



Local Vendor Outreach

COUNTY OF SANTA BARBARA



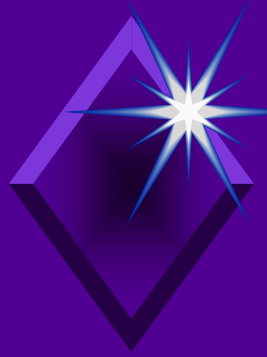
OBJECTIVES

- ◆ Increase amount of goods and services purchased from local vendors
 - ◆ Educate vendors on doing business with the County
 - ◆ Notify of performance, insurance and invoicing
 - ◆ Increase their awareness of our needs
- ◆ Procure quality commodities at the best price
- ◆ Implement Strategic Goals
 - ◆ Goal IV Implement Strategies for Economic Vitality and Sustainable Growth
 - ◆ Goal VI Make Santa Barbara County Government Citizen-Friendly



Challenges:

