



Legislation Details (With Text)

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On agenda: 9/1/2020 **Final action:**

Title: Second Reading and Adoption of an Ordinance Amending Chapters 2.36 (Purchasing) and 2.37 (Public Projects) of the Manhattan Beach Municipal Code to Allow Electronic Filing of Bids and Modifying the Authority to Approve Change Orders and Procure Professional Services (Finance Director Charelian).
ADOPT ORDINANCE NO. 20-0019

Sponsors:

Indexes:

Code sections:

Attachments: 1. Ordinance No. 20-0019

Date	Ver.	Action By	Action	Result
9/1/2020	1	City Council Regular Meeting		

TO:
Honorable Mayor and Members of the City Council

THROUGH:
Bruce Moe, City Manager

FROM:
Steve S. Charelian, Finance Director
Stephanie Katsouleas, Public Works Director
Gwen Eng, Purchasing Manager

SUBJECT:
Second Reading and Adoption of an Ordinance Amending Chapters 2.36 (Purchasing) and 2.37 (Public Projects) of the Manhattan Beach Municipal Code to Allow Electronic Filing of Bids and Modifying the Authority to Approve Change Orders and Procure Professional Services (Finance Director Charelian).
ADOPT ORDINANCE NO. 20-0019

RECOMMENDATION:
RECOMMENDATION:

Staff recommends that the City Council conduct a second reading and adopt Ordinance No. 20-0019 amending Chapters 2.36 (Purchasing) and 2.37 (Public Projects) of the Manhattan Beach Municipal Code (MBMC or Code) allowing for the electronic filing of bids and modifying the authority to approve change orders and procure professional services.

FISCAL IMPLICATIONS:

If adopted, there is \$30,000 budgeted in current fiscal year for project implementation. The project cost will be offset by revenue generated from fees charged on public construction project bid

submittals, estimated at \$10,000 annually. Subsequent years will require annual maintenance costs, which will be budgeted accordingly in the Finance Department's operating budget.

BACKGROUND:

On August 18, 2020, City Council introduced Ordinance No. 20-0019 approving receipt of electronic bids and other minor purchasing and procurement changes to MBMC sections 2.36 and 2.37.

DISCUSSION:

Staff reviewed the City's purchasing processes with the goal of streamlining and improving workflow and maximizing the value of staff time used to obtain and tabulate bids. Amending Chapter 2.36 (Purchasing) and Chapter 2.37 (Public Projects) of the Code helps achieve this goal by allowing for the receipt of electronic submittal of bids for all types for goods and services. A summary of changes to the language in MBMC 2.36 and 2.37 include:

Electronic Bidding

Modifications to MBMC 2.36.070 (E) and (F) and MBMC 2.37.040 (C) will allow the City to receive electronic bids for goods and services and for capital projects, respectively. The net effect will result in decreasing the procurement timeline, while also improving the quantity and quality of bids received. In addition, the City will be able to charge a fee for capital project bid submittals, which was established under the 2020 Resolution of Fees. Following adoption of Ordinance 20-0019, staff will begin evaluating qualified vendors to ensure that the best on-line bidding solutions are obtained. Online bidding is expected to be fully operational by December 2020.

Professional Services (MBMC 2.36.130)

By updating this section, each City department will now be allowed to solicit professional services directly, subject to administrative policies and procedures. This will help expedite the process for obtaining specialized services when needed.

Change Orders (MBMC 2.36.090 (B))

Currently, only the City Manager has the authority to approve cumulative change orders up to the formal bid limit of \$50,000. However, MBMC 2.36.080 (B) allows the Finance Director to approve purchases up to \$20,000. Language in this section of the Code will be modified to ensure consistency throughout Chapter 2.36.

Therefore, staff recommends that City Council conduct a second reading and adopt Ordinance No. 20-0019 amending Chapters 2.36 (Purchasing) and 2.37 (Public Projects) of the Manhattan Beach Municipal Code allowing for the receipt of electronic bids and modifying the authority to approve change orders and procure professional services.

PUBLIC OUTREACH:

After analysis, staff determined that public outreach was not require for this issue.

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 approved Ordinance No. 20-0019 as to form.

ATTACHMENT:

1. Ordinance 20-0019