

# Professional Services

**Scope:** CITYWIDE

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**Regulatory References:**

Sacramento City Charter-[Article XIV, Public Contracts and Supplies](#)

Sacramento City Code Chapters [3.56](#), [3.58](#), [3.62](#), [3.64](#)

[Signing Authority Policy](#)

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All policies are updated as needed and on a set review cycle.

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## I. Policy Statement

This policy sets forth City of Sacramento (City) policies that apply to contracting for professional services and supplements requirements set forth in the City Charter and City Code. To ensure that all contracting functions are performed in compliance with applicable federal, state and City laws, regulations, ordinances, and policies, to ensure the uniform and consistent application of the contracting process, and to ensure fairness, open competition, and competitive pricing.

## II. Scope

This policy shall apply Citywide, except for contracts entered into by the City Attorney's Office.

## III. Definitions

- **Addendum** – An amendment to a solicitation.
- **Amendment** – A modification to a professional services contract, that must be approved in accordance with the provisions of [City Code § 3.04.020](#).
- **Architectural and Engineering Services** – This term includes architectural, landscape architectural, environmental services, engineering, land surveying, and construction project management services.
- **Citywide Contract** – A contract administered by Procurement to procure professional services for multiple departments.
- **Competitive Solicitation** – The process of soliciting bids and awarding a contract on the basis of best value when factors other than cost must be considered.
- **Contract** – Any binding document, regardless of what it is called, for the procurement of professional services or work of any nature. References to a “contract” shall be deemed to include all documents attached to or incorporated in the contract. A contract is required for all professional services in any amount. See the Procurement page on the City's intranet for approved Citywide contract templates.
- **Contracts Manager** – A position or employee authorized by the department head to administer the contracting process for professional services on behalf of the department. A Contracts Manager is not authorized to execute professional service contracts or supplemental agreements on behalf of the City unless such signature authority has been delegated by the City Manager in accordance with applicable provisions of the City Code.
- **Contractor** – A person, firm, or other entity that contracts with the City to perform professional services.

- **Cooperative Purchasing** – Procurement conducted by, or on behalf of two or more public agencies to leverage their combined purchasing power.
- **Emergency Contract** – A contract initiated when the public interest and necessity demand immediate procurement of professional services to safeguard life, health, or property to permit the continued conduct of City operations or services or to mitigate further damage.
- **Local Business** – A business operating within the City of Sacramento or unincorporated County of Sacramento consistent with the City’s Local Business Enterprise (LBE) Program.
- **Micropurchase Threshold** – The dollar amount at which the federal government has determined no competition is required for purchasing.
- **On-Call Services Contract** – A contract for on-call services for a specified term.
- **Piggybacking** – Relying on a solicitation process conducted by another public agency, if permitted by the other public agency.
- **Procurement** – This term is intended to include all functions that pertain to obtaining professional services or work, including the preparation of specifications and requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.
- **Procurement Procedures** – Written procedures developed by Procurement that specify more detailed operational guidance for City procurement, consistent with applicable provisions of the City Charter, City Code, and City policies and procedures.
- **Professional Service** – A service of a professional character of any type, description, or variety including, but not limited to, services rendered by:
  - Actuaries
  - Archaeologist
  - Architects
  - Attorneys
  - Auditors
  - Construction Project Managers
  - Economic Analysts
  - Engineers
  - Environmental Analysts
  - Historic and Cultural Resource Consultants
  - Information Technology Providers
  - Investment Advisers
  - Land Surveyors
  - Landscape Architects

- Lobbyists
  - Planners
  - Scientists (Biologists, Chemists)
  - Transportation Analysts
- **Project Manager** – The employee designated as the project manager responsible for administering the performance of a contract for professional services. A Project Manager is not authorized to execute professional service contracts or supplemental agreements on behalf of the City unless such signature authority has been delegated by the City Manager in accordance with applicable provisions of the City Code.
- **Proposal** – An offer in response to a solicitation for a contract to be awarded on a basis other than lowest cost.
- **Purchase Order** – A written authorization for a vendor to supply goods or services at a specified price and over a specified period of time. In the absence of a contract executed by the City and contractor, acceptance of the purchase order shall constitute a binding contract. The use of a purchase order instead of a fully executed contract is subject to approval of Procurement, the City Attorney's Office, and Risk Management.
- **Request for Proposals (RFP)** – A written request for proposals for a contract to be awarded on a basis other than the lowest responsible bid.
- **Request for Qualifications (RFQ)** – A written request for the submission of qualifications to provide specified professional services. RFQs are used to solicit SOQs from prospective contractors in order to identify contractors with adequate qualifications to provide the specified services.
- **Statement of Qualification (SOQ)** – The written document submitted in response to an RFQ.
- All definitions set forth in [City Code Chapter 3.56](#) shall also apply.

