals



# PFM Review: Preliminary Recommendations

- **Framework: Administrators should have significant discretion in the procurement process, but they should be held accountable for results through effective oversight.** That means:
  - Administrators should be able to enter into low dollar contracts of all kinds without competitive bidding.
  - Most City contracts should continue not to go to Council for approval.
  - The City Manager should receive regular reports on the procurement process with a focus on competition, cost and contract outcomes.
  - City Council should receive regular reports on all contracts let by the City and performance reports similar to those received by the City Manager.
  - City Council should review and approve contracts of a high dollar value and where competition is limited.
  - Every step in the procurement process should be designed to add value and ensure that the City meets its overall goals for procurement.



# PFM Review: Preliminary Recommendations

- **Contracts for Public Works: Opt Into the Uniform Public Construction Cost Accounting Act (UPCCAA)**
  - Sixty percent of California cities have opted into UPCCAA. Benefits include expedited contracting and simplified bidding. No direct cost to join, but City would have to comply with UPCCAA accounting requirements. Only one City that has opted into UPCCAA has then opted out.
  - Applicable to construction
    - Formal bidding requirements for contracts over \$200,000.
    - Projects of \$200,000 or less can be procured through informal bidding process, with notice requirements set by state law.
    - Projects of \$60,000 or less can be procured through negotiated contract or purchase order. City should set the threshold slightly lower at \$50,000.



# PFM Review: Preliminary Recommendations

- **Contracts for Public Works: Opt Into the Uniform Public Construction Cost Accounting Act (UPCCAA)**
  - Statute allows process to be applied to maintenance contracts, defined as:
    - Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes.
    - Minor repainting.
    - Resurfacing of streets and highways at less than one inch.
    - Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.
    - Work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.





# PFM Review: Preliminary Recommendations

- **Contracts for Public Works: Adopt Design-Build Ordinance**
  - Under design-build, the City would let a single contract for design and construction. Design-build has been long used by the private sector. And, increasingly, public agencies have turned to design-build for large and complicated projects.
  - Potential benefits include:
    - Single point of accountability
    - Fewer change orders and claims
    - Cost certainty and faster project completion
  - Others have suggested “[T]he disadvantage of design-build contracts is that the city may find it difficult to evaluate different design proposals, especially with regard to their constructability and site suitability.”
  - City should establish a prequalification process for design-build firms.
  - City Manager approval should be required for decision to proceed with design-build procurement.
  - All contracts for design-build should be subject to Council review and approval.





# PFM Review: Preliminary Recommendations

- **Contracts for Public Works: Council Should Focus on Cost and Competition and Delegate Approval Authority for All Construction Contracts Up to \$400,000 and Contracts with More than Three Bids**
  - Department heads would be able to approve and sign all contracts up to \$50,000, consistent with UPCCAA, after Finance review of funding availability.
  - City Manager would be able to approve and sign all contracts more than \$50,000 and up to \$400,000 where there are three or more bids.
  - City Council approval would be required for all contracts of more than \$400,000 and for any contracts that are subject to competitive bidding where there are fewer than three bids or are sole source.
    - Anaheim uses a threshold of more than \$400,000 for Council approval. Irvine uses a threshold of more than \$1 million.
    - The City should consider phasing in an even higher threshold over time: in other words, it may want to consider an ordinance that gradually increases the Council approval threshold to \$1 million over the next five years.



# PFM Review: Preliminary Recommendations

- **Contracts for Goods and Services: Align Bid Thresholds to Other Contracts**
  - No competitive bidding required for contracts up to \$50,000. This would establish the same threshold as Anaheim (\$50,000) and Costa Mesa (\$50,000), and one slightly higher than Irvine (\$45,000).



# PFM Review: Preliminary Recommendations

- **Contracts for Goods and Services: Expand Council Approval Authority**

- Department heads would be able to approve and enter into contracts of up to \$50,000 after Finance review to ensure available funding.
- City Manager would be able to approve and enter into most contracts up to \$1 million.
- Council review and approval would be required for contracts:
  - Over \$1 million – this is the same threshold as in Irvine.
  - Over \$400,000 where the contract had not already been approved as part of the budget.
  - Where the contract was competitively bid and there were fewer than three bids or the contract was let sole source.
    - Municipal Code 3.02.130(A) already provides for heightened review of single bid contracts.



