

October 19, 2021

# **R-18**

## **REVISED**

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

### **RECOMMENDATION:**

Request the City Attorney to prepare an Ordinance amending Section 2.84.010 of the Long Beach Municipal Code (“Authority of the Purchasing Agent and others to contract”) to temporarily increase the authority of the City Purchasing Agent for purchases paid for, or reimbursed by, funds from the Long Beach Recovery Act, or other stimulus funding listed in the Long Beach Recovery Plan document dated March 16, 2021, or as amended for community recovery from the effects of the COVID-19 pandemic, to bind the City through the issuance of a purchase order up to \$500,000, in accordance with procedures provided by the City Manager, until the expiration of these grant funds. (Citywide)

### **DISCUSSION**

On March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) became federal law, providing additional relief to address the continued impact of COVID-19 on public health, individuals, schools, businesses, nonprofit organizations, and state and local governments. Recognizing the inordinate economic and public health impacts that the pandemic has had on Long Beach residents, workers, and business owners, on March 16, 2021, the City Council approved the Long Beach Recovery Act, an economic recovery strategy using ARPA and other funding sources to equitably address the economic and public health impacts of COVID-19. The requested action will help provide an appropriate process for contracting associated with the Long Beach Recovery Act programs and allow the City to provide economic and social recovery resources to the community more expeditiously.

Since adoption of the Long Beach Recovery Act in March 2021, the City has secured \$249.2 million in funding and has focused on planning for implementation of the City Council-approved programs to ensure the City’s equity and collective impact goals are met. A detailed memorandum on the status of Long Beach Recovery Act programs will be provided in the coming weeks that previews the refined programs and timelines prior to their funding/implementation. Several Long Beach Recovery Act programs critical to addressing immediate needs of the community have been initiated, multiple programs are anticipated to be available in Winter 2021, with additional programs to follow in 2022. As implementation of Long Beach Recovery Act programs begins, the City will provide regular reporting on the spending of ARPA and other recovery-related grant funding.

While the City has been responding to the COVID-19 pandemic and operating under a Proclamation of Emergency, goods and services have been procured rapidly in accordance with Chapter 2.85 of the Long Beach Municipal Code (LBMC), which outlines procurement thresholds and processes during a proclaimed disaster or emergency, which were increased up to \$1,000,000. While the emergency procurement authority has been used sparingly, it has allowed City staff to respond as swiftly as possible to emerging needs of the community, including implementing programs and services associated with the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Given the reduction in scope of the need for pandemic-related services and supplies and that ARPA and other funding sources are expected to be available for at least the next two years, instead of only the few months associated with the CARES Act funding, it is now more appropriate to shift toward a longer-term strategy to address the needs of the Long Beach Recovery Act programs. Therefore, staff recommend that the City Council request the City Attorney to prepare an Ordinance amending Section 2.84.010 of the LBMC to temporarily amend the purchasing authority of the City Purchasing Agent to contract, increasing the authority from \$100,000 to an amount not to exceed \$500,000, if the purchase will be reimbursed by federal or state grant funds relating to Long Beach Recovery Act or other funding intended for community recovery from the effects of the pandemic, until such grants expire.

This strategy aligns well with other critical grant funding received by the City requiring swift implementation. Chapter 2.84.010 of the LBMC already provides that the City Purchasing Agent is authorized to bind the City through the issuance of purchase orders for amounts not exceeding \$500,000 if the purchase will be reimbursed by state or federal grant funds related to homeland security. The proposed recommendation will align Long Beach Recovery Act programs with homeland security grant processes. The requested temporary change would only affect eligible procurements being funded by the Long Beach Recovery Act or other funding intended for community recovery from the pandemic. The change would remain in place until at least December 31, 2024, the expiration of ARPA resources. The recommended action does not reduce standard City competition policy and practices when selecting the recipient of an award, as maximizing opportunities for interested organizations to benefit from these resources is paramount to the success of the programs and intention of the resources. City processes will be updated to allow for faster completion of the selection process for urgent procurements to further expedite the delivery of services or release of resources, at the City Manager's discretion.

This matter was reviewed by Deputy City Attorney Amy R. Webber on September 28, 2021, Business Services Bureau Manager Tara Mortensen on September 29, 2021, and by Revenue Management Officer Geraldine Alejo on September 30, 2021.

#### TIMING CONSIDERATIONS

City Council action to request the City Attorney to prepare an Ordinance amending Section 2.84.010 of the LBMC to temporarily amend the purchasing authority of the City Purchasing Agent and others to contract is requested on October 19, 2021.

EQUITY LENS

The City has incorporated the Equity Toolkit in this recommendation, as requested by the City Council on April 21, 2020. Providing for these updated regulations will allow for an alternative, streamlined solution to efficiently obligate and expend Long Beach Recovery Act resources, or other funding intended for community recovery from the effects of the pandemic. Long Beach residents, workers, and business owners are faced with inordinate economic and social impacts that require action and assistance from the City, especially for the communities that were disproportionately impacted by the pandemic.

FISCAL IMPACT

There is no fiscal impact associated with the temporary increase of the City Purchasing Agent's authority from \$100,000 to an amount not to exceed \$500,000. The increased authority will only apply to purchases paid for, or reimbursed by, funds relating to the Long Beach Recovery Act or other funding intended for community recovery from the effects of the COVID-19 pandemic. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. The local job impact associated with this recommendation is undetermined at this time.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KEVIN RIPER  
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



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THOMAS B. MODICA  
CITY MANAGER