

CITY OF LOS ALAMITOS
Council Chamber
3191 Katella Ave., Los Alamitos CA 90720

BUDGET STANDING COMMITTEE
AGENDA REVISED SPECIAL MEETING

Monday, September 11, 2023 – 4:30 PM

NOTICE TO THE PUBLIC – This Agenda contains a brief general description of each item to be considered. Except as provided by law, action or discussion shall not be taken on any item not appearing on the agenda. Supporting documents, including staff reports, are available for review at City Hall in the City Clerk's Office or on the City's website at www.cityoflosalamitos.org once the agenda has been publicly posted.

Each matter on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Items listed as "for information" or "for discussion" may also be the subject of an "action" taken by the Budget Standing Committee at the same meeting.

Any written materials relating to an item on this agenda submitted to the Budget Standing Committee after distribution of the agenda packet are available for public inspection online at www.cityoflosalamitos.org.

It is the intention of the City of Los Alamitos to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee, or a participant at this meeting, you will need special assistance beyond what is normally provided, please contact the City Clerk's Office at (562) 431-3538, extension 220, 48 hours prior to the meeting so that reasonable arrangements may be made.

1. CALL TO ORDER

2. ROLL CALL

Mayor Tanya Doby
Council Member Shelley Hasselbrink

3. ORAL COMMUNICATIONS

At this time, any individual in the audience may come forward to speak on any item within the subject matter jurisdiction of the Budget Standing Committee. Remarks are to be limited to not more than five minutes per speaker.

4. CONSENT CALENDAR

All Consent Calendar items may be acted upon by one motion unless a Committee Member requests separate action on a specific item.

A. Approval of Minutes

Approve the Budget Standing Committee Special Meeting Minutes of June 5, 2023.

5. DISCUSSION ITEM

A. Review and Discuss Proposed Revisions to the Purchasing Policy (Finance)

This report provides information in connection with the City's current purchasing policy as codified in Chapter 2.60 (Purchasing System) of the Los Alamitos Municipal Code, and consideration of modifications.

Recommendation: Recommend adoption of Ordinance No. 2023-04, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, AMENDING AND RESTATING CHAPTER 2.60 (PURCHASING SYSTEM) OF THE LOS ALAMITOS MUNICIPAL CODE".

B. Review and Discuss Unfunded Actuarial Liability (UAL) Additional Discretionary Payment Analysis (Finance)

Since the adoption of the City's Fiscal Sustainability Plan, the Budget Standing Committee and the Los Alamitos City Council have been exploring different methods of maximizing investment opportunities that result in net savings to the City's residents.

Following work with the Budget Standing Committee that culminated a period of 18 months, a funding plan and policy was presented to Council at the November 14, 2022 meeting, adopting Resolution 2022-33, PERS Unfunded Accrued Liability Pay- Down Funding Policy.

This report provides the Budget Standing Committee with a follow-up discussion on the PERS Unfunded Actuarial Liability (UAL), and consideration of possible additional discretionary payment (ADP) analysis.

Recommendation: Review and discuss the information in connection with the PERS Unfunded Actuarial Liability (UAL), and consideration of possible additional discretionary payment (ADP) analysis.

C. Review and Discuss Finance Projects on the Horizon (Finance)

This report provides the Budget Standing Committee with a discussion of Finance Projects on the horizon.

Recommendation: Review and discuss Finance projects that are being planned.

D. Senior Services Master Plan and Conversion of Three Part-time Positions to Full-time Positions in Recreation & Community Services (Recreation)

This item proposes the development of a Senior Services Master Plan and consideration of the conversion of three part-time Community Services Coordinators to full-time Recreation Coordinators at Mid-Year. If the proposed plan of conversion from part-time to full-time occurs at Mid-Year, the fiscal impact to the Recreation & Community Services Department will be \$67,054. Annually, the fiscal impact will be approximately \$134,108.

Recommendation: Review and discuss the development of a Senior Services Master Plan and the proposal of converting three part-time Community Services Coordinators to full-time Coordinators at Mid-Year.

E. Consideration to Fund Insurance Costs for Los Alamitos Community Foundation and Los Alamitos Senior Club (Recreation)

The Los Alamitos Community Foundation and Los Alamitos Senior Club are two City- established non-profits that assist in providing funding or providing direct programs and services to serve the residents of Los Alamitos in City facilities. Both entities are in need of insurance coverage and also requested to provide coverage to the City of Los Alamitos as additional insurance with amendatory endorsements as required by each agreement or Memorandum of Understanding (MOU). It is recommended that the City of Los Alamitos fund the insurance costs for each of the Los Alamitos Community Foundation and the Los Alamitos Senior Club totaling approximately \$3,000-\$4,000 per organization.

Recommendation: It is recommended that the City of Los Alamitos fund the insurance costs for each of the Los Alamitos Community Foundation and the Los Alamitos Senior Club in the amount of approximately \$3,000-\$4,000 per organization.

F. Los Alamitos Facade Improvement Program: Revive Los AI (formerly Building a Greater Los AI) (Development Services)

A discussion concerning the implementation of this Economic Development program intended to assist Los Alamitos businesses through a facade improvement program.

Recommendation:

1. Review and discuss the program structure and criteria; and,
2. Provide feedback to include in the final program guidelines; and,
3. Direct City Staff to prepare for the regular City Council Meeting.

