



# STAFF REPORT

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**Meeting Type:** City Council Meeting  
**Meeting Date:** March 3<sup>rd</sup> 2025  
**From:** Tyler Wallace, Finance Director  
**Subject:** Resolution 2025-07: Updating Public Contracting Rules

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## **DECISION TO BE MADE:**

Decide whether to adopt Resolution 2025-27, updating the City of Sandy's Public Contracting Rules.

## **PURPOSE / OBJECTIVE:**

Update the City's Public Contracting Rules to reflect changes to State law and model rules.

## **BACKGROUND / CONTEXT:**

Public contracting rules generally have different prescribed processes for different types of procurements. These processes are generally set by rule or policy and allow smaller dollar contracts to be awarded by less formal process and require more rigorous formal processes for higher dollar contracts.

The City of Sandy's contracting rules are currently laid out in [Resolution 2017-28](#). These sets of rules are categorized by personal service contracts, construction related personal service contracts, and contracts for goods and services.

The State of Oregon has updated their public contracting code and model rules multiple times since 2017, including in 2019 to permit local agencies to consider cost when procuring architects and engineers in limited contexts, and most recently in 2023 to increase procurement monetary thresholds. All statutory changes are reflected in Resolution 2025-07.

Sandy's current contracting rules and thresholds have been in effect since 2017. Staff have worked closely with legal counsel to draft this updated policy.

## **KEY CONSIDERATIONS / ANALYSIS:**

- The proposed changes bring the City of Sandy into alignment with State procurement laws.
- The procurement threshold changes mirror State law. Additionally, as this Policy has not been updated since 2017, updating these thresholds combats the impact of inflation.

- Sandy is in an extended time period with a large number of infrastructure development projects. Many of these projects require expediency in procurement and contracting processes to meet deadlines. Meeting these deadlines is critical as many projects have interdependencies with other projects. Changing the thresholds for procurement processes allows the City to move with the nimbleness these projects require.

## **SUMMARY OF CHANGES:**

- 1.10.020: Personal Service Contracts.

These are contracts for personal or professional services performed by an independent contractor, primarily for the provision of services that require specialized technical, creative, professional or communication skills or talents, unique and specialized knowledge, or the exercise of discretionary judgment skills, and for which the quality of the service depends on attributes that are unique to the service provider. For the purposes of this section, personal services contracts do not include contracts for construction-related personal services when only such professionals may legally provide the service.

This Section is amended to follow a procurement path consistent with that of Good and Services. Legal Counsel has advised that this is the conservative approach, but is in line with the approach taken by most Oregon cities.

- Small procurements: Contracts between \$0 - \$25,000. Threshold moves from \$15,000 to \$25,000. City Manager may choose the most qualified contractor without any procurement process for contracts up to \$25,000.
- Intermediate procurement: Contracts between \$25,001 and \$250,000. Threshold moves from \$75,000 to \$250,000. City Manager is required to contact a minimum of three prospective contractors and may make a selection based on City's best interest.
- Formal Procurement: Contracts exceeding \$250,000. Threshold moves from \$75,000 to \$250,000. Requires that City issue either a formal invitation to bid or request for proposals to select a prospective consultant.
- Direct Selection Process: This process empowers the City Manager to directly select certain types of contracts without a procurement process regardless of dollar amount to meet the City's needs.
  - The purpose of this selection type is to allow for expediency and efficiency when needed in contractor selection. City Manager is still constrained by their signature authority limit to authorize contracts. Contracts exceeding the City Manager's signature authority still come to Council for approval.

- 1.10.025: Construction Related Personal Service Contracts

This section is amended to reflect State law. The prior policy did not outline policies for small or intermediate procurement processes for Construction Related Personal Service Contracts. There was only a \$100,000 threshold for formal procurements.

