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CITY OF SACRAMENTO

DEPARTMENT OF GENERAL SERVICES

SUPPORT SERVICES DIVISION

June 4, 1986
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PURCHASING
CENTRAL STORES
CENTRAL SERVICES

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: City of Sacramento's Procurement Work Plan (PWP)

SUMMARY

This report provides the Committee an overview of staff's recommended plan for the implementation of the City's Procurement Work Plan to attain the 20% goal for minority business enterprises (MBE's) and women owned business enterprises (WBE's) as directed by Resolution 85-328 adopted by the City Council.

BACKGROUND

The responsibility and authority for obtaining goods and services, award of Public Works contracts, and entering into agreements for concessions, leases, professional services are described below and diagrammed in Attachment A.

The Support Services Division is responsible for the majority of purchases of goods and services required by the operating departments. Public Works bids and processes their own Public Works construction contracts as does the Facility Management Division. Building Inspections handles their own contracts for demolitions as does Nuisance Abatement for weeds, junk and debris. Parks and Community Services processes concession and lease agreements. Several departments participate in grants for which they secure goods and services independently.

All City Departments have the authority to enter into professional services agreements (which the City Manager or his designee signs) for under \$20,000. No bidding is necessary and the departments have the latitude of selecting their own choices. Fleet Management maintains parts inventories in various shops for maintenance and repair of the City's vehicles. Many of these supplies are procured by Fleet Management through the Support Services Division. In addition, Fleet Management and Facility Management Divisions have "quick P.O.'s" which they may issue to various vendors for purchases of items up to \$500.

Finally, all City departments have the use of Claims, Petty Cash and confirmations for the procurement of goods and services. Procedures for these methods of expending funds are provided in the Financial Policy Instructions (FPI's) and the General Services Policy Directions (GSPD's). However, independent utilization of these procedures occurs outside of the Support Services arena of control.

Resolution 85-328 identifies seven items that the Procurement Work Plan should provide for. Below is provided the progress made to date and staff's recommended procedure for the implementation of each.

1. Develop a plan for a systematic data gathering system to track minority and women contracting and subcontracting.

The City's new financial management system will be up and running on July 1, 1986. An extended purchasing module has been acquired as a part of this new system. The extended purchasing module has a Vendor Master Table which will allow the capture and tracking of data related to selected information.

A new "Bidder's List Application" form is being designed which will be sent to all vendors indicating an interest in doing business with the City of Sacramento. This will be a three part form. Those vendors indicating on the completed form that they are minority or women owned businesses will be certified as such, providing they meet established criteria as described in Attachment B.

Distribution and processing of the Bidder's List Applications submitted by vendors claiming minority or women owned business status will be as follows:

- Copy 3 will be used to enter basic vendor information into the Vendor Master Table by the Support Services Division.
- Copies 1 and 2 will be sent to SHRA for MBE/WBE certification. (See the following section of this report for more information on the certification process.)
- After certification, SHRA will return copies 1 and 2 to the Economic Development Coordinator for entry of certification information into subsidiary data gathering system. Copy 1 will be forwarded to Support Services so that certification information may be added to the Vendor Master File.
- City departments will have access to the Vendor Master Table and the Commodity/Vendor Master Table in order to select vendors to receive City business when they are performing their own procurement activity.
- Vendor participation in the City's procurement activity in terms of number of bids sent, number of responses to bids, number of contracts awarded, amount of dollars awarded will be accumulated through the financial management information system on the mainframe.

2. Develop a legally acceptable method of certification to determine that businesses are owned and operated by women or minorities, or that certain businesses have sub-contracted with a business owned and operated by minorities or women.

Staff is recommending that the City utilize SHRA as the certifying agency. SHRA already has a certification program in place and has indicated that it would be acceptable to them to certify businesses for the City of Sacramento. Attachment B provides the definitions used by SHRA in its certification program in determining minority and women owned businesses.

Those businesses which have already been certified by SHRA or another agency (State of California, Rapid Transit, etc.) will be able to submit a copy of their certification papers in lieu of being certified again for the City.

Those vendors with whom there is no activity during the previous year will be purged from the Vendor Master Table unless they submit a new "Bidder's List Application" with updated information. Minority and women owned businesses must also be re-certified or submit updated certifications. Vendors will be notified prior to being purged to give them the opportunity to re-apply. MBE/WBE's will especially be encouraged to re-apply.

3. Return to the City Council in January of 1987 with a report on the level of minority and women procurement in the City of Sacramento for the previous six-month period; and to direct Department heads to set a goal of increasing their percentage of minority and female procurement by two percent for the following six month period - unless the percentage figure for the Department is over twenty percent.

Staff is recommending that the Economic Development Coordinator (with the assistance of the Support Services Division) compile bi-annual reports documenting City compliance with the twenty percent goal, MBE/WBE vendor availability, and vendor performance. It will be up to the City Manager to direct the Department heads, where appropriate, to manage their procurement practices in order to reach the twenty percent goal.

Councilmen Grantland Johnson and Joe Serna have expressed a desire to explore the use of "set-asides" for minority and women owned businesses. The City Attorney advises that, based upon the current law, set-asides may be considered only after the Council has adequate information and history to determine that:

- (a) City procurement experience shows a low level of participation by minority and women owned businesses which results from past discrimination against minority and women owned businesses; and
- (b) Other affirmative action measures short of race-conscious and gender-conscious set-asides, such as outreach programs and goals, have proved to be ineffective to remedy the present effects of past discrimination.

4. Analyze the effectiveness of the City's advertising and outreach effort in reaching minority and women owned businesses, to implement by January, 1986, an advertising and outreach program that will increase the number of applications from minority and women owned businesses, and to work with SHRA, SRT and interested community groups to develop or expand procurement mailing lists as a part of this effort.

An annual advertising and outreach plan will be prepared by the Economic Development Coordinator, the Support Services Administrator and the City Public Information Officer. The 1986-87 plan will be considered as the start-up plan with a heavy emphasis on media exposure for the City's new policy.

The plan will include a schedule of presentations to be done in conjunction with other organizations including Regional Transit, Sacramento Housing and Redevelopment Agency and Cal Trans. Outreach will be extended to minority and women owned business groups and community organizations.

The plan will also include a schedule of briefings with all affected department/division personnel.

5. Work with the Sacramento Regional Transit District and the Sacramento Housing and Redevelopment Agency to develop a systematic city-wide procurement policy to be in place and approved by the City Council by the beginning of the fiscal year 1986-87.

Refer to items 2 and 4.

6. Develop a handbook for public use and to sponsor a workshop on procurement by October, 1986 and to explore with other public agencies joint sponsorship of these activities.

A handbook entitled "How to Do Business with the City of Sacramento" has been developed and is being reviewed by the Public Information Officer. It will need revisions based on the ultimate direction received from Council on how to proceed with implementation of the policy.

Refer to item 4 regarding outreach and advertising.

7. Appoint one individual clearly responsible for implementation of the above Procurement Work Plan.

It is recommended that the Economic Development Coordinator be the appointed individual clearly responsible for the coordination of the implementation of the work plan for the following reasons:

- (a) Because of the decentralized nature of the City's procurement activity, the "logical" responsible coordinator (Support Services Administrator) is not the most practical; and
- (b) Coordinating the implementation of the Procurement Work Plan can be done as a part of the overall economic development program for the City of Sacramento for which the Economic Development Coordinator has been given the responsibility.

In order for the EDC to effectively coordinate and oversee the implementation, it is being requested that additional staff and equipment be added to the Economic Development section. See the following financial section of this report.

FINANCIAL

Additional resources necessary to coordinate the implementation of the Procurement Work Plan are as follows:

Assistant Planner*	\$40,665
Advertising	5,000
Emulator Board	1,000
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Total**	\$46,665

* This position would also assist in the implementation of the initial phase of the One-Stop Business Assistance Center, develop long and short term economic development plans, provide liaison with business associations, and staff the Economic Development Confederation in addition to provide support to the implementation of the Procurement Work Plan.

** This total is in the part reflected in the Level One (additional \$70,665) request in the Planning and Development Administration proposed budget. Of the additional amount requested, \$30,000 would be for a consultant on studies related to North Natomas. The \$6,000 for advertising and an emulator board for the microcomputer is above the level one request.

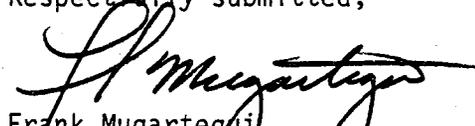
REQUEST

This report requests that the Committee recommend that the City Council adopt, as part of the budget resolution, action to:

- (1) Authorize the appointment of the Economic Development Coordinator as the one position clearly responsible for coordinating the implementation of the Procurement Work Plan;

- (2) Authorize the additional resources (personnel and equipment) necessary for the Economic Development section to enable item 1; and
- (3) Authorize SHRA to conduct the certification of minority and women owned businesses.

Respectfully submitted,

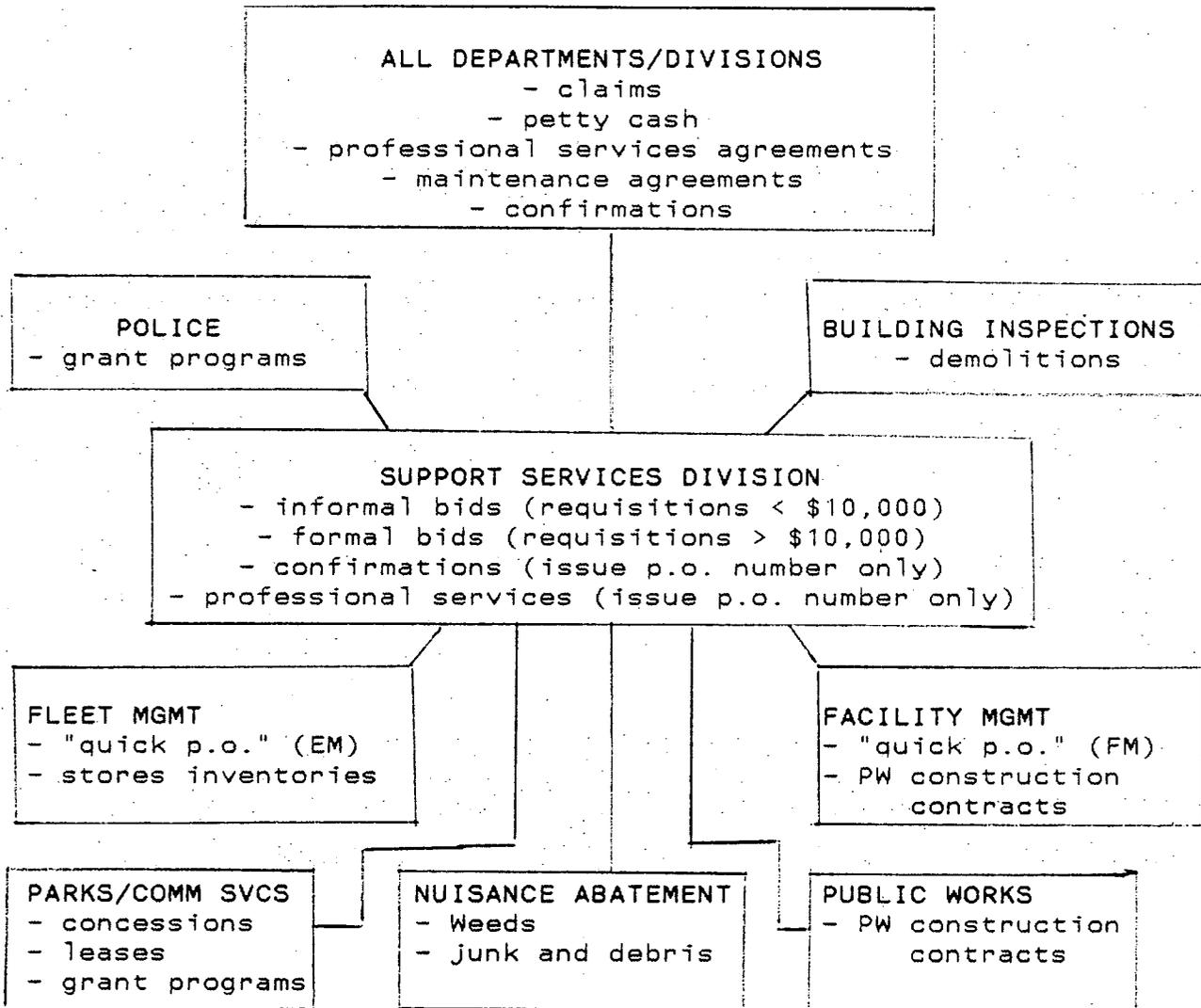

Frank Mugartegui
Director of General Services

RECOMMENDATION APPROVED:

Solon Wisham
Assistant City Manager

All Districts
June 10, 1986

CITY OF SACRAMENTO
PURCHASING ACTIVITIES



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
MBE/WBE DEFINITIONS

Businesses covered by this plan are those owned and controlled by the following groups:

Blacks
Asian/Pacific Islanders
American Indians
Hispanic
Women
Handicapped

Minority groups are further defined as:

1. Black - Black Americans consist of all U.S. citizens other than Hispanic, having origins in any of the Black racial groups of Africa.
2. Asian/Pacific Islander - Asian and Pacific Island Americans consist of U.S. citizens having origins in any of the original people of East Asia, Southeast Asian, the Asian subcontinent and the Pacific Islands. This area includes, for example, China, Japan, Korea, the Philippines, Vietnam, Samoa, Guam, the U.S. Trust Territories of the Pacific, Northern Mariannes, Laos, Cambodia, Taiwan, as well as the Hawaiian Islands. The Indian subcontinent takes in the countries of India, Pakistan, Bangladesh, Sri Lanka, Sikkam, and Bhutan.
3. Hispanic - Hispanic Americans consist of U.S. citizens with origins from Puerto Rico, Mexico, Cuba, or South or Central America. Only those persons from Central and South American countries who are of Spanish origin, descent, or culture should be included in the category. Persons from Brazil, Guyana, Surinam or Trinidad, for example, would be classified according to their race and would not necessarily be included in the Hispanic category. In addition, this category does not include persons from Portugal, who should be classified according to race.
4. American Indian/Alaskan Native - American Indians or Alaskan Natives consist of persons having origins in any of the original groups of North America, including the Aleutian Islands, or who maintain cultural identification through tribal affiliation or community recognition, or who demonstrate at least one-quarter descent from such groups.

Owned and controlled is defined as an independent business concern 51% owned and controlled by minority group member(s), handicapped, or woman/women.

Ownership and control can be measured by:

- a. responsibility for performance of contract work
- b. management responsibility
- c. at least 51% share of profit and risk
- d. other data (such as voting rights) that may be related to ownership and/or control.

Women's business enterprise is defined as an independent business which is at least 51 owned by a woman or women who also control and operate it.

Further definition of ownership is as follows:

Determination of whether a business is at least 51% owned by a woman or women shall be made without regard to community property law. For example, an otherwise qualified WBE which is 51% owned by a married woman in a community property state will not be disqualified because her husband has a 50% interest in her share. Similarly, a business which is 51% owned by a married man and 49% by an unmarried woman will not become a qualified WBE by virtue of his wife's 50% interest in his share of the business.

Further definition of control and operation is as follows:

"Control" means exercising the power to make policy decisions and "operate" means being actively involved in the day-to-day management of the business.

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION INCREASING THE DEPARTMENT OF PARKS AND
COMMUNITY SERVICES (ADMINISTRATION DIVISION) FY
1986-87 BUDGET BY EXTENDING A .5 FTE
DRAFTSMAN (NON-CAREER) POSITION

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. That the Planning and Development Section of the Administrative Division requires an extension of the .5 FTE Drafting Technician position, funded by the Quimby interest funds, to assist in the design of Quimby funded projects.
2. That the City budget is hereby amended by increasing the Department of Parks and Community Services budget no. 1-01-4514-4101 for the purpose stated in paragraph one above.
3. That .5 FTE Drafting Technician position is hereby added to the FY 1986-87 Parks and Community Services (Administration Division, Planning and Development Section) budget for a ten week period.

MAYOR

ATTEST:

CITY CLERK

DESIGN PHASE:

Projects Budgeted in FY1984-85

Projects	Budget
(2) Arden Way Median - landscaping	\$15,000.00
(1) Crocker Art Gallery - parking lot	\$72,000.00
(2) Mack Rd. Median - landscaping	\$110,000.00
(2) McKinley Park - picnic area	\$40,000.00
Miller Park - misc. imp.	\$100,000.00
(1) Northgate Park - phase 3	\$80,000.00
Packet Canal Parkway - develop	\$116,000.00
Redwood Park - entrance design	\$5,000.00
Sacramento River Parkway - bikeway	\$45,000.00
(2) Stanford Park - comfort station	\$75,000.00
Sunrise Valley Park - M.P. & develop	\$90,000.00
(2) Valley Vista Park - M.P. & develop	\$103,000.00
Zoo Corporate Picnic Area - develop	\$50,000.00
Total	\$901,000.00

- (1) 100% completed
- (2) 50% completed

PRE-DESIGN PHASE:

Projects Budgeted in FY1984-85

Projects	Budget
Bannon Creek Parkway II - develop	\$81,000.00
Total	\$81,000.00

Projects Budgeted in FY1985-86

Projects	Budget
American River Parkway - bikeway	\$86,000.00
(2) Arden Way Median - landscaping	\$115,000.00
Citation/I-5 Corridor - landscaping	\$66,000.00
Creekside Park - M.P.	\$56,000.00
(1) Del Paso Park - sports complex	\$1,336,000.00
(2) Florin Rd. Median - landscaping	\$35,000.00
Gardenland Park - handball courts	\$28,000.00
Ninos Parkway - M.P. & develop	\$69,000.00
(1) Northgate Park - phase 4	\$82,000.00
Plaza Park - M.P. & develop	\$225,000.00
Packet Canal Parkway - develop	\$116,000.00
Sacramento River Parkway - Florin access	\$251,000.00
(1) Seymour Park South - develop	\$109,000.00
(1) Tennis Courts - resurfacing, various	\$15,000.00
(1) Valley Hi Park - phase 4	\$84,000.00
(1) Woodbine Park - field improvements	\$9,000.00
Total	\$2,682,000.00

Projects Budgeted in FY1985-86

Projects	Budget
Chuckwagon & Bridgetford Park - M.P. & develop	\$66,000.00
Marniott Park - M.P. & develop	\$120,000.00
Natomas Oaks Park - M.P. & develop	\$194,000.00
Total	\$380,000.00