6. ITEMS FROM STAFF AND THE COMMITTEE

At this time, Committee Members and Staff may also report on items not specifically described on the Agenda that are of interest to the community, provided no action or discussion is taken except to provide Staff direction to report back or to place the item on a future Agenda.

7. CLOSED SESSION

A. CONFERENCE WITH LABOR NEGOTTIATOR

City Negotiator: Chet Simmons, City Manager
Employee Organization: Teamsters Local 911
Authority: Government Code Section 54957.6

B. CONFERENCE WITH LABOR NEGOTTIATOR

City Negotiator: Chet Simmons, City Manager
Employee Organization: Executive Management, Non-Represented
Authority: Government Code Section 54957.6

C. CONFERENCE WITH LABOR NEGOTIATOR

City Negotiator: Chet Simmons, City Manager

Employee Organization: Police Officers Association

Employees Authority: Government Code Section 54957.6

8. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted at the Los Alamitos City Hall, 3191 Katella Ave. and online at www.cityoflosalamitos.org not less than 24 hours prior to the meeting.

Craig Koehler, Finance Director

Dated: September 7, 2023

MINUTES OF THE BUDGET STANDING COMMITTEE OF THE CITY OF LOS ALAMITOS

SPECIAL MEETING

Monday June 5, 2023 – 5:00 p.m.

1. CALL TO ORDER

The Budget Standing Committee met for a Special Meeting at 5:03 p.m., Monday, June 5, 2023, Mayor Doby and Council Member Hasselbrink presiding.

2. ROLL CALL

Present: Committee Members: Mayor Doby
Council Member Hasselbrink

Absent: Committee Members: None

Present: Staff: Chet Simmons, City Manager
Craig Koehler, Finance Director

3. CONSENT CALENDAR

A. Approval of Minutes

Motion/Second: Hasselbrink/Doby

Unanimously Carried: The Budget Standing Committee approved the Minutes of the Special Meeting of on September 29, 2020.

4. DISCUSSION ITEMS

A. Review and discuss additional items.

The Budget Standing Committee received an update on the following items:

- Economic update
- Economic Development Program
- Finance Department
- Audit / ACFR
- OCTA audit – M-2 Local Fair Share funding compliance
- Willdan Cost Allocation and Cost Recovery (fees)
- Mid-year budget allocations
- Policy review
- Construction projects
- Future meetings

5. CLOSED SESSION

A. CONFERENCE WITH LABOR NEGOTIATOR

City Negotiator:	Chet Simmons, City Manager
Employee Organization:	Los Alamitos Police Officers Association
Authority:	Government Code Section 54957.6

B. CONFERENCE WITH LABOR NEGOTIATOR

City Negotiator:	Chet Simmons, City Manager
Employee Organization:	Teamsters Local 911
Authority:	Government Code Section 54957.6

C. CONFERENCE WITH LABOR NEGOTIATOR

City Negotiator:	Chet Simmons, City Manager
Unrepresented Employees:	Executive Management, Middle Management and Non-Management Employees
Authority:	Government Code Section 54957

5. ADJOURNMENT

The meeting adjourned at 6:30 p.m.

Craig Koehler, Finance Director

City of Los Alamitos

BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: September 11, 2023

ITEM NUMBER: 5A

To: Budget Standing Committee Members

Presented By: Craig Koehler, Director of Finance

Subject: Review and Discuss Proposed Revisions to the Purchasing Policy

SUMMARY

This report provides information in connection with the City's current purchasing policy as codified in Chapter 2.60 (Purchasing System) of the Los Alamitos Municipal Code, and consideration of modifications.

RECOMMENDATION

Recommend adoption of Ordinance No. 2023-04, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, AMENDING AND RESTATING CHAPTER 2.60 (PURCHASING SYSTEM) OF THE LOS ALAMITOS MUNICIPAL CODE".

BACKGROUND

The City's procurement regulations, policies and procedures are codified at Chapter 2.60 (Purchasing System) of the Los Alamitos Municipal Code (the "Purchasing Ordinance"). The Purchasing Ordinance was last amended in 2021. City Staff recommends the proposed amendments to the Purchasing Ordinance based on its experience working with the existing code and following a review of purchasing regulations in surrounding jurisdictions. The proposed Ordinance is intended to streamline the procurement process and provide anticipated gains in efficiency.

DISCUSSION

Ordinance No. 2023-04 - Purchasing System

The current purchasing policy approvals are defined in Chapter 2.60 of the Los Alamitos Municipal Code (the "Purchasing Ordinance"). The Purchasing Ordinance has been in place for many years and has provided guidance for purchasing decisions. As the City's operations have expanded, so has the need to modify the Purchasing Ordinance to allow for more efficient operations.

An updated Purchasing Ordinance was discussed with the Budget Standing Committee on May 9 and presented to the City Council on May 15. Incorporating the input from the Council, and upon further review by staff, additional refinements have been made to the proposed Purchasing Ordinance. If approved by the City Council, proposed Ordinance No. 2023-04, would amend LAMC § 2.60. Below is a summary of the changes.

Defined Terms (Section 2.60.020)

The updated ordinance adds definitions for the terms “estimated value”, “non-professional services”, “professional services” and “purchase order” to assist readers and aides in the administration of the chapter.

Scope of Purchasing Policies and Procedures (Section 2.60.030)

The updated ordinance clarifies that Chapter 2.60 applies only to the purchase of supplies, equipment and services and not public works construction projects. Procedures and processes for the procurement of public works construction contracts are subject to the City Charter and the California Public Contract Code.