## IV. Policy

### 1. General Requirements Applicable to All Professional Services

- A. Departments shall not split or separate into smaller units any requirement for professional services for the purpose of evading the contract solicitation and approval requirements specified herein.
- B. To the extent practical, (1) the Contracts Manager shall use on-call services contracts or Citywide contracts for various routine or recurring services, and (2) departments and Procurement shall work together to plan annual requirements for Citywide professional services, in order to maximize

economic efficiencies and to avoid impermissible contract splitting. Information about Citywide service contracts can be found on the Procurement page of the City's intranet site.

- C. The solicitation and award procedures specified in this policy for professional services vary depending on the amount of the procurement. For purposes of determining which solicitation and award procedures apply:
  - 1. When soliciting for an on-call services contract, the amount of the procurement is the aggregate amount of the on-call services contract or contracts (if multiple on-call services contracts are awarded to multiple contractors for the same scope of services). City Council must award any individual contract of \$250,000 or more, without regard to the aggregate amount of all contracts issued to other consultants pursuant to the same solicitation.
  - 2. When an on-call services contract is not used, the amount of the procurement is the amount of the contract for a specific project and shall not include any payments made under other contracts with the same contractor for different projects, subject to the requirements specified in subsection (a) above.
- D. Departments shall monitor contracts awarded by the department on a fiscal year basis in accordance with applicable provisions of Procurement procedures.
- E. The Contracts Manager shall be responsible for maintaining all documentation of the procurement process, including analysis of proposals, contractor notifications, and contract approval correspondence in accordance with the City's [Record Management Policy](#). This shall include the responsibility for compiling and reporting data that will assist with ascertaining the utility of City programs associated with the procurement process, such as any applicable equal benefits, disadvantaged business enterprise, or emerging/small business enterprise requirements. The Contracts Manager shall use standardized solicitation templates, as provided by Procurement or otherwise approved by the City Attorney's Office.
- F. The purchase of equipment or materials that are incidental to the performance of professional services may be included in the procurement of the professional services contract pursuant to the provisions of this policy without performing a separate procurement process for the equipment or materials pursuant to the Procurement of Goods Policy. (Example: The procurement of a professional services contract with an information technology provider may include the purchase of materials incidental to performance of the professional services, such as the purchase of software and/or hardware to be installed, configured, or maintained by the professional service provider.)

- G. Contracts approved as to form by the City Attorney's Office must be executed prior to the performance of any services.
- H. Contracts less than \$250,000 do not require the approval of the City Council and may be executed on behalf of the City by the City Manager or authorized designee. Delegations of approval authority are specified in the [Signing Authority Policy](#). In the event of a declared emergency pursuant to City Code Chapter 2.116, the City Manager or authorized designee may supplement an existing contract by up to \$249,999.99 (without regard to the original contract value) for transactions related to the emergency response.
- I. For services of any amount, the contract amount shall be calculated based on the full cost of any term extensions provided for in the contract. (Example: the amount for a two-year contract in the amount of \$40,000 per year, with an optional extension for year three, shall be based on the total three-year term, for a contract amount of \$120,000.)
- J. When purchase of professional services includes services to be performed onsite, general liability and workers compensation insurance, including a waiver of subrogation, shall be required. If a vehicle is used to perform the services, auto liability insurance shall be required.
- K. When purchases utilize non-City funding (e.g., federal, state, or local grant funds, or other outside funding sources), purchasing must be completed in accordance with all requirements imposed by the funding entity and applicable laws and regulations. As a result, special terms may be required in the solicitation and/or the contract. Contracts Managers must consult with the City Attorney's Office to determine what additional or different terms may apply based on the funding source prior to issuing a solicitation.

## **2. Solicitation Thresholds and Requirements**

### **2.1 Professional Services of \$10,000 or Less (Micropurchasing)**

- A. Micropurchasing (the procurement of professional services at a cost of \$10,000 or less) does not require the use of an RFQ or RFP, and the contractor may be selected at the discretion of the Project Manager provided that the Contracts Manager shall approve the procurement process. No minimum number of price quotations is required. See Section 2.5, Additional Requirements for Architectural and Engineering Services.
- B. The City Manager may approve adjustments to the threshold for micropurchasing, but may not exceed the Micropurchase Threshold.
- C. Descriptions of qualifications and/or proposals for professional services shall be written. All prospective professional service

providers contacted must be given the same information and allowed adequate time to respond.

