

Agenda Report

TO: CITY COUNCIL **DATE:** May 23, 2005
FROM: CITY MANAGER
SUBJECT: ANNUAL REPORT ON CITY PROCUREMENT – CALENDAR
YEAR 2004

RECOMMENDATION

It is recommended that the City Council receive the annual report on City Procurement for calendar year 2004.

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 2004, the City spent \$92,574,485 on labor, materials, supplies, equipment and services. This total excludes purchased power, water and natural gas commodity purchases, contracts with other governmental entities, and petty cash purchases.

The following tables provide a breakdown of total procurement dollars by procurement type as well as the amount of procurement dollars awarded to women and/or minority-owned business enterprises (WMBEs) and local businesses. Two separate tables are provided to account for the fact that approximately 10% of the City's total procurement dollars in fiscal year 2004 were expended through the use of City purchasing cards. While the purchasing card program has been a success for the City in terms of expediting the purchasing process and allowing for more cost-effective procurement, the data provided for these transactions from the merchant banks does not include information concerning the status (e.g., woman-owned, minority-owned) of businesses that the City does business with, however, business location is provided. For this reason the figures provided in this report for women and/or minority owned businesses exclude purchasing card transactions, while those for local procurement include them. Nevertheless, it is not believed this affects the overall percentage results in any statistically significant way.

Local Procurement

Procurement Type	LOCAL		Total Procurement \$
	\$	%	
Labor & Materials	1,911,865	6%	31,726,333
Equipment & Supplies	2,427,148	8%	29,330,887
Services	5,601,998	18%	31,517,265
Total	9,941,011	11%	92,574,485

Women and/or Minority Owned Business Procurement

Procurement Type	WMBE		Total Procurement \$*
	\$	%	
Labor & Materials	6,911,420	22%	31,726,333
Equipment & Supplies	3,799,506	19%	20,221,237
Services	4,700,684	15%	31,517,265
Total	15,411,610	18%	83,464,835

*Excludes purchasing card purchases

As indicated by the tables, the amount of procurement dollars awarded to WMBEs and local Pasadena businesses was \$15,411,610 million and \$9,941,011 million respectively. On a percentage basis these figures translate to 18% and 11% respectively and continue an upward trend in WMBE and local procurement following a low point in calendar year 2002.

Year	% of procurement dollars awarded to women/minority owned firms	% of procurement dollars awarded to local firms
Calendar 2004	18	11
Calendar 2003	16	9
Calendar 2002	11	8
Calendar 2001	12	16
Calendar 2000	20	18

For calendar year 2004 the performance of individual City departments and the City's two operating companies is as follows:

Department	WMBE % of Total Procurement	Local % of Total Procurement
City Attorney/Prosecutor	18	2
City Clerk	1	1
City Council	15	56
City Manager	40	19
Finance/ITSD	11	5
Fire	17	10
Health	5	64
Human Resources	21	28
Human Services & Recreation	24	24
Information Services	19	7
Planning & Development	16	27
Police	8	14
Public Works	28	10
Transportation	26	20
Water & Power	12	7
Operating Companies		
PCOC	1	7
RBOC	8	39

The City has a strong commitment to contracting with local firms, and such firms are provided a 5% preference for all procurement under \$25,000, as well as for any professional services contract regardless of dollar amount, and a 1% preference for competitively bid contracts.

Equally important is ensuring equal opportunity for those seeking business relationships with the City. Use of an internet-based bid solicitation system (Bids Online) guarantees that vendors wishing to submit price quotes to the City are notified of contracting opportunities in a timely fashion and prompted to submit bids. The Department of Finance is working hard to expand the use of this system for all City procurement. And recently it was employed in an effort to identify potential local subcontractors for the City Hall seismic retrofit project.

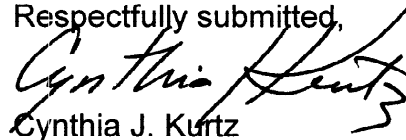
Last fall, working in a collaborative effort with members of the Black Pasadena Coalition for Housing and Economic Development (a.k.a. The Northwest Coalition), the City implemented a small and micro-business preference program. The program is expected to help increase WMBE participation as a large percentage of those firms are also small or micro-businesses.

Recently, the City sponsored a seminar on the program that included a representative from the state of California's Department of General Services, providing information on contracting opportunities with the state. The event was such a success additional sessions were added.

FISCAL IMPACT

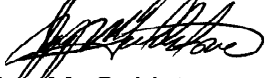
This report is for information only. There is no fiscal impact associated with it.

Respectfully submitted,



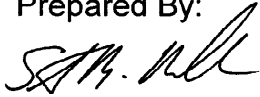
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