



CITY OF BEVERLY HILLS

455 North Rexford Drive
Beverly Hills, CA 90210
Video Teleconference

The Beverly Hills City Council Liaison / Finance & Audit Committee

SPECIAL MEETING HIGHLIGHTS

Monday, November 2, 2020
5:04PM

MEETING CALLED TO ORDER

Date / Time: November 2, 2020 / 5:04PM

IN ATTENDANCE: Mayor Lester Friedman, Vice Mayor Robert Wunderlich, City Manager George Chavez, City Treasurer Howard Fisher, Director of Finance Jeff Muir, Assistant Director of Finance Tatiana Szerwinski, and Deputy City Manager Gabriella Yap

1) PUBLIC COMMENT

Members of the public were given the opportunity to directly address the Committee on any item listed on the agenda.

None.

2) INTERIM COMMUNICATIONS FOR THE FY2019-2020 FINANCIAL STATEMENT AUDIT

Five Major Observations:

- The City uses a decentralized purchasing model through which all tasks for bidding and sourcing procurements are performed by staff within operating departments.
- The Finance Department's current purchasing staffing levels are insufficient to offer core purchasing services.
- Best procurement management practices are not being used.
- Operating department staff who perform purchasing functions rely on past practices (largely "oral history") within their departments or what staff in other departments tell them are the purchasing procedures.
- Thresholds requiring Council approval on contracts are low compared with peer jurisdictions, and those contracts take longer to process.

34 Recommendations via 12 Major/Minor Categories:

- "Purchasing Partnership"
- Staffing
- Municipal Code Updates
- Accountability and Performance



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- Contracts
- Insurance Reviews
- Trainings, Meetings, and Manual
- Purchase Card Policy & Practices
- RFP, RFQ, & Bid Consistency
- Survey & Needs Assessment
- Munis Workflows
- Docketing
- Staffing
- Ability and Performance
- Contracts
- Insurance Reviews
- Trainings, Meetings, Manual
- Purchase Card Policy and Practices
- RFP, RFQ, and Bid Consistency

Municipal Code Updates:

- Amend the purchasing resolution to increase the purchasing approval thresholds for the city manager, finance director and department heads to up to \$100,000, up to \$50,000 and up to \$10,000, respectively.
- Clarify the authority of the city manager to delegate purchasing approval authority.
- Amend the Municipal Code to clarify that quotes can be requested by phone but must be submitted in writing.
- Amend the Municipal Code to clarify the intent and use of competitive bidding exceptions.

Additional Finance Recommendations:

- Change to multiyear provision.
- Addition of IT clause.
- Addition of Litigation Legal Services clause.
- Level 3 and 4 Bidding.
- Added additional definitions.
- Change from quarterly report to annual.
- Exception Clarification.



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Next Steps:

- Seeking input and recommendation of the Audit & Finance Committee to bring the Municipal Code changes forward to the full City Council.
- Will bring full Management Partners report along with timeline for implementation to the full Council.

3) ADJOURNMENT:

Date / Time: November 2, 2020 / 5:59PM