



City of Arts & Innovation

Economic Development, Placemaking and Branding/Marketing Committee

TO: ECONOMIC DEVELOPMENT, PLACEMAKING AND BRANDING/MARKETING COMMITTEE MEMBERS **DATE: MARCH 18, 2021**

FROM: FINANCE DEPARTMENT **WARDS: ALL**

SUBJECT: RESEARCH FINDINGS FOR LOCAL PREFERENCE PROCUREMENT POLICY EXPANSION

ISSUES:

Receive and file research findings for local preference procurement policy expansion.

RECOMMENDATIONS:

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

1. Receive and file research findings for local preference procurement policy expansion; and
2. Provide input for additional policy research, workshop guidelines and implementation.

BACKGROUND:

On November 19, 2020, the City Manager's Office presented the local preference and Disadvantaged Business Enterprise (DBE) procurement policies and potential new policy implementation overview to the Economic Development, Placemaking, and Branding/Marketing Committee (Committee). The overview report was received and filed, followed by a request from the Committee for staff to prepare an organizational plan that incorporated stakeholders' topics, and information on the Request for Proposals (RFP) of vacant land.

On January 21, 2021, the Finance Department presented an organizational plan to the Committee on local preference procurement and DBE policies incorporating stakeholders' topics and information on RFPs of vacant land. The Committee unanimously and without formal motion received and ordered the organizational plan filed.

On February 18, 2021, Chairperson Fierro presented a clarification of policy objectives, stakeholder engagement process options, and revised expedited timeline for local preference procurement policy revisions for RFP's on surplus land. The Committee requested the Finance Department provide an informal update on March 18, 2021. The Committee voted unanimously the March 18, 2021 revisions to the schedule be combined with the preliminary research report and presentation with the work study meeting on April 15, 2021.

DISCUSSION:

The local preference project framework consists of ten tasks and objectives that will allow the City the opportunity to quickly address and modify framework to ensure Purchasing Resolution No. 23256 revisions and resolution revisions will be complete and ready to present to City Council for consideration in June 2021. The expanded list below provides the task updates.

January 21, 2021 to March 18, 2021

Task 1: Define Local Preference

- Defining the local preference will fine tune the program expansion.
- Determine the language to include for services.
- Discover what will need to be added to all legal documents.
 - **UPDATE:** Pending analysis of research data.

Task 2: Define exclusions to the Local Preference

- Express the departments and funding sources that are limited when applying the use of local preference.
 - **UPDATE:** Rate Payer funds and Design/Bid/Build procurement to be excluded per legislation.

Task 3: Determine and Provide potential stakeholders

- Recommending arms-length processes to protect integrity of procurement programs.
 - **UPDATE:** Pending Survey Results to obtain a list of interested Stakeholders and contacted Chamber of Commerce to obtain additional stakeholder contacts on February 19, 2021.
- 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.
 - **UPDATE:** Workshop scheduled for April 15, 2021.
- 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 COR? 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

- Vendor Feedback Survey
 - **UPDATE:** Purchasing Division formulated data requirements to meet the following goals.
 - *Goal 1: Vendor Data – To determine what business industry types, locations, and what percentages of the business community benefit from the current local preference policy. To also analyze data to determine the possible outcomes if the revisions were made based on adding the various industry types that are currently excluded and/or including County and State preferences.*
 - *Goal 2: Contract Award Data - To provide the statistics of how many contracts have been awarded to vendors under our current policy, compared to those outside of the local business community. The goal would be to determine the percentage of contracts that could be awarded if we add the various industry types and expanding to County and State preferences. The cross-referencing of survey data and historical contract awards obtained through the City's One Solution Contract Module software will be utilized to meet goal.*
 - *Goal 3: Vendor Opinions on Local Preference Programs – This goal is to determine whether change is warranted, how the business community views this type of program and to analyze how the City's current policy affects the bid process.*
 - *Goal 4: Stakeholder Involvement - Goal is to determine how many vendors are interested in attending workshops to revamp/influence the City's LVP program. In Riverside and Outside of Riverside, currently benefitting from program, not benefitting but could if we expand.*
 - *Collaboration with the City Manager's Office, Communication Division during the week of February 5, 2021 to create survey on the City's website.*
 - *Survey issued on February 11, 2021 through the Purchasing eProcurement Online System - Planet Bids, CEDD public newsletter and Inland Empire Small Business Development Center (IESBDC), reaching over 15,000 businesses.*
 - *Survey deadline extended until February 28, 2021. Re-released through previously used sources on February 18, 2021. Contacted the Riverside Chamber of Commerce to seek assistance with reaching additional businesses.*
- Internal Department survey to obtain input on Local Preference and what impact they foresee with the program expansion.
 - **UPDATE:** Pending Survey formation.
- City Surplus Land programs utilized by other agencies and research AB1486 to fully understand legal hinderances. Explore elements of program possibilities.
 - **UPDATE:** Being reviewed by City Attorney's Office, CEDD and Finance