Delegation to Purchasing Agents (Section 2.60.050)

Under the existing ordinance, the City Manager is authorized to delegate any and all of his powers as the Purchasing Officer to any other City officer or employee. The updated ordinance refines this authorization. As updated, delegation may only be made to department heads. Any such delegation must be made in writing by the Purchasing Officer and maintained on file with the Director of Finance.

Purchasing Authority – City Council (Section 2.60.060A)

Purchases of supplies, equipment, and services with a contract value of more than one hundred thousand dollars (\$100,000.00) shall be awarded by written contract approved by the City Council.

Purchasing Authority - City Manager (Section 2.60.060B)

Under the existing ordinance, the City Manager’s approval authority is limited to purchases, and contracts for supplies, equipment and services up to \$50,000. In many cases, contracts and services exceed this amount, and delays have occurred in engaging needed work in a timely manner. The proposed amendment would authorize the City Manager to approve purchases of supplies, equipment, and services with a contract value of up to one hundred thousand dollars (\$100,000.00).

As a control measure, the updated ordinance now requires the City Manager to promptly notify the City Council in writing of any purchase of more than \$80,000. This control measure is repeated at Sections 2.60.090 (Informal Purchasing Procedures) and 2.60.150 (Professional Services).

Budget appropriation required for purchases (Section 2.60.070). Except in cases of emergency, the City Manager shall not issue any purchase order or contract for supplies, equipment, or services unless there exists an unencumbered appropriation in the adopted budget against which such purchases may be charged.

Open Market Purchasing (Section 2.60.080)

Purchases of equipment, supplies, and non-professional services with an estimated value of up to ten thousand dollars (\$10,000.00) may be made by the Purchasing Officer in the open market by purchase order. The existing threshold is \$5,000 for such purchases.

Informal Purchasing Procedures (Section 2.60.090)

Purchases of equipment, supplies, and non-professional services with an estimated value of more than ten thousand dollars (\$10,000.00) and up to one hundred thousand dollars (\$100,000.00) shall be made following staff’s solicitation of at least three written proposals. The existing threshold is \$50,000 or less for such purchases.

Formal Purchasing Procedures (Section 2.60.100)

Purchases of equipment, supplies, and non-professional services with an estimated value of more than one hundred thousand dollars (\$100,000.00) shall be made following the issuance of a publicly noticed request for proposals. Formal contracts must be awarded by the City Council. The existing threshold is more than \$50,000 for such purchases.

Exceptions to Purchasing Procedure (Section 2.60.140)

The updated ordinance clarifies existing exceptions to the standard procurement procedures. The informal and formal bidding procedures may be dispensed with for (1) Sole Source Procurements, (2) Proprietary Procurements, and (3) Emergency Purchases, and (4) Purchases through other Public Agencies. These exceptions are already codified in the existing ordinance; however, the updated ordinance adds language to better explain when the exceptions would apply. Further, with respect to Emergency Purchases, the updated ordinance requires the Purchasing Officer to promptly file with the City Council a report identifying the emergency conditions and the necessity for the purchase, together with an itemized account of all expenditures.

The proposed modifications to the Purchasing System will better align with the operating needs to result in increased efficiencies in workflow and more effective operations for the City.

FISCAL IMPACT

There is no direct, explicit fiscal impact to modifying the purchasing Ordinance. However, it is anticipated that the proposed Ordinance will result in administrative cost savings due to the increased efficiency arising from the increase in threshold amounts, City Manager contract authority, and streamlining of procurement processes.

Attachment: 1. Purchasing Ordinance_September 2023

ORDINANCE NO. 2023-04

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, AMENDING AND RESTATING CHAPTER 2.60 (PURCHASING SYSTEM) OF THE LOS ALAMITOS MUNICIPAL CODE

WHEREAS, the City's procurement regulations, policies and procedures are codified at Chapter 2.60 (Purchasing System) of the Los Alamitos Municipal Code (the "Purchasing Ordinance"); and,

WHEREAS, the Purchasing Ordinance was last amended in 2021; and,

WHEREAS, the Purchasing Ordinance is outdated and hinders the City's ability to quickly and efficiently address the needs of the City; and,

WHEREAS, revisions to the Purchasing Ordinance are needed to adhere with best practices and be consistent with surrounding cities; and,

WHEREAS, the proposed amendment and restatement of the Purchasing Ordinance will increase the monetary purchasing thresholds, improve efficiency and enhance City procurement of necessary supplies, equipment, and services.

**THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, DOES
ORDAIN AS FOLLOWS:**

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. Section 2.60 of the Los Alamitos Municipal Code is hereby amended and restated to read as follows:

Chapter 2.60 PURCHASING SYSTEM

2.60.010 Purchasing system adopted.

2.60.020 Definitions.

2.60.030 Scope of purchasing policies and procedures.

2.60.040 Purchasing Officer.

2.60.050 Purchasing Agents.

2.60.060 Purchasing authority.

- 2.60.070 Encumbrance of funds.
- 2.60.080 Open market purchasing.
- 2.60.090 Informal purchasing procedures.
- 2.60.100 Formal purchasing procedures.
- 2.60.110 Best qualified vendor.
- 2.60.120 Inspection and testing.
- 2.60.130 Purchase orders required – Exception.
- 2.60.140 Exceptions to purchasing procedure.
- 2.60.150 Professional services.