- D. Price quotations shall be written.<sup>1</sup>
- E. Although not required, if price quotations are requested from more than one prospective contractor, the same information must be provided to all prospective contractors and they must be allowed adequate time to respond.
- F. The City's LBE Program requirements do not apply to micropurchases, but contracting with local businesses is encouraged.

## **2.2 Professional Services of More than \$10,000 up to and including \$100,000 (Informal Solicitations)**

- A. The issuance of a formal solicitation is not required, but if a formal solicitation is not used, the Project Manager shall be responsible for soliciting at least three (3) prospective professional service providers, unless the Contracts Manager documents that the professional services are not reasonably available from at least three (3) providers.
- B. In addition to the application of the five percent (5%) LBE Preference as described in the LBE Program,<sup>2</sup> at least one (1) of the prospective contractors solicited must qualify as a local business unless the Project Manager documents that the service(s) cannot be reasonably performed by a local business or that a local business does not exist at the time of the solicitation.
- C. The Project Manager shall obtain written descriptions of qualifications and/or proposals from prospective contractors. All prospective contractors contacted must be given the same information and allowed adequate time to respond.
- D. The Project Manager or proposal/qualifications evaluators, as applicable, shall select the contractor based on uniform criteria. The selection of a contractor to perform architectural and engineering services shall comply with the Section 2.5, Additional Requirements for Architectural and Engineering Services. Exceptions to the above requirements are provided for in Section 3, When Competitive

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<sup>1</sup> If quotes are obtained over the phone, the Contracts Manager must document the information received. Procurement has a standard form available for this purpose.

<sup>2</sup> While the City's LBE Program does not apply to federally funded contracts, the requirement to solicit at least one (1) bid from a local business as part of the informal bidding process does apply to federally funded contracts as it is not a prohibited "preference."



Selection Requirements Do Not Apply.

**2.3 Professional Services of More Than \$100,000 and Less Than \$250,000 (Formal Competitive Solicitations)**

- A. The issuance of a formal RFQ or RFP and advertising on the City's website for Contracting Opportunities is required.
- B. Proposals or Statements of Qualification (SOQs) must be obtained in writing, and all prospective contractors must be given the same information and the same time to respond.
- C. The minimum time required for advertising solicitations on the City's bid portal is ten (10) calendar days. The length of the advertisement period should be appropriate to the industry standards for the particular services, to achieve the maximum competition, and may be longer if necessary to satisfy requirements imposed by law, regulations, or applicable funding requirements.
- D. Proposals and SOQs shall be received and opened by the Contracts Manager.
- E. The Project Manager or proposal/qualifications evaluators, as applicable, shall select the contractor based on the criteria specified in the RFP or RFQ. The selection of a contractor to perform architectural and engineering services shall comply with Section 2.5, Additional Requirements for Architectural and Engineering Services.
- F. Notice of contractor selection shall be provided to all prospective contractors as soon as reasonably practical to initiate the protest period.
- G. Exceptions to the above requirements are provided for in Section 3, When Competitive Selection Requirements Do Not Apply.

**2.4 Professional Services of \$250,000 or More (Formal Competitive Solicitations)**

- A. The issuance of a formal solicitation and advertising on the City's bid portal is required.
- B. Proposals or SOQs must be obtained in writing, and all prospective contractors must be given the same information and the same time to respond.
- C. The minimum time required for advertising on the City's bid portal is ten (10) calendar days. Advertisement of Solicitations shall be appropriate to the industry standards for the particular services, to

achieve the maximum competition, and may be longer if necessary to satisfy requirements imposed by law or regulations, or applicable funding requirements.

- D. The contractor to be recommended for contract approval by the City Council shall be selected based on the criteria specified in the RFP or RFQ. The selection of a contractor to perform architectural and engineering services shall comply with Section 2.5, Additional Requirements for Architectural and Engineering Services.
- E. Notice of contractor selection shall be provided to all prospective contractors as soon as reasonably practical to initiate the protest period.
- F. Contracts of \$250,000 or more must be awarded by the City Council.
- G. Contracts must be approved as to form by the City Attorney's Office prior to City Council approval.
- H. Exceptions to the requirements are provided for in Section 3, When Competitive Selection Requirements Do Not Apply.