Department. Meeting scheduled for Monday, February 22, 2021.

- *Pending research of the following agencies:*
 - *City of Long Beach*
 - *City of Los Angeles – Pending response*
 - *City of San Jose*
 - *City of Oakland*
 - *City of Stockton*
 - *City of Sacramento*
 - *City of Santa Ana*
- Explore research benefits and report other City demographics.
 - **UPDATE:** *Policy information obtained from the following sources to be used for program analysis.*
 - *City of Santa Ana Website – Policies, approvals, and implementation processes.*
 - *California Association of Public Procurement Officials (CAPPO) Training and Panel Discussions attended by Purchasing Manager.*
 - *Debating Local Preferences*
 - *Speaker - City of Tucson Procurement Director*
 - *Attended on February 4, 2021.*
 - *Developing a Small Business Program*
 - *Speakers - State of CA, DGS Division, Sacramento Municipal Utility District, County of San Diego, and LA World Airport*
 - *Attended on February 17, 2021.*
- Discover how San Bernardino County and other agencies preference programs are working for them. Processes, forms, and implementation information.
 - **UPDATE:** *Information request sent to the following agencies for additional information.*
 - *Riverside County – Response pending*
 - *San Bernardino County – Response pending*
 - *City of Corona – Currently revising their policies. No additional data to provide.*
 - *City of Moreno Valley – Response pending*
 - *City of San Bernardino – Response pending*
 - *City of Los Angeles – Response pending*
- Consideration of subcontractors in the local preference calculation.
 - **UPDATE:** *Pending research analysis.*
- Discover options for managing a list of local and DBE businesses, similar to the County of Riverside's procedures.
 - **UPDATE:** *The following options are the standard based on research to date.*

- *Manage Vendor Preference Lists through current PlanetBids Vendor Module.*
- *Utilize the State of CA – DGS certification program portal.*
- Explore statistics for local preference programs for Services, (percentages, benefits, costs)
 - **UPDATE:** *Downloaded the following reports from PlanetBids eProcurement Software, One Solution Contract Module and Vendor Module – Pending Analysis*
 - *Vendor Classification, Ethnicity, Gender Report by Commodity*
 - *Bid Activity Report*
 - *Vendor Activity Report*
 - *Contract Balance Summary Report*
 - *City of Riverside Active Vendor List*
- 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.
 - **UPDATE:** *Collaborated internally with CEDD and discovered that business community outreach is currently taking place every other week through the Economic Development Newsletter. Staff monitors the viewing click rates and has seen an increase since this implementation.*
 - *CEDD and the Finance Department attend the Chamber of Commerce Annual Vendor Exhibit to provide information on “How to Do Business with the City of Riverside”.*

Task 5: Implementation Plan Research

- Explore program implementation, staff involvement and time allocation.
- Determine point system or scoring system to be applied.
- Add services section and formal section to solicitation documents.
- Research what Administrative Policy modifications will need to be created or modified to accommodate revisions.
 - **UPDATE:** *Pending research analysis.*

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

Task 6: Formulate program expansion details to committee

- Present research findings and survey results.
- Analyze data and discuss findings.
- Discuss what changes will need to be applied to Purchasing Resolution.
 - **UPDATE:** *Moved to LVP workshop on April 15, 2021.*

Task 7: Obtain questions and feedback from committee

- Apply decisions and directions to Purchasing Resolution modifications.

- **UPDATE:** Pending LVP workshop on April 15, 2021.

FISCAL IMPACT:

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

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