



City Council Staff Report

Subject: Rocklin Municipal Code Updates Related to Procurement, Purchases, and Contracts

Date: January 14, 2025

Submitted By: Daniel Choe, Deputy Director of Administrative Services

Department: Administrative Services - Finance

Recommendation:

Conduct a Discussion and Consider the Following Action:

- A. Introduce, Waive the Full Reading and Read by Title Only, an Ordinance of the City Council of the City of Rocklin Repealing and Re-Enacting Chapter 3.04 of the Rocklin Municipal Code Regarding Procurement, Purchases, and Contracts.
- B. Adopt a Resolution of the City Council of the City of Rocklin Electing to Become Subject to the Uniform Public Construction Cost Accounting Act.

Background:

The City of Rocklin's Procurement Ordinance, codified in Chapter 3.04 of the Rocklin Municipal Code, is an important framework for acquiring goods, services, professional services, and public works projects. The ordinance was last updated in 2019 with the adoption of Ordinance No. 1113, which clarified sourcing practices and the establishment of authorization limits and bidding requirements. However, as procurement and contracting needs and best practices evolve, further updates are necessary to ensure the ordinance remains efficient, effective, and equitable.

Several key challenges have been identified with the current ordinance. First, its reliance on provisions from the California Public Works Contract Code, which are specifically designed for public works projects, often leads to processes that are not well-suited for other types of procurement. This misalignment creates inefficiencies and limits operational flexibility. Second, some procedural steps included in the ordinance would be more appropriately addressed through administrative policies. Incorporating these steps into the ordinance unnecessarily prolongs procurement timelines without providing proportional benefits in efficiency or effectiveness. Lastly, certain sections of the ordinance require additional clarification and changes to promote consistent application.

One of the other main purpose of the Ordinance is to effectuate the delegation of contracting authority from the City Council to the City Manager or Purchasing Agent. In general, the City Council must approve all contracts entered into by the City. However, the City Council may delegate the authority to the City Manager or other designed officials, allowing them to enter

into and bind the City to contracts by Ordinance. The Ordinance includes recommended provisions for this delegation.

To address these challenges, a number of updates to the ordinance are proposed. These updates include clearer definitions of the types of purchases, contracts, and procurements governed by the ordinance, as well as specified exemptions for transactions that fall outside its scope. Additionally, provisions to prioritize local vendors will be enhanced to support economic development within the City. Specifically, the updated ordinance includes a provision allowing local vendors to match the lowest bid if their bid is within 5% of that amount. This aims to provide local vendors with an opportunity to compete more effectively in the bidding process, and recognizing their contributions as valued members of the Rocklin community. The City Manager's authority for purchasing and contracting will be increased from \$50,000 to \$75,000, which reflects regional average based on a comparative study of 19 similar jurisdictions. This change also introduces greater flexibility for the City Manager to delegate purchasing authority while clarifying the respective roles and responsibilities of the City Attorney in procurement processes. Other provisions affirm the City Attorney's authority to enter into certain legal services agreements up to \$100,000.

Further refinements are proposed for formal bidding (competitive sealed bid) process, requests for proposals, and requests for qualifications, along with exceptions to competitive procurement. Examples of these exceptions include travel expenses, utility services, insurance premiums, and advertising costs. The updated Ordinance will also integrate the Uniform Public Construction Cost Accounting Act (UPCCAA), as established in Section 22000 of the California Public Contract Code (CPCC). This voluntary program allows participating cities to streamline public works project contracting by raising the threshold for informal procedures to \$220,000. Public work projects more than \$220,000 will still require competitive formal bidding. This is a significant increase from the current \$5,000 as codified in CPCC section 20160, et seq., which requires that general law cities in California competitively bid all public works projects in excess of \$5,000. By participating in the UPCCAA, the City can streamline project timelines while remaining compliant with statutory requirements. The City retains the flexibility to opt out of the program through a formal resolution if priorities change in the future.

These updates offer numerous benefits to the City. Streamlined processes, including an increased informal bidding threshold, will reduce administrative burdens and expedite procurement activities. Enhanced clarity in the ordinance will support efficient procurement and contracting for goods, equipment, supplies, services, and public projects. It will ensure the lowest possible cost while maintaining the required quality, maximize the value of public funds, and strengthen financial controls. By modernizing the ordinance, the City will enhance accountability, adaptability, and operational efficiency, ultimately better serving its residents.

Staff recommends the City Council introduce the proposed Procurement, Purchases, and Contracts Ordinance (Attachment 1). Additionally, if the proposed Ordinance is introduced, staff recommends adopting the resolution (Attachment 2) to opt into the Uniform Public Construction Cost Accounting Act. These changes will better position the City to navigate the complexities of modern procurement, ensuring efficient and effective stewardship of public resources.

Fiscal Impact:

There is no direct fiscal impact from the staff recommendation.

ATTACHMENTS:

1. Ordinance
2. Resolution - UPCCAA