## **2.5 Additional Requirements for Architectural and Engineering Services**

- A. In accordance with State law, contracts for architectural, landscape architectural, environmental, engineering, land surveying, and construction project management services (collectively referred to in this policy as "architectural and engineering services") are subject to the following requirements:
  - 1. The selection process used must be fair and competitive, which requires, at a minimum, that two (2) or more prospective contractors be given an opportunity to submit qualifications or proposals. This generally precludes a "sole source" procurement that involves no such competitive opportunity; and
  - 2. The evaluation should include an analysis of the prospective contractors solicited and must be made on the basis of each prospective contractor's demonstrated competence and professional qualifications necessary for the satisfactory performance of the services required, without consideration of price.
- B. These additional requirements apply to contracting for architectural and engineering services in any amount and are not subject to any exceptions.

- C. In some cases, contracts for architectural and engineering services may also require the payment of prevailing wages, such as may be the case for land surveying and construction project management services.

### **3. When Competitive Solicitation Requirements Do Not Apply**

- A. The exceptions in this subsection may not be valid if certain state or federal funds are used. Consult with the City Attorney's Office if using non-City funds.
- B. The exceptions do not affect the requirement for City Council approval of all contracts for \$250,000 or more.
- C. Council reports and resolutions prepared for a recommendation to approve a professional service contract of \$250,000 or more shall describe the selection process used, including documentation for using one of the above exceptions, if applicable.
- D. The competitive selection requirements specified in Section 2, Solicitation Thresholds and Requirements, do not apply if any of the following conditions are met:
  - 1. After the proposals or qualifications for professional services are requested, if no responsive valid responses are received, a different procurement method may be used, provided the use of such method is documented and approved as provided below in subsection 4.
  - 2. The contractor awarded a contract fails to enter into the contract. If this occurs, the next highest scoring prospective contractor (for RFPs) or second highest ranked prospective contractor (for RFQs), if there is one, shall be awarded the contract, if such professional service contractor's price is acceptable. If there is no such professional service contractor, a different procurement method may be used, provided the use of such method is documented and approved as provided below in subsection 4.
  - 3. Federal or state law requires other selection procedures to be utilized.
  - 4. When it is in the City's best interest to use a different procurement method. This justification must be documented by the Project Manager, and the request to use a different procurement method must be approved by the department head in accordance with applicable Procurement procedures. Examples of alternative procurement procedures include:

- a. Sole source procurement: After conducting a good faith review of available sources, the Project Manager determines there is only one reasonable and practicable source for the required professional services. **This exception does not apply to contracts for architectural and engineering services, as noted in Section 2.5, Additional Requirements for Architectural and Engineering Services.**
  - b. The following are other examples of circumstances that could necessitate a sole source procurement:
    - When the services are only available from a sole or single source based on that source's unique capabilities. A requirement for a particular proprietary service does not justify a sole source procurement if more than one potential provider for that service is reasonably and practicably available.
    - When, in the case of a follow-on contract for highly specialized services, it is likely that an award to another contractor will result in: (1) substantial duplication costs that are not expected to be recovered through competition; or (2) unacceptable delays where the cost will exceed the costs expected to be recovered through competition.
    - All requests for this restrictive method of procurement shall be accompanied by an explanation as to why no other source of service will be suitable or acceptable to meet the need. Documentation shall be maintained of all negotiation discussions, terms, and offers.
5. Emergency contracts: When emergency conditions render competitive selection impractical, and the determination of an emergency is approved by the department head.

6. Cooperative purchasing agreements or piggybacking: The Contract Manager may obtain professional services through competitively procured cooperative purchasing agreements or by piggybacking off of other public agencies' competitive contracts without separate competitive bidding by the City. Cooperative purchasing or piggybacking shall comply with applicable Procurement procedures.

#### **4. Competitive Solicitation Methods**

##### **4.1 One-Step RFP Requirements**

The one-step RFP method shall be used for project-specific contracts when the scope of work is well-defined or for multi-phased contracts where the defined scope of work is divided into phases. Prior to issuing an RFP for a multi-phase project, the Project Manager should consult with the City Attorney's Office to discuss options to prevent the selected consultant for an early phase of work from being disqualified from bidding on a later phase due to a conflict of interest.

- A. RFPs are used to communicate the City's requirements to prospective professional service providers and to solicit proposals.
- B. The Project Manager shall bear the overall responsibility for the preparation of an RFP, utilizing a standardized RFP format or template otherwise approved by the City Attorney's Office, and including the required minimum RFP components per Procurement procedures.
- C. RFPs should include a clear, accurate, detailed scope of work, technical requirements, qualifications, including deliverables to be provided and method of payment (e.g., specific rate of compensation, cost-plus fixed fee, cost per unit of work, lump-sum payment), and method and criteria and weights for selection.

