

ITEM: **PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER ADOPTING AN ORDINANCE AMENDING THE LATHROP MUNICIPAL CODE TITLE 2 "ADMINISTRATION AND PERSONNEL", CHAPTER 2.36 "PURCHASING SYSTEM", SECTION 2.36.110 "EXCEPTIONS TO PURCHASING PROCEDURES AND LIMITS"**

RECOMMENDATION: **City Council to Consider the Following Items:**

- 1. Hold a Public Hearing; and**
- 2. First Reading and Introduction of an Ordinance Amending Title 2, Chapter 2.36 "Purchasing System", Section 2.36.110 "Exceptions To Purchasing Procedures and Limits" by adding a new section ("D") to allow Cooperative Purchasing Agreements**

SUMMARY:

The City is currently managing numerous construction, development and maintenance projects. Cooperative purchasing agreements allow staff to timely procure goods, material and services while also meeting state and local government purchasing procedures. By using this process, the City can achieve better pricing and streamline purchases by removing repetitive, resource intensive, and costly bid procedures associated with routine purchases.

Cooperative purchasing is the process of combining the buying power of multiple agencies to negotiate and purchase goods and services at lower prices. The idea behind this procurement method is that the City would not need to conduct its own competitive bidding process since one has already been conducted by an agency that follows strict government purchasing guidelines. Cooperative purchasing agreements allow member public agencies to aggregate individual purchasing power and achieve greater volume discounts.

In order to use Cooperative Purchasing Agreements staff is requesting Council's consideration and approval of an Ordinance amending Lathrop Municipal Code (LMC), Title 2, Chapter 2.36 "Purchasing System", Section 2.36.110 "Exceptions To Purchasing Procedures and Limits" by adding a new section ("D") to allow Cooperative Purchasing Agreements .

SEPTEMBER 11, 2023 CITY COUNCIL REGULAR MEETING**PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER AMENDING THE LMC TITLE 2 "ADMINISTRATION AND PERSONNEL", CHAPTER 2.36 "PURCHASING SYSTEM", SECTION 2.36.110 "EXCEPTIONS TO PURCHASING PROCEDURES AND LIMITS"****BACKGROUND:**

The City currently utilizes the California Multiple Award Schedule (CMAS) program to purchase fleet vehicles and heavy equipment, which is statutorily allowed by California Government Code § 54205; however, this program's selection of goods and services is somewhat limited.

In an ongoing effort to make best use of staff resources and seek cost savings, many government agencies share contracting efforts through cooperative purchasing. This procurement approach increases pricing competitiveness and lowers operating costs through efficiencies gained by the cooperative purchasing programs. Staff has reviewed available purchasing options and purchasing programs not currently authorized by the LMC that may provide significant cost savings to the City.

Cooperative purchasing programs such as California Communities Purchasing Program (CCPP), California Multiple Award Schedule (CMAS), the National Association of Counties (NACo), Sourcewell, and others assist public agencies by securing competitive prices on a variety of material, equipment and other common items.

What is Cooperative Purchase?

A cooperative purchasing program combines multiple buyers' requirements on a single contract to aggregate volume and raise the purchasing power of each participating entity. A lead agency typically conducts the solicitation, allowing other agencies to "piggyback" on the resulting contract. Through cooperatives, entities can negotiate lower prices and reduce time spent on procurement processes and establishing contracts.

What are the benefits of Cooperative Purchasing?

Cooperative purchasing contracts can save government agencies time and money. By the time a buyer is presented with the contract, a competitive bid process has already been completed in accordance with state-specific requirements, and there is no need to write or advertise the bid solicitation, receive and evaluate proposals, or negotiate the final purchase price. The contracts also offer scale and negotiation leverage that helps buyers attain better and more affordable pricing. The transparency of these contracts ensures that the purchasing process is competitive and enhances buyers' confidence that they are getting a fair deal.

Cooperative Purchase – How It Works

After identifying its purchasing needs, an organization can simply search through cooperative purchasing contracts that offer the necessary goods, material and services. For example, the typical process with Sourcewell includes registering to participate, finding a contract and then ultimately contacting the supplier.

