City of Long Beach
Working Together to Serve

Memorandum

Date: May 16, 2018

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 being taken to recruit Long Beach businesses to participate in City of Long Beach (City) purchasing opportunities, as well as steps that staff planned to take to further improve the process (Attachment A). The first update on the progress of improvements was provided to the City Council on October 24, 2017 (Attachment B). This memo provides a second update regarding further progress to date.

Staff continues to make improvements and has made significant progress. However, the speed of this progress continues to be impacted by turnover in critical operational positions, as well as highly-intensive priorities including LBCOAST implementation, the new Civic Center, and cannabis business licensing and regulation/enforcement.

Background

The City has a comprehensive program in place for the inclusion of local and small businesses in City purchasing opportunities that stands with the best of other cities in supporting local businesses. The program includes Local Business Preference on applicable Invitations to Bid (ITB), the Small Business Enterprise Program, the Small Business Incentive Program, proactive procurement advertising and outreach directed to local businesses, information and resources on the City website, and pre-bid/proposal conferences to ensure understanding of specifications and requirements.

Although our existing program for inclusion of local and small business is strong, there are additional planned areas of improvement. These include increased opportunities for local businesses, simplification of documents and requirements, specific branding and improved promotion (including increased coordination and collaboration with other City programs and operations), review of the Request for Proposals (RFP) process for further opportunities, and improved tracking and reporting of efforts and outcomes.

Increased Opportunities for Local Businesses

The single largest long-term improvement is to match what local businesses provide with what the City needs to procure. As a major step in that improvement, a long process has

been completed to upgrade the City's bid management system to incorporate a more accurate and specific categorization of goods and services that registered businesses can supply and that the City is soliciting. This improvement is critical for better targeted notification to registered local businesses on formal procurements conducted by the City's central Purchasing Division. The upgrade will also allow City departments to utilize the system as a central business database that will support improved local business outreach on their less formal decentralized procurements.

This change is expected to have significant impact, especially when combined with increased promotion (Attachment C). An announcement has been released to all registered vendors informing them of the changes and providing them with guidance to update their profiles to take advantage of this improvement. Outreach calls will be placed to registered local businesses to further support their adoption of the improvements. Policies and procedures are currently being developed pertaining to department use of this improved business database to increase outreach to local businesses.

To further grow the use of the local business database, the Purchasing Division is partnering with the Economic Development Department (ED) to improve and expand outreach efforts to increase local business registration. Strategies are expected to include distribution of promotional materials to business associations and business support groups, conducting digital and social media outreach, and hosting presentations at various meetings and events.

Document and Requirements Simplification

Staff in the Financial Management Department (FM) and the Risk Management Bureau have conducted an in-depth review of the City's insurance requirements and insurance approval process, and are currently drafting proposed changes. The goal of this project is to be more local and small business friendly by streamlining the process to increase the speed of procurement awards and/or reducing insurance requirements where appropriate.

FM has also initiated an internal review of all solicitation templates. This review will include a review of best practices and benchmarking against other cities to make improvements. A focus of this effort will be to look for opportunities to make the templates more attractive, and easily accessible to encourage local and small business participation.

Branding and Promotion

FM and ED are partnering to develop comprehensive packaging, branding, and promotion of information to further support local business engagement in City procurements. This includes development of multilingual materials that will be distributed at multiple sites, including public counters, with community partners, etc. A first round of materials specific to new registration of local businesses in the City's bid management system are under development. These materials will be used for the initial push to get more local businesses

registered in the City's database through dissemination via Business Improvement Districts.

Review of the RFP Process

Staff is working on approaches to improve local business participation in professional/consulting services. This is an area that is subject to legal constraints and will continue to be explored for improvements.

Tracking and Reporting

As part of LBCOAST implementation, staff is working on approaches to better track outreach efforts to local businesses, procurement awards to local businesses, and dollars spent with local businesses. Improved data is expected to be available with the new LB COAST system after stabilization, accumulation of additional data, and development of improved reports.