2.60.010 Purchasing system adopted.

In order to establish efficient procedures for the purchase of supplies, equipment, and services, to secure for the City supplies, equipment, and services at the lowest possible cost commensurate with the quality needed, to exercise positive financial control over purchases, to clearly define authority for the purchasing function and to ensure the quality of purchases, a purchasing system is hereby adopted.

2.60.020 Definitions.

For purposes of this chapter, the following definitions shall apply:

A. “Estimated value” the estimated total value as determined by the Purchasing Officer at the beginning of the procurement process for the proposed supplies, equipment, and services. When making this initial threshold determination, the Purchasing Officer shall make reasonable use of all available market data and pricing information to estimate the total cost to the City, inclusive of taxes, licenses, freight charges, installation charges, fees, and other consideration, for the proposed procurement. The Purchasing Officer shall not use the value of any anticipated exchange or trade-in amount to reduce the estimated value of the proposed procurement.

B. “Non-professional services” means a contract for services not constituting professional services or public works projects subject to the City Charter and the California Public Contract Code.

C. “Professional services” means a contract for services, other than services constituting public works projects, performed by specially trained persons or firms who provide services in connection with financial, economic, accounting, engineering,

administrative or other matters involving specialized expertise or unique skills gained by formal studies or experience.

D. "Purchase order" means a written authorization by the issuing party for the recipient to provide labor, materials or services for which the issuing party agrees to pay.

2.60.030 Scope of purchasing policies and procedures.

Except as otherwise provided herein, the procurement regulations, policies, and procedures set forth in this chapter shall apply only to the purchase of supplies, equipment, and services and shall not apply to public works construction projects. Procedures and processes for the procurement of public works construction contracts are subject to the City Charter and the California Public Contract Code.

2.60.040 Purchasing Officer.

There is hereby created the position of Purchasing Officer. The City Manager shall be the Purchasing Officer. The City Manager may delegate any of the powers and duties conferred upon him or her as Purchasing Officer to any other officer or employee of the City in accordance with Section 2.60.050. The Purchasing Officer shall:

A. Purchase or contract for supplies, equipment, and services required by any department in accordance with purchasing procedures prescribed by this chapter, such administrative regulations as the Purchasing Officer shall adopt, and such other rules and regulations as shall be prescribed by the City Council;

B. Negotiate, approve, and execute, as well as recommend approval and execution of contracts for the purchase of supplies, equipment, and services;

C. Act to procure for the City the needed quality in supplies, equipment, and services at the least expense to the City;

D. Discourage uniform bidding and endeavor to obtain full and open competition on all purchases; provided, however, the Purchasing Officer may request bids based on brand name or specific make or model when he or she has made the determination that such specific makes or names are clearly in the best interest of the City. Such determination shall be made in writing and shall state the factors taken into account, including, but not limited to, the following:

1. Prior or existing use by the City of the brand or name,
2. Familiarity of the City's employees with the product,
3. Cost savings expected,
4. Spare parts or accessories on hand,

5. Elimination of the need for training on new equipment,

6. Unique adaptability of the brand or name to the city function which it will perform;

E. Keep informed of current developments in the field of purchasing, prices, market conditions and new products;

F. Prescribe and maintain such forms as are reasonably necessary to the operation of this chapter and any other rules and regulations;

G. Coordinate the inspection of all supplies, equipment, and services purchased to ensure conformance with specifications;

H. Recommend the transfer of surplus or unused supplies and equipment between departments as needed and recommend the disposition of all supplies and equipment which have become unsuitable for City use; and

I. Maintain a bidders' list, vendors' catalog file and records needed for the efficient operation of purchasing functions.

2.60.050 Purchasing Agents.

The Purchasing Officer may delegate responsibility for administering purchasing policies and procedures to one or more department heads. A department head who has been delegated authority by the Purchasing Officer hereunder is referred to herein as a Purchasing Agent. The authorized Purchasing Agents and their contract authority must be approved in writing by the Purchasing Officer and maintained on file with the Director of Finance.

2.60.060 Purchasing authority.

A. City Council. Purchases of supplies, equipment, and services with a contract value of more than one hundred thousand dollars (\$100,000.00) shall be awarded by written contract approved by the City Council pursuant to the procedures prescribed in this chapter.

B. City Manager. The City Manager is authorized to purchase supplies, equipment, and services with a contract value of up to one hundred thousand dollars (\$100,000.00), without prior approval of the City Council, pursuant to the procedures prescribed in this chapter. The City Manager shall promptly notify the City Council in writing of any purchase of more than eighty thousand dollars (\$80,000.00).

2.60.070 Encumbrance of funds.

Except in cases of emergency, the City Manager shall not issue any purchase order

or contract for supplies, equipment, or services unless there exists an unencumbered appropriation in the adopted budget against which such purchases may be charged. The City Manager has the authority to transfer unencumbered funds between and among City departments for the procurement of supplies, equipment, and services as necessary to implement the provisions of his chapter.

2.60.080 Open market purchasing.

Purchases of equipment, supplies, and non-professional services with an estimated value of up to ten thousand dollars (\$10,000.00) may be made by the Purchasing Officer in the open market by purchase order without observing the procedures set forth in Sections 2.60.090 and 2.60.100.

2.60.090 Informal purchasing procedures.

Purchases of equipment, supplies, and non-professional services with an estimated value of more than ten thousand dollars (\$10,000.00) and up to one hundred thousand dollars (\$100,000.00) shall be made by the informal procedures set forth in this section.

