

# Memorandum

**TO:** Dave Sykes  
**SUBJECT:** SEE BELOW

**FROM:** Matt Cano  
**DATE:** May 18, 2021

Approved



Date

5/18/2021

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

Section 1217(b) of the City of San Jose City Charter requires the threshold used to define a Major Public Works Contract to be adjusted for inflation in the construction industry every July 1. Additionally, Section 27.06.080 of the San Jose Municipal Code requires an annual inflation adjustment for Micro Contracts and Section 27.10.560E requires the same for the Director's award authority.

The current Engineering News Records (ENR), Construction Cost Index (CCI) for San Francisco has increased by 4.7% as of May 2021. Pursuant to Section 27,04,100 of the San Jose Municipal Code, the following adjustments will be made:

- The Major Public Works Contract threshold for July 1, 2021 to June 30, 2022 will be adjusted by +4.7% and rounded to the nearest \$10,000, taking the threshold from \$620,000 to \$650,000.
- The Micro Contract threshold for July 1, 2021 to June 30, 2022 will be adjusted by +4.7% and rounded to the nearest \$1,000, resulting in no change to the \$10,000 threshold.
- The Director's award authority threshold for July 1, 2021 to June 30, 2022 will be adjusted by +4.7% and rounded to the nearest \$10,000, taking the threshold from \$1,000,000 to \$1,050,000.

## 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.

/s/  
MATT CANO  
Director of Public Works

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