##### **4.2 Requirements for a One-Step RFQ**

A one-step RFQ shall be used when selecting a single consultant for specialized services and the scope of work may include multiple similar projects (e.g., a single on-call contractor).

- A. RFQs are used to solicit SOQs from prospective service providers. An RFQ process may be used simply to identify or prequalify contractors with adequate qualifications to perform the specified services, or may be used to select one or more contractors to perform the specified services (as an alternative to using a RFP process for this purpose.)

- B. The Project Manager shall bear the overall responsibility for the preparation of an RFQ, utilizing an RFQ format as approved by the City Attorney's Office, and including the required minimum RFQ components per City standards.
- C. RFQs should include a general description of the services or project(s), scope of work, technical requirements, qualifications, method of payment (e.g., specific rate of compensation, cost-plus fixed fee, cost per unit of work, lump-sum payment), and method, criteria, and weights for selection.

#### **4.3 Requirements for a Two-Step RFQ/RFP**

A two-step RFQ/RFP method should be used to procure multiple on-call contracts through a single solicitation for a specific category of work or area of expertise (e.g., an on-call list) or when the scope of work is not clearly known, is very complex, or unusual.

- A. An RFQ should be used to evaluate and rank consultants based on their qualifications to pre-qualify a list of consultants. The RFQ should include a general description of the services or type or project(s), scope of work, technical requirements, qualifications, method of payment (e.g., specific rate of compensation, cost-plus fixed fee, cost per unit of work, lump-sum payment), and method, criteria, and weights for selection.
- B. An RFP would then be issued to the pre-qualified consultants for a specific project, task, or service to evaluate a consultant's specific technical approach, special qualifications for the specific project, and price estimate (for non-architectural and engineering contracts).
- C. The requirement for an RFP can be waived by the department head or assistant city manager consistent with the Signing Authority Policy for urgent projects or projects that are less than \$250,000.

4.4 Alternative procurement methods to those set forth in this Section 4 should only be used where appropriate and practical, and as authorized under Section 3, When Competitive Bidding is not Required.

4.5 For any solicitation method used to procure architectural and engineering services, price cannot be considered as a criterion for selection. Once a top-ranked consultant is identified based on qualifications only, the City may open the sealed cost proposal and negotiate with the most qualified prospective contractor. If the City cannot agree on a fair and reasonable price with the top-ranked consultant, the City may negotiate with the next highest ranked consultant. Each cost proposal must remain sealed until negotiations commence with that consultant.

#### **4.6 Items Requiring Review Prior to a Solicitation**

- A. Professional service contracts that will include the provision of materials or equipment to be installed, configured, or maintained by the professional service provider may require a materials or equipment review by other City departments or divisions before the selection process is initiated. Such reviews are intended to ensure consistency and conformity with City standards and building codes. These reviews are required regardless of the contract amount.
- B. Materials or equipment review prior to issuance of an RFQ or RFP is required in the following situations by the department or division indicated below:
  - 1. Installed computer-related equipment such as UPS, energy management, fiber connections, SCADA, and other information technology items or services — review by Department of Information Technology.
  - 2. Installations at facilities or sites that require new construction, remodeling, modifications, electrical, mechanical, plumbing, or structural changes to City facilities, as well as the installation of systems furniture or interior design work (except facilities or sites within the street right of way) — review by the Facilities and Real Property Management (Department of Public Works) in consultation with the department in which the facility resides.

#### **4.7 Contract Form**

The applicable current contract form approved by the City Attorney's Office with all exhibits shall be included as part of all RFPs, and as part of all RFQs if the SOQs will be used to select a contractor.

#### **4.8 Maximum Practicable Competition**

All solicitation requirements shall seek to promote overall economic efficiency for the purpose intended, encourage fair and open competition in satisfying the City's needs, and not be unnecessarily restrictive.

#### **4.9 Federal and State Requirements**

Solicitations shall conform to the requirements of any federal or state funding source when required. Federal project participation requirements such as Disadvantaged Business Enterprise (DBE) and Minority/Women-Owned Business Enterprises (M/WBE) shall supersede any City local small and/or disadvantaged business requirements.

#### **4.10 Conservation/Environmentally Preferred Products (EPP)**

To the extent applicable and practicable, solicitation requirements shall promote the use of recycled content, EPP, reduced energy consumption, and other conservation methods.

#### **4.11 Prequalification**

When prequalification is conducted prior to the issuance of an RFP, through a preceding RFQ process, the City may limit participation in the RFP process that follows to only those persons or firms determined to be qualified in accordance with the provisions of the preceding RFQ process.

