



**CITY OF PACIFICA
COUNCIL AGENDA SUMMARY REPORT**

10/8/2018

SUBJECT:

Response to San Mateo Civil Grand Jury Report Titled "Cooperative Purchasing- A Roadmap to More Effective City Procurement"

RECOMMENDED ACTION:

Approve the response to San Mateo Civil Grand Jury Report Titled "Cooperative Purchasing- A Roadmap to More Effective City Procurement"

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BACKGROUND/DISCUSSION:

Early in California's history, the California Constitution established grand juries in each county. The California Penal Code provides for the formation of civil grand juries and their powers and duties. With respect to public agencies, grand juries are authorized to "Investigate and report upon the operations, accounts and records of the officers, departments, functions, and the method or systems of performing the duties of any such city or joint powers agency and make such recommendations as it may deem proper and fit" (California Penal Code Section 925a). Within 90 days after the Grand Jury submits a report regarding the operations of any public agency, the "Governing body of the public agency shall comment to the presiding judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the governing body..." (California Penal Code Section 933c).

On July 19, 2018, the San Mateo County Civil Grand Jury issued a report titled "Cooperative Purchasing- A Roadmap to More Effective City Procurement" (Attachment 1). The report advocates the use of "piggyback" contracts and cooperative purchasing agreements as a method to increase procurement quality, efficiency and cost savings for the Cities and County. The report also speaks to the cost/benefit of centralized vs. decentralized procurement systems, indicating that most cities have decentralized purchasing services allowing those entities to minimize labor costs, however the report concludes employees in a decentralized system may not have the training and experience of those employees in a centralized procurement system.

The report advocates the following approaches to allow Cities to attain the cost-saving benefits of centralized purchasing systems while retaining the benefits of a decentralized purchasing system.

1. Increase the use of "piggybacking" to access beneficial terms of contracts previously entered by public entities.
2. Utilize cooperative purchasing agreements to allow Cities to obtain volume discounts among themselves, even without County participation.

3. Collaborate with the County's Procurement Division to negotiate lower prices for common goods and services.

Staff agrees with the findings and recommendations made by the Civil Grand Jury in this report. The City of Pacifica must respond to the San Mateo County Civil Grand Jury regarding this report no later than October 17, 2018. Staff has prepared a response (Attachment 2), communicating agreement with the findings and recommendations in the report.

The City currently is exploring or has a number of cooperative agreements in place. They include:

- Public Works - An agreement for sharing street sweeping services with the City of South San Francisco is being explored.
- Administration - The Citywide Microsoft Office license is procured through a piggyback contract with Riverside County.
- Parks, Beaches, and Recreation
 - Printing of the City's "PLAY Activity Guide" is the result of a cooperative purchasing agreement.
 - The Senior Services Meals On Wheels program participates in a national cooperative arrangement allowing the program to receive favorable pricing on food and supply purchases.
- City Vehicles - The City "piggybacks" on a State procurement contract for the purchase of City Vehicles.
- North County Fire Authority - NCFR has access to a cooperative purchasing agreement that allows the City to get favorable pricing on the newly purchased fire engine, protective turnouts uniforms, and self-contained breathing apparatus (SCBA) and air bottles.

ALTERNATIVE ACTION:

Decline to accept the response to the San Mateo Civil Grand Jury and provide additional direction to staff.

RELATION TO CITY COUNCIL GOALS AND WORK PLAN:

Accepting the findings and recommendations in this report provides consistency with the City Council goal of "**Fiscal Sustainability**"

FISCAL IMPACT:

The fiscal impact of accepting this report and implementing the recommendations are minimal and can be addressed with budgeted resources.

ORIGINATED BY:

City Manager's Office

ATTACHMENT LIST:

SMCO Civil Grand Jury Report - "Cooperative Purchasing- A Roadmap to More Effective City Procurement" (PDF)

Response to Grand Jury - Cooperative Purchasing- A Roadmap to More Effective City Procurement (DOCX)