

Memorandum

TO: Dave Sykes
SUBJECT: SEE BELOW

FROM: Matt Cano
DATE: June 17, 2020

Approved

Date

INFORMATION

**SUBJECT: ANNUAL MAJOR PUBLIC WORKS CONTRACT THRESHOLD
ADJUSTMENT FOR INFLATION**

Section 1217(b) of the City of San Jose City Charter requires the \$600,000 threshold used to define a Major Public Works Contract to be adjusted for inflation in the construction industry every July 1.

The current Engineering News Records (ENR), Construction Cost Index (CCI) for San Francisco has increased by +3.9% as of May 2020. Therefore, the Major Public Works Contract threshold for July 1, 2020 to June 30, 2021 will be adjusted by +3.9% and rounded to the nearest \$10,000, taking the threshold from \$600,000 to \$620,000.

Section 1217(b) of the Charter requires the adjustment process to be set forth by ordinance of the City Council; however, the process did not make it into Title 27 when it was adopted by the City Council on September 10, 2019. The Department of Public Works will work with the City Attorney's Office on an amendment to Title 27 to include the adjustment process.

COORDINATION

Preparation of this report has been coordinated with the City Attorney's Office. The Department of Public Works will communicate this change to all impacted city departments.



MATT CANO
Director of Public Works

For questions, please contact Matt Loesch, Assistant Director, Public Works Department, at (408) 975-7381.