



# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 7<sup>th</sup> Floor • Long Beach, CA 90802 • (562) 570-6200 • Fax (562) 499-1097

May 19, 2015

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

## RECOMMENDATION:

Authorize the City Manager to execute all necessary documents to receive and expend grant funding from the Knight Foundation and the Long Beach Community Foundation in the amount of \$50,000, for the express purpose of participation in the Knight Foundation Citymart Partnership, of which Long Beach is a Partner City;

Authorize the City Manager to execute all documents necessary to enter into a contract with Citymart, a non-profit corporation of New York, NY, for the provision of capacity building and professional services to allow the City to complete the Knight Foundation Citymart Partnership, in an amount not to exceed \$132,000 for a period of two years, with one two-year extension option; and

Increase appropriations in the General Grants Fund (SR 120) in the City Manager Department (CM) by \$50,000. (Citywide)

## DISCUSSION

The City was recently selected to become a Knight Foundation Citymart Partner City. The Knight Foundation (Foundation) invests in civic innovators who help cities attract and keep talented people, expand economic opportunity and create a culture of engagement. One key initiative of the Foundation is the Engaged Communities Strategy that funds innovative approaches to problem-solving and the procurement of goods and services.

As a Partner City, Long Beach will collaborate with Citymart to pilot a new procurement process for City-purchased goods and services. The Citymart process is known as "problem-based procurement." Instead of posting bid specifications developed internally by City staff, the Citymart process asks Partner Cities to craft open-ended "challenges" to the community and service providers to identify innovative ways to provide goods and services. Examples from other cities that have used the Citymart approach include a unified wireless control device for street lighting and other urban systems piloted in San Francisco, a way to address 10,000 sunken or raised manhole covers in Boston, and a way to cut excessive traffic noise in residential areas of Moscow. As part of the Knight Foundation grant, Citymart will work alongside City staff to frame the challenge, research solutions, recruit potential bidders, and evaluate responses. This innovative and cutting edge procurement method will provide the City with an additional tool to tackle tough challenges.

## HONORABLE MAYOR AND CITY COUNCIL

May 19, 2015

Page 2

As a Partner City, Long Beach will participate in five open procurement challenges over 18 months. The Innovation Team will take primary responsibility for managing the relationship with Citymart and executing the challenges. In general, the Innovation Team (i-Team), supported by Bloomberg Philanthropies, is tasked with identifying and designing solutions to pressing issues. Working under the Bloomberg Innovation Delivery approach, the i-Team will work with departments to investigate problem areas and facilitate the design and implementation of solutions. During the City's relationship with Citymart, the i-Team will work alongside the Business Services Bureau of the Financial Management Department, building their capacity to execute problem-based procurement methods. Finally, the Departments of Economic Development and Property Management, Technology and Innovation, and Pacific Gateway will participate, as needed, to reach out to local businesses and support the technological needs of this process.

Citymart emphasizes outreach to local and global businesses. Through a thorough review of the City's procurement processes, the City will uncover barriers to entry that discourage or prevent businesses from responding to Requests for Proposals and Invitations to Bid. By reducing and eliminating these barriers when possible, Citymart increases the breadth and depth of the response pool, thereby increasing competition and allowing the City to secure the best goods and services.

This matter was reviewed by Deputy City Attorney Amy R. Webber on April 2, 2015 and by Budget Management Officer Victoria Bell on April 21, 2015.

### TIMING CONSIDERATIONS

City Council action is requested on May 19, 2015 to allow Citymart and the City to begin collaboration as soon as the Innovation Team is in place and prepared to lead this project.

### FISCAL IMPACT

The total contract expense for Citymart will not exceed \$132,000. The Knight Foundation, in collaboration and consultation with the Long Beach Community Foundation, will provide \$50,000 in grant funding for the partnership. As this grant funding is not budgeted, an appropriation increase in the General Grants Fund (SR 120) in the City Manager Department (CM) is included in the recommendation. The City will contribute the remaining \$82,000 for the contract cost, which is currently budgeted in the General Grants Fund (SR 120) in the City Manager Department (CM). The City's contribution will be funded from the first year grant match appropriated on February 3, 2015 to support the implementation of i-Team solutions for the Bloomberg Innovation Team Grant.

HONORABLE MAYOR AND CITY COUNCIL  
May 19, 2015  
Page 3

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

JG:RAT  
K:\EXEC\05-19-15 ccl - CITYMART PARTNERSHIP RJ AK VB.DOCX

APPROVED:



---

PATRICK H. WEST  
CITY MANAGER