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PROCEDURES AND LIMITS"**

The supplier then quickly provides a quote based on the contracted price, and the agency finalizes the sale with the supplier using the contract number and the agency's Sourcwell account number. This process helps organizations simplify the purchasing procedure, fulfilling all state and local competitive-bidding requirements without going through the cumbersome bidding process.

Instead of seeking quotes, bids, or proposals, organizations can simply choose products and services from the cooperative contract's service catalog. These services have been pre-selected by the agency behind the cooperative through its own stringent competitive-bidding process.

In essence, the cooperative has done this work for the organization already, and so buyers are complying with all local, state, and national procurement laws when they make purchases through a cooperatively purchased contract.

Therefore, staff requests Council's consideration and approval of an Ordinance amending LMC, Title 2, Chapter 2.36 "Purchasing System", Section 2.36.110 "Exceptions To Purchasing Procedures and Limits" by adding a new section ("D") to allow Cooperative Purchasing Agreements. Approval will give the City Manager, as the City's Purchasing Officer, the authority to purchase supplies, equipment, and Services through legal contracts of other government jurisdictions or public agencies while forgoing competitive bidding.

A Notice of Public Hearing was advertised in the Manteca Bulletin newspaper on August 30th, 2023.

REASON FOR RECOMMENDATION:

Cooperative Purchasing Agreements reduce administrative overhead, increasing efficiency and savings. By using this process, the City can achieve better pricing and streamline purchases by removing repetitive, resource intensive, and costly bid procedures associated with routine purchases.

FISCAL IMPACT:

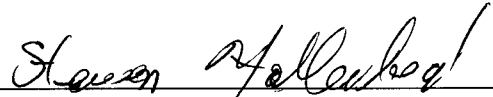
There is no fiscal impact at this time. Staff will incorporate activities related to this item into current council adopted operating and capital improvement project budgets.

ATTACHMENTS:

- A. Ordinance Amending Title 2, Chapter 2.36 "Purchasing System", Section 2.36.110 "Exceptions To Purchasing Procedures and Limits" by adding a new section ("D") to allow Cooperative Purchasing Agreements

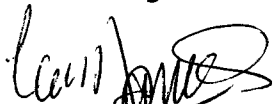
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APPROVALS:




Steven Hollenbeak
Assistant Engineer

8.30.23
Date



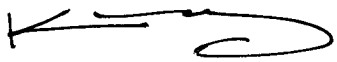
Cari James
Finance Director

9/5/2023
Date



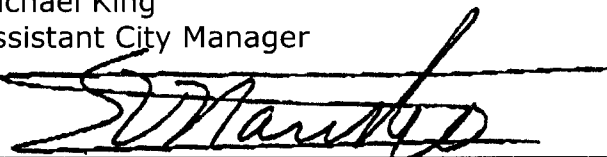
Thomas Hedegard
Deputy City Manager

8/30/2023
Date




Michael King
Assistant City Manager

8.30.23
Date



Salvador Navarrete
City Attorney

9/5/2023
Date



Stephen J. Salvatore
City Manager

9.5.23
Date

ORDINANCE NO. 23-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP AMENDING TITLE 2, CHAPTER 2.36 "PURCHASING SYSTEM", SECTION 2.36.110 "EXCEPTIONS TO PURCHASING PROCEDURES AND LIMITS" BY ADDING A NEW SECTION ("D") TO ALLOW COOPERATIVE PURCHASING AGREEMENTS

WHEREAS, Cooperative purchasing agreements allow staff to timely procure goods, material and services while also meeting state and local government purchasing procedures; and

WHEREAS, Cooperative purchasing is the process of combining the buying power of multiple agencies to negotiate and purchase goods and services at lower prices. The idea behind this procurement method is that the City would not need to conduct its own competitive bidding process since one has already been conducted by an agency that follows strict government purchasing guidelines; and

