



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Matt Cano

SUBJECT: SEE BELOW

DATE: February 7, 2019

Approved

Date

2-7-19

INFORMATION

**SUBJECT: MINOR PUBLIC WORKS CONTRACT PREQUALIFICATION
PROGRAM/ PUBLIC WORKS ACADEMY**

The purpose of this information memorandum is to update the City Council on two new, innovative and interrelated programs recently undertaken by the Department of Public Works: the Minor Public Works Contract Prequalification Program and the Public Works Academy. These programs are aimed at increasing the number of new, local, and small contractors working on minor public works projects. Additionally, the Minor Public Works Contract Prequalification Program seeks to maintain the efficient procurement of minor public works while reducing reliance on “on-call” contracts and obtaining competitive pricing.

Minor Public Works Contract Prequalification Program

With a five-year Capital Improvement Program valued at over \$3 billion, the City must be proactive to ensure that it is “Building our City with our Community” by providing opportunities for our small and local businesses and workers to financially participate on the City’s construction projects. The Minor Public Works Contract Prequalification Program aims to meet this objective while also improving the procurement process for minor public works projects.

The Minor Public Works Contract Prequalification Program will create a pool of prequalified contractors with whom the City will have retainer agreements, for various projects of general scopes. These agreements will be valid for one year and will not have a maximum compensation limit.

The pool will be used to solicit bids on individual Task Orders under the Minor Public Works threshold that would normally be performed under an On-Call Contract or Minor Public Works Contract. The Director will award the task order to the low bidder. This procurement process is designed to provide the kind of competitive pricing absent from on-call contracts while providing a timelier procurement process than for minor public works contracts.

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The Minor Public Works Contract Prequalification Program provides significantly lower barriers of entry for new contractors than the formal solicitation process of a **major** public works contract. The Department of Public Works believes the Program will increase the participation of local and small contractors competing for City work by introducing them to the City's process for project procurement in a more approachable way. The potential for increasing the entry of new, local and small contractors is particularly significant given that Measure S raised the minor public works threshold from \$100,000 to \$600,000.

Public Works advertised its first Prequalification Program solicitation on January 30, 2019. The solicitation will close on February 27, 2019, and will create a pool of contractors who have the qualifications to perform various transportation infrastructure projects. These projects will involve work to be completed within the public right-of-way which may include, but are not limited to enhanced pedestrian crosswalks, street lights, traffic signals, and radar speed signs. Staff anticipates that the contractor pool will be established mid-April, 2019.

Public Works Academy

To assist in achieving the City's goals, Public Works has created the Public Works Academy and is actively engaging contractors new to Public Works contracting, including local and small businesses. The Public Works Academy is intended to educate the contracting community on bid opportunities, contracting requirements, procurement processes, and managing Public Works projects. The first four seminars are scheduled to be held the last week of February and the first week of March at the Martin Luther King Library.

Although the Academy is intended to increase the participation of new, local and small contractors in **all** public works procurements, Public Works views the Academy as being a particularly integral part of the Prequalification Program. The Prequalification Program requires all contractors in the pool to have completed at least two construction projects in which a public entity was the owner. Contractors who attend the Academy's contracting seminars will have the two project completions with a public entity experience requirement waived in the prequalification process. Waiving this requirement further increases the opportunities for new contractors to engage with Public Works contracting.

These two programs were initiated in close coordination with the Department of Transportation, the City Attorney's Office, and Risk Management. City staff also coordinated with the Small Business Task Force, Work2Future, the Small Business Development Center Silicon Valley, the Hispanic Chamber of Commerce Silicon Valley, and the Silicon Valley Black Chamber of Commerce.

/s/

MATT CANO

Director of Public Works

For questions please contact David French, Department of Public Works, at (408) 975-7276.