



Sunnyvale

Procurement Modernization Ordinance

Efficiency • Transparency • Fairness

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City Council Meeting – Sept. 9, 2025



Purpose of Ordinance Amendments

- Modernize outdated procurement rules
- Streamline processes to reduce administrative burden
- Facilitate the transition to PlanetBids (e-procurement)
- Align thresholds with peer cities & recognized best practices

Why Change is Needed

- Old matrix included too many thresholds and was overly restrictive
- Required 3 quotes even at low dollar levels (\$15k-\$25K)
- Generated 1,600+ additional POs annually, slowing project and service delivery
- Manual bid openings were paper-intensive and prone to errors

Comparison to Other Agencies

Informals (Requires 3 Bids/Quotes)

CITY	Goods	General Services
Sunnyvale	\$15,000.01-\$25,000	\$15,000.01-\$25,000
Mountain View	\$.01-\$250,000	\$.01-\$250,000
Palo Alto	\$10,001-\$50,000	\$10,001-\$50,000
Santa Clara	>\$15,000-\$250,000	>\$15,000-\$250,000
Milpitas	\$10,000.01-\$50,000	\$10,000.01-\$50,000
San Jose	\$10,000-\$250,000	\$10,000-\$250,000
Saratoga	Up to \$25,000	Up to \$25,000
Gilroy	\$5,000 to \$24,999	Up to \$49,999
San Mateo	\$20,000 - \$100,000	\$20,000 - \$100,000

Goods & Services Thresholds (Old vs. New)

Old (2022)

- \$15k-\$25k – 3 Quotes Required
- \$25k-\$100k – Written IRFP,IRFQ,ERF

New (2025)

- No minimum up to \$50k
- \$50k-\$100k – 3 Quotes Required

Still Required

- Over \$100k - Formal bids
- Over \$250k – Council approval

E-Procurement Transitions (PlanetBids)

Old Process

- In-person, paper-based bid openings
- Risk of misplaced or late bids
- Manual tabulation and limited visibility
- Paper-intensive and inefficient

New Process (PlanetBids)

- Secure, time-stamped electronic submissions
- Automatic public opening deadline
- Vendors see results online in real time
- Paperless, transparent, and cost-effective

Delegated Authority Updates

- **Policy Flexibility** – Director of Finance authorized to interpret and adopt policies
- **Delegated Authority:** City Manager with Finance/Public Works may delegate procurement authority
- **Increases responsiveness and reduces bottlenecks**

Key Benefits & Fiscal Impact

Key Benefits

- **Efficiency:** Up to 1,600 fewer POs annually
- **Speed:** Faster project delivery
- **Fairness & Transparency:** Equal vendor access via Planet Bids
- **Cost Effectiveness:** Less staff time; reduced admin costs
- **Modernization:** Aligns with peer cities & industry standards
- **Sustainability:** Reduce paper processes
- **No direct final cost**

Fiscal Impact

- **Possible nominal price increases**
- **Offset by:**
 - ◆ Staff time savings
 - ◆ Reduced administrative overhead
 - ◆ Faster delivery of services/projects

Recommendations and Next Steps

Introduce Ordinance Amending Chapters 2.08 & 2.09

- Bid Thresholds
- PlanetBids e-procurement system
- Delegated authority

Timeline:

- **September 9, 2025:** First Reading
- **September 30, 2025:** Second Reading
- **October 30, 2025:** Ordinance effective
- **Rollout:** Updated procurement policies and procedures implemented immediately following adoption