



CITY OF FORT BRAGG

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COUNCIL COMMITTEE ITEM SUMMARY REPORT

MEETING DATE: November 6, 2013
TO: Finance & Administration Committee
FROM: Linda Ruffing, City Manager
AGENDA ITEM TITLE: **Receive Additional Information Regarding Purchasing Ordinance, Informal Bidding Procedures Ordinance, and Resolution Reconfirming Election to Become Subject to the Uniform Construction Cost Accounting Procedures**

ISSUE:

On October 2, 2013, City staff presented a detailed report to the Finance & Administration Committee regarding proposed updates to Fort Bragg Municipal Code (FBMC) Chapter 3.20, which governs purchasing, procurement and leasing of supplies, equipment, and services. The updates include a procedure to allow informal bidding procedures in certain circumstances, consistent with the Uniform Public Construction Cost Accounting Act. This item is brought back for further discussion with a simplified list of questions and recommendations for Committee consideration.

SUMMARY:

The following documents were attached to the October 2nd staff report and may help inform the Finance & Administration Committee's discussion:

- A. General purchasing ordinance to replace FBMC Chapter 3.20
- B. Proposed ordinance establishing FBMC Chapter 3.22 to allow informal bidding procedures for certain "public projects"
- C. Proposed resolution reconfirming the City's election to become subject to the uniform accounting procedures
- D. Current Administrative Regulation No. P-4

These documents are not attached to this report, but can be obtained from the City Clerk's Office upon request.

The primary policy changes for the Finance & Administration Committee to consider include:

1. Current FBMC provisions give the City Manager authority to negotiate procurement of supplies, equipment and services up to \$25,000. **Staff recommends that the purchasing ordinance has been revised to increase that amount to \$50,000.**

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2. The FBMC authorizes the City Manager to enter into contracts for up to \$5,000. **Staff recommends that the City Manager be given authority to enter into contracts for up to \$25,000 without having to come to Council for approval as long as the adopted budget appropriates the necessary funds for the contract.** For contracts of greater than \$25,000 or when a budget amendment is necessary to appropriate funds, Council authorization would continue to be necessary.
3. Does the City Council want to authorize the City Manager to delegate all or a portion of her duties as “purchasing officer” to another City staff member? **Staff recommends that this flexibility be permitted and that the Administrative Regulation for purchasing be updated to be consistent with the new FBMC purchasing provisions and to clarify the constraints on the delegation of authority.**
4. Does the Council want to relax the statutory competitive bidding procedures for certain public projects? Public Contracts Code 20160 et seq. requires competitive bidding when contracting for certain “public projects” requiring an expenditure that exceeds \$5,000. This low threshold amount is cumbersome and results in inefficiencies and delays. **Staff recommends that the Council adopt certain statutory informal bidding procedures (per Public Contracts Code 22000 et seq.) allowing for higher dollar thresholds for certain “public projects.”** The informal bidding ordinance would replace the process in Section 20160 with a new process. The important differences are as follows:
 - The definition of “public project” is different. A “public project” for purposes of the informal bidding ordinances is “(1) construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility or (2) painting or repainting of any publicly owned, leased, or operated facility.” This means certain projects (e.g. street or sewer repair) that were not subject to statutory competitive bidding will be subject to the informal bidding ordinance.
 - Instead of having to competitively bid every public project in excess of \$5,000, the City Manager can negotiate and execute contracts for public projects less than or equal to \$45,000 and the City can use the informal bidding procedures described in Section 3.22.050 for contracts between \$45,001 and \$175,000. Formal bidding procedures apply after that. The City Council awards all public project contracts more than \$45,000 to the lowest responsible bidder submitting a responsive bid.

RECOMMENDATION:

Staff is seeking input from the Finance & Administration Committee regarding the new purchasing procedures and will revise the draft ordinances, as necessary, prior to bringing them forward to the City Council for discussion and action.

ATTACHMENTS:

See October 2nd staff report for Attachments