

School Board Action



DATE: June 12, 2009
FROM: Dr. Maria Goodloe-Johnson, Superintendent
STAFF PERSON: Fred Stephens, Facilities Director
festephens@seattleschools.org
(206) 252-0636

STRATEGIC THEME/FOCUS AREA: Business and Operational Effectiveness - Small Works Contracting

TITLE AND BRIEF DESCRIPTION

Revisions to Policy H47.00,
Small Works Contracting

For Introduction: June 17, 2009
For Action: July 1, 2009

Approve amending the Board Policy H47.00 on Small Works Contracting to incorporate provisions limiting competition on contracts under \$35,000 to firms with annual income of less than \$1 million.

TIMELINE FOR IMPLEMENTATION/EVALUATION

- Director of Facilities Review June 4, 2009
- Chief Financial Operations Officer Review June 4, 2009
- Operations Committee Review June 4, 2009
- Board Introduction June 17, 2009
- Board Action July 1, 2009

RECOMMENDED MOTION

I move that Board Policy H47.00 on Small Works Contracting be amended to incorporate provisions limiting competition on contracts under \$35,000 to firms with annual income of less than \$1 million, as attached to the Board Memorandum from the Superintendent and to repeal Board Procedure H47.01.

ISSUE

The School Board adopted Policy H47.00 and Procedure H47.01 in 2004, last amended in 2006. Since that time, the legislature has amended the statute authorizing small works contracting to provide that contracts under \$35,000 can be competed among firms with annual revenues of under \$1 million. Such authority enhances the ability of the District's contracting program to utilize small businesses, thereby increasing the pool of competitive firms ultimately available to

provide services to the District. The statute requires that the legislative body authorize such provisions before the authority can be exercised.

The amendment also incorporates changes to provide that for contracts below \$100,000, the small works process will be used unless the Executive Director of Facilities determines sealed bids should be used and above \$100,000, sealed bids will be used unless the Executive Director determines that small works processes should be used. This is consistent with past practice the last 5 years. The amendment also incorporates terminology changes to recognize the transfer of small works contracting responsibility from the Small Works/HUBs Coordinator to Procurement.

In the short term, it may result in increased costs from fewer competitors, but only for contracts under \$35,000. The procedure includes a provision that this provision will only be used where there are at least three small firms on the roster eligible for the particular type of work involved, thereby assuring adequate competition.

After discussions with the Operations Committee, it was decided to repeal the Board Procedure as the Superintendent will adopt procedures to implement the Policy. A draft of the Superintendent Procedure is attached.

BEST PRACTICES

Best practices are to encourage the development of small businesses, thereby increasing the pool of qualified contractors who can compete for business with the District and other public agencies.

RESEARCH AND DATA SOURCES

In authorizing the statutory changes, the legislature has determined that limiting competition for small contracts to small firms enhances their ability to compete and become successful.

POLICY IMPLICATION

Restricting competition to small firms enhances the development and growth of those firms in the long term.

FISCAL IMPACT/REVENUE SOURCE

Not quantifiable. Eventually, a larger pool of qualified and competitive contractors could reduce District costs for construction work.

COMMUNITY ENGAGEMENT PROCESS

The public was involved in the development and process of the legislation during the 2007 legislative session.

CONCLUSION/RECOMMENDATION

Modify the Board Policy on Small Works contracting to incorporate provisions limiting competition on contracts under \$35,000 to firms with annual income of less than \$1 million.

ATTACHMENTS

Revised Policy H47.00

H47.00SP, New Superintendent Procedure – included for information