### **5. Amending or Cancelling a Solicitation**

- A. An addendum shall be used to amend or cancel a solicitation and shall be issued not less than three (3) calendar days, not including weekends or recognized City holidays, before the deadline specified for receipt of proposals or SOQs.
- B. If an addendum is needed for extending the deadline or cancelling the solicitation it may be issued less than three (3) calendar days, not including weekends or recognized City holidays, before such date, if necessary.
- C. The minimum components required for addendums are identified in applicable Procurement procedures.
- D. The addendum shall be published using the same media used to advertise the original solicitation, including the City website. Addendums shall be sent to all prospective contractors known to have received a solicitation.

### **6. Public Disclosure**

- A. Solicitations for professional services of \$100,000 or more shall be made available for public inspection at the office of the Contracts Manager and shall be posted on the City's website for Contracting Opportunities.
- B. Proposals and SOQs submitted in response to an RFP or RFQ shall be made available in response to an official request for public inspection after the solicitation evaluation process is complete, in accordance with the California Public Records Act and City's Records Management Policy.
- C. If the prospective contractor designates any portion of its proposal as proprietary or confidential, or any other public disclosure issues are presented, the Contracts Manager shall consult with the City Attorney's Office prior to any response or disclosure.



## **7. Acceptance and Evaluation of Rejection of Proposals and SOQs**

### **7.1 Late Proposals/SOQs**

- A. A proposal or SOQ is late if it is received at the location designated in the solicitation after the deadline specified in the solicitation.
- B. A late proposal or SOQ shall be rejected and not considered, regardless of the reason for lateness, including circumstances beyond the control of the person or entity submitting the proposal or SOQ.
- C. A late proposal or SOQ shall not be opened, except (if necessary), for identification purposes. Delivery and return of late proposals and SOQs shall be handled in the following manner:
  - 1. If delivered in person, a late proposal or SOQ shall be rejected and returned to the person delivering it (failure to reject it at the time of delivery does not constitute acceptance);
  - 2. If not delivered in person, a late proposal or SOQ shall be returned by certified mail;
  - 3. A person or entity submitting a late proposal or SOQ that will not be considered shall be notified as soon as practicable.

### **7.2 General Requirements for Acceptance and Evaluation**

- A. Proposals and SOQs shall not be altered after opening.
- B. No criteria may be used in proposal or SOQ evaluations that are not specified in the RFP or RFQ or in applicable provisions of the City Code or other applicable laws or regulations.

### **7.3 The Evaluation/Selection Process**

- A. No discussions may be conducted for any purpose other than administrative clarification with persons and entities submitting proposals or SOQs after submission of proposals or SOQs, except during the presentation phase, if any.
- B. No criteria may be used in proposal or SOQ evaluations that are not referenced in the solicitation specifications or in the applicable provisions of the City Code or other applicable laws or regulations.
- C. The selection of a contractor to perform architectural and engineering services shall comply with the Additional Requirements for Architectural and Engineering Services specified in Sections 2.5 and 4.5 above.

#### **7.4 Rejection of Proposals or SOQs**

- A. For contracts less than \$250,000, the department head shall have the authority to reject proposals that are not responsive to the requirements of the RFP after consulting with the City Attorney's Office.
- B. For contracts of \$250,000 or more, only the City Council has the authority to reject any valid proposal or SOQ.

#### **7.5 Notice of Intent to Award**

A notice of intent to award shall be provided for all formal solicitations as soon as reasonably practicable to initiate the protest period.

#### **7.6 Contract Form and Documentation**

- A. A current professional services contract form that applies to the category of professional services being performed, as approved by the City Attorney's Office, or other appropriate contract form as approved by the City Attorney's Office shall be executed prior to starting any services for all contracts. Citywide approved forms are available on the [Procurement page](#) on the City's intranet.
- B. For contracts of \$250,000 or more, the contract must be signed by the contractor and the City Attorney's Office prior to City Council award of the contract.
- C. For all levels of contract award, contract documents must be fully executed (obtain all signatures and provide any required contract documents) prior to performance of the contract.

### **8. Insurance**

- A. All insurance requirements specified in the current standard contract form must be satisfied prior to approval and execution of the contract by the City, unless otherwise approved by Risk Management.
- B. Additional insurance requirements may apply depending on the type of services being contracted. Departments must consult with Risk Management on any additional insurance requirements to be added to solicitations and/or contracts.
- C. All changes to contractual provisions including insurance requirements must be approved by the City Attorney's Office and the department head prior to contract approval and execution by the City.

