

## **LEGISLATIVE DIGEST**

[Administrative Code - Procurement of Goods and Services]

**Ordinance amending the Administrative Code to expand the scope of emergency procurement provisions for goods and services; and to allow City departments to modify agreements in ways not contemplated in the original solicitations.**

### **Existing Law**

Commodities and services procurements that are immediately needed may be purchased under emergency procedures detailed in Chapter 21, Section 21.15 of the Administrative Code. The current statute states what constitutes an emergency, actions the Purchaser and departments may take to respond, and adjustments the Purchaser may make to contracts in response to goods shortages.

Agreements that are procured by an Invitation for Bid process may be modified to include additional goods not specified in the original Bid in limited instances, and under a different procurement authority.

### **Amendments to Current Law**

Departments would be explicitly allowed to purchase commodities and services directly. The concept of an emergency would be significantly expanded. The larger scope would include: remedying potential harm rather than only actual harm, taking actions to preserve continuity of City government operations, effects of material shortages, and government actions that create extraordinary conditions being classified as an emergency event. Agreements procured under emergency authority would now be explicitly intended to be as short as possible, this concept was previously implicit.

Departments and the Purchaser would be able to modify existing agreements to respond to emergency conditions. An existing contract may be modified to allow for increased costs. An existing contract may be modified to extend agreements where the City lacks resources to procure those commodities or services anew.

The Purchaser would be charged with creating rules and regulations to offer guidance and structure of on renegotiating agreements, especially towards ensuring beneficial financial terms.

Agreements procured through Bids would have fewer restrictions on the catalog of items purchased if modified. Additional purchases and substantially related purchases could be added to the agreement if in compliance with the Purchaser's rules and regulations.

Background Information

The existing emergency procurement section was last updated in the 1990's. The section does not fully address many of the concerns of the present time, and the gaps were more evident during the Covid-19 Pandemic. The Government Operations Recovery Project undertook this overhaul to align the emergency procedures to what was implicitly being interpreted and expanded to address longer term extraordinary conditions.

The processes for purchasing additional commodities and services for agreements has historically been tightly connected to the underlying procurement. The Office of Contract Administration, the Purchaser, has indicated that minor modifications to existing agreements is a better use of resources than reprocurring agreements each time a new related commodity or service is needed, but was not originally contemplated in the bid.

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