



Procurement Policy Review Plan

City Council Meeting
September 6, 2022

**SUPPLEMENTAL
COMMUNICATION**

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Meeting Date: 9/6/2022

Agenda Item No.: #19 (22-665)

Presentation Overview

- Background
- Procurement Review Plan
- City of Huntington Beach Procurement Policies
- Preliminary Survey & Best Practices
- Recommended Action



Background

- Mayor Pro Tem Posey requested a plan to review the City's Procurement Policies at the July 19, 2022 City Council Study Session on the Budget
- The City's procurement policies are integral in advancing public policy objectives and building public trust.
- City's Charter, Municipal Code, and Administrative Regulations along with Federal and State laws provides the authoritative guidance for the City's procurement policies.
- The City's procurement requirements and levels of approving authority varies based on the type of contract.
 - ✓ Professional Services
 - ✓ Legal Expert Services
 - ✓ Goods & Services
 - ✓ Leases
 - ✓ Public Works Construction

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Procurement Review Plan

1. Review HB procurement policies (including City Manager/Department Head spending limits, and bidding requirements) to determine opportunities for updates and clarification and to assess compliance with State, Federal, local and other pertinent laws and regulations
2. Interview City staff to identify opportunities for improvements in the procurement process
3. Review procurement best practices – California Association of Public Procurement Officials (CAPPO)
4. Review of public procurement policies of neighboring cities
5. Review emergency procurement policies for compliance with FEMA requirements
6. Present findings and recommended changes for City Council feedback at a future Study Session
7. Based on feedback, present final recommended changes to City Council for consideration

The City issued a request for proposal on August 3, 2022 to secure on-call consulting services to assist in the procurement review if City Council decides to move forward with the plan. The consultant will also assist in the implementation of any changes.

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City of Huntington Beach Procurement Policies

Goods & Services

➤ Purchases of supplies and services (other than professional services)

City Charter Section 613, Municipal Code 3.02

Amount	Method	Authority
\$0 - \$30,000	Informal Bid	Department Head (DH), Finance City Council - through the budget process
\$30,000 or more	Competitive Bid	

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City of Huntington Beach Procurement Policies

Professional Services

➤ Consultants, architects, engineers

City Charter Section 613, Municipal Code 3.03, AR 228

Amount	Method	Authority
\$30,000 or less	Informal Bid	Department Head (DH)
\$30,000 to \$50,000	Competitive Bid	DH, Finance
\$50,000 to \$100,000	Competitive Bid	DH, Finance, City Manager
\$100,000 or more	Competitive Bid	City Council

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City of Huntington Beach Procurement Policies

Public Works Construction

➤ Physical construction and improvements of any City infrastructure

City Charter Section 614, AR 119

Amount	Method	Authority
\$25,000 or less	Informal Bid	DH, City Manager
\$25,000 or more	Competitive Bid	City Council

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City of Huntington Beach Procurement Policies

Signature Authority Levels

Amount	Contract Type	Authority
Unlimited	Goods	Dept Head & City Manager (subject to bidding requirements set forth in Muni Code 3.02 & City Council budget approval)
Unlimited	Services	Dept Head & City Manager (subject to bidding requirements set forth in Muni Code 3.02 & City Council budget approval)
\$0 - \$50,000	Professional Services	Dept Head
\$50,000 - \$100,000	Professional Services	City Manager
Over \$100,000	Professional Services	City Council
\$0 - \$100,000	Expert Services	City Attorney
Over \$100,000	Expert Services	City Council
\$0 - \$25,000	Public Works	Dept Head & City Manager
Over \$25,000	Public Works	City Council

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Preliminary Survey and Best Practices

- League of California Cities (January 22, 2021):
 - ✓ Public procurement is not designed to achieve speed, rather provide a fair and competitive process
 - ✓ Locally adopted ordinances or policies provide the framework for purchases of supplies and services
 - ✓ State law provides public works project requirements

Example: Morgan Hill

Amount	Method	Authority
\$10,000 or less	Informal Bid	City Manager → Department Heads
\$10,000 to \$25,000	Informal Bid	City Manager → Purchasing Officer (Finance Director)
\$25,000 to \$60,000	Competitive Bid	City Manager
\$60,000 or more	Competitive Bid	City Council



Preliminary Survey of Neighboring Cities

Goods & Services

City	Formal Bid Threshold	City Council Approval Threshold
Newport Beach	Over \$25,000	Over \$120,000
Santa Ana	Over \$25,000	Over \$50,000
Huntington Beach	Over \$30,000	Approved through budget
Irvine	Over \$45,000	Over \$1,000,000
Anaheim	Over \$50,000	Over \$200,000
Costa Mesa	Over \$50,000	Over \$50,000



Preliminary Survey of Neighboring Cities

Professional Services

City	Formal Bid Threshold	City Council Approval Threshold
Newport Beach	Over \$25,000	Over \$120,000
Huntington Beach	Over \$30,000	Over \$100,000
Irvine	Over \$45,000	Over \$1,000,000
Anaheim	Over \$50,000	Over \$200,000
Costa Mesa	pending	pending
Santa Ana	pending	Over \$25,000



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Preliminary Survey of Neighboring Cities

Public Works Construction

City	Formal Bid Threshold	City Council Approval Threshold
Anaheim	Over \$15,000	Over \$400,000
Huntington Beach	Over \$25,000	Over \$25,000
Santa Ana	Over \$25,000	Over \$250,000
Newport Beach	Over \$120,000	Over \$120,000
Costa Mesa	Over \$200,000 *	Over \$200,000
Irvine	Over \$200,000 *	pending

* Per Public Contract Code section 22032 (c), which is set by the State of California



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Recommended Action

- Approve the plan to review the City's procurement policies as outlined in the presentation



Questions?