## **9. Multi-Year Contracts**

- A. No contract term shall extend beyond a total term, including extensions and renewals, of five years, provided that:
  - 1. For contracts less than \$250,000 (in total including extensions), a longer term may be approved if the department head or authorized designee determines that special circumstances require a total term of more than five years, and the City Manager or the City Manager's authorized designee approves such extended term.
  - 2. For contracts of \$250,000 or more, a longer term may be approved by the City Council.
  - 3. The total contract amount shall be determined based on the compensation paid during the total term, including any extensions or renewals authorized by the contract.
- B. An extension or renewal of a contract must be authorized in the contract.
- C. Contracts must be authorized by the City Council when the total price of the contract, including any extended or renewed term(s) authorized by the contract terms, will be \$250,000 or more.
- D. The contract price shall include the cost to the City of tax, shipping, and any other applicable charge.
- E. All multi-year contracts and contract extensions or renewals shall serve the best interest of the City. The decision whether to approve contract extensions or renewals shall consider factors such as market price adjustments, product and service availability, impact on city operations, and the utilization of small and local businesses.

## **10. Protest Procedures**

Prospective contractors who responded to a solicitation may file a protest in accordance with Bid Protest Procedures adopted by the City Manager's Office and posted on the City's [website](#).

## **11. Small and/or Disadvantaged Business Participation**

The City may adopt an ordinance or program which allows departments to give preference to small and/or disadvantaged businesses during proposal evaluation. Upon adoption of any such ordinance or program, the following will apply:

- A. Program requirements shall be met for all contracts as specified in Procurement procedures, unless these requirements are reduced or waived by the department head, or an external funding source prohibits the use of such preferences or requires the use of other business enterprise

requirements.

- B. Any modification or waiver of applicable requirements must be requested in writing and approved by the department head prior to any advertisement or posting to the City's website for Contracting Opportunities.
- C. Departments shall be responsible for meeting any related participation goals on a department-wide basis.

## 12. City Ordinances

Various City Ordinances may apply to solicitations for Professional Services. Solicitations for which such ordinances apply shall contain ordinance requirements and standard forms and declarations as available. The Contracts Manager is responsible for reviewing required forms and declarations and applying preferences as required during the evaluation process. The following ordinances may be applicable:

- A. Equal Benefits Ordinance: Contracts exceeding thresholds set in [City Code Chapter 3.54](#) are subject to all applicable provisions of said City Code section (commonly referred to as the Equal Benefits Ordinance, or EBO) and as outlined in the [Non-Discrimination in Employee Benefits By City Contractors Policy](#).
- B. Ban the Box: Contracts exceeding thresholds set in [City Code Chapter 3.62](#) are subject to the provisions of the City's Ban the Box Ordinance and Contracts Managers must include ordinance requirements and declarations as applicable.
- C. LBE Preference: Contractors qualifying as a local business as defined in City's LBE Program may receive an evaluation preference as outlined in the Requirements for the LBE Program.
- D. Local Business Enterprise Requirement: Contracts meeting thresholds set in the City's LBE Program may be required to be performed by contractors who qualify as Local Businesses per the City's LBE Program, or whom are subcontracting with a percentage of subcontractors qualifying as Local Businesses as outlined in the Requirements for the LBE Program.
- E. Other state or local requirements as applicable.
- F. When purchases utilize non-City funding (e.g., federal, state, or local grant funds, or other outside funding sources), purchasing must be completed in accordance with all requirements imposed by the funding entity and applicable laws and regulations. As a result, City ordinances may not apply.

### **13. Prevailing Wages, Use of Apprentices**

- A. The City Code requires that contracts for construction related services, including work performed during the design and other preconstruction phases (such as land surveying and materials testing), as well as postconstruction phases (such as inspection services) originally awarded in an amount exceeding \$25,000 require the payment of prevailing wages, as determined by the Director of the Department of Industrial Relations pursuant to [California Labor Code § 1773](#).
- B. The City Code also requires that contracts for alteration, demolition, repair, or maintenance work in an amount exceeding \$15,000 require the payment of prevailing wages, as determined by the Director of the Department of Industrial Relations pursuant to [California Labor Code § 1773](#).
- C. More specific requirements relating to prevailing wages requirements and apprentice requirements are specified in [City Code § 3.60.050](#) and the [Public Projects Policy](#).

### **14. Disclosure Requirements**

Contractors shall comply with all applicable disclosure requirements as required by the Political Reform Act and the City's Conflict of Interest Code. These requirements are summarized in the City's Professional Service Agreement form.

