

**INFORMATION, TECHNOLOGY, AND GENERAL SERVICES and ECONOMIC DEVELOPMENT AND JOBS COMMITTEE REPORT** relative to establishing a permanent Office of Procurement.

Recommendations for Council action, pursuant to Motion (Raman, Krekorian - O'Farrell):

1. INSTRUCT the City Administrative Officer (CAO), with the assistance of the Chief Procurement Officer (CPO) and relevant City staff and departments, to provide a detailed report within 60 days on establishing a permanent Office of Procurement within the CAO's office that would be responsible for the oversight, accountability, process, and protocols of the City's procurement operations. The report should include, but not be limited to:

- a. A complete description of the CPO's responsibilities, drawing on the experience of other major cities with successful centralized procurement offices or units, including but not limited to:
  - i. Developing a comprehensive Procurement Policy Strategy, for approval by Council, with clear metrics, accountability mechanisms, and recommendations for reform and improvement, to be updated annually.
  - ii. Reporting to Council on a quarterly basis on ongoing contract activities and City-wide and department-level progress made toward achieving outcomes outlined in the Procurement Policy Strategy.
  - iii. Providing departments with oversight, support and expertise in drafting solicitations for bids, managing competitive bidding processes, negotiating and executing contracts.
  - iv. Identifying opportunities for executing City-wide professional service contracts based on an analysis of redundant service contracting across multiple departments, including proprietary departments.
  - v. Creating a City-wide payment audit function to ensure timely payment to vendors.
  - vi. Developing a City-wide program to monitor subcontractor utilization.
  - vii. Leading the City's Business Certification Program, ensuring that program design is aligned with established policy priorities around equity and inclusion and that metrics are regularly established and reviewed by Council.
  - viii. Setting social and environmental standards for City contractors, for approval by Council, and ensuring these standards are in alignment with the City Charter and ordinances in collaboration with the City Attorney.
  - ix. Working in concert with the Bureau of Contract Administration to ensure that contractors remain in compliance with the terms of their agreements with the City for the duration of those agreements.
  - x. Managing the data and technology associated with procurement and developing a unified City-wide system infrastructure.
  - xi. Managing relations with external stakeholders relevant to the City's procurement process.
- b. A full description of the governance mechanisms of the Office of Procurement, including but not limited to:

- i. Embedding review of procurement and contracting activities into annual departmental budgeting process.
  - ii. Protocols for the Office of Procurement to review and prompt changes to departmental procurement processes to conform with the City's Procurement Policy Strategy, as well as potential options to accelerate contracting processes for departments who are engaged in best practices and meeting or exceeding policy objectives, such as relief from the strict mandates of Executive Directive 3.
  - iii. Proposed process for establishing Departmental Service Agreements with expectations, duties, and roles of procurement liaisons embedded in departments.
- c. The costs, personnel, and facilities needs of a permanent Office of Procurement within the CAO, including an analysis of where personnel for the permanent Office of Procurement could be sourced from (within and outside current City staff) and benchmark comparisons with staffing and resources at other large municipalities' central procurement offices or units.
2. INSTRUCT the City Attorney to report within 60 days on any legal changes to the City's ordinances and/or charter that would be necessary to establish the Office of Procurement as the unit responsible for executing City-wide contracts with vendors on behalf of the City.

Fiscal Impact Statement: Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted

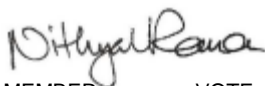
SUMMARY

At the meeting held on October 7, 2021, your Information, Technology, and General Services Committee considered a Motion (Raman, Krekorian - O'Farrell) relative to establishing a permanent Office of Procurement. After an opportunity for public comment was provided, the Committee moved to approve the recommendations contained in the Motion, as detailed above.

Subsequently, on November 9, 2017, the Economic Development and Jobs Committee also considered this matter and after providing an opportunity for public comment, the Economic Development and Jobs Committee concurred with the recommendations made previously by the Information, Technology, and General Services Committee. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
RAMAN	YES
BLUMENFIELD	YES
PRICE	YES

ECONOMIC DEVELOPMENT AND JOBS COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PRICE	YES
KREKORIAN	YES
BLUMENFIELD	YES
RAMAN	YES
HARRIS-DAWSON	YES

ME 11/9/21

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**