Summary

As discussed above, the City has a robust system of support for local businesses. Since the last update, significant improvements have been made that will support even better targeted outreach and expanded opportunities for local businesses to compete on departments' less formal decentralized procurements. Staff will continue to work on the items identified for improvement, and will implement improvements as they are developed.

If you have any questions on this matter, please contact Sandy Tsang-Palmer at 8-6663.

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ATTACHMENTS

CC: CHARLES PARKIN, CITY ATTORNEY
LAURA L. DOUD, CITY AUDITOR
TOM MODICA, ASSISTANT CITY MANAGER
KEVIN JACKSON, DEPUTY CITY MANAGER
REBECCA GARNER, ASSISTANT TO THE CITY MANAGER
CM DEPARTMENT HEADS
CITY CLERK (REF. FILE #17-0492)

ATTACHMENT A

R-21

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 7th Floor • Long Beach, CA 90802 • (562) 570-6200 • Fax (562) 499-1097

June 20, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file a report and presentation on the City's plan to recruit and include Long Beach businesses in City of Long Beach procurement opportunities. (Citywide)

DISCUSSION

At its meeting on August 9, 2016, the City Council asked the City Manager to create a comprehensive plan to recruit and include Long Beach businesses in all City of Long Beach purchasing opportunities. The City Council also requested that staff benchmark the City's efforts against those of other public agencies.

As communicated in a memo to the Mayor and City Council dated April 13, 2017, staff has conducted a review of the City's current efforts to recruit and include Long Beach businesses in all City purchasing opportunities. Staff has also completed an internet-based benchmarking survey looking at Los Angeles, Oakland, Pasadena, Sacramento, Santa Monica, Anaheim, San Francisco, and San Diego, which includes all cities identified by the City Council at its August 9, 2016, meeting. This research considered local preference policies, local business outreach efforts, and program marketing. Staff has also identified steps the City expects to take to further strengthen ongoing efforts.

As confirmed by benchmarking research, the City has a comprehensive program that includes many of the practices of other California agencies with strong local business-related efforts. It also includes both direct and indirect outreach and assistance to local vendors and businesses to support their inclusion in City purchasing opportunities and to grow the Long Beach economy without adversely impacting the cost of City purchases. The City's practices are both reflective of, and coordinated with, our specific regulatory environment. Examples of the regulatory environment include that the City is required by the City Charter to award to the lowest responsive and responsible bidder; that the funding source or type/scope of work may require contractors to comply with additional hiring and reporting requirements (some of which may benefit local businesses and employees); and, that California law prohibits both discrimination and preferential treatment on the basis of race or gender.

The following summarizes the practices that are already in place at the City:

1. Local Preference

   The Purchasing Division staff applies a Local Business Preference on applicable procurements to increase the competitiveness of bids from local businesses.

   - When determining the lowest responsible bidder for furnishing materials, equipment, supplies, and non-professional services on applicable procurements under the authority of the City's Purchasing Agent, a local preference bid reduction of 10 percent applies, up to $10,000.
   - Long Beach has the highest local preference percentage of any of the cities surveyed.

2. Small Business Enterprise Program

   Staff administers the Small Business Enterprise (SBE), Very Small Business Enterprise (VSBE), and Local Small Business Enterprise (LSBE) Ordinance to promote utilization of these businesses.

   - Adopted by Ordinance in 2011, the purpose of the program is to provide the City with more competition, lower costs, and better community participation by working to reduce barriers to small and local business participation in the City's contracting and procurement processes. Staff applies SBE/VSBE/LSBE goals to applicable procurements.
   - In order to be considered responsive to a bid, bidders/proposers must submit commitment plans that demonstrate their ability or intention to meet the goal or satisfy significant criteria demonstrating good faith effort. The award makes the goal a contractual commitment or they must be able to show "best efforts."

3. Small Business Incentive Program

   Business Licensing Division staff administers the Small Business Incentive Program. This program encourages small businesses to start, expand, or relocate in the City by providing a credit towards their business license tax bill.

