



City of Arts & Innovation

Economic Development, Placemaking & Branding/ Marketing Committee

TO: ECONOMIC DEVELOPMENT, PLACEMAKING AND BRANDING/MARKETING COMMITTEE MEMBERS **DATE: JANUARY 21, 2021**

FROM: FINANCE DEPARTMENT **WARDS: ALL**

SUBJECT: ORGANIZATIONAL PLAN FOR LOCAL PREFERENCE PROCUREMENT AND DISADVANTAGED BUSINESS ENTERPRISE POLICIES INCORPORATING STAKEHOLDERS' TOPICS AND INFORMATION ON REQUEST FOR PROPOSALS OF VACANT LAND

ISSUES:

Receive and file this organizational plan for local preference procurement and disadvantaged business enterprise policies incorporating stakeholders' topics and information on request for proposals of vacant land.

RECOMMENDATIONS:

That the Economic Development, Placemaking and Branding/Marketing Committee:

1. Receive and file this organizational plan for local preference procurement and disadvantaged business enterprise policies incorporating stakeholders' topics and information on request for proposals of vacant land; and
2. Provide input for potential new policy research and implementation.

BACKGROUND:

On November 19, 2020, the City Manager's Office presented the Local Preference and Disadvantaged Business Enterprise Procurement Policies and potential new policy implementation overview to the Economic Development, Placemaking, and Branding/Marketing Committee resulting in the receiving and filing of the overview and requested staff prepare an organizational plan that incorporates stakeholders and topics and information on the request for proposal of vacant land.

DISCUSSION:

A thoroughly defined policy change will lay a proper foundation for increasing the ability of local or minority owned businesses to actively compete for local contract awards. The review and revision of existing programs and implementation of new programs to support existing procurement policies or the development of new policies requires proper consideration in order to incorporate each of the Cross-Cutting Threads of the City's new Strategic Plan. These Cost-Cutting Threads include:

- **Community Trust** – Riverside is transparent and makes decisions based on sound policy, inclusive community engagement, involvement of City Boards & Commissions, and timely and reliable information. Activities and actions by the City serve the public interest, benefit the City's diverse populations, and result in greater public good.
- **Equity** – Riverside is supportive of the City's racial, ethnic, religious, sexual orientation, identity and other attributes of diversity and is committed to advancing the fairness of treatment, recognition of rights, and equitable distribution of services to ensure every member of the community has equal access to share in the benefits of community progress.
- **Fiscal Responsibility** – Riverside is a prudent steward of public funds and ensures responsible management of the City's financial resources while providing quality public services to all.
- **Innovation** – Riverside is inventive and timely in meeting the community's changing needs and prepares for the future through collaborative partnerships and adaptive processes.
- **Sustainability and Resiliency** – Riverside is committed to meeting the needs of the present without compromising the needs of the future and ensuring the City's capacity to persevere, adapt and grow during good and difficult times alike.

On November 23, 2020, the City Manager's Office transferred the policy task revisions to the Finance Department.

On December 11, 2020, the Purchasing Manager and the City Attorney met to discuss the project timeline and brainstormed the best approach to expand the Local Preference Policy and Disadvantage Business Enterprise (DBE) Program that aligns with the City's recently adopted Strategic Plan.

After extensive review and discussion, it was determined that the Local Preference Policy expansion would be the first area to modify program guidelines since there is legislative flexibility in this subject, which allows simplicity to amend the Purchasing Resolution. The DBE program modification requires lengthy discussion and development to ensure adherence to formal regulations and requirements. It is projected that the DBE program modifications are to follow in October 2021.

The Local Preference project framework consists of 10 tasks and objectives that will allow the City the opportunity to quickly address and modify this framework and ensure Purchasing Resolution (No. 23256) revisions will be complete and ready to present to City Council for consideration in June 2021. The expanded list below provides the anticipated tasks,

corresponding objectives and the actions, details and functions required to complete the project.

January 21, 2021 to March 18, 2021

- Task 1: Define Local Preference
 - o Defining the local preference will fine-tune the program expansion.
 - o Determine the language to include for services.
 - o Discover what will need to be added to all legal documents.
- Task 2: Define exclusions to the Local Preference
 - o Express the departments and funding sources that are limited when applying the use of local preference.
- Task 3: Determine and Provide potential stakeholders
 - o Recommending arms-length processes to protect integrity of procurement programs.
 - o Meet with the business community to discover current programs and to obtain feedback on what the local businesses will benefit from. Find out which vendors might be interested in participating.
 - o Virtual Vendor training with Q&A session
 - Small Business Development Center and Purchasing Division of Finance on January 21, from 9:30-11:00 a.m.
 - Topics: How to do business with the City? How to register as a vendor? Locating bids by utilizing the City's eProcurement system. When the City requires to qualify as a potential vendor.
- Task 4: Research
 - o Surveys
 - Vendor feedback surveys.
 - Conducted by Small Business Development Center
 - Conducted by the Purchasing Division
 - Department survey to obtain input on Local Preference and what impact they foresee with the program expansion.
 - o City Surplus Land programs utilized by other agencies and research AB1486 to fully understand legal hinderances. Explore elements of program possibilities.
 - o Explore research benefits and report other City demographics.
 - o Discover how San Bernardino County and other agencies preference programs are working for them, including processes, forms and implementation information.
 - o Consideration of subcontractors in the local preference calculation.
 - o Discover options for managing a list of local and DBE businesses, similar to the County of Riverside's procedures.
 - o Explore statistics for local preference programs for Services, (percentages, benefits, costs)
 - o Meet with Community and Economic Development Department to discuss current Local and Small Business outreach already being done and what benefits that the community would come from the Local Preference and DBE expansions.
- Task 5: Implementation Plan Research
 - o Explore program implementation, staff involvement and time allocation.
 - o Determine point system or scoring system to be applied.
 - o Add services section and formal section to solicitation documents.
 - o Research what Administrative Policy modifications will need to be created or modified to accommodate revisions.

March 18, 2021 Committee Meeting: Research Findings for Local Preference Procurement Policy Expansion

- Task 6: Formulate program expansion details to committee
 - o Present research findings and survey results.
 - o Analyze data and discuss findings.
 - o Discuss what changes will need to be applied to Purchasing Resolution.
- Task 7: Obtain questions and feedback from committee
 - o Apply decisions and directions to Purchasing Resolution modifications.

May 20, 2021 Committee Meeting: Purchasing Resolution 23256 Legislative Requirements for Local Preference Procurement Policy Expansion

- Task 8: Provide legal citations and red lined Purchasing Resolution.
 - o Discuss legal requirements to modify local preference policy.
 - o Report the areas that are being modified and the effect of the changes.

July 22, 2021 Committee Meeting: Present and Review Modified Purchasing Resolution 23256 for Local Preference Procurement Policy.

- Task 9: Report final program modifications, benefits and obtain committee feedback.
 - o Issue Purchasing Resolution revisions and answers to previously submitted questions/research findings.

September 2021 Committee Meeting: Purchasing Resolution 23256 Final Committee Reading and Recommendation to Begin Disadvantage Business Enterprise Policy and Program Revision Planning.

- Task 10: Obtain recommendation to present revised Purchasing Resolution to City Council on 10/05/21.
 - o Purchasing Resolution reading.

FISCAL IMPACT:

There is no fiscal impact associated with the recommendations in this report. If new programs are recommended and implemented, the fiscal impact, if any, will be defined during City Council approval of these programs.

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