



COUNCIL REPORT

DATE: May 27, 2025

CATEGORY: Consent

DEPT.: Public Works, Finance and Administrative Services

TITLE: **Centralized Purchasing System Ordinance and Council Policy A-10 Amendments**

RECOMMENDATION

1. Introduce an Ordinance of the City of Mountain View Amending Mountain View City Code Article XIII, Centralized Purchasing System, to Align the Mountain View City Code with Public Contract Code Section 22034 and Make Other Clarifying Amendments and Finding the Ordinance is Not a Project Under the California Environmental Quality Act, to be read in title only, further reading waived, and set a second reading for June 24, 2025 (Attachment 1 to the Council report).
2. Adopt a Resolution of the City Council of the City of Mountain View Amending Exhibit A, Schedule of Authorizations to Sign City Contracts and Agreements, to Council Policy A-10, Authorization to Execute City Contracts and Agreements, to be read in title only, further reading waived (Attachment 2 to the Council report).

BACKGROUND

Council Policy A-10

Council Policy A-10, Authorization to Execute City Contracts and Agreements (Policy), serves as the City Council's authorization to execute City contracts and agreements that fall within the parameters of the Policy. Exhibit A to the Policy provides specific authorizations to certain City officials to sign City contracts and agreements based on the type of contract or agreement and dollar values.

At its March 26, 2024 meeting, the City Council adopted Resolution No. [18875](#), amending the Policy. The adopted revisions to the Policy increased the thresholds from \$20,000 to \$60,000 for most types of contracts that may be approved by department heads and from \$100,000 to \$250,000 that may be approved by the City Manager.

Exhibit A to the Policy specifies eighteen (18) contract or agreement types including the following four categories of contracts that are subject to formal and informal bidding procedures:

- Category 1—Construction or Improvement of Public Buildings, Works, etc. This category includes all Public Works construction listed in Section 1107 of the City Charter. As defined by Section 1107, this includes construction or improvement of public buildings, works, drains, sewers, utilities, parts, playgrounds, and streets (exclusive of projects for resurfacing, maintenance, and repair of streets).
- Category 2—Other Construction or Improvement of City Facilities. This category includes all construction or improvement of City facilities not covered by Section 1107 of the City Charter.
- Category 3—Lease of Equipment or Purchase of Supplies, Equipment, or Certain Services. This category includes all acquisition of supplies or equipment and certain services, including purchases of and services for technology and hardware not included in Categories 6 and 10, whether by purchase or lease.
- Category 7—All Other Real Property Transactions, Including Deeds, Easements, Licenses, Escrow Instructions, etc. This category includes deeds, easements, and other conveyances and escrow instructions and other documents relating to the transfers of real property. It does not include leases.

The Policy's Exhibit A specifies that an informal bidding process may be used for up to a contract value of \$250,000 for these four contract categories. The informal bidding process is a streamlined approach to bidding for lower value contracts that is more efficient, less time-consuming, and continues to ensure competitive procurement practices with the City receiving the best prices from responsible bidders.

City Charter and City Codes

The dollar limits for informal bids are also governed by the City Charter and/or City Code, which have lower limits than shown in Exhibit A. Table 1 summarizes the current City Charter, City Code, and California Public Contract Code (PCC) provisions for these types of contracts. The referenced City Charter and PCC sections are provided in Attachments 3 and 4, respectively.

Table 1: Bidding Processes in City Charter, City Code, and California Public Contract Code

Exhibit A Category	Charter/ Code Citations	Description	Contract Values
1. Construction or Improvement of Public Buildings, Works, etc.	Charter Section 1107(a)	Bidding requirements for Public Works construction projects—used for formal bid process.	Over \$84,000 in 2025 for formal bids (\$15,000 indexed to 1978 dollars)
	Charter Section 1107(b)	Allows use of an alternate bidding procedure (i.e., an informal process) established by City ordinance consistent with PCC Section 22034.	\$220,000 or less effective January 1, 2025 for informal bid process (PCC Section 22034)
	City Code Section 2.200	Alternate bidding procedures (informal bidding) consistent with City Charter 1107(b) and PCC Section 22034	Less than \$150,000 in 2025 for informal bid process (\$100,000 indexed to 2011 dollars)
	Council Policy A-10	Signature Authorizations	Up to \$250,000 for informal bids
2. Other Construction/Improvement	Charter Section 1111	Requires competitive bidding for supplies, materials, equipment as prescribed in City ordinance	Not included in Charter
3. Lease/Purchase of Equipment/Supplies			
7. Real Property Transactions	City Code Section 2.207	Bidding—Formal Process for supplies, materials, equipment and certain services and return on sales of property	Exceeds informal bid limit for Public Works contracts (Charter Section 1107)—currently \$150,000
	City Code Section 2.208	Bidding—Informal Process for supplies materials, equipment and certain services and return on sales of property	Less than informal bid limit for Public Works contracts (\$150,000), but more than \$10,000
	Council Policy A-10	Signature Authorizations	Up to \$250,000 for informal bids

As shown in Table 1, the City Charter allows Public Works projects with a construction cost of \$220,000 or less to use an informal bidding process consistent with the PCC; however, City Code Section 2.200 establishes a lower limit for informal bidding of approximately \$150,000 in 2025 dollars, and Exhibit A indicates a \$250,000 informal bid limit. At this time, the City Code limit of \$150,000 must be used as it is more restrictive than the City Charter, and the City Code overrides Council Policy.