4. Proactive Bid Notification

   Staff manages the bidder database and procurement opportunities within PlanetBids, the City's procurement management system/service provider, to encourage competition (including that of local businesses) through timely and broad distribution of all opportunities.

   - Staff proactively recruits and encourages local businesses to register in PlanetBids (see section on Outreach and Marketing).
   - Staff posts specifications for bids and Requests for Proposals (RFPs) on PlanetBids. Registered vendors are automatically notified of new

procurements that are of interest to them based on the commodity types to which they subscribe.

5. Bid and RFP Advertising Directed to Local Businesses
   - Staff provides extra advertising notification for local businesses by placing an additional list of current opportunities in every issue of the Long Beach Business Journal. Over 22,000 copies are delivered to Long Beach businesses and other locations.
   - Staff emails a list of current opportunities weekly to 24 community-based organizations and related groups.

6. Outreach to Local Businesses

   Staff regularly attends trade shows and industry fairs, and makes contact with local firms and employees to inform them about procurement programs and opportunities through the City.

7. Match-making

   Staff conducts "match-making" sessions with small and local businesses to inform them of bid opportunities and to encourage and assist them in registering as a City vendor in PlanetBids, where they receive notifications of procurements of interest to them.

8. Individualized Outreach to Prospective Bidders/Proposers

   Staff develops prospective bidders' lists for individual procurements, which include any local businesses identified as potentially providing relevant goods or services. Staff then performs email and phone outreach to all prospective bidders for that procurement to encourage them to participate.

9. Monitor to Encourage Submission of Responses

   Staff monitors vendor activity on PlanetBids, including downloads and questions. Staff conducts direct outreach calls to individual registrants (including local businesses) who have downloaded plans or specifications to encourage vendors to follow through on submitting bids or proposals. Staff also takes this opportunity to answer questions related to the submittal process to support participation and competition, which can be particularly of help to local businesses new to the City's procurement process.

10. Website Information for Local Businesses

    Staff maintains information on the City's website related to the Local Business Preference initiative, the Small Business Enterprise Program, small business insurance and bonding assistance, and other resources that make it easier for local businesses to compete in City procurements.

11. Special Technical Guidance

    Staff provides technical guidance to support businesses less familiar with City procurement procedures. For example, staff provides phone support to vendors navigating the City's website or utilizing PlanetBids. Staff also recently developed a step-by-step guide in layman's terms explaining the process of uploading a bid/proposal in PlanetBids to support first-time users of the system in response to feedback received from community-based organizations.

12. Pre-Bid Conferences

    Based on the complexity of the project or other factors, staff will sometimes conduct a pre-bid/proposal conference with prospective vendors to ensure understanding of the specifications, including any requirements related to labor compliance, and address vendor questions. This can help encourage local vendors affording them a better understanding of the City's procurement process.

In general, Long Beach stands with the best of the other cities surveyed, although Long Beach's program lacks a specific branding effort that ties and identifies all these actions into a single clear program title. Notwithstanding that Long Beach's program already excels, staff plans to implement a number of improvements to the City's local business procurement program. Those efforts are described below.

1. Branding and Promotion

   Develop a branding approach for small and local business support. While Long Beach has an excellent overall program, branding it with a name, consolidating the various steps the City already takes, including making the program clearer on the City website, through local media, and social media should help reach more businesses and increase the recognition of the Long Beach program. This effort will begin immediately and is expected to be implemented by the end of the summer.

2. More and Clearer Opportunities for Local Businesses

   Because many local businesses are smaller businesses, their best opportunity to win business with the City in a bid or RFP often tends to be the lower dollar value purchases. These tend to be scaled to fit local business opportunities and often can have fewer secondary requirements in terms of insurance and other potentially imposing requirements. Staff will develop approaches to increase opportunities for local businesses to compete and win in these areas. This effort will begin immediately and continue during LB COAST (City's new financial and HR systems - ERP) implementation.

   - LB COAST implementation is expected to incorporate and promote City departmental use of the PlanetBids vendor database for solicitation of informal quotes on small purchases. The database itself will be developed to further support local businesses.

