



STAFF REPORT

DATE: 08/20/2025
TO: Honorable Mayor and City Council Members
FROM: Finance Department

2025-281

REQUEST FOR CITY COUNCIL ACTION

SUBJECT:

ORDINANCE AMENDING CHAPTER 3.08 OF THE CORONA MUNICIPAL CODE TO UPDATE THE CITY'S PURCHASING REGULATIONS

EXECUTIVE SUMMARY:

The staff report recommends that the City Council approve an ordinance amending Chapter 3.08 of the Corona Municipal Code to update the City's purchasing regulations.

RECOMMENDED ACTION:

That the City Council:

- a. Adopt Ordinance No. 3419 (Option A), as presented on June 18, 2025, as a second reading of an ordinance of the City of Corona;

or

- b. Introduce, by title only, and waive full reading of consideration of Ordinance No. 3419 (Option B), first reading of an ordinance amending Chapter 3.08 of the Corona Municipal Code to update the City's purchasing regulations.

BACKGROUND & HISTORY:

Chapter 3.08 of the Corona Municipal Code (CMC) governs the City's purchasing process. The current authorization limits were previously approved in 2018.

Since 1988, the City of Corona has participated in the California Uniform Public Construction Cost Accounting Act, Public Contracts Code 22000 et seq. (Act, also known as CUPCCAA). The Act is legislation enacted in 1983 to help streamline bidding procedures for public construction projects and to promote "uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state" (Section 22001). The Act is a voluntary program available to all public entities statewide. However, it only applies to those public agencies that have formally approved participation. The Act establishes various thresholds and guidelines for public construction-related projects. The State of California has made amendments to the Act, effective January 2025, that increase the formal bidding thresholds to \$220,000 and allow for public agencies to perform public construction-related projects using their employees for projects up to \$75,000.

This item was originally presented at the May 21, 2025, meeting. The City Council requested additional information regarding limits with other agencies and some clarification on the language in Section 3.08.040 (B). At that time, staff understood the direction as the Council was accepting the \$220,000 City Manager approval level for Public Projects and Materials, Supplies, and Equipment, based on how those items are awarded to the lowest responsive and responsible bidder. Staff returned to City Council on June 4, 2025, with additional information and options for the City Manager approval levels for the Non-Public Projects. The Ordinance was updated during the meeting, based on the City Council's discussion, and that was approved as the first reading. At the second reading on June 18, 2025, there were questions about the limits included in the Ordinance, and the item was not approved. This staff report provides updated information as well as two Ordinance options for the City Council's consideration.

ANALYSIS:

With the discussion that occurred at the June 18th meeting, Council is now presented with two Ordinance options for consideration. The attached Ordinance (both Options A and B) amends various sections of Chapter 3.08 of the CMC pertaining to the City's purchasing process.

Option A – Ordinance No. 3419 (Version A)

Version A of Ordinance No. 3419 is the same Ordinance presented at the June 18, 2025, Council meeting. Below is an explanation of the amounts included based on staff's understanding of the direction from the May 21st and June 4th meetings:

1. Non-Public Projects (Any type of purchase not classified as "Public Project" or "Materials, Supplies, and Equipment". Generally, maintenance and professional services.) City Manager authorization up to \$125,000 based on the direction provided by the City Council at the June 4th meeting. These items are awarded based on the best interests of the City, taking into consideration demonstrated competence, qualifications, suitability for the project, and cost.

2. Public projects (Construction, reconstruction, erection, alteration, renovation, improvement, demolition, installation, and repair work involving any publicly owned, leased, or operated facility. Painting or repainting of any publicly owned, leased, or operated facility.) City Manager authorization up to \$220,000, aligning with the Act. This amount was based on the staff's understanding of the direction from the May 21st Council meeting. This purchasing activity is awarded to the lowest responsive and responsible bidder.

3. Materials, supplies, and equipment (Articles, components, apparatus, and/or machinery required to complete a project or facilitate day-to-day operations.) City Manager authorization up to \$220,000 for consistency with the public projects. This amount was based on the staff's understanding of the direction from the May 21st Council meeting. This purchasing activity is awarded to the lowest responsive and responsible bidder.

With staff's understanding of the City Council's direction from the May 21st and June 4th meetings, the following table outlines the proposed authorization limit changes in Ordinance No. 3419 (Option A):

Position	Current Limits	Proposed Non-Public Projects	Proposed Public Projects	Proposed Materials, Supplies, and Equipment
Department Directors	\$60,000	\$75,000	\$75,000	\$75,000
Public Works Director, Utilities Director, and Assistant City Manager	\$75,000	Same as Department Directors	Same as Department Directors	Same as Department Directors
City Manager	\$100,000	\$125,000	\$220,000	\$220,000
City Council	>\$100,000	>\$125,000	>\$220,000	>\$220,000
How Awarded?		Best interests of the City (see item #1 above)	Lowest responsive and responsible bidder	Lowest responsive and responsible bidder

In addition to the above changes, Option A updates the maximum total of a change order to be equal to the lesser of \$220,000 or 10% of the original contract amount, to align with the Act, for Public Projects and Materials, Supplies, and Equipment. The maximum total of a change order for Non-Public Projects is updated to \$125,000 or 10% of the original contract amount.