A. Request for Proposals. The requesting department shall solicit informal proposals by telephone or written request to prospective vendors.

B. Number Proposals. Whenever possible, and except as otherwise provided in this chapter, informal purchases shall be based on at least three informal proposals. Where, after a reasonable attempt has been made to solicit proposals no informal proposals are received, the purchase may be made in the open market.

C. Written Proposals. Informal proposals shall be submitted by vendors in writing to the Purchasing Officer, who shall keep a record of all informal proposals. This record, while so kept, shall be open to public inspection.

D. Award of Contract by Purchasing Officer. The purchase order or contract shall be awarded by the Purchasing Officer to the lowest cost proposer consistent with the best qualified vendor selection criteria set forth in Section 2.60.110.

E. Report to City Council. The City Manager shall promptly notify the City Council in writing of any informal purchase of equipment, supplies, or non-professional services made in accordance with this section with a contract value of more than eighty thousand dollars (\$80,000.00).

2.60.100 Formal purchasing procedures.

Purchases of equipment, supplies, and non-professional services with an estimated value of more than one hundred thousand dollars (\$100,000.00) shall be made by the formal procedures set forth in this section.

- A. Request for Proposals. An invitation for bids or request for proposals solicitation document shall be publicly noticed and made available to prospective vendors. The invitation for bids or request for proposals shall describe the requested supplies, equipment, or non-professional services in general terms, how to obtain more detailed information concerning the procurement, and state the time, place, and deadline for submission of proposals.
- B. Published Notice. The invitation for bids or request for proposals shall be publicly noticed in any generally accepted manner, which includes on the City's official website. In addition, such notice may include publication in an adjudicated newspaper of general circulation, printed and published in the City, posting in at least three public places within the City that have been designated by resolution as the places for posting public notices, and/or a public bulletin board in City Hall.
- C. Proposal Opening Procedure. Formal bids and proposals shall be submitted to the Purchasing Officer and shall be identified as formal competitive bids/proposals on the outside of the sealed envelope. The formal bids and proposals shall be opened in public at the time and place stated in the City's solicitation document. A tabulation of all bids/proposals received shall be open for public inspection during regular business hours for a period of not less than thirty (30) calendar days after the proposal opening.
- D. Rejection of Proposals. At its discretion, the City Council may reject any and all bids/proposals presented for any reason or for no reason, and may suspend, delay, or otherwise cancel the procurement, or may order the re-advertisement of the invitation for bids or request for proposals. If all formal bids or proposals are rejected and the City Council resolves by a recorded majority vote of the total membership of the City Council that the procurement can be performed more economically by force account, by informal procedures, or through open market purchases, then it may dispense with further formal competitive public bidding.
- E. Tie Bids. If two or more formal bids or proposals received are the same and are the lowest, the City Council may accept the one it chooses.
- F. No Bids Received. If no bids or proposals are received, the purchase may be let in the open market or by the informal procedures set forth in Section 2.60.090, subject to City Council approval.
- G. Award of Contracts by City Council. Formal contracts shall be awarded by the City Council to the lowest cost proposer, except as otherwise provided herein, consistent with the best qualified vendor selection criteria set forth in Section 2.60.110.
- H. Defects, Irregularities, and Informalities. The City Council may, in its sole discretion, waive any defect, irregularity, or informality in the formal bids or proposals or in the competitive procedures established in this section, and no such defect, irregularity, or informality shall void any contract entered into by the City.

I. Performance Bonds. The Purchasing Officer shall have authority to recommend that a performance bond or other form of security or guarantee be required before entering a contract in such amount as may be reasonably necessary to protect the best interest of the City. If the City Council requires a performance bond or other form of security or guarantee, the form and amount of the bond, security or guarantee shall be described in the invitation for bids or request for proposals, and the performance bond, security or guarantee shall be in a form approved by the City Attorney.

2.60.110 Best qualified vendor.

In determining the best qualified vendor, consideration is to be given to quality and performance of equipment or supplies to be purchased and/or the non-professional services to be provided by the vendor. Criteria for determining the best qualified vendor shall include but not be limited to the following:

- A. The cost of the equipment, supplies or non-professional services;
- B. The ability, capacity, and skill of the vendor to perform the contract and to provide the equipment, supplies, or non-professional services requested;
- C. The ability of the vendor to provide the equipment, supplies, or non-professional services requested promptly or within the time specified, without delay, interference, or service interruption;
- D. The ability of the vendor to demonstrate the attributes of trustworthiness, quality, fitness, capacity, and experience to satisfactorily perform;
- E. The character, integrity, reputation, judgment, references, experience, and efficiency of the vendor;
- F. The quality of vendor's performance history and record on previous purchases or contracts with the City;
- G. The ability of the vendor to provide future maintenance, repair parts, and services for the use of the goods and supplies, equipment, or materials purchased; and
- H. The ability of the vendor to demonstrate its prior, current, and continued compliance during the contract term with all applicable federal, state, and local laws, statutes, ordinances and all lawful orders, rules, and regulations promulgated thereunder.

2.60.120 Inspection and testing.

The Purchasing Officer or requesting department shall inspect supplies and equipment delivered and evaluate contract services performed to determine their

conformance with the specifications set forth in the purchase order or contract. The Purchasing Officer or requesting department shall have the right to waive any defect or informality. The Purchasing Officer or requesting department shall have the authority to require chemical and physical tests of samples submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with specifications.

