

REPORT TO CITY COUNCIL

DATE: OCTOBER 28, 2020

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: NATHAN HAMBURGER, CITY MANAGER

BY: JESSICA FORTE, PUBLIC WORKS DIRECTOR/CITY ENGINEER

SUBJECT: INTRODUCTION OF ORDINANCE NO. 20-454; REVISING THE CITY OF AGOURA HILL'S PURCHASING SYSTEM AND AMEND CHAPTER 7 OF ARTICLE II OF THE AGOURA HILLS MUNICIPAL CODE, PROVIDING LIMITED EXCEPTIONS TO PURCHASING PROVISIONS FOR PURCHASES OF SUPPLIES, EQUIPMENT, AND SERVICES

This item makes recommendations for modifications to the City's competitive purchasing provisions, as currently outlined in the City's Municipal Code.

Over 300 cities and counties in the State of California participate in cooperative purchasing, through a process known as "piggybacking." Cooperative purchasing allows a city to benefit from favorable pricing obtained by a pool of governmental entities. This process provides the effect of economies of scale by bidding combined requirements and piggybacking on competitive bids already performed by governmental agencies. The cost savings from participation in cooperative purchasing arrangements can be sizeable and still maintain the intent of the City's Municipal Code to foster a high level of competition in the bidding process. In addition, piggybacking agreements will reduce staff time required to accept competitive bids.

The Agoura Hills Municipal Code Chapter 7 of Article II provides competitive purchasing provisions for the City's office and building supplies, equipment, and services. The current provisions allow five exemptions to the competitive purchasing provisions. Staff recommends inclusion of four additional exemptions; the intent of each is listed below:

- 1) Allows the use of "piggybacking" when the purchase is awarded on the same general terms as that of another public agency that competitively bid the same service, supplies, or equipment. (a)(2)
- 2) Allow supplies or services to be purchased from a vendor offering the same prices, terms, and conditions as in a previous award from the City or another governmental entity. (a)(3)
- 3) Allows the purchase of office supplies and event materials without competitive bidding. (a)(6)
- 4) Allows the purchase of specialized computer software and equipment or other information technology maintenance services. (a)(7)

The proposed ordinance provides these modifications to the competitive bidding process and increases the amount that triggers a competitive procurement process not covered

by these exemptions from \$1,000 to \$5,000, which is in line with current state guidance. These changes will allow the City agility in procuring pricing for goods and services and reduce the staff time associated with procuring competitive bids.

Any contracts in excess of the City Manager's authority (\$25,000) will continue to be presented to the City Council for consideration of award. These provisions simply provide flexibility in collection of competitive pricing and purchasing of supplies and equipment that are listed as exemptions.

There are no direct budgetary effects associated with the adoption of the proposed Ordinance No. 20-454.

The proposed municipal code amendment has been reviewed by the City Attorney and approved to as form.

RECOMMENDATION

Staff respectfully recommends the City Council introduce, read by title only, and waive further reading of Ordinance No. 20-454; amending Section 2704 of Chapter 7 to the City of Agoura Hills Municipal Code, revising limited exceptions to the purchasing provisions for purchases of supplies, equipment, and services.

Attachment: Ordinance No. 20-454

ORDINANCE NO. 20-454

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA, REVISING SECTION 2704 OF CHAPTER 7 (PURCHASING SYSTEM) OF ARTICLE II (ADMINISTRATION) OF THE AGOURA HILLS MUNICIPAL CODE REGARDING LIMITED EXCEPTIONS TO PURCHASING PROVISIONS FOR PURCHASES OF SUPPLIES, EQUIPMENT AND SERVICES

THE CITY COUNCIL OF THE CITY OF AGOURA HILLS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Section 2704 of Chapter 7 (Purchasing System) of Article II Administration) of the Agoura Hills Municipal Code is hereby amended to read as follows:

“2704. - Exceptions.

(a) Purchases of supplies, equipment and services for the city shall be exempt from the purchasing provisions provided in this chapter when:

(1) The amount of purchase involved is \$5,000 or less;

(2) It is to the city's advantage to combine its purchases with those of another governmental entity in order to effect economies by bidding combined requirements, and the governmental entity actually soliciting the bids employs a bidding procedure adequate to ensure competition among responsible bidders. For example, the city may award a contract to a vendor through “piggy backing,” in which a competitive bid procedure has been conducted by another public agency and the city's purchase is awarded on the same general terms as the other public agency;

(3) Supplies or services can be purchased from a vendor offering the same prices, terms and conditions as in a previous award from the city or another governmental entity either by competitive bid or through a negotiated process;

(4) The purchase can be obtained only from one manufacturer or vendor due to licensing or contractual restrictions, and is deemed a sole source purchase;

(5) The city manager has determined that exigent circumstances require the immediate purchase of such supplies or equipment;

(6) The purchase is for office supplies and event materials;

(7) The purchase is for specialized computer software, computer equipment and computer or information technology maintenance services;

(8) The purchase of goods or services is specialized or unique by nature because of their quality, durability, availability, or fitness for a particular use or otherwise considered not appropriate for multiple solicitations, the competitive bidding and quotation requirements of this chapter are not required; and

(9) Supplies or equipment are provided by an independent contractor pursuant to an agreement with the city for the furnishing of labor and materials for other than the construction of a public works project.

(b) Notwithstanding the listed exceptions from bidding contained in this section, all monetary thresholds for the award and approval of the contract contained in this chapter shall still apply.”

SECTION 2. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court or competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrases, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof, be declared invalid or unconstitutional.

SECTION 3. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen (15) days after passage and adoption as required by law; or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and post a certified copy of the text of this Ordinance in the Office of the City Clerk five (5) days prior to the date of adoption of this Ordinance, and, within fifteen (15) days after adoption, the City Clerk shall cause to be published the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Agoura Hills this ___th _____ of, 2020, by the following vote to wit:

AYES: ()
NOES: ()
ABSENT: ()
ABSTAIN: ()

CITY OF AGOURA HILLS:

Illece Buckley Weber, Mayor

ATTEST:

Kimberly M. Rodrigues, MMC
City Clerk

APPROVED AS TO FORM:

Candice K. Lee
City Attorney