



Date: October 24, 2017
To: Patrick H. West, City Manager 
From: John Gross, Director of Financial Management 
For: Mayor and Members of the City Council
Subject: **Update on Progress to Support Local Businesses for City Purchasing Opportunities**

At the City Council meeting on June 20, 2017, staff described the extensive efforts already in place to recruit Long Beach businesses to participate in City of Long Beach (City) purchasing opportunities. The associated presentation described steps that staff planned to take to further improve the recruitment process. This memo provides an update regarding the progress of that effort.

Background

The City has a comprehensive program in place to include local and small businesses in purchasing opportunities. Long Beach stands with the best of cities in supporting local businesses as determined by the results of a recent benchmarking study. The Long Beach program includes Local Business Preference on applicable Invitations to Bid (ITB), the Small Business Enterprise Program, the Small Business Incentive Program, proactive bid and procurement opportunity advertising and outreach directed to local businesses, information and resources on the City website, and pre-bid/proposal conferences to ensure understanding of the specifications and requirements.

Although our program is strong, there are ways in which the program can be improved. The planned areas of improvement include:

- Specific branding of the program that identifies and consolidates the City's efforts to recruit and include local businesses in City procurements under one clear program title.
- Improved promotion of the program to help reach more businesses, including those in the Latino and Cambodian business communities.
- Increased coordination and collaboration with other City programs and operations unrelated to procurement to increase outreach to, and engagement with, our local business community.
- Increased opportunities for local businesses to compete, and win, in low dollar value purchases.
- Document and requirements simplification to make it more attractive and less onerous for small businesses to participate in bidding opportunities.
- Improved tracking and reporting of program efforts and outcomes.

- Review of the RFP process and collaboration with the City Attorney to find ways to improve opportunities for local business participation in professional/consulting services.

Program Development

Staff has begun working on the improvements. Other City Council priorities and staff vacancies have affected the speed of the improvements, but progress is being made.

- Preliminary work to draft a branding and communication plan to guide the outreach and marketing of the program to local businesses has begun. This effort includes creating promotional materials to describe City resources and processes to prioritize local business outreach strategies. Examples of these efforts include creating multilingual materials and an improved online presence. Staff will review and expand on this work with the assistance of a marketing professional.
- Improvements to our bid management system have started that will allow the City to better identify local businesses that provide goods or services relevant to City procurements. Once fully implemented, this improved functionality will provide the necessary foundation for formal procedures that City departments will follow to ensure thorough local business outreach for low dollar value (informal) procurements.
- A project to review insurance requirements and the City's insurance approval process has started. The goal of this project is to be more small business friendly by modifying the requirements and/or streamlining the process to increase the speed of procurement awards.

Staff will continue to work on the items identified for improvement, including looking in detail at the comments made by individual Councilmembers. Staff will implement improvements as they are developed. If you have questions on this matter, please contact Sandy Tsang-Palmer at (562) 570-6663.

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