



Agenda Report

June 17, 2024

TO: Honorable Mayor and City Council

FROM: Department of Finance

SUBJECT: **DIRECT THE CITY ATTORNEY TO PREPARE AN ORDINANCE AMENDING PASADENA MUNICIPAL CODE CHAPTER 4.08 TO INCREASE FORMAL AND INFORMAL PROCUREMENT LIMITS, AS PREVIOUSLY DIRECTED, BUT WITH CERTAIN ADDITIONAL AND RELATED CLEAN-UP CHANGES**

RECOMMENDATION:

1. Find that the action proposed in the agenda report herein is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines per Section 15061(b)(3)(Common Sense Exemption); and
2. Direct the City Attorney to prepare and return with an ordinance within 60 days that further updates and/or clarifies the Purchasing Ordinance as set forth in this Agenda Report, which, in relevant part, supersedes the City Council's direction on April 8, 2024.

BACKGROUND:

Pasadena's Charter, Article X, establishes regulations regarding contracts, purchases, and claims. A Charter amendment was approved by the voters on March 5, 2024, amending Section 1001, which requires the City Council to establish contracting authority by ordinance. On April 8, 2024, the City Council directed the City Attorney to prepare and return with an ordinance within 60 days to establish the procurement limits and make additional updates and clarifications to the Purchasing Ordinance. That April 8, 2024, report is attached for reference.

Subsequent to Council's direction, three additional areas of the Purchasing Ordinance have been identified as needing to be updated. Two of these will be a part of the ordinance brought forward at the next regularly scheduled City Council meeting, and the third can be brought forward, separately, at a future date.

The four additional proposed changes include:

1. Amend PMC Section 4.08.151 – Change from calendar year to fiscal year for the annual procurement activity report. This modification will align the annual report with all other financial reports provided by the City.
2. Amend procurement limits – Revise the language regarding the approval limits of the City Council, formal, and informal procurements to reflect that the limits apply to procurements above a given limit rather than starting at the given limit, which would supersede what staff had requested (and the City Council approved) at the April 8 City Council meeting. For example, the practical application of this change is that the City Manager’s authority would be for contracts of \$250,000 and below rather than \$249,999 and below.
3. Add language exempting projects involving municipal affairs from Public Contract Code requirements – Add a new section to describe Pasadena’s authority as a charter city and exempt the City from the requirements of the Public Contract Code for projects that qualify as municipal affairs. Public Contract Code Section 1100.7, passed in 2001, allows charter cities to pass an ordinance exempting themselves from the Public Contract Code, where applicable.

The authority to approve a contract and the authority to sign it are related, but are two separate matters, both addressed in City Charter Section 1001. The Charter Amendment, and the ordinance to be presented on June 17, 2024, address approval authority, only. The Purchasing Ordinance does not address signatory authority, which has been handled by City Council resolution or other administrative mechanism, where appropriate. It would be prudent to have an additional and separate section of the Purchasing Ordinance to legislatively establish signatory authority, including details on how it may be granted and delegated.

ENVIRONMENTAL ANALYSIS:

The action proposed herein has been determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3), the “Common Sense” exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Such is the case with the proposed Municipal Code amendments to establish and increase procurement limits and make other administrative changes.

FISCAL IMPACT:

There is no direct fiscal impact the to the proposed changes.

Respectfully submitted,



MATTHEW E. HAWKESWORTH
Director of Finance

Approved by:



MIGUEL MÁRQUEZ
City Manager

Attachment A – April 8, 2024, Staff Report