



PURCHASING RESOLUTION NO. 23256 ONE YEAR UPDATE

Finance Department

**City Council
March 5, 2019**

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BACKGROUND

1. December 19, 2017, City Council approved the updated Resolution No. 23256.
2. The Finance Department developed an Action Plan to Improve the Citywide Purchasing Process ("Action Plan").
3. The recommendations in the Action Plan were received and approved by the Finance Committee on September 25, 2017.



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DISCUSSION

1. Resolution and Policy Outcomes:

- a. Eight (8) areas of improvement
 - 1. Reorganization of the Purchasing Resolution
 - 2. Non-bidding Threshold <\$10,000
 - 3. Change Orders on Contracts up to \$50,000
 - 4. Change Orders on Contracts \$50,000 or Greater
 - 5. Field Orders Allowed on Construction Contracts
 - 6. P-Card Single Transaction Limit = \$10,000
 - 7. Annual Purchase Orders to Council for Approval
 - 8. Purchase Order Execution



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DISCUSSION

Revisions No. 1-5 Action	Effectiveness
FY 17/18 - Reorganized Resolution to streamline procurement processes through: <ul style="list-style-type: none"> — Exemptions — Increasing of procurement dollar thresholds — Modifying procedures 	<ul style="list-style-type: none"> — 4,350 PO's annually — 60% are under \$10,000 — Increase in efficiency of 24% This was 3% higher than what was projected — Saves 3,978 staff hours annually on processing PO's



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DISCUSSION

Revision No. 6 Action	Effectiveness
Allows employees to make P-Card purchases of goods, supplies and allowable off-site services where the single transaction amount is less than competitive bidding threshold	Increase in P-Card transactions by 547 over previous fiscal year



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DISCUSSION

Revision No. 7 Action	Effectiveness
<ul style="list-style-type: none"> — There are over 1,500 Annual PO's processed each fiscal year — Providing the list as part of budget process would inundate City Council with unnecessary action requests 	Staff must reevaluate processes pertaining to Annual PO's that require City Council approval



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DISCUSSION

Revision No. 8 Action	Effectiveness
Increasing Purchasing Division processing levels allows Purchasing Division staff to expedite PO's	Minimizes processing time for PO issuance



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DISCUSSION

1. Amend the Purchasing Resolution to provide for an exception from competitive procurement for:
 - a. Recreation class Instructors
 - b. City-wide employee benefit programs (medical, dental, vision insurance, etc.)
 - c. Non-profit grant recipients



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DISCUSSION

2. Amend the Purchasing Resolution to provide for an exception for the use of Request for Disbursements
3. Amend the policies to include dollar amount thresholds that require contracts for certain services provided
4. Review and evaluate the cost effectiveness of the current annual purchase order process



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RECOMMENDATION

That the City Council receive and file Purchasing Resolution No. 23256 One Year Update.



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