

# Memorandum

**TO:** Ed Shikada

**FROM:** David Sykes

**SUBJECT:** SEE BELOW

**DATE:** 5-17-11

---

Approved

Date

---

**SUBJECT: PUBLIC WORKS CONSTRUCTION CONTRACT PROCUREMENT  
CONSOLIDATION PROCESS**

The purpose of this memo is to inform you of the consolidation of major public works construction contract procurement activities into the Department of Public Works and to describe the new process along with future opportunities.

Effective July 1, 2010, the Public Works Department has assumed responsibility for advertising and opening bids for major public works construction projects. Prior to this date, the City Clerk's Office performed these functions. While advertising and opening bids constitute key activities in the procurement process, analyzing bidder responsibility, bid responsiveness, and evaluating bid irregularities and protests are also critical procedural components. The new procurement process from bid opening to award, including the resolution of irregularities and protests, is shown in the attached flowchart.

The new process is intended to cover all construction contract procurements regardless of the Department (Public Works, DOT or ESD) that manages the project. However, major construction projects managed by DOT (pavement maintenance and other street-related repairs/improvements) and ESD (Municipal Water System and South Bay Water Recycling Program) are currently advertised and have their bids opened by Public Works but are taken to Council for award by those respective Departments. To ensure that procurement oversight is maintained by Public Works, the new process institutes a DOT/ESD project award Council memo which has a joint signature with the Director of Public Works when bid irregularities or protests occur. The new process has been coordinated with DOT and ESD.

Procurement consolidation and the new process were developed with the intent of streamlining. With that in mind, there is an additional opportunity for efficiency by pursuing an extension of the authority of the Director of Public Works to award all construction contracts up to \$1M. Currently, this authority applies to Public Works projects only and not DOT or ESD projects. The value of this proposal lies in the time and cost savings that would be realized by not having to take DOT and ESD projects costing less than \$1M to Council. Because the ordinance regarding the Director of Public Works authority has not yet been drafted (although the resolution has been passed by Council), this extended authority could be brought forward with the ordinance.

Ed Shikada

5-17-11

**Subject: Public Works Construction Contract Procurement Consolidation and Process**

Page 2

If you have any questions regarding the construction contract procurement consolidation or process, or would like to discuss extension of the Public Works Director Award authority, please contact me at 535-8440.

A handwritten signature in black ink, appearing to read "D. Sykes", with a stylized flourish at the end.

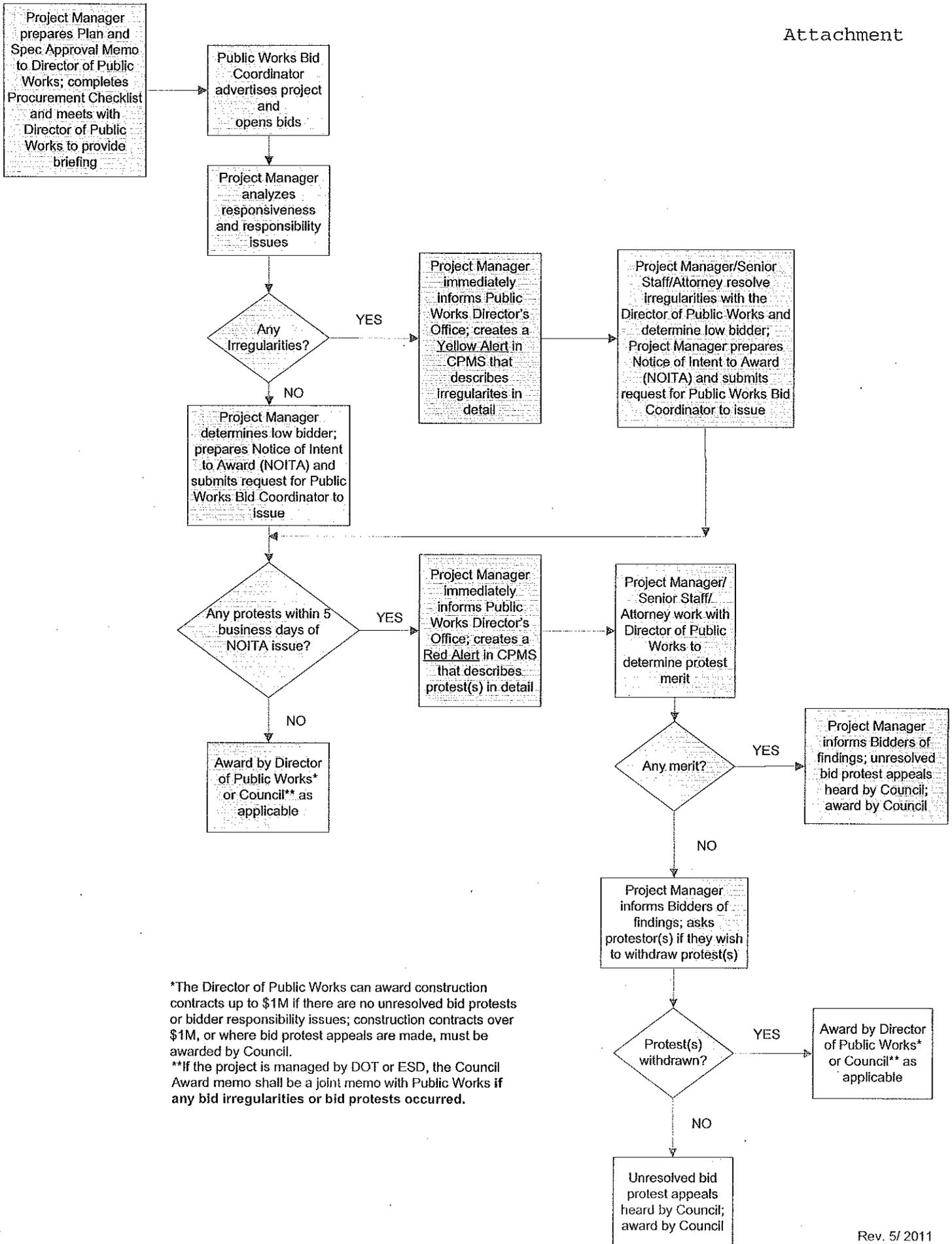
David Sykes

Acting Director of Public Works

Attachment

# Citywide Construction Contract Procurement Process

Attachment



\*The Director of Public Works can award construction contracts up to \$1M if there are no unresolved bid protests or bidder responsibility issues; construction contracts over \$1M, or where bid protest appeals are made, must be awarded by Council.

\*\*If the project is managed by DOT or ESD, the Council Award memo shall be a joint memo with Public Works if any bid irregularities or bid protests occurred.