

PUBLIC HEARING TO CONSIDER ADOPTING AN ORDINANCE AMENDING SECTION 2.36.110 “EXCEPTIONS TO PURCHASING PROCEDURES AND LIMITS”

CITY COUNCIL REGULAR MEETING | SEPTEMBER 11, 2023 – ITEM 5.1



BACKGROUND



- The City is currently managing numerous projects (construction, development, maintenance, etc.)
- These projects require staff to purchase materials, equipment and other goods in accordance with State and local government purchasing procedures
- Lathrop Municipal Code (LMC) 2.36.110 Exceptions to purchasing procedures and limits
 - ...governmental agencies, sole source, professional services, California Multiple Award Schedule (CMAS)
 - CMAS is a form of Cooperative Purchasing ran by the State of California
- **Request:** Amend LMC to allow all Cooperative Purchasing not just CMAS



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.



COOPERATIVE PURCHASE – HOW IT WORKS



Cooperative Purchase Organization

- Identify Participating Entity Needs and Research Solutions
- Seek Authorization from Board of Directors
- Draft Solicitation, Public Advertisement, and Notice
- Conduct Pre-Proposal Conference
- Opening of Responses
- Evaluate Responses
- Award Suppliers
- Posting and Reviewing Approved Contract Documents

Local Agency

- Identify purchasing needs and search through cooperative purchasing contracts
- Agency contacts the supplier.
- Supplier provides quote based on the contracted price
- Agency finalizes the sale with the supplier

BENEFITS OF COOPERATIVE PURCHASING



1. Time

- Reduce administrative overhead
- Increase efficiency
- Bid procedures associated with routine purchases are repetitive and resource intensive

2. Money

- Purchasing in volume allows the cooperative to negotiate for discounted pricing

3. Stay Compliant

- Competitive and transparent process



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.

RECOMMENDATION



- Hold a Public Hearing; and
- 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