### **15. Special Requirements for Contractors Who are Sole Proprietors (Individuals)**

- A. When the contractor is not a business entity such as a corporation, partnership, etc., and utilizes a personal social security number as their federal or state tax identification number, all transactions with such individuals, must be entered into the City's financial system within ten (10) working days after execution of a contract, or ten (10) working days after the date services commence, whichever occurs first.
- B. This includes any City contract with a contractor who is a sole proprietor.

### **16. Contract Amendments**

- A. Contract amendments for professional service contracts may be approved by the City Manager or authorized designee, within the limits of approval authority specified in the City Code. Amendments exceeding these limits must be approved by the City Council.
- B. Delegations of the City Manager's approval authority are specified in the [Signing Authority Policy](#).
- C. Any amendment extending the term of a contract must be approved by the appropriate approval authority prior to expiration of the unextended term.

## **17. Payment Methods and Payment Terms**

### **17.1 Payment Methods**

- A. Original invoices shall be required for all payments.
- B. No advance payments are allowed, unless approved by the Finance Department.

### **17.2 Payment Terms**

- A. Contractor invoices must contain all information required by the contract.
- B. Payment terms are specified in the City's professional service agreement forms.
- C. The Finance Department, Accounting Division must approve payment terms that are inconsistent with this policy.
- D. For state or federally funded contracts, restrictions may apply to the method of payment.

## **18. Transaction Number Log**

- A. Each department shall establish and maintain a transaction number log for all department solicitations for which a formal solicitation is issued. The transaction number log shall be organized based on solicitations initiated within each department.
- B. A transaction number shall be assigned to each published solicitation and will be used to identify and track all related activity through requisition and payment, if applicable.
- C. Transaction numbers will be prominently displayed on the published solicitation and on the City's [bid portal](#), if applicable.
- D. Transaction numbers shall be created in accordance with Procurement procedures.

## **19. Employee Conflict of Interest/Ethics**

- A. Pursuant to the City [Code Chapter 2.16](#), Conflict of Interest, no employee, officer, or agent of the City may participate in the solicitation, award, or administration of a contract, including purchases made through other means such as P-Cards or purchase orders, if they have a real or apparent conflict of interest. A real or apparent conflict of interest would arise if any prospective or existing consultant, contractor, or any subcontractor considered for an award is:

1. An employee, officer, or agent of the City.
  2. A member of an employee's, officer's, or agent's immediate family.
  3. A business partner of any employee, officer, or agent of the City.
  4. An organization that employs any of the persons identified above, or with which any of the persons listed above has a financial or other interest, including an arrangement concerning prospective employment.
- B. No employee, officer, or agent of the City who participates in the solicitation, award, or administration of a contract shall have, directly or indirectly, any other financial or personal interest in any contract made or influenced by the employee, officer, or agent in their official capacity.
- C. No employee, officer, or agent of the City shall solicit or accept gratuities, favors, or anything of monetary value from potential or existing consultants, contractors, or parties to subcontracts, except as permitted by the Political Reform Act ([California Government Code, § 81000 et seq.](#)) and its implementing regulations. Any gifts received shall be reported consistent with the Fair Political Practices Commission's requirements.
- D. Violations of these standards may result in sanctions, or other forms of discipline up to and including termination as necessary, consistent with applicable [labor agreements](#) and the [Rules and Regulations of the Civil Service Board](#).
- E. In addition, the City's Conflict of Interest Code provides that employees may be subject to any form of discipline that is statutorily available for those participating in the selection, award, or administration of a contract if a conflict of interest exists, as set forth in California Government Code §§ [81000-91014](#).



## Charter Officer Review and Acknowledgement

### PROFESSIONAL SERVICES POLICY

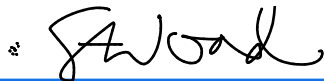
(Signature by all Charter Officers is not a requirement for policy adoption)

A handwritten signature in black ink, appearing to read "H Chan", written over a blue horizontal line.

Howard Chan (Dec 20, 2024 11:20 PST)

City Manager

12/20/2024

A handwritten signature in black ink, appearing to read "S Alcala Wood", written over a blue horizontal line.

Susana Alcala Wood (Mar 14, 2025 11:15 PDT)

City Attorney

03/14/2025

\_\_\_\_\_  
City Clerk

A handwritten signature in black ink, appearing to read "John Colville", written over a blue horizontal line.

John Colville (Dec 19, 2024 19:11 PST)

City Treasurer

12/19/2024

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City Auditor