WHEREAS, the City currently utilizes the California Multiple Award Schedule (CMAS) program to purchase fleet vehicles and heavy equipment, which is statutorily allowed by California Government Code § 54205; however, this program's selection of goods and services is somewhat limited; and

WHEREAS, California Government Code (GC) §§ 54202-54203, require local agencies to adopt an ordinance establishing policies and procedures, including bidding regulations, governing purchases of supplies and equipment by the local agency; and

WHEREAS, a Notice of Public Hearing was advertised in the Manteca Bulletin on August 30th, 2023; and

WHEREAS, staff requests that City Council hold a public hearing, consider all information and public testimony and, if determined to be appropriate, adopt an Ordinance amending Lathrop Municipal Code Title 2 "Administration and Personnel", Chapter 2.36 "Purchasing System", Section 2.36.110 "Exceptions to purchasing procedures and limits" by adding a new section ("D") to allow the City to utilize cooperative purchasing agreements; and

WHEREAS, this will give the City Manager, as the Purchasing Officer, the authority, where advantageous to the city, to use cooperative purchasing agreements approved by the City Council, to purchase supplies, equipment, and non-professional services through legal contracts of other government jurisdictions, or public agencies without separate competitive bidding by the city.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lathrop does hereby ordain as follows:

Note: additions are shown below in underline font.

Section 1.

Title 2 of the Lathrop Municipal Code, "Administration and Personnel" is hereby amended by amending Chapter 2.36 "Purchasing System", Section 2.36.110 "Exceptions to purchasing procedures and limits", to incorporate the changes as follows:

CHAPTER 2.36 PURCHASING SYSTEM

2.36.110 Exceptions to purchasing procedures and limits.

A. The contracting of service from other governmental agencies, sole source purchases and professional services shall be exempt from bidding procedures.

B. The contracting for the purchase of any item less than seventy-five thousand dollars (\$75,000.00), exclusive of sales or use tax, shipping, handling or delivery charges from other governmental agencies, sole source purchases, or from the Office of Procurement, Department of General Services of the state of California shall be exempt from the bidding procedures.

C. For any exemption to the procedures set forth in this chapter, the department head responsible for the purchase shall certify in writing to the purchasing officer the reason for the exemption claimed.

D. Without complying with the requirements of Sections 2.36.050, 2.36.060, and 2.36.140, the purchasing officer may participate in, use, sponsor, conduct or administer a cooperative purchasing agreement for the procurement of any supplies, equipment, or service with one or more public procurement units in accordance with an agreement entered into between the participants. Such cooperative purchasing may include, but is not limited to, joint or multiparty contracts between public procurement units and open-ended state and/or federal public procurement unit contracts which are made available to the city.

Section 2.

This Ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City or any officer or employee thereof a mandatory duty of care toward persons and property within or without the city so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 3. Severability.

If any section, subsequent subdivision, paragraph, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or otherwise invalid, such a decision shall not affect the validity of the remaining portions of this Ordinance.

The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance irrespective of the unconstitutionality or invalidity of any section, subsection, subdivision, paragraph, sentence, clause or phrase.

Section 4. Effective Date.

This Ordinance shall take legal effect 30 days from and after the date of its passage.

Section 5. Publication.

Within fifteen days of the adoption of this Ordinance, the City Clerk shall cause a copy of this Ordinance, to be published in full accordance with Section 36933 of the Government Code.

THIS ORDINANCE was introduced at a meeting of the City Council of the City of Lathrop on the 11th day of September, 2023, and was **PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Lathrop on the ____ day of _____ 2023, by the following vote, to wit:

AYES:

NOES:

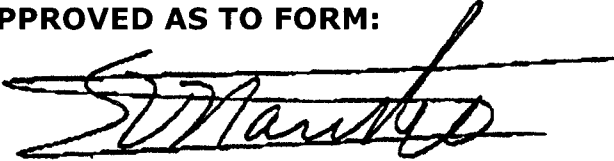
ABSENT:

ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:



Teresa Vargas, City Clerk

Salvador Navarrete, City Attorney