- LB COAST will evaluate transitioning to a more detailed listing of commodity and service types to better identify local vendor procurement interests. This will allow staff to better match a local vendor with City procurement opportunities within PlanetBids. The existing categories and structure are sometimes too broad to be used as effectively as desired by City departments soliciting quotes.

3. Improved Coordination with Other City Programs/Resources

   The City has a variety of programs and operations unrelated to procurement that involve outreach to, and engagement with, our local business community. There are opportunities for these efforts to work more collaboratively to better reach and assist local businesses. This effort will begin immediately and will be expanded as additional opportunities are identified with the following efforts:

   - Partnering with the Business License team to increase outreach to local businesses regarding City procurement opportunities and related resources as part of their existing work in the field and at the Business License counter.
   - Joint promotion with the Small Business Incentive Program currently offered through the Business Licensing Division. The program is underutilized, and could serve as an important offset to the cost of competing for City procurement opportunities for some local businesses.

4. Simplified Documents and Requirements

   Over the next few years, as the City implements LB COAST and strengthens its Labor Compliance program, staff will look for opportunities to improve procurement documents and requirements where possible. Staff will work with the City Attorney's Office to determine what changes can be made to reduce the burden on all businesses, which will be of particular benefit to local and small businesses. Planned areas for evaluation include:

   - A review to modernize and simplify the City's bid and RFP documents, with a goal to make them easier for small businesses.
   - Consideration of use of a "sliding scale" for financial stability documentation, insurance, the number of references, and other requirements to ensure that the City's requirements are reflective of procurement size, scope and relative risk.
   - Where feasible, improve vendor education regarding labor compliance and other regulatory requirements. Staff will be reviewing the overall administration process and approach to familiarizing businesses with these requirements to better support participation of businesses in the familiarization and training.

5. Local Business Support for RFPs (Professional Services)

   The City's local outreach process already provides an excellent mechanism for support of local businesses in the RFP process. The additional steps the City will take as described above will also directly improve opportunities for local participation in RFPs. In part, because the inherent nature of the RFP process does not use price or cost as its only evaluation criteria, there are substantial legal hurdles with regard to providing special consideration to local businesses beyond the steps the City is already providing. Staff will continue to work with the City Attorney to explore whether additional ways to support local businesses could be practical when applied to RFPs for professional/consulting services when there are no other funding or City Charter restrictions.

The City has a strong program already in place to recruit and include local businesses in City purchasing opportunities. Long Beach's program compares well to other cities in California. Long Beach will further strengthen the impact of this program with a number of improvements, as mentioned above. Some of these improvements may take some time to implement due to a number of other priorities, including medical marijuana business licensing and enforcement, LB COAST design and implementation, and ongoing major improvements to the business licensing system.

This matter was reviewed by Deputy City Attorney Amy R. Webber and by Assistant Finance Director Lea Eriksen on June 6, 2017.

TIMING CONSIDERATIONS

City Council action on this matter is not time critical.

FISCAL IMPACT

There is no fiscal or local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG/SP

APPROVED:

PATRICK H. WEST
CITY MANAGER

ATTACHMENT A

CITY OF
LONG BEACH

LONG BEACH BUSINESS OPPORTUNITIES IN CITY PROCUREMENT

A GOOD PROGRAM MADE BETTER

CITY COUNCIL – JUNE 20, 2017

Overview

- Long Beach efforts are among the best by multiple measures
- We spend $88 million annually with local businesses
- Benchmarking survey results and staff's own study indicate improvements can be made

Regulatory Environment

- Required to award to lowest responsive and responsible bidder
- Funding source or type/scope of work may require contractors to comply with additional requirements (some of which may benefit local businesses and employees)
- California law prohibits both discrimination and preferential treatment on the basis of race or gender

