



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: General Services
Department No.: 063
For Agenda Of: May 16, 2023
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: General Services Kirk Lagerquist Director, (805) 560-1011
Contact Info: Lynne Dible, Assistant Director, (805) 602-7649
SUBJECT: Local Vendor and Vendor Outreach Program and Procurement Division Update, All Districts

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Receive and file an update on the County's Local Vendor Program, Vendor Outreach, and other Procurement Division initiatives; and
- b) Determine that the above recommended actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(2)&(5), finding that the action consists of continuing administrative or maintenance activities, such as purchases for supplies and general policy and procedure making and organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

Summary Text:

The General Services Procurement Services Division (Purchasing) provides an annual update to the Board on the application of the Local Vendor Preference Policy (Policy) on competitive bids for tangible goods. The current Policy provides a "Local Vendor" the opportunity to match the overall bid of the lowest non-local vendor, if their bid is the lowest local bid and within 6% of the non-local vendor bid.

Included below is information not only on the Policy application this past year, but additional data and discussion highlighting other important activities and initiatives taking place in Purchasing. Over the past year Purchasing has continued to work on implementing the KPMG Countywide Purchasing Review recommendations to enhance processes, communicate and monitor compliance, improve the systems used during the procurement cycle, and to restructure staff roles and responsibilities in order to position Purchasing as a countywide strategic sourcing and business partner.

Background:

The current local vendor preference policy, adopted in February 2019, covers any bid for a tangible good; if the lowest bid is non-local and a local vendor’s bid is within 6%, then the lowest local vendor bid has the option to match the lowest overall bid. The lowest non-local and local bidder are notified once this scenario is identified, and the local bidder has 72 business hours to match the lowest non-local bid. If the local vendor can match the lowest bid then that local business will be awarded the contract.

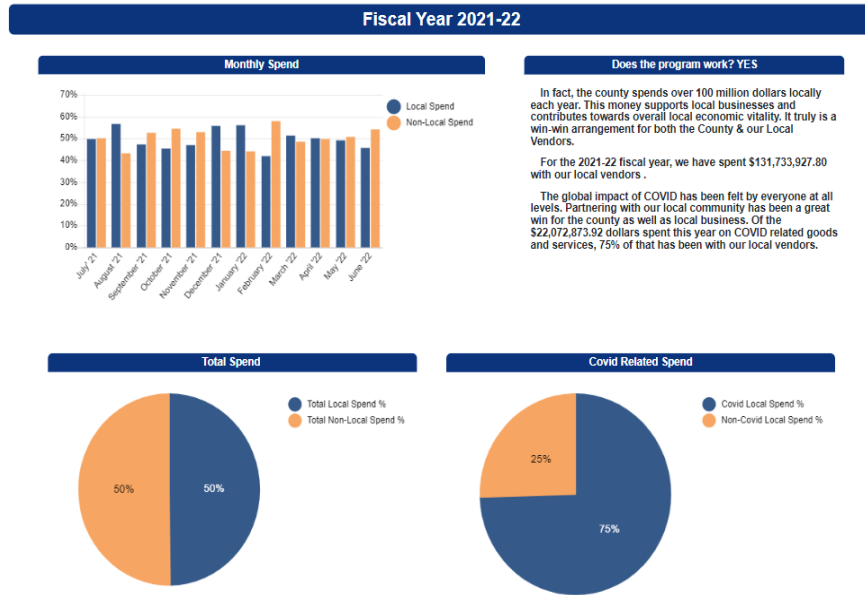
By extending this preference and contracting with more local suppliers, there is a positive impact on the local supply chains our local businesses rely on, creating a multiplier effect that boosts local economic activity, employment, and revenue. Purchasing is working to grow the database of vendors who qualify under the Policy, through outreach, networking and communication with the local vendor community. There have been several improvements implemented recently, including moving to online visibility and access to all bids via the County’s Public Purchase site and also publishing a Local Vendor real-time informational dashboard and page on the website. The goal of the Local Vendor Program is to spend 60% of our discretionary revenue on services and supplies with Local Vendors.

Local Vendor Spend – Services & Supplies:

This table presents Local Vendor spend as a percentage of total countywide spend on services and supplies for the past two fiscal years and the current fiscal year to date, where Purchase Orders (POs) and Board Contracts have been issued countywide. As a result of the significant impact of COVID expenditure reductions, the metric to measure local vendor spending has decreased during FY 2021-22. Now that the pandemic is over, Procurement is working to engage and strengthen our local vendor community. Our objective is to get involved in two outreach events annually throughout Santa Barbara County and, for all Tangible Item requisitions, Procurement Services will be obtaining a quotation from at least one local business where possible. We will also be engaging a professional consultant in the coming months to assist with an economic impact study of local vendor spending in our local economy.

