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File #: 25-0104 Version: 1

Type: Consent - Staff Report

Status: Agenda Ready

In control: [City Council Regular Meeting](#)

On agenda: 4/1/2025

Final action:

Title: Consideration of an Urgency Ordinance and Introduction and First Reading of an Ordinance Amending Chapter 2.37 (Public Projects) of the Manhattan Beach Municipal Code to Remove the Online Bid and Proposal Service Fee for Capital Projects and Public Construction Projects (No Budget Impact) (Public Works Director Lee). A) ADOPT URGENCY ORDINANCE NO. 25-0003-U B) INTRODUCE AND CONDUCT FIRST READING OF ORDINANCE NO. 25-0003

Attachments: 1. [Urgency Ordinance No. 25-0003-U](#), 2. [Ordinance No. 25-0003](#)

History (0)

Text

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Talyn Mirzakhaniyan, City Manager

FROM:

Erick Lee, Public Works Director
Katherine Doherty, City Engineer
Tikneshea Hicks, Management Analyst

SUBJECT: Title

Consideration of an Urgency Ordinance and Introduction and First Reading of an Ordinance Amending Chapter 2.37 (Public Projects) of the Manhattan Beach Municipal Code to Remove the Online Bid and Proposal Service Fee for Capital Projects and Public Construction Projects (No Budget Impact) (Public Works Director Lee).

A) ADOPT URGENCY ORDINANCE NO. 25-0003-U**B) INTRODUCE AND CONDUCT FIRST READING OF ORDINANCE NO. 25-0003****Body****RECOMMENDATION:**

Staff recommends that the City Council:

1. Adopt Urgency Ordinance No. 25-0003-U, amending Chapter 2.37 (Public Projects) of the Municipal Code to remove the online bid and proposal service fees for Capital Projects and Public Construction Projects; and
2. Introduce by title only and conduct first reading of Ordinance No. 25-0003, amending Chapter 2.37 (Public Projects) of the Municipal Code to remove the online bid and proposal service fees for Capital Projects and Public Construction Projects.

FISCAL IMPLICATIONS:

There are no fiscal implications associated with the recommended action.

BACKGROUND:

On September 1, 2020, the City Council adopted Ordinance No. 20-0019, amending the Manhattan Beach Municipal Code (MBMC) Section 2.37.040(C)(2), which requires electronic bid submission for Capital and Public Construction Projects. This amendment mandated a fee for submitting bids on public projects, as outlined in the 2020 Resolution of Fees.

MBMC Section 2.37.040(C)(2) - Receipt of Bids states:

“Electronic bids shall be received through the electronic bidding system selected by the City and shall not be opened until the time designated in the bid specifications. Bids must be received prior to the bid opening to be considered. Users of the City's electronic bidding system shall be charged a fee, in an amount determined by the City Council by resolution.”

On February 1, 2021, the City entered into an Agreement with PlanetBids for Capital and Public Construction Projects. Under this Agreement, PlanetBids provides service support and collects bidder download fees. PlanetBids retains these fees until the total amount collected equals the agreed-upon contractual threshold.

DISCUSSION:

The service fee was adopted to cover costs associated with electronic bidding. However, over the past few years, participation in electronic bidding has declined due to numerous requests for fee waivers and bidder feedback indicating an unwillingness to pay the required fees. Since the City has elected not to grant fee waivers, the decline in bidder participation has resulted in no revenue generation to cover the City's costs for the PlanetBids services.

To improve participation and streamline operations, staff recommends transitioning to the City's preferred method of electronic bidding, OpenGov, to be consistent with other departments and municipalities. The City already has an agreement with OpenGov. Therefore, no additional fees or licenses are required for the Public Works Department to use OpenGov for capital and public construction projects. Staff anticipates that removing service fees will lead to an increase in bidder participation and a more competitive bidding process, resulting in lower bids.

To facilitate this transition, staff proposes:

1. Adopt Urgency Ordinance No. 25-0003-U, effective immediately upon adoption, removing online bidding fees from MBMC Section 2.37.040(C). This ordinance allows staff to immediately restart the bidding process, which will prevent delays in project bidding.
2. Introduce by title only and conduct First Reading of Ordinance No. 25-0003 to remove online bidding fees from MBMC Section 2.37.040(C). This Ordinance will return to City Council for a second reading and become effective on the 31st day after its passage.

This amendment to MBMC Section 2.37.040(C)(2) aligns City practices with regional standards.

PUBLIC OUTREACH:

After analysis, staff determined that public outreach was not required for this code amendment. Public Works staff will initiate outreach to the contractor community about the City's improved bidding procedures upon adoption of the Ordinance.

ENVIRONMENTAL REVIEW:

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is necessary.

LEGAL REVIEW:

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

ATTACHMENTS:

1. Urgency Ordinance 25-0003-U
2. Ordinance No. 25-0003