



**CITY OF SALINAS  
FINANCE COMMITTEE**

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**DATE:** NOVEMBER 12, 2024

**DEPARTMENT:** FINANCE

**FROM:** SELINA ANDREWS, FINANCE DIRECTOR

**TITLE:** PROPOSED CHANGES TO PROCUREMENT ORDINANCES  
REFERENCING AUTHORITY TO EXECUTE CITY CONTRACTS AND  
AGREEMENTS AND INCREASE CERTAIN APPROPRIATION  
THRESHOLDS

RECOMMENDED MOTION:

A motion to recommend the City Council adopt revisions to its procurement ordinances amending its authorization to execute City contracts and agreements and increase certain limited appropriation thresholds.

DISCUSSION:

Staff reviewed purchasing authority information from cities of various sizes, and from federal and state governments and is presenting its recommendation to increase the City's purchasing appropriation thresholds.

In addition to revising the ordinance, the City is also working on revising its Purchasing Policy (Policy), which has not had substantive revisions since 1978. The Policy revisions will memorialize current contract and agreement practices, modernize annual inflation increases to authorization thresholds, and align authorization levels with other jurisdictions that are similar in size and population to the City.

The major changes recommended for consideration include increasing the threshold for formal Council approval from \$100,000 to \$250,000 with yearly adjustment in accordance with the annual April Consumer Price Index for Urban Consumers (CPI-U) for the San Francisco-Oakland-Hayward, CA areas. In addition to operational efficiencies, the revisions in conjunction with revising the Policy clarify ambiguities as to which City officer is delegated authority to approve certain types of less-common agreements as well as clarify the types of contracts and agreements that are approved by Council.

Additionally, the recommended revisions to the purchasing ordinances will help clarify current procedures and practices as well as gain efficiencies by reducing the volume of items that require formal City Council action while not compromising important values underlying City Council decision-making processes, such as transparency and competitiveness for contracts. As a reminder,

the City utilizes online bidding platforms for maximum transparency in competitive bidding which are linked on the City’s website.

Summarized data from the survey for smaller and larger cities is listed in the table below.

Attachment 4 - Survey of Signature Authorities and Formal Bid Limits										
City	Population	Public Works		Material Equipment		General Services		Professional Services		Last Updated Amounts
		Council	City Manager	Council	City Manager	Council	City Manager	Council	City Manager	
City of Palo Alto	66,680	>\$250,000	<\$250,000	>\$250,000	<\$250,000	>\$85,000	<\$85,000	>\$85,000	<\$85,000	4/6/2020
City of Cupertino	58,622	>\$200,000	<\$200,000	>\$200,000	<\$200,000	>\$200,000	<\$200,000	>\$200,000	<\$200,000	2002 (CUPCCAA)
City of Fremont	227,514	>\$200,000	<\$200,000	>\$100,000	<\$100,000	>\$100,000	<\$100,000	>\$100,000	<\$100,000	7/12/2011 (CUPCCAA)
City of Gilroy	58,101	>\$200,000	<\$200,000	>\$100,000	<\$100,000	>\$100,000	<\$100,000	>\$100,000	<\$100,000	4/3/2023
City of Milpitas	79,066	>\$200,000	<\$200,000	>\$100,000	<\$100,000	>\$100,000	<\$100,000	>\$100,000	<\$100,000	8/20/2019 (CUPCCAA)
City of Napa	78,818	>\$200,000	<\$100,000	>\$200,000	<\$200,000	>\$200,000	<\$200,000	>\$200,000	<\$200,000	1/1/2009
City of Redwood City	81,643	>\$100,000	<\$100,000	>\$100,000	<\$100,000	>\$100,000	<\$100,000	>\$100,000	<\$100,000	5/4/2020
City of Santa Clara	127,151	>\$250,000	<\$250,000	>\$250,000	<\$250,000	>\$250,000	<\$250,000	>\$250,000	<\$250,000	9/13/2022
City of Sunnyvale	152,258	>\$250,000	<\$250,000	>\$250,000	<\$250,000	>\$250,000	<\$250,000	>\$250,000	<\$250,000	12/8/2020
City of San Jose	983,489	>\$1,000,000	<\$1,000,000	>\$250,000	<\$250,000	>\$250,000	<\$250,000	>\$250,000	<\$250,000	11/16/2023
City of Sacramento	525,041	>\$250,000	<\$250,000	>\$250,000	<\$250,000	>\$250,000	<\$250,000	>\$250,000	<\$250,000	2020

**FISCAL AND SUSTAINABILITY IMPACT:**

Although there is no fiscal impact directly associated with approval of the recommendation, fewer City Council reports would be required to be prepared by staff, increasing operational efficiencies and allowing staff time to be focused on other City priorities.

**ATTACHMENTS:**

1. Survey of Signature Authorities