ATTACHMENT A

Benchmarking

Agency	Local Preference	Program Details
Los Angeles Co.	15%	SLBE/DVBE/SE only.
Long Beach	**10%**	**Separate SBE/VSBE/SLBE program.**
San Francisco City/Co.	2% to 10%	SLBE/VSLBE only.
Los Angeles	8%	
Sacramento Co.	5%	Branding/marketing. Additional 2% for VSLBE.
Oakland	Up to 5%	LBE/SLBE program participation required.
San Diego	Up to 5%	Branding/marketing. SLBE/ELBE program participation required.
Santa Monica	1.5%	
Pasadena	1%	Branding/marketing.
Anaheim	1%	
Burbank	1%	

SBE: Small Business Enterprise; VSBE: Very Small Business Enterprise; LBE: Local Business Enterprise; SLBE: Small Local Business Enterprise; VSLBE: Very Small Local Business Enterprise; ELBE: Emerging Local Business Enterprise; DVBE: Disadvantaged Veteran Business Enterprise; SE: Social Enterprise

Current support for local businesses

- 10% preference for local businesses
- Contract goals to encourage small and local business participation
- Credits towards business license tax bills to encourage small businesses to start, expand, or relocate in the City
- Recruitment of local businesses to register for electronic notifications for relevant procurements
- Targeted advertising to local businesses
- Special efforts for outreach at local events, including match-making sessions

Current support for local businesses

- Email and phone outreach to prospective vendors, including local businesses, on individual procurements
- Direct outreach to vendors who accessed procurement opportunities to encourage submission
- Specially developed written instructions and phone support to assist small and local vendors in navigating the procurement system and upload process
- Development of online resources to support small and local businesses in meeting procurement requirements
- Pre-bid conferences to ensure vendors understand specifications and compliance requirements on complex projects

Support to other business types

- Small, minority-owned, and woman-owned businesses (SBE, MBE, and WBE) also benefit from activities directed to local businesses
- Specially targeted weekly email outreach to community organizations and outreach agencies, including:
  - Long Beach Chamber of Commerce (Women's Business Council and Small Business Council)
  - Regional Hispanic Chamber of Commerce
  - Black Business Association
  - Local business districts
- Registration and identification in PlanetBids
- Local, SBE, MBE and WBE participation is reported to the City Council when items are brought forward for award

ATTACHMENT A

Program in action: Vehicle purchase

- $7,500,000 annual aggregate, up to four years ($30 million)
- 29 outreach calls prior to pre-bid meeting
- 22 outreach calls prior to bid close
- 5 vendors awarded (1 local, 1 MBE)
- Employment of 162 Long Beach residents

Prospective bidders	All Businesses	Local	SBE	MBE	WBE	Businesses in 1+ category	% of Total
Registered in PlanetBids	19,540	2,092	1,985	2,843	2,515	6,988	36%
Received proactive e-notification	1,258	174	156	147	119	438	35%
Downloaded bid	33	2	4	2	1	11	33%
Submitted bid	6	1	0	1	0	2	33%
Awarded	5	1	0	1	0	2	40%

ATTACHMENT A

Program in action: Vehicle purchase

Sample phone outreach notes

- "Interested in bidding, will attend pre-bid meeting."
- "Not a bidder, only offer heavy duty vehicles like street sweepers."
- "Interested but needs to fully review specs. Will attend pre-bid meeting or dial in."
- "They do not have a fleet sales division yet. I sent them an email to register on PlanetBids and they will review the specs there."
- "[Representative] had difficulty logging in to PlanetBids. I asked her to reset her password at login and said she needed to contact her administrator for assistance. I called back and left voicemail so I could send her the link to Help/Support for PlanetBids."
- "Spoke to [representative] and let him know of no bid option. Will review specs and consider partial bid."