- Small Procurements: By definition, 1.10.025 applies to construction related contracts over \$100,000. This policy now sets a small procurement threshold of \$100,000 and defines a process in line with the personal service processes for small procurements. The City Manager may select a construction related contract under \$100,000 in any manner they find practical or convenient.
  - Intermediate Procurements: Applies to contracts over \$100,000 and up to \$250,000. City Manager is required to contact a minimum of three prospective contractors and make a selection based on the City's best interest.
  - Large Procurements: Contracts exceeding \$250,000. Requires that city follow formal procurement process including an Request for Proposal (RFP), or Request for Quote (RFQ) followed by RFP.
- 1.10.030 Small Procurement for Goods and Services and Public Improvements
    - Contracts between \$0 and \$25,000. Threshold moves from \$10,000 to \$25,000 in accordance with State law. City Manager may select in any manner they find practical or convenient.
    - Permits a contract amendment up to a \$31,250 threshold without further procurement process.
  - 1.10.040 Intermediate Procurement for goods and Services and Public Improvements
    - Threshold is established for contracts exceeding \$25,000 and up to \$250,000 for procurement of goods and services and \$25,000 to \$100,000 for public improvement. City Manager will contact a minimum of three prospective contractors. They will request an estimated fee and make the selection consistent with City's best interest.
    - Permits a contract amendment up to a \$312,500 threshold for goods and services contracts, and \$125,000 for public improvement contracts, without further procurement process.
  - 1.10.050 Large Procurement for Goods and Services and Public Improvements
    - Threshold established for contracts exceeding \$250,000 for procurement of goods and services. The threshold is \$100,000 for public improvement contracts. City shall conduct formal procurement process in accordance with Oregon Administrative Rules which requires and Invitation to Bid (ITB) or RFP.

- 1.10.060 Authority to electronically advertise public contracts
  - Clarifies that all public contracts may be electronically advertised.
- 1.10.070 Special Procurements, Sole-Source Procurements, and exemptions
  - Special Procurements:
    - This resolution adds provisions for special procurement. Council may exempt certain contracts or classes of contracts for goods, services, and personal services from a competitive bid if certain criteria are met, in accordance with state law.
  - Sole Source Procurements:
    - Council may award contracts for goods, services, or personal services from a sole source without a competitive process if the goods or services are only available from one company or if the company has special skills uniquely required for the contract.
  - Exemption
    - Council may exempt certain contract or classes of contract for public improvement from invitation to bid process in accordance with state law.
- 1.10.080 Emergency Contracts
  - This Resolution moves emergency contracting provisions into its own section and follows state law and process.
    - When an emergency exists, the City may directly award or appoint contracts for goods, services, personal services, construction related personal services and public improvement contracts.
- 1.10.100 Procedure for Surplus Property
  - Resolution expands City Manager authority to dispose of surplus property by broadening permissible methods to include, “transfer to another government agency, auction, liquidation or fixed price sale, trade in”.

- 1.10.110 Signature Authority
  - This Resolution increases the City Manager signature authority to sign contracts for budgeted items without City Council approval from \$100,000 to \$125,000. This adjustment represents an inflationary adjustment. City Manager signature authority mitigates the need for every contract to go before Council for approval and allows the City to efficiently conduct day to day business as well as effectively execute project timelines.

**Summary Table of Threshold Changes:**

		Current Policy	Proposed Policy
<b>Personal Services</b>			
Small Procurement	Up to	\$ 15,000	\$ 25,000
Intermediate Procurement	Up to	\$ 75,000	\$ 250,000
Formal Procurement	Exceeding	\$ 75,000	\$ 250,000
<b>Construction Related Personal Services</b>			
Small Procurement	Up to	N/A	\$ 100,000
Intermediate Procurement	Up to	N/A	\$ 250,000
Formal Procurement	Exceeding	\$ 100,000	\$ 250,000
<b>Goods and Services</b>			
Small Procurement	Up to	\$ 10,000	\$ 25,000
Intermediate Procurement	Up to	N/A	\$ 250,000
Large Procurement	Exceeding	N/A	\$ 250,000
<b>Public Improvements</b>			
Small Procurement	Up to	N/A	\$ 25,000
Intermediate Procurement	Up to	N/A	\$ 100,000
Large Procurement	Exceeding	N/A	\$ 100,000
City Manager Signature Authority	Up to	\$ 100,000	\$ 125,000

**BUDGET IMPACT:**

None.

**RECOMMENDATION:**

Staff recommends that City Council vote to adopt Resolution No. 2025-07 updating the City of Sandy's Public Contracting Rules and Schedule of Signature Authority

**SUGGESTED MOTION LANGUAGE:**

"I make a motion to adopt Resolution No. 2025-07 updating the City of Sandy's Public Contracting Rules and Schedule of Signature Authority"

**LIST OF ATTACHMENTS / EXHIBITS:**

- Resolution 2025-07