Local Vendor Spend – Services & Supplies	Year to Date FY 2022-23	FY 2021-22	FY 2020-21
Total Countywide Services & Supplies \$'s	223,011,423	\$264,459,545	\$257,900,000
<i>Services & Supplies - Local Vendor \$'s</i>	<i>97,655,739</i>	<i>\$131,733,928</i>	<i>\$149,800,000</i>
<i>% Local Vendor Spend - Services & Supplies*</i>	<i>44%</i>	<i>50%</i>	<i>58%</i>

**Target: 60%*



Local Vendor Preference:

The tables below provide information on the application of the current Policy for the past two fiscal years. In FY 2021-22, there were 44 bids issued for tangible items, and two of the bids resulted in the Local Vendor Preference being applied.

FY 2021-22 Local Vendor Preference (LVP) Policy Application

Bid #	Vendor	6% LVP	Bid	Award/PO	\$ Impact
150320	Santa Maria Ford	Yes	\$25,697	\$24,756	(\$941)
1500004	Home Motors	Yes	\$52,492	\$52,375	(\$117)

FY 2020-21 Local Vendor Preference (LVP) Policy Application

Bid #	Vendor	6% LVP	Bid	Award/PO	\$ Impact
150306	Santa Maria Ford	Yes	\$79,427	\$75,138	(\$4,288)
150312	Home Motors - Chevrolet	Yes	\$45,567	\$44,889	(\$678)
150312	Home Motors - Chevrolet	Yes	\$46,986	\$46,262	(\$723)
150315	Mullahey Ford	No-Declined	\$49,654	\$48,864	\$790

Cooperative Purchasing:

The use of collaborative purchasing programs is another way that Purchasing is moving the County forward strategically and efficiently and obtaining benefits in pricing, quality and improved contract process. The table below shows the County’s overall level of participation in cooperative purchasing arrangements for the past two fiscal years, along with the number of cooperative agreements where local vendors were used. During FY 2021-22, Purchasing participated in forty Cooperative Agreements, in accordance with Sec. 2-38.0 of the County Code. The types of services and commodities purchased this past year through Cooperative Agreements include information technology and financial services, heavy equipment, heavy-duty trucks and trailers, light-duty trucks, and fuel.

By piggybacking on cooperative agreements already in place as a result of successful competitive bidding, the County saves time, resources and costs by reducing the administrative burden of bid and purchasing activity, while also expediting the purchasing process. The County can also achieve more

competitive pricing leading to cost savings by leveraging a cooperative contract created by a larger entity with greater purchasing power. The use of cooperative purchasing networking promotes the development of contacts and relationships with other government agencies, suppliers, and the local vendor community.

Participation in Cooperative Agreements – FY 2021-22

Category	Number	\$ Amount
Total Cooperative Agreements Used	40	\$20,640,974
Local Vendor Cooperative Agreements Used	11	\$4,040,920
<i>% Cooperative Agreements with Local Vendors</i>	<i>28%</i>	<i>20%</i>

Participation in Cooperative Agreements – FY 2020-21

Category	Number	\$ Amount
Total Cooperative Agreements Used	20	\$4,258,638
Local Vendor Cooperative Agreements Used	10	\$2,595,752
<i>% Cooperative Agreements with Local Vendors</i>	<i>50%</i>	<i>61%</i>

Purchasing Division Initiatives and Updates:

Vendor Connection Event:

In October 2022, the Purchasing Division hosted a "Vendor Connection" event with Omnia Partners, one of the largest group purchasing organizations that provides sourcing solutions and partnerships. County departments had the opportunity to network with major suppliers, purchasing teams from neighboring cities and counties, as well as local vendors. The event broadened opportunities for local vendors to fully participate in the County's contracting process and encouraged larger, out of County, suppliers to partner with local vendors when submitting proposals for County contracts. There were 27 suppliers in attendance, along with an estimated 37 employees from 19 departments and a total of 10 representatives from five outside agencies.

During the event classes were provided to the public and County employees by representatives of the Department of Industrial Relations (DIR) focused on the responsibilities of the County and contractors when soliciting and awarding public projects.

The Purchasing Division was excited by the positive feedback and the energy generated by the event. While the metrics on this event are not necessarily quantifiable, the connections and new associations created will most assuredly have a positive future impact on supplier relationships and provide opportunities for new suppliers to participate in County Procurement opportunities. In October 2023, we will host a similar event in Santa Maria and annually thereafter.