Plans for an even better program

- Integrate and promote the various aspects of the program through branding and marketing
  - Consolidate and improve information available through the City's website, social media, and local media
  - Reach more businesses and increase recognition of the program
- Improve coordination with other City programs/resources for local businesses
  - Partner with Business Licensing to increase outreach and conduct joint promotion of procurement opportunities and the Small Business Incentive Program
  - Coordinate with programs/resources offered in other Departments

Plans for an even better program

- Create more and better opportunities for local business participation
  - Increase use of PlanetBids vendor database for informal quotes
  - Evaluate transition to more detailed commodity/service types
- Simplify documents and requirements to make participation easier
  - Review bid and RFP documents to identify opportunities to modernize and simplify them.
  - Evaluate use of "sliding scale" for requirements based on size/risk
  - Where feasible, improve vendor education regarding requirements

Plans for an even better program

- Continue to support and strengthen local businesses' ability to compete and succeed on RFPs
  - Previously described planned improvements apply equally to RFPs as to bids
  - Continue to work with City Attorney to explore whether there are additional ways to apply some form of local preference to RFPs

ATTACHMENT A

CITY OF
LONG BEACH

LONG BEACH BUSINESS OPPORTUNITIES IN CITY PROCUREMENT

A GOOD PROGRAM MADE BETTER

CITY COUNCIL – JUNE 20, 2017

ATTACHMENT B

City of Long Beach
Working Together to Serve

Memorandum

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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cc: CHARLES PARKIN, CITY ATTORNEY
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KEVIN JACKSON, DEPUTY CITY MANAGER
REBECCA GARNER, ASSISTANT TO THE CITY MANAGER
DEPARTMENT HEADS
MONIQUE DE LA GARZA, CITY CLERK (REF. FILE #17-0492)

ATTACHMENT C

City of Long Beach
Working Together to Serve

Memorandum

Date: May 16, 2018

To: City Manager Department Heads

From: John Gross, Director of Financial Management

Subject: **Implementation and Promotion of New Business Category Codes to Improve Matching of Local Businesses with City Procurement Opportunities**

The Purchasing Division has changed the commodity/service codes in PlanetBids to make it easier to identify the right businesses for outreach on City procurements, and to increase outreach to local businesses. The new codes, which are developed by the National Institute of Governmental Purchasing, are now in effect. The remainder of this memo explains the code change and its benefits to both businesses and the City in greater detail.

Purpose of the Change

Businesses report that many announcements of City procurements they receive do not apply to the goods/services they provide. This is due in large part to the small number of broad coding categories previously in use by the City. It was difficult for businesses to connect to City procurements because the codes were simply not specific enough. The new codes from the National Institute of Governmental Purchasing are a procurement-industry best practice among state and local governments. With more than 9,000 new codes, the City will be able to better categorize and communicate procurement needs over PlanetBids, and registered businesses will be able to better specify what they can supply. The City will then be able to advertise solicitations more effectively and accurately.

Local Business Engagement

The new goods/services codes will support increased engagement of local businesses in City procurement opportunities. The more accurate and specific categorization of goods and services on both sides will allow for better targeted notification to registered local businesses of formal City procurement opportunities conducted by the City's central Purchasing Division. It will also allow departments to utilize the system as a central business database that will support improved local business outreach on less formal decentralized procurements. This will expand opportunities for local businesses to compete in City procurements. The Purchasing Division has partnered with the Economic Development Department to improve and expand outreach efforts to increase local business registration. Strategies are expected to include distribution of promotional materials to business associations and business support groups, conducting digital and social media outreach, and hosting presentations at various meetings and events.

Implementation

The Purchasing Division has taken a number of steps to ensure a smooth transition for businesses. The Division has advertised the change in coding system to currently registered businesses through emails generated by PlanetBids and news alerts on the portal's vendor login screen. Both direct businesses to update their user profiles with the new codes. The information is also posted on the Purchasing Division's public internet site. Staff has worked with PlanetBids to increase the maximum number of codes that a business can select to identify the products or services they sell. The Division will be conducting phone outreach to registered businesses to encourage them to update their profiles prior to final phase-out of the old codes. Staff has also created an informational presentation and has briefed departments that post their own procurements to PlanetBids, and is available to brief any department that may have questions or concerns regarding the change. These changes should help to improve matching of local businesses and all businesses with City procurement opportunities.

If you have any questions, please contact Tara Yeats, Purchasing Agent, at (562) 570-6340.

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CC: TOM MODICA, ASSISTANT CITY MANAGER
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