# PFM Review: Preliminary Recommendations

- **Contracts for Professional Services: Align Bid Thresholds to Other Contracts**
  - No competitive process should be required for contracts up to \$50,000. This would increase the threshold for Huntington Beach to the same one as used by Anaheim, Riverside and Santa Clarita.
  - In FY 2019-20, FY 2020-21, and FY 2021-22, a total of 354 professional services contracts were under \$30,000 and did not require competitive bidding. If the threshold had been \$50,000, that would have added 55 more contracts not subject to competition.



# PFM Review: Preliminary Recommendations

- **Contracts for Professional Services: Expand City Manager Approval Authority**

- Under AR 228, department heads already can approve professional services contracts of up to \$50,000 after Finance review to ensure available funding.
  - Limit is applied to each contract over the life of the contract (3 year term), not annually
- The City Manager would be able to approve and sign all contracts between \$50,000 and up to \$400,000 where there were three or more proposals and where there is underlying Council approval of the budget.
- City Council review and approval would be required for all contracts of more than \$400,000 and for any contracts that are subject to competitive bidding that results in fewer than three bids.
  - This is lower than the City Council approval threshold for Irvine, but higher than the Anaheim threshold of \$200,000. The City should consider phasing in an even higher threshold over time: in other words, it may want to consider an ordinance that gradually increases the Council approval threshold to \$1 million over the next five years.

# PFM Review: Preliminary Recommendations

- **Contracts for Legal and Expert Services**

- Section 309 of the HB City Charter provides that the City Attorney shall have the power and may be required to “(R)epresent and advise the City Council and all City officers in all matters of law pertaining to their offices....(and) (R)epresent and appear for the City in any or all actions or proceedings in which the City is concerned or is a party...”
- HB Municipal Code already treats legal and expert services contracts differently than other professional services agreements:
  - Under HB Municipal Code Section 3.03.060(F), professional services agreements for retained law firms:
    - Must be approved by City Council if the agreement exceeds \$100,000
    - Council authorization may be obtained in Closed Session pursuant to the Ralph M. Brown Act
    - For agreements greater than \$100,000, there must be approval by the Finance Director as to the availability of funds
  - HB Municipal Code 3.03.080(D) authorizes the City Attorney to enter into Expert Service Agreements subject to approval by the City Manager and Finance Director. No competitive proposals or negotiation is required for contracts up to \$100,000. For procurements exceeding \$100,000, City Council approval is required and may be obtained during Closed Session.

# PFM Review: Preliminary Recommendations

- **Contracts for Legal and Expert Services**

- HB Municipal Code 3.03.060(F)(3) requires that the City Attorney “provide a quarterly report with a list of all Retained Law Firms and Expert Services contracts entered into for that quarter, in Closed Session, pursuant to the Ralph M. Brown Act...”
- HB Municipal Code 3.03.0606(F)(4) provides that both expert services and retained law firm contracts will be confidential and must be maintained in a secure location.
- According to HB City Attorney, these provisions are important to keep litigation strategy confidential and to prevent disclosure about proprietary information related to rates under the attorney work product privilege.





# PFM Review: Preliminary Recommendations

- **Contracts for Legal and Expert Services**

- HB City Attorney cited Newport Beach as a model for the Huntington Beach Code provision.
  - Newport Beach's City Attorney is appointed by City Council.
  - Newport Beach Council Policy F-14(A)(3) provides in relevant part that, "The City Attorney is authorized to award and sign contracts for all services for outside counsel, investigators, and experts related directly to and necessary for prosecution and defense of pending litigation as defined by the Brown Act, and for services for outside counsel, investigators, and experts necessary to address other pending or potential legal claims or legal issues so long as funds for outside counsel, investigators, experts, and related legal services were approved by the City Council as part of the approved annual budget. The City Attorney shall keep Council informed regarding any such expense that exceeds \$120,000 on not less than a quarterly basis and shall seek budget updates, if needed, within a timely fashion."



# PFM Review: Preliminary Recommendations

- **Contracts for Legal and Expert Services**

- There are a limited number of comparable jurisdictions to consider, because an elected City Attorney is the exception rather than the rule in California.
  - The nature of the City Council-City Attorney relationship in Huntington Beach is somewhat unique. Only ten California cities have an elected City Attorney (San Bernardino had been the 11<sup>th</sup>). And of those, four – Los Angeles, Oakland, San Diego and San Francisco – have a strong Mayor who nominates the City Administrator or COO. Other California cities with an elected City Attorney:
    - Compton
    - Long Beach
    - Redondo Beach
    - San Rafael
    - Chula Vista
  - A review of Charter, Municipal Code and available regulation in the other elected City Attorney jurisdictions find no comparable language related to the blanket use of closed sessions for approval and reporting.