2.60.130 Purchase orders required – Exception.

Purchases of supplies and equipment shall be made only by purchase order; provided, however, that any City department that maintains a City issued credit card may make purchases with such credit card of less than one thousand five hundred dollars (\$1,500.00).

2.60.140 Exceptions to purchasing procedure.

The procurement policies and procedures set forth in Sections 2.60.090 and 2.60.100 may be dispensed with and are not applicable, irrespective of their estimated value, in the following situations:

A. Sole Source. When supplies, equipment, or non-professional services are of a unique, sole source nature because of their quality, durability, availability, or fitness for a particular use and are available only from one source. A sole source procurement is a procurement where only one source is practicably available for the type of procurement required;

B. Proprietary Procurement. When the equipment, supplies, or non-professional services are proprietary. A proprietary procurement is a procurement where the desired good or service must be restricted to one manufacturer because the good or service is compatible with or is an integral component of existing equipment or products, is necessary to support a specific need of a program, is covered by patent or copyright, must yield absolute continuity of results, or is one with which a user has extensive experience and the use of any other similar good or service would require considerable reorientation and training. Under such circumstances, an equitable evaluation of comparable goods or services should be made showing that rejection of other goods or services is based solely on their failure to meet that need;

C. Emergency Purchases. When emergency conditions require the immediate purchase of equipment, supplies, or non-professional services from a known available source of supply. For purposes of this section, emergency purchases are those procurements that are required to prevent immediate interruption or cessation of necessary City services or to safeguard life, property, or the public health and welfare. In the event of an emergency, the Purchasing Officer may contract for equipment, supplies or non-professional services. The Purchasing Officer shall file promptly with the City Council a report showing such emergency conditions and the necessity for such action, together with an itemized account of all expenditures; and

D. Purchases through other Public Agencies. When the City Council or Purchasing Officer determines that another public agency or government entity, including without limitation the county of Orange, the state of California, and the Federal Government (hereinafter “the acquiring agency”) has selected the vendor using competitive bidding procedures substantially the same as or similar to those normally utilized by the City for the acquisition of the desired equipment, supplies or services. If such a determination is made, the City Council or Purchasing Officer, as applicable, may proceed to purchase the equipment, supplies or services at a price equivalent to that offered to the acquiring agency.

2.60.150 Professional services.

A. The procurement policies and procedures set forth in Sections 2.60.090, 2.60.100 shall not apply to contracts for professional services. The Purchasing Officer may award any contract for professional services when the total not to exceed contract amount is one hundred thousand dollars (\$100,000.00) or less. Any contract for professional services having a total contract amount of more than one hundred thousand dollars (\$100,000.00) shall be awarded by the City Council.

B. The City Manager shall promptly notify the City Council in writing of any purchase of professional services with a contract value of more than eighty thousand dollars (\$80,000.00).

C. Notwithstanding any provision in this chapter to the contrary, selection by the City for professional services shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required, and shall not be awarded solely on the basis of cost. The City shall consider price after the City is satisfied that the would-be person, company, corporation, contractor, consultant, or firm has demonstrated the competence and professional qualifications necessary for the satisfactory performance of the services required.

SECTION 3. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance for any reason is held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 4. The City Clerk shall certify as to the adoption of this Ordinance and shall cause a summary thereof to be published within fifteen (15) days of the adoption and shall post a Certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

PASSED, APPROVED, AND ADOPTED this ____th day of _____, 2023.

Tanya Doby, Mayor

ATTEST:

Windmera Quintanar, MMC, City Clerk

APPROVED AS TO FORM:

Michael S. Daudt, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LOS ALAMITOS)

I, Windmera Quintanar, MMC, City Clerk of the City of Los Alamitos, do hereby certify that the foregoing Ordinance was duly introduced and placed upon its first reading at a regular meeting of the City Council on the 21st day of August, 2023, and that thereafter, said Ordinance was duly adopted and passed at a regular meeting of the City Council on the ____ day of _____, 2023, by the following roll-call vote, to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

Windmera Quintanar, MMC, City Clerk

City of Los Alamitos

BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: September 11, 2023

ITEM NUMBER: 5B

To: Budget Standing Committee Members

Presented By: Craig Koehler, Director of Finance

Subject: Review and Discuss Unfunded Actuarial Liability (UAL) Additional Discretionary Payment Analysis

SUMMARY

Since the adoption of the City's Fiscal Sustainability Plan, the Budget Standing Committee and the Los Alamitos City Council have been exploring different methods of maximizing investment opportunities that result in net savings to the City's residents.

Following work with the Budget Standing Committee that culminated a period of 18 months, a funding plan and policy was presented to Council at the November 14, 2022 meeting, adopting Resolution 2022-33, PERS Unfunded Accrued Liability Pay-Down Funding Policy.

This report provides the Budget Standing Committee with a follow-up discussion on the PERS Unfunded Actuarial Liability (UAL), and consideration of possible additional discretionary payment (ADP) analysis.

RECOMMENDATION

Review and discuss the information in connection with the PERS Unfunded Actuarial Liability (UAL), and consideration of possible additional discretionary payment (ADP) analysis.

BACKGROUND

At the November 14, 2022, Council Meeting, Council adopted Resolution 2022-23, PERS Unfunded Accrued Liability Pay-Down Funding Policy, an UAL funding payment plan utilizing 12-year funding, with an estimated savings of \$2.2 million, requiring additional ADP payment of \$260,000 annually. The following policy was adopted:

DISCUSSION

In connection with the adoption of Resolution 2022-33, the UAL ADP of \$260,000 was added to the Budget for FY23-24, and the first payment was made in July. With the recent report of CalPERS's investment underperformance of -6.1% versus 6.8% expected rate of return, staff thought it would be prudent to reach out to PFM, who did the initial analysis, to further review the City's UAL and consider additional ADP in reaching the goal of 100% funding within 12 years or less.

