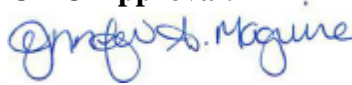


**CITY COUNCIL ACTION REQUEST**

<b>Department(s):</b> Public Works	<b>CEQA:</b> Not a Project, File No. PP17-008, General Procedure and Policy	<b>Coordination:</b> CAO	<b>Dept. Approval:</b> /s/ Matt Cano
<b>Council District(s):</b> Citywide	Making resulting in no changes to the physical environment		<b>CMO Approval:</b>  8/20/2020

**SUBJECT: AMENDMENT TO TITLE 27 OF THE SAN JOSE MUNICIPAL CODE TO CLARIFY SECTIONS RELATED TO THE PROCUREMENT OF PUBLIC WORKS**

**RECOMMENDATION:**

Approve an ordinance amending Title 27 of the San José Municipal Code to set forth the manner in which the City will adjust for inflation the threshold amount used to define a Major Public Works Contract and clarify the review and approval process for Major Public Works solicitation documents.

**BASIS FOR RECOMMENDATION:**

On November 6, 2018, San José voters approved ballot Measure S, which amended Section 1217 of the City Charter to modernize the construction contract procurement process.

On September 10, 2019, the City amended the San José Municipal Code by deleting portions of Title 14 related to the procurement of public works contracts and adding a new Title 27 that aligned to the amended City Charter Section 1217. The proposed “clean-up” ordinance addresses two items in the new Title 27.

First, the proposed ordinance would add a new Municipal Code Section 27.04.100 setting forth the methodology for annually modifying the threshold amount for a major public works contract. The City generally must procure major public works contracts via public bidding. The updated City Charter set a \$600,000 bidding threshold and requires that threshold to be adjusted annually for inflation as set forth more specifically by ordinance.

The recommended ordinance sets forth the method by which the Director of Public Works will adjust the threshold effective every July 1 using the Construction Cost Index (“CCI”) published by the Engineering News Record for the geographical area that includes the City of San Jose. The threshold amount will be multiplied by the percentage increase or decrease in the CCI and rounded to the nearest ten thousand.

Using the method described, the bidding threshold was recently adjusted to \$620,000 effective July 1, 2020.

Second, the proposed ordinance will clarify the requirement in Section 27.10.080 that the Director sign the front of a project’s plans and specifications prior to bidding. Specifically, it adds the words “plans and specifications.”

Climate Smart San Jose: The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

Commission Recommendation/Input: No Commission recommendation or input is associated with this action.

<b>COST AND FUNDING SOURCE:</b>
No Cost and Funding Source is associated with this action.
<b>FOR QUESTIONS CONTACT:</b> Matt Loesch, Assistant Director, (408) 975-7381