For other Exhibit A contract categories subject to bidding, there are similar inconsistencies between the City Code and the Policy. The City Code links the informal bid limits for supplies, materials, equipment, certain services, and property to the Public Works project limits (currently \$150,000) while Exhibit A indicates \$250,000.

Another provision of City Code Section 2.208 is the minimum dollar threshold for when informal bidding is required. Individual purchases of supplies, materials, equipment, and certain services and the estimated return from all individual sales of property, real or personal, with a cost of \$10,000 or less may be let by negotiated contract or by purchase order. The current threshold of \$10,000 was adopted by Council in 2016.

ANALYSIS

The inconsistency in informal bid limits creates confusion for staff and does not allow the City to fully utilize a streamlined bidding process for lower value contracts.

City Code Amendments

Staff recommends the following changes to City Code Article XIII, Centralized Purchasing System, for clarity and consistency with the City Charter and PCC:

- **Section 2.200. Public works projects—Alternate bidding procedures.** Remove limit of \$100,000 indexed to 2011. Eliminating the specific dollar threshold in the City Code will allow the City's informal bid limit for Public Works projects to automatically adjust whenever the informal limit in PCC Section 22034 is changed as allowed in the City Charter.
- **Section 2.207. Bidding—Formal Process.** Remove reference to the Public Works project bid limit and use PCC Section 22032(b) to establish the dollar threshold for formal bids. PCC Section 22032(b) establishes the bid limit that is used in PCC 22034 for Public Works projects.
- **Section 2.208. Bidding—Informal Process.** Remove reference to Public Works project bid limit and use PCC Section 22032(b) to establish the threshold for informal bids. In addition, increase the minimum threshold for the informal process in City Code Section 2.208 from \$10,000 to \$20,000. Since 2016, the Consumer Price Index has increased by over 33% and

the California Construction Cost Index has increased by 60%. The individual purchases and services that were under the \$10,000 threshold in 2016 now significantly exceed \$10,000 and are anticipated to continue to increase in costs with the potential impact of new tariffs, economic uncertainty, and inflation. Increasing the minimum threshold to \$20,000 for informal bidding will allow staff to continue to acquire goods and services with a low total value using negotiated contracts or by purchase orders, which reduces workload and processing time.

Collectively, the recommended City Code amendments will provide a single dollar limit for all informal bidding, which will be \$220,000 in 2025. This, combined with increasing the minimum threshold for informal bidding, will provide clear guidance for staff and improve operational efficiencies by reducing staff workload and expediting processing of lower value acquisitions and services.

An additional edit is proposed for **Section 2.200(c). Bid openings**. The City Code currently states that all Public Works project bids using the informal bidding process shall be opened in the presence of the City Clerk, requiring in-person bid openings. The best practices in the industry are using electronic procurement systems where the sealed bids are received electronically and bid opening occurs on-line in an open and transparent manner. Staff recommends adding a provision to the City Code that allows bid opening using an electronic procurement system and that removes the requirement for the City Clerk to be present for in-person bid openings.

The recommended Article XIII amendments also include removing all pronouns to be gender-neutral and other minor modifications for consistency and clarity. Attachment 1 provides a redline version of City Code Article XIII with the edits recommended.

Council Policy A-10 Exhibit A Amendments

Staff recommends the following changes to Council Policy A-10, Exhibit A for consistency with the recommended City Code changes:

- Add a footnote for “Informal Bid” for Contract Categories 1, 2, 3, and 7 that states: “Consistent with City Charter Section 1107 and City Code Sections 2.200, 2.207, and 2.208, the contract dollar value for using the alternate or informal bidding process for Categories 1, 2, 3, and 7 shall be no higher than the designated limit in Sections 22032(b) and 22034 of the California Public Contract Code (PCC). In 2025, the PCC limit for the informal bid process is \$220,000.”

This footnote will clarify that while the signature authority is \$250,000, the informal bid process limit is different. The last sentence of the footnote can be updated by staff whenever the PCC bid limit is changed.

- Add clarifying information and correct code citations for the definitions of Contract Categories 1, 2, 3, and 7.

FISCAL IMPACT

Adoption of the recommended City Code and Council Policy A-10, Exhibit A, to establish the informal bid limits, allow Public Works project bid openings using electronic procurement systems, and make other clarifying changes will result in unquantified cost savings by increasing operational efficiencies and streamlining the procurement process on lower cost purchases.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a “license, permit, or other entitlement for use” if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html.

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

EXEMPT FROM THE LEVINE ACT

- ☒ General policy and legislative actions

For more information about the Levine Act, please see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html.

ALTERNATIVES

1. Set a limit lower than the PCC value of \$220,000 for informal bids for Public Works projects and/or for procurement of supplies, materials, equipment, and services, or sale of property and direct staff to return with City Code and Council Policy A-10 Exhibit A amendments consistent with this limit.
2. Modify or do not approve the City Code amendments to allow use of electronic purchasing systems for bid openings.
3. Modify or do not approve raising the minimum threshold for informal bidding from \$10,000 to \$20,000.

4. Provide other direction.

PUBLIC NOTICING—Agenda posting.

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Attachments: 1. City Code Article XIII Centralized Purchasing System
 2. Resolution—Council Policy A-10 Exhibit A Amendments
 3. City Charter Sections [1107](#) and [1111](#)
 4. California Public Contract Code Sections [22032](#) and [22034](#)