

Agenda Report

TO: CITY COUNCIL **DATE:** June 17, 2002

FROM: CITY MANAGER

SUBJECT: ANNUAL REPORT ON CITY PROCUREMENT – CALENDAR YEAR 2001

RECOMMENDATION

It is recommended that the City Council receive the Annual Report on City Procurement for calendar year 2001.

BACKGROUND

Pursuant to the Pasadena Municipal Code, a statistical report on City procurement is to be submitted to the City Council annually.

During calendar year 2001 the City spent \$80,628,076 on labor, materials supplies, equipment and services. This total excludes purchased power, water and natural gas, contracts with other governmental entities, attorney services contracts, contracts relating to the City's workers' compensation program and petty cash purchases.

The following table provides a breakdown of total procurement dollars by procurement type (Labor, Materials & Supplies, Equipment, and Services) as well as the amount of procurement dollars awarded to women and/or minority owned business enterprises (WMBE) and local businesses.

Procurement Type	WMBE		LOCAL*		Total Procurement* \$
	\$	%	\$	%	
Labor, Materials & Supplies	2,359,967	13	2,139,226	9	25,126,145
Equipment	916,528	16	1,325,651	24	5,591,710
Services	5,793,984	12	9,640,388	19	49,910,221
Total	9,070,479	12	13,105,264	16	80,628,076

*includes Purchasing Card Charges

Labor, Materials & Supplies

In calendar year 2001, labor and materials purchases accounted for slightly more than 31% of all procurement. Historically, this category accounts for a greater portion of city procurement, however, the suspension of the Water and Power Department's utility undergrounding program in advance of electric utility

deregulation, greatly reduced the number of high-dollar labor contracts. The reintroduction of undergrounding will increase the number of labor contracts and is expected to increase the participation rate of WMBEs, many of which are engaged in this type of work. The largest labor and materials contract in calendar 2001 was issued to Sully-Miller Contracting for slurry seal of city streets in the amount of \$1,239,000. The second largest labor and materials contract was awarded to Henkels & McCoy for utility cable splicing.

Equipment

The most significant item in the Equipment category is rolling stock i.e., vehicles. The presence of auto dealers in Pasadena coupled with the City's local preference policy, has contributed to 24% of all procurement dollars in this category being spent locally, the highest of the three categories.

Services

Services, both professional and non-professional made up the largest portion of procurement expenditures in calendar year 2001. Some of the more significant service contracts include: Coach U.S. A., operation of the Arts Buses and Dial-A-Ride (\$13,123,108); Ampco System Parking, operation of City Parking Garages (\$4,543,716); and, installation of a supervisory control and data acquisition system for the Power Division, CDM Engineers (\$1,855,588).

Local Procurement

The City has a strong commitment to contracting with local firms. Local firms receive a 5% preference when competing for purchases less than \$25,000 as well as for all professional services contracts. In addition, for competitively bid contracts, local firms receive a 1% preference based on the amount of sales tax that would be returned to the City when purchasing locally. In calendar year 2001, over \$13 million dollars, 16% of all procurement dollars, went to firms located in Pasadena.

Equal Opportunity Contracting

In addition to a concentrating on local procurement, the City continues its strong commitment to equal opportunity contracting. In this regard the City has focused on vendor outreach as a means of ensuring equal access to City procurement opportunities. The City's bid and contract opportunities webpage www.ci.pasadena.ca.us/purchasing, located on the City's Internet website has proven an excellent means of conducting vendor outreach. The webpage continues to be one of the most frequently visited on the City's website.

Applying technology to further enhance outreach, the Department of Finance Purchasing Division is in the process of implementing an internet-based quote solicitation system that will notify potential bidders of procurement opportunities through the City's website. The system will also allow vendors to post their bids online. The system will be used for informal procurements, i.e., those less than \$25,000.

Additionally, the City continues to participate in various vendor outreach events. The Pasadena Business Showcase and Contracting Connection has become an annual event that provides an opportunity for area businesses to meet with representatives responsible for procurement in many large local agencies. In addition to the City, participating agencies have included Parsons, Jet Propulsion Laboratory, Cal Tech, Pasadena Unified School District, Pasadena City College, Community Bank, Huntington Memorial Hospital, and Kaiser Permanente. The event has also received the support of Latinos for Economic Awareness and Development and the local chapter of the NAACP. Both agencies were instrumental in the establishment of the Contracting Connection.

Recently, staff participated in the California Networking Seminar sponsored by the Ford Motor Company. This full-day seminar focused on linking minority suppliers with approximately 25 business and governmental entities seeking to expand their vendor base.

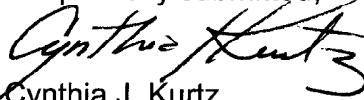
The following table provides a breakdown of WMBE participation by City department.

Department	WMBE % of Total Procurement
City Attorney/Prosecutor	2%
City Clerk	5%
City Council	4%
City Manager/ITSD	27%
Finance	29%
Fire	7%
Health	15%
Human Resources	25%
HSRN	15%
Information Services	27%
Planning & Development	13%
Police	11%
Public Works & Transportation	9%
Water & Power	14%


FISCAL IMPACT

This report is for information only. There is no fiscal impact associated with it.

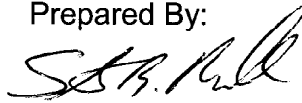
Respectfully submitted,


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