FISCAL IMPACT

The City could realize potential additional long-term savings in connection with additional discretionary UAL payments.

Attachment: None

City of Los Alamitos

BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: September 11, 2023

ITEM NUMBER: 5C

To: Budget Standing Committee Members

Presented By: Craig Koehler, Director of Finance

Subject: Review and Discuss Finance Projects on the Horizon

SUMMARY

This report provides the Budget Standing Committee with a discussion of Finance Projects on the horizon.

RECOMMENDATION

Review and discuss Finance projects that are being planned.

BACKGROUND

Recruitment efforts continue for a permanent Finance Manager. An interim Finance Manager is currently in place to assist with year-end work and staff oversight. There are several large projects that need to be brought forward that have been on hold or delayed. With the additional contract support, these projects will now be feasible.

DISCUSSION

Cost Recover (Fee Study)

One of the projects that will be done is the Cost Recovery (fee study). An RFP was done in 2022, and Wildan Financial Services was selected. A contract was executed on September 6, 2022 under the City Manager's signing authority. The approximate time frame to complete this will be four to six months, with a draft fee plan that will be reviewed by the Budget Standing Committee and Council. The new fee schedule will be rolled out to coincide with the next fiscal year's budget, FY24-25.

Payroll Automation

Another large undertaking by Finance will be to review options for automating the payroll process, to eliminate paper timesheets and create efficiencies. Among the options for consideration and discussion are an upgrade to the City's financial system, to add ERP PRO – EXECUTIME, and outsourcing solutions to third-party payroll processors, like ADP or Paychex.

Analysis of options will be compared along with associated costs, to be discussed with Budget Standing Committee. The estimated date to complete the payroll conversion process is the end of 2024.

FISCAL IMPACT

To be determined.

Attachment: None

City of Los Alamitos

BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: September 11, 2023

ITEM NUMBER: 5D

To: Budget Standing Committee Members

Presented By: Emeline Noda, Director of Recreation & Community Services

Subject: Senior Services Master Plan and Conversion of Three Part-time Positions to Full-time Positions in Recreation & Community Services

SUMMARY

This item proposes the development of a Senior Services Master Plan and consideration of the conversion of three part-time Community Services Coordinators to full-time Recreation Coordinators at Mid-Year. If the proposed plan of conversion from part-time to full-time occurs at Mid-Year, the fiscal impact to the Recreation & Community Services Department will be \$67,054. Annually, the fiscal impact will be approximately \$134,108.

RECOMMENDATION

Review and discuss the development of a Senior Services Master Plan and the proposal of converting three part-time Community Services Coordinators to full-time Coordinators at Mid-Year.

BACKGROUND

The Recreation & Community Services Department has seen continued growth in programs, services, and events in the last three years. The community has historically supported Recreation & Community Services offerings each year. The Department has observed a great response to new offerings since COVID-19, with families and individuals of all ages continuously seeking ways to engage with their community, with a high demand for service and well-attended community events.

DISCUSSION

As the senior population of ages 50+ continue to live longer, the Recreation & Community Services Department continuously evaluates and researches trends to program for the ages of 50 to 100 years old. Due to the vast range of ages in this population, a Senior Services Master Plan can provide a framework to develop programming for the next 20+ years.

Each of the three part-time Community Services Coordinators work an average of 28 hours per week in the areas of:

1. Senior Services
2. Events and Aquatics
3. Youth and Adult Sports

There is a growing need in each of these areas to dedicate increased hours to accommodate and support the various programs or events.

- Additional duties assigned include Senior Transportation Program (recently approved by City Council), expanded Senior Club support, expanded senior educational programs and classes with the development of a Senior Services Master Plan.
- Additional duties assigned include year-round Aquatics program, expanded Aquatics programs and classes for expanded age groups.
- Additional duties assigned include year-round Youth Sports programs, Table Tennis Acquisition, pop up Pickleball, and adaptive sports partnerships with the Los Alamitos Unified School District.

As part of this conversion, the Department will accomplish the goals of staff retention, maintain a cohesive team, and continue with external community relationships vital to these roles (i.e. Aquatics and Los Alamitos Unified School District personnel), and reduce the need to recruit and train new individuals.

FISCAL IMPACT

If the proposed plan of conversion from part-time to full-time occurs at Mid-Year, the fiscal impact to the Recreation & Community Services Department will be \$67,054. Annually, the fiscal impact will be approximately \$134,108. Since returning to normal programming after COVID-19, the Recreation & Community Services Department has seen increased revenue in program attendance and Department sponsorships to cover the amount of this budget adjustment.

Attachment: None

City of Los Alamitos

BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: September 11, 2023

ITEM NUMBER: 5E

To: Budget Standing Committee Members

Presented By: Emeline Noda, Director of Recreation & Community Services

Subject: Consideration to Fund Insurance Costs for Los Alamitos Community Foundation and Los Alamitos Senior Club

SUMMARY

The Los Alamitos Community Foundation and Los Alamitos Senior Club are two City-established non-profits that assist in providing funding or providing direct programs and services to serve the residents of Los Alamitos in City facilities. Both entities are in need of insurance coverage and also requested to provide coverage to the City of Los Alamitos as additional insurance with amendatory endorsements as required by each agreement or Memorandum of Understanding (MOU). It is recommended that the City of Los Alamitos fund the insurance costs for each of the Los Alamitos Community Foundation and the Los Alamitos Senior Club totalling approximately \$3,000-\$4,000 per organization.

