



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: MARCH 5, 2019**
FROM: FINANCE DEPARTMENT **WARDS: ALL**
SUBJECT: PURCHASING RESOLUTION NO. 23256 ONE YEAR UPDATE

ISSUE:

Receive and file Purchasing Resolution No. 23256 One Year Update.

RECOMMENDATIONS:

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

LEGISLATIVE HISTORY:

City Charter Section 1105, Centralized Purchasing, and the City's Municipal Code Chapter 3.16, Centralized Purchasing, requires the City to have a Centralized Purchasing System. Section 601(d) of the City Charter, Powers and Duties of the City Manager, requires the City Manager to prepare rules and regulations governing contracting/purchases, subject to approval of the City Council.

BACKGROUND:

On December 19, 2017, City Council approved the updated Resolution No. 23256 containing recommended enhancements to the City's Centralized Purchasing system and directed staff to return to the City Council in one-year with an update.

Review and recommendations for changes to the updated resolution began in June, 2016. These recommendations were based on the Matrix Consulting Group's audit findings, the work of the Citywide Purchasing Task Force and input from City departments. The Finance Department developed an Action Plan to Improve the Citywide Purchasing Process ("Action Plan"). The Action Plan presented a series of recommendations, many of which were incorporated into the updated Purchasing Resolution, improving the existing purchasing policies and procedures creating a more streamlined, transparent and effective approach to purchasing.

The recommendations in the Action Plan were received and approved by the Finance Committee on September 25, 2017.

DISCUSSION:

Resolution and Policy Outcomes:

The approved resolution and administrative policy revisions included eight (8) areas that provided noteworthy improvements over the past year. Although all changes were approved, all but one (1) have been successfully implemented to date. The implemented areas provided significant impacts in efficiency and monetary savings overall, which is summarized in the following attachments.

Attachment No. 1 – Table: Provides a summary of each task revision, notes describing the specific modification, implementation status, the action or purpose and the effectiveness of the revisions.

Resolution and Policy Discoveries:

Various resolution recommendations have been received and discovered since the approval and implementation of Resolution No. 23256 on December 20, 2017. The Purchasing Division intends to explore the following areas for future discussion and approval.

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
2. Amend the Purchasing Resolution to provide 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.

FISCAL IMPACT:

There is no fiscal impact associated with the recommendations in this report. However, the recommended improvements are expected to result in additional efficiencies and better controls in the City's purchasing process.

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Approved by: Lea Deesing, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Discussion Summary Table