# PFM Review: Preliminary Recommendations

- **Contracts for Legal and Expert Services**

- The HB City Attorney expressed support for the current threshold for City Council approval for legal and expert services contracts over \$100,000. City Attorney would retain authorization to select and approve legal and expert services contracts up to \$100,000.
- City Council and HB City Attorney should review findings and determine if there may be ways to reform existing reporting on legal and expert services consistent with the goal of greater transparency and other procurement reporting requirements without creating litigation or other legal risk for the City.

# PFM Review: Preliminary Recommendations

- **Reporting to City Manager and City Council**

- Purchasing and Public Works should prepare a monthly report to the City Manager including:
  - A list of all contracts and amendments entered into by the City during the prior month
  - Analysis of procurement methods utilized (e.g. negotiated contract, purchase order, competitive bidding, competitive request for proposals, sole source, emergency)
  - Analysis of levels of competition on procurements by amount of contract
  - Analysis of contract costs compared to contract estimate
- City Manager should provide a monthly report to City Council on all contracts entered into since the previous meeting including amount and a brief summary of scope.
- City Manager should provide a quarterly report to City Council on cost, competition and time to contract.



# PFM Review: Areas for Future Recommendations

- Transparency
  - Integration of use of technology
  - Alternative procurement processes
- Fairness
  - Review of local preference law requirements
  - MWBE policy
  - Ethics in contracting



# PFM Review: Areas for Future Recommendations

- Efficiency
  - Adoption of Code provisions or regulations related to best and final offers
  - Market surveys
  - Change order review
  - Electronic authorization and tracking on all contracts
  - Use of sole source
- Effectiveness
  - Contractor evaluation
  - Prequalification
  - Training on procurement and contract management
  - Procurement Policy Manual



# Summary of Recommendations

1. Approve recommended bid thresholds, approval levels, and reporting to City Manager and City Council
  - ✓ Public Works Contracts (including opting into the Uniform Public Construction Cost Accounting Act & design-build changes)
  - ✓ Goods & Services
  - ✓ Professional Services
  - ✓ Legal & Expert Services
2. Direct staff to incorporate recommended changes and prepare ordinances as part of Phase 2 of the Procurement Project for City Council approval

# Summary of Recommendations – Bid Limits

## Goods & Services

Current	Method	Recommended
\$30,000 or less	Informal Bid	\$50,000 or less
\$30,000 or more	Competitive Bid	\$50,000 or more

## Professional Services

Current	Method	Recommended
\$30,000 or less	Informal Bid	\$50,000 or less
\$30,000 or more	Competitive Bid	\$50,000 or more

## Public Works Construction

Current	Method	Recommended
N/A	Negotiated	\$50,000 or less
\$25,000 or less	Informal Bid	\$50,000 - \$200,000
\$25,000 or more	Competitive Bid	\$200,000 or more

# Summary of Recommendations – Approval Levels

Current	Contract Type	Authority	Recommended*
Unlimited	Goods & Services	Dept Head	\$0 - \$50K
Unlimited	Goods & Services	City Manager	\$50K - \$1M if budgeted or \$50K - \$400K if not budgeted
N/A	Goods & Services	City Council	Over \$1M or over \$400K if not budgeted
\$0 - \$50K	Professional Services	Dept Head	same
\$50K - \$100K	Professional Services	City Manager	\$50K - \$400K with \$1M phase in over 5 years
Over \$100K	Professional Services	City Council	Over \$400K with \$1M phase in over 5 years
\$0 - \$100K	Expert Services	City Attorney	same
Over \$100K	Expert Services	City Council	same
\$0 - \$25K	Public Works	Dept Head	\$0 - \$50K
\$0 - \$25K	Public Works	City Manager	\$50K - \$400K with \$1M phase in over 5 years
Over \$25K	Public Works	City Council	Over \$400K with \$1M phase in over 5 years

- Competitive bidding that results in fewer than three bids will require Council approval regardless of amount



# Questions?