COUNTY of SANTA BARBARA
CALIFORNIA FUTURE

OMNIA[®]
PARTNERS

VENDOR CONNECTION

Suppliers Scheduled to Attend:

- Amazon
- Avis SPL
- Club Car
- Fastenal
- Grainger
- Graybar Electric
- Herman Miller
- Medline Industries, Inc.
- Michelin North America
- Safeware, Inc.
- ServiceWear Apparel
- SHI
- The Garland Company
- The Home Depot
- Toro
- Virco
- Waxse
- Weatherproofing Technology
- WillScot

PROGRAM: Please join the Santa Barbara County General Services Purchasing Division and OMNIA Partners for a robust event focused on Vendor Connection.

This event provides an opportunity for local vendors to connect with major supplier experts and also gives public agencies a chance to speak with small and local businesses about their services and products.

DATE: Wednesday, October 12, 2022
TIME: 9:00 a.m. to 12:00 p.m.
LOCATION: County of Santa Barbara
General Services – Purchasing Division
260 N San Antonio Road (Casa Nueva)
Santa Barbara, CA 93110

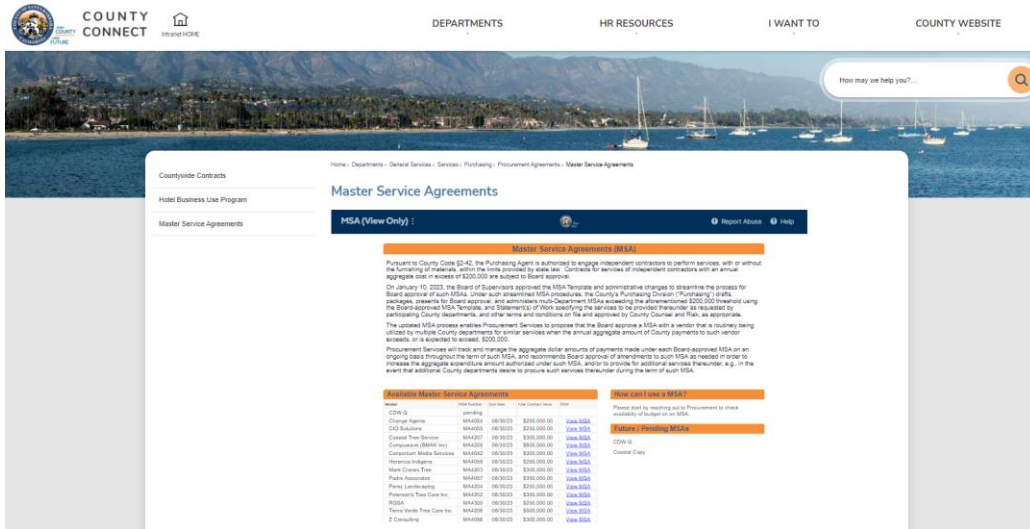
FREE TO ATTEND, PLEASE RSVP BY 09/20/2022 TO MISTY ALDERAAN
[MALDERAAN@COUNTYOF SB.ORG](mailto:malderaan@countyofsb.org)
WALK-INS WELCOME

Master Service Agreements:

On January 10, 2023, the Board approved the Master Service Agreement (MSA) template as well as administrative changes to the Board approval process for the authorization of multi – department MSAs exceeding the aggregate threshold of \$200,000 in payments to a single vendor. This update results in added opportunities for cost savings and greatly streamlines the process, adding measurable improvements in efficiency both internally as well as externally for our suppliers.

Multiple County departments will now be able to leverage these MSAs to utilize vendors routinely used by multiple County departments for similar services when the annual aggregate amount of payments to such vendors exceeds \$200,000 or is anticipated to exceed \$200,000 per fiscal year. The approved process permits Purchasing to draft, package, present for Board approval, and administer multi-department MSAs by using the board-approved MSA template, statement(s) of work specifying the services to be provided as requested by participating County departments, and other terms and conditions on file approved by County Counsel and Risk, as applicable.

Purchasing has created 13 Master Service Agreements to date, effectively reducing processing time for Purchasing, the departments, suppliers, and the Board. 44 separate contracts would have been created and issued by departments compared to 13 MSAs prepared and executed by Purchasing, if this new process were not in place.



e-Requisitions:

The Purchasing Division fully implemented Palette Arena e-Requisition in September 2021 to automate and streamline processes, provide visibility to departments, and more accurately track Purchase Order status and updates. The transition away from paper-based processes to e-requisitions has reduced time spent by Purchasing staff on clerical, paper-driven tasks while increasing procurement efficiencies. Since the implementation of e-requisitions, Purchasing staff completed 86% of the 2,475 requisitions received in FY2021-22 within five (5) calendar days, which is a significant improvement in processing time compared to time to process prior to implementing the new system. The e-requisition system has also been an important bridge for departments, moving them away from manual requisitions to online requisition workflow in preparation for the implementation of the Workday ERP.

Fiscal and Facilities Impacts:

Budgeted: N/A

Fiscal Analysis:

N/A

Authored by:

Lynne Dible, Assistant Director, General Services

Attachments:

CC: