

Buy Local

DEPARTMENT OF FINANCE

PASADENA FIRST BUY LOCAL – AT A GLANCE

MISSION

Promote the local economy by identifying Local Purchasing, Contracting and Hiring opportunities; encourage local business enterprises to make bids and proposals for city contracts, and promote the local hiring of Pasadena residents.

Mission Objectives

1. Conduct local outreach to identify and request local businesses, and Local Residents for job referrals.
- As business relationships can be an invaluable variable that lead to subcontracting opportunities, staff shall promote, support and conduct “one-on-one” meetings (interviews) between potential prime contractors and subcontractors where practical to do so. Host networking and “prime-subcontractor matching” events.
- Staff will identify and attend cost-effective local outreach and networking venues to promote the City's local business/local hire initiatives (i.e., vendor fairs, job fairs, etc.)

- Staff will maximize the use of existing city information-sharing tools to include real and online newsletters, other standing information forums, and continue to advertise opportunities as required in competitive bid opportunities and RFP processes.
- Staff will continue to promote and advance the functionality of existing internet strategies such as “bids online” and the city's “Pasadena Virtual Mall.”

- Staff will promote the positive results of Departments and Partners that support and contribute to the efforts of matching Local Businesses and Local Residents to economic opportunities.

2. Identify and Promote Local Business Contracting and Hiring Opportunities for Local Businesses

A Viable Local Procurement or Contracting Opportunity is where all three of the following conditions are true:

- A Local Business (means a business with a fixed place of business located in the city [4.08.020]) that provides the required goods or services is in the City of Pasadena.
- The Local Business is generally “competitive” for the opportunity by:
- The City is able to contract with the Local Business.

3. Identify and Promote Local Hiring Opportunities for the Hiring of Pasadena Residents

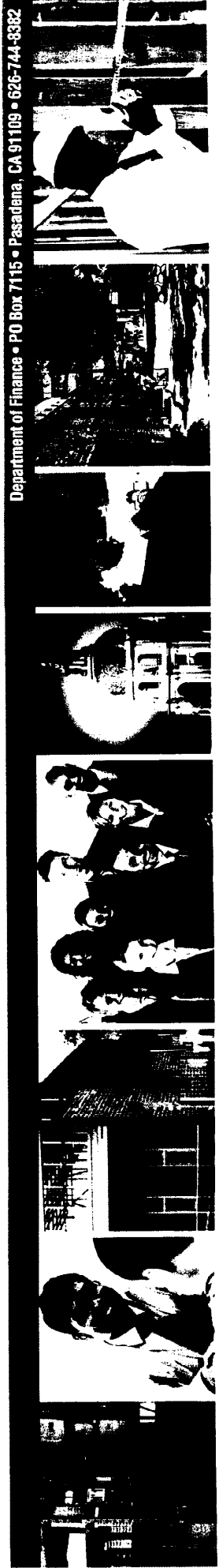
Administer the City's First Source Local Hiring ordinance (14.80). This function shall serve as a nexus between construction jobs and Pasadena residents interested in construction jobs. On October 25, 2004, the City Council adopted a resolution establishing a construction tax rebate for contractors voluntarily participating in the City's first source hiring program. In addition, City Council adopted the City Manager's report mandating local hiring for private construction projects that include City Financial Assistance

(14.80.030). By the adoption of this policy the application is targeted toward the placement of Local Residents (14.80.030) onto private construction jobs.

- Suppliers add to the application of local businesses or contractors who are eligible to bid competitively for construction jobs that are applicable to city activities.
- For Requests for Proposals, an additional 5% (of the overall evaluation) is added to the overall evaluation score, for a local company.
- For Requests for Proposals, an additional 5% (of the overall evaluation) is added to the overall evaluation score, for a small or micro-business. This classification defined and certified by the State of California standards (see below).
- For competitively bid contracts 1% of that portion of the bid subject to sales or use tax shall be deducted from any bid where it is determined that if such bidder were awarded the contract, the City would receive a refund of the 1% sales and use tax pursuant to the Uniform Sales and Use Tax Ordinance of the City of Pasadena.

4. Develop and Implement a Strategic Partnership Program

The primary focus for Strategic Partnerships is to establish and develop internal and external relationships that support the services necessary to advance local procurement, contracting, and hiring efforts. To welcome and participate in collaborations with Business Associations, Ethnic Organizations, Technical Assistance Providers, Community Based Organizations, subsidiary Departments of the City, and other Public Agencies with similar or related goal sets. Staff will seek strategic partnerships with local labor unions that have State-approved apprenticeship programs, large construction companies, and professional services firms to create opportunities for local residents, including apprenticeship and internship programs.



Department of Finance • PO Box 7115 • Pasadena, CA 91109 • 626-744-8382

DOING BUSINESS WITH THE CITY

The City's Purchasing division has both formal and informal procurement procedures. Informal procedures are used when the City makes purchases less than \$25,000 and formal procedures are used when purchases exceed \$25,000.

General Requirements

Notwithstanding any rules or circumstances that restrict a company from doing business with the City, the general requirements for initiating business with the City include the following:

1. The company must have an active Business License with the City of Pasadena (rules for licensing are administered by the Business Licensing Division).
2. The company may be required to provide to the City evidence of the required amounts and types of insurance necessary for the work being performed.

Formal Procedures

There are two types of formal procedures: Competitive Bidding and Competitive Selection.

Competitive Bidding is used to procure labor, materials and supplies in excess of \$25,000. The major features of Competitive Bidding include:

1. Use of Specifications which include standard "boilerplate" & technical requirements
2. Contract award is based on lowest RESPONSIVE & RESPONSIBLE Bidder
3. Bid Security usually in the amount of 5% of the bid price is required
4. 1% Local Pasadena preference for Material & Supply purchases
5. No negotiation of contract terms is permitted
6. City Council approval is required if the contract is greater than \$75,000
7. Contractor may be required to provide Performance and/or Payment Bonds
8. General liability and workers' compensation insurance may be required

Competitive Selection is used for professional or unique service in excess of \$25,000. The major features of Competitive Selection include:

1. Use of Request for Proposals/Request for Qualifications
2. Contract award is based on a variety of factors e.g. experience of firm, experience of project team, references, price
3. 5% Local Pasadena preference
4. 5% Small/Micro business preference*
5. Negotiation of contract terms is permitted
6. City Council approval is required if the contract is greater than \$75,000
7. Professional Errors & Omissions Insurance as well as general liability and workers' compensation insurance may be required.

Proposers that have been certified by the State of California as a small or micro-business shall receive a 5% preference. Vendors can apply for certification as a small/micro business by obtaining an application on the State of California, Department of General Service's website, www.dgs.ca.gov/pd. The City of Pasadena only accepts small business certifications from the State of California. Proposers must provide evidence of certification from the State if claiming such preference.

Informal Procedures

Informal procedures are used whenever the City contracts for labor, materials, supplies or services less than \$25,000. Informal quotations obtained via phone, fax, e-mail or through our electronic bidding system. For purchases less than \$3,000 only one quote is required. Three quotes are required for purchases between \$3,000 and \$25,000.

1. Selection may be based on criteria other than price
2. 5% Local Pasadena preference
3. 5% Small/Micro business preference
4. General liability and workers' compensation insurance may be required

The city has two ways of handling informal purchases, either through the issuance of a purchase order or with a city purchasing card.

Purchase orders are approved and issued by the Purchasing Division. Each purchase order indicates what is being purchased, the price and terms and conditions. Purchasing cards work just like a MasterCard® credit card.

However, certain dollar limits and merchant category restrictions apply.

How to Provide Your Bid or Service

Once your company is licensed with the City of Pasadena: 1. Contact the Purchasing Division staff.

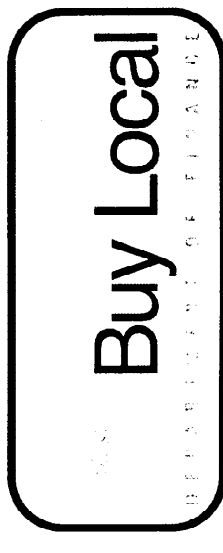
2. Staff is available to explain the City's purchasing procedures as well as to assist in getting you registered to receive notifications of bid opportunities.
3. Based on your product or service, and whether those products or services are being sought by the City, you will be provided instructions depending on the potential contractor or procurement opportunity.

How to Find Out About Bid Opportunities

The Purchasing website lists upcoming and current bids for contracts in excess of \$25,000. The city makes so many purchases less than \$25,000 that the best way to find out about these purchases is to remain in contact with the Purchasing office and the various user departments.

"PASADENA VIRTUAL MALL" Purpose & Scope

In an effort to feature and support the talents of Pasadena Businesses, the City's existing Online Mall (available on the intranet [internal use]) shall be further developed with a focus to utilize the latest online functions available to feature Pasadena Businesses to City Departments.



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**City of Pasadena
Department of Finance
Pasadena First Buy Local
12 Month Implementation Timeline**

Below is an estimated 12 month timeline for implementing the most critical elements of the Pasadena First Buy Local program. The following timeline is unique to steps being taken to implement a local business outreach effort in the City of Pasadena. From the month the Operations Document is received, staff shall work to implement the following deliverables. The deliverables mentioned in this document shall be included in the "Departmental Results Statement" (Performance Measures) of the budget.

First Quarter

1. Initiate "Net Zero" Payments for Local Businesses
 - Net Zero is an expedited payment policy. Where payment is processed upon receiving the request in accounts payables as oppose to waiting 30 days to issue payment.
2. Review and briefings with all City Departments individually
3. Complete briefing/update with Public Works (PW) regarding their "pilot policy" for local subcontracting and local hiring
4. Identify large upcoming (over next two years) bid opportunities with W&P and PW
5. Establish standing quarterly updates meetings with W&P, and PW; add other departments to this group to establish an internal "Resource Group"
6. Organize and prepare a one-on-one business matching interviews (or Open House event) between departments and local businesses.
7. Identify Strategic Partnerships to provide technical assistance for Open House event (service providers will eventually be added to the Working Group as needed).
8. Identify Strategic Partnerships for Business Services.
9. Identify organizations to be part of the Working Group

Second Quarter

1. Complete and launch the Pasadena First Buy Local Website
2. Begin outreach to brief local businesses on the Pasadena First Buy Local program
3. Introduce this effort to businesses licensed with the City of Pasadena; invite businesses to be part of the City's "Online Bids" website (Planet Bids).
4. Facilitate Networking Session ("Open House") between Local Businesses and City Departments.
 - a. Prepare a networking function where departments will provide a list of products and services being purchased over the coming 12 to 18 months

ATTACHMENT B

- b. Invite Local Businesses that match the product or services being sought.
- c. Where practical to do so, organize One-on-One meetings between Local Businesses and Departments or Strategic Partners.
- d. Departments will staff “booths” allowing businesses to view their desired product or service lists, and introduce their product directly to the department.
- e. Conduct workshops on the following capacity building measures:
 - i. State Small Business Certification
 - ii. Bonding & Insurance
 - iii. Finance
 - iv. Joint Venturing
 - v. Business Development
5. Facilitate external Working Group Meeting to provide a quarterly update
6. Facilitate 60 Local Business referrals for Small Business Certification
7. Facilitate 60 Local Procurement or Contracting Opportunity Matches
8. Facilitate 120 Local Hiring Matches and Referrals

Third Quarter

1. Complete and launch “Pasadena Virtual Mall”
2. Facilitate follow up review and briefings with all City Departments individually
3. Facilitate Open House event with City Departments and Strategic Partners
4. Organize briefing for Purchase Card Holders

Fourth Quarter

1. Explore options with Department of Information Technology regarding the Online Bids services and the future functions of the Virtual [online] Mall to identify ways of consolidating these lists and their functions.
2. Organize a Working Group Meeting to provide a quarterly update
3. Facilitate 60 Local Business referrals for Small Business Certification
4. Facilitate 60 Local Procurement or Contracting Opportunity Matches
5. Facilitate 120 Local Hiring Matches and Referrals
6. Facilitate one local hiring outreach workshop