If Option A is approved this evening, this will be considered a second reading and will become effective 30 days thereafter. Once approved, staff will complete revisions to the updated purchasing manual to be used in the administration of contracts and purchasing procedures for all City departments.

Option B – Ordinance No. 3419 (Version B)

Version B of Ordinance No. 3419 is presented as an alternative option for consideration as a result of the Council conversation at the June 18th meeting. At that meeting, staff understood the direction to have consistent City Manager approval levels for all types of purchases, regardless of how the items are awarded. At that meeting, there was not any discussion about the Department Director approval levels. The information presented in this version is consistent with what is included in Version A.

Version B of Ordinance No. 3419 makes the following changes to the purchasing limits:

1. Non-Public Projects (Any type of purchase not classified as “Public Project” or “Materials, Supplies, and Equipment”. Generally, maintenance and professional services.) City Manager authorization up to \$125,000. These items are awarded based on the best interests of the City, taking into consideration demonstrated competence, qualifications, suitability for the project, and cost.
2. Public projects (Construction, reconstruction, erection, alteration, renovation, improvement, demolition, installation, and repair work involving any publicly owned, leased, or operated facility. Painting or repainting of any publicly owned, leased, or operated facility.) City Manager authorization up to \$125,000. This purchasing activity is awarded to the lowest responsive and responsible bidder.
3. Materials, supplies, and equipment (Articles, components, apparatus, and/or machinery required to complete a project or facilitate day-to-day operations.) City Manager authorization up to \$125,000. This purchasing activity is awarded to the lowest responsive and responsible bidder.

With staff’s understanding of the City Council’s discussion at the June 18th meeting, the following table outlines the proposed authorization limit changes in Ordinance No. 3419 (Option B):

Position	Current Limits	Proposed Non-Public Projects	Proposed Public Projects	Proposed Materials, Supplies, and Equipment
Department Directors	\$60,000	\$75,000	\$75,000	\$75,000
Public Works Director, Utilities Director, and Assistant City Manager	\$75,000	Same as Department Directors	Same as Department Directors	Same as Department Directors
City Manager	\$100,000	\$125,000	\$125,000	\$125,000
City Council	>\$100,000	>\$125,000	>\$125,000	>\$125,000
How Awarded?		Best interests of the City (see item #1 above)	Lowest responsive and responsible bidder	Lowest responsive and responsible bidder

In addition to the above changes, Option B updates the maximum total of a change order to be equal to the lesser of \$125,000 or 10% of the original contract amount.

If Option B is approved this evening, this will be considered a first reading of the Ordinance. The item will return to City Council on September 3, 2025, as a second reading and will become effective 30 days thereafter. Once approved, staff will complete revisions to the updated purchasing manual to be used in the administration of contracts and purchasing procedures for all City departments.

Additional Information for both Options A and B

Updating the purchasing limits will align the CMC with the Act for certain purchasing types. Additionally, the Ordinance updates multiple items throughout CMC Chapter 3.08, to be reflective of current state laws, removes outdated information, and adds clarity. The changes include:

- Defines a Non-Public Project
- Clarifies the role of the Purchasing Agent
- Allows for approval limits to be applied independently, not cumulatively, when vendors are used by multiple departments
- Increases the authorization for public project emergency purchasing, up to \$500,000
- Moves the alternative competitive bidding process (cooperative purchasing agreements) for non-public projects
- References the Purchasing Policy and Procedures Manual to provide specific administrative rules surrounding the purchasing process
- Several non-substantive updates to various sections

Process Changes, based on Council direction, to be included in the Purchasing Manual:

- Reporting on the use of the City Manager's authority. While this item is not included in the CMC, it will be noted in the purchasing manual. The City Council directed staff to provide the Council with a quarterly report that notes when the City Manager's authority is exercised. Staff's understanding is that the report will be based on the difference between current authorization limits and the new proposed limits.
- Delegation of Department Director Authority. The purchasing manual will define the delegation procedures, including a limit of thirty (30) days, per the City Council's direction.

FINANCIAL IMPACT:

There is no financial impact associated with the recommended action.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where

it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action seeks the of City Council approval of an Ordinance increasing purchasing thresholds and making other modifications to Chapter 3.08 of the CMC, and there is no possibility that approving the recommended action will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: KIM SITTON, FINANCE DIRECTOR

REVIEWED BY: BRETT CHANNING, ASSISTANT CITY MANAGER

ATTACHMENTS:

1. Exhibit 1 – Ordinance No. 3419 (Option A-Staff Understanding-Redline)
2. Exhibit 2 – Ordinance No. 3419 (Option A-Staff Understanding-Clean)
3. Exhibit 3 – Ordinance No. 3419 (Option B-Council Understanding-Redline)
4. Exhibit 4 – Ordinance No. 3419 (Option B-Council Understanding-Clean)
5. Exhibit 5 - Presentation