Acevedo, Gloria

From: Yadi
Sent: Monday, April 13, 2026 2:08 PM
To: PublicComment-AutoResponse; Acevedo, Gloria
Subject: Public Comment - Pasadena Finance Committee Meeting 04/13/26
Attachments: Public Comment - Pasadena Finance Committee 04-13-26 Annual Purchasing Report.pdf

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Hi,

Please find attached my public comment for the April 13, 2026 Pasadena Finance Committee Meeting, agenda item 5. City Procurement Annual Report (FY 2023-2025).

Thanks,

Yadi
(Attachments: 1)

5. City Procurement Annual Report (FY 2023-2025)

Government Procurement Transparency

It is worth reiterating that City procurement reporting is an important oversight tool for governments – and the public – to examine how tax dollars are spent, increase transparency and accountability. Key aspects of reporting should identify that purchases are prudent, align with priorities, and flag risks.

Mitigating Newly Created Risks

The city recently updated its Purchasing Ordinance.[1] One particular change was to *"Exempt projects involving municipal affairs from Public Contract Code requirements"* (Section 4.08.175). The state of California permitted charter cities to exempt themselves from the Public Contract Code Requirements – an exemption that permits state and local agencies to circumvent formal competitive bidding or DGS approval for certain contracts. The rationale is that these exemptions give agencies flexibility and help increase efficiencies.

However, these exemptions also increase risks that procurement regulations were designed to mitigate. The risk of fraud, abuse and corruption increases when transparency and oversight decreases. This can lead to an increase in sole-source or emergency contracts, and generally breaking up contracts into smaller ones to avoid reaching the reporting requirement threshold.

Pasadena, not too long ago, faced a scandal involving a city official engaging in embezzlement, conflict of interest and misappropriation of public funds.[2] [3] Not only were funds lost, but there was additional resources needing to be allocated to address this problem, including city investigations, a city civil lawsuit and an LA DA criminal prosecution. In these increasing difficult financial times, the guardrails, oversight and scrutiny should increase, not decrease. If the city does not decide to roll back these exemptions, it should implement alternative oversight mechanisms to address the additional risks for corruption, fraud and waste it has introduced.

Mitigating this risk vital for the oversight of more than $300,000,000 in government spending. It will also help with the city's efforts to be more fair, transparent and equitable in awarding contracts.

Government Deployment of New Technologies

According to the report: *"The annual reports were delayed due to the City's transition to a new e-procurement system in December 2022, which required rebuilding vendor data and reporting structures, as well as adjustments to purchasing thresholds and reporting timelines."*

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1 https://www.cityofpasadena.net/public-notices/wp-content/uploads/sites/16/2024-07-15-ORDINANCE-7428.pdf

2 https://da.lacounty.gov/sites/default/files/press/110618_Ex_Pasadena_City_Official_Contractor_Convicted_For_%243_Million_Embezzlement_Scheme%20.pdf

3 https://www.cityofpasadena.net/city-manager/internal-audit/embezzlement-investigation/

5. City Procurement Annual Report (FY 2023-2025)

It is unfortunate that this important financial reporting was significantly delayed due to technical difficulties. In brief, government technology rollout delays hurts transparency and oversight but its important to note that its something that plagues governments at all levels across the country and not an issue unique to Pasadena. It would be beneficial to re-evaluate technology adoption risk management to address handling technical glitches and unexpected delays so as not to hinder important financial reporting and public oversight.

Yadi
Pasadena Finance Committee
April 13, 2026
5. City Procurement Annual Report (FY 2023-2025)