RECOMMENDATION

It is recommended that the City of Los Alamitos fund the insurance costs for each of the Los Alamitos Community Foundation and the Los Alamitos Senior Club in the amount of approximately \$3,000-\$4,000 per organization.

BACKGROUND

The Los Alamitos Community Foundation and Los Alamitos Senior Club exist to support the City of Los Alamitos' programs and services to benefit the residents of Los Alamitos. Both non-profit organizations are in need of insurance coverage specifically for their organization, which will also name the City of Los Alamitos as additional insured with endorsements.

DISCUSSION

The Los Alamitos Community Foundation and Los Alamitos Senior Club are two unique organizations that are City-established to provide funding for City programs or services or provide direct programming or services at City facilities to serve the residents of Los Alamitos and fulfill an identified need, i.e. the Foundation serves as the non-profit recipient to receive tax-deductible donations or grants that require a 501(c)3 status and the Los Alamitos Senior Club serves the seniors in Los Alamitos for the past 40+ years. Due to these specific identified needs that augment the City of Los Alamitos, it is recommended that the City fund the insurance costs for these organizations.

FISCAL IMPACT

The cost for the City of Los Alamitos to fund the insurance costs for each of the Los Alamitos Community

Foundation and the Los Alamitos Senior Club is approximately \$3,000-\$4,000 per organization.

Attachment: None

City of Los Alamitos

BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: September 11, 2023

ITEM NUMBER: 5F

To: Budget Standing Committee Members

Presented By: Irving Montenegro Jr., Manager

Subject: Los Alamitos Facade Improvement Program: Revive Los AI (formerly Building a Greater Los AI)

SUMMARY

A discussion concerning the implementation of this Economic Development program intended to assist Los Alamitos businesses through a facade improvement program.

RECOMMENDATION

1. Review and discuss the program structure and criteria; and,
2. Provide feedback to include in the final program guidelines; and,
3. Direct City Staff to prepare for the regular City Council Meeting.

BACKGROUND

Revive Los AI is an Economic Development program that was previously presented at the March 9, 2023 Budget Standing Committee meeting. At this meeting, the program was initially called Building a Greater Los AI and was intended for commercial businesses, home-based businesses, and private residences. After careful consideration and review, Staff's recommendation is to split Revive Los AI into two phases with the focus first on business/commercial businesses, and then move to the second stage, which will include private homes.

The Economic Development Division main objective is to provide assistance to businesses with several avenues to learn, promote, and grow in Los Alamitos. Past programs include partnering with the Small Business Development Centers (SBDC) to offer micro grants and training focused on innovative ways to improve marketing strategies, client attraction, inexpensive systems and tools for business operations. Additionally, the City's Celebrate Los AI event includes the inaugural Pine strEATs grant program which solicits Los Alamitos based restaurants and home-based food services to participate in the event by offering a grant of up to \$5,000 to cover all event related expenses associated with supplies, food items, and personnel hours. The Pine strEATS grant program will provide marketing to the thousands of community attendees of the Celebrate Los AI event.

The focus will shift back to brick-and-mortar businesses and commercial establishments in the City. The objectives of this program are to set incentives for improving the aesthetics of the property, build relationships between local businesses and the City, demonstrate a

commitment to enhancing the shopper's experience before they step foot into the establishment, and stimulate the local economy.

DISCUSSION

Program Criteria

The program criteria are listed below:

- Must be a business and commercial property within the City of Los Alamitos
- Independent contractors are not eligible
- City Staff, Elected Officials, and Appointed Officials are not eligible
- Fees paid to outside agencies are not eligible (i.e. schools, county, districts)
- Must present direct nexus between permitted work and receipts for local purchases
- Free of any building and code violations
- Must have a valid Los Alamitos business license
- Program expiration set for one calendar year from launch date

Eligible Improvements

The program is eligible for the following improvements and applicants will be responsible for selecting a contractor, acquiring all necessary City permits, while maintaining high construction standards and City policies and procedures:

- Exterior paint
- Windows
- Doors
- Signage
- Landscaping
- Irrigation
- Awnings
- Canopies/pergolas
- Exterior facade treatments and additions
- Block wall/fencing

Program Procedures

The program procedures are designed to be easy but methodical as the City will cover up to 50% of the projected costs for improvement. Thus, auditing will be critical in ensuring that the work done is met through the expected timeline.

Marketing Plan

The following marketing strategy will be used to help educate and solicit interest from applicable businesses in the City:

- City website
- Email blast
- Social media
- Recreation brochure

- Citywide mailers
- Local newspapers
- Posters at various locations
- Pop-up banners and street banners

FISCAL IMPACT

The budget allocation for this program is proposed to come out of the Economic Development Division appropriated budget for this fiscal year (2023/2024). Each eligible business will be eligible to receive 50% reimbursement for City approved project expenses with a maximum limit of \$15,000. This is intended to make it equitable and available for multiple businesses to participate in the program. Applications will be received on a first come, first serve basis.

Marketing Costs	\$7,500
Program Expenses	\$100,000
Total	\$107,500

Attachment: None