



2009 SEP -3. PM 4: 56

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To: Chair Quan and Members of the Finance and Management Committee
From: Council President Brunner
Date: September 15, 2009
Re: **ORDINANCE AMENDING ORDINANCE NO.7937 C.M.S., ADOPTED
FEBRUARY 6, 1969, AND AMENDMENTS THERETO, CODIFIED AT
OAKLAND MUNICIPAL CODE TITLE 2, CHAPTER 2.04, PURCHASING
SYSTEM, ARTICLE I, BIDDING, CONTRACTING AND PURCHASING, TO
DECREASE AMOUNTS FOR CERTAIN PURCHASES REQUIRING CITY
COUNCIL APPROVAL AND DECREASE THE CITY ADMINISTRATOR'S
AUTHORITY FOR CERTAIN PURCHASES**

On June 9th, 2009, I proposed an amendment to the City's purchasing ordinance to require that all contracts over \$100,000 come to the City Council for approval. This amendment will give the Council an opportunity to more closely monitor City spending in this difficult budget climate.

Given the budget challenges that the City is facing, we need to look closely at how the City is spending its funds. My proposal is to decrease the City Administrator's purchasing authority and to commensurately decrease the contract amounts that require City Council approval from \$250,000 to \$100,000 for supplies, services or a combination thereof (including public works projects), and from \$150,000 to \$100,000 for professional services. This amendment does not change the existing lower Council approval requirements for purchases: 1) that are not identified in the capital improvement or operating budget, 2) that are related to affordable housing projects, 3) that will be funded, directly or indirectly, with Redevelopment Agency funds, 4) that are or will be funded, directly or indirectly, by voter-approved measure funds, or 5) for any technological, computer or computerized system services or products, as described in Oakland Municipal Code Section 2.04.020 B.

At the June 9, 2009 Finance and Management Committee hearing, the Committee requested information on the contracts that would have had to come to Council had this policy been in place last year and what the possible procedures would be for the Committees to review additional contracts.

Staff in the Department of Contracting and Purchasing conducted an analysis of all contracts between the July 1, 2008 and June 30, 2009 and determined that 6 additional contracts would have had to come to Council had the proposed policy been in place at that time.

Given the relatively low number of additional contracts for review, I am not proposing any changes to the Council review procedure. The 6 contracts are listed in the attached matrix.

Item ___
Finance and Management Committee
September 15th, 2009

FY 2008-2009 Contracts Affected by Proposed Policy Change

	Vendor Name	Amount Encumbered	Description	Type	Department
1	Eden I & R Inc.	\$100,000.00	Phone Line Service	PURCH	CAO
2	Public Financial Management Inc	\$150,000.00	Strategic Planning Services	PROF	CAO
3	Sposeto Engineering Inc	\$120,041.22	Lake Merritt Bandstand ADA Improvement	PROF	CEDA
4	Rafael Tobar, DBA	\$124,540.00	Rehab Of Sanitary Sewers By Mandana And Paloma Ave	CONST	CEDA
5	Rafael Tobar, DBA	\$222,562.00	Rehab Sanitary Sewers By Glenbrook Dr, Beechwood, Romany Rd.	CONST	CEDA-PWA
6	Hendricksen The Care Of Trees Inc	\$143,192.00	Pruning of Trees in Dist. 4 and Various City Wide Parks.	PROF	PWA