

CITY OF EUREKA

Category: FINANCE

POLICIES & PROCEDURES

Subject: APPROPRIATIONS AND
AWARDS FOR CAPITAL
PROJECTS

Date Adopted: November 17, 1976

File Number
2.47

POLICY OBJECTIVE

To establish procedures for the development of funding for capital projects and award of such contracts to the lowest and/or best bidder.

ASSIGNED RESPONSIBILITY

City Manager and all Department Heads.

APPLICABILITY

Applicable to all contracts for construction of capital projects involving new construction or maintenance of existing facilities.

PROCEDURES

1. Subsequent to opening of sealed bids, the lowest or best bid shall be reviewed by the Public Works, Engineering Department and Finance Department as to requirements of the contract bidding procedures and applicable law.
2. A bid summary will be prepared by the Public Works or Engineering Department, containing the Engineer's Estimate, the contract bid price, the proposed contingency amount, and an indication of budgeted funds for the project.
3. The responsible department will prepare a memorandum to accompany the bid summary making recommendations for or against the award of the contract. This memorandum should include:
 - a. A brief description of the project and the nature of the work to be performed.
 - b. The Engineer's estimate of the cost of work to be performed. If the recommended bid is substantially greater than the Engineer's estimate, the report should contain a brief explanation of the reason. (Generally bids in excess of ten percent (10%) will require explanation.)
 - c. The source of funding for the project, i.e., budget activity and account and whether or not adequate funds are budgeted.

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- d. If additional funds beyond the budget appropriation are requested, the recommended source of additional funds should be noted.
 - e. If the City Council or the Redevelopment Agency has taken previous action on the project, the bid report should give a brief synopsis of that action for background.
 - f. An indication should be given that the bid award is to the low bidder or contain justification for award to a higher bidder.
4. Subsequent to Council or Agency action, a project account will be established identifying the project name, project number, total estimated cost and source of funding. The project account will remain open for the life of the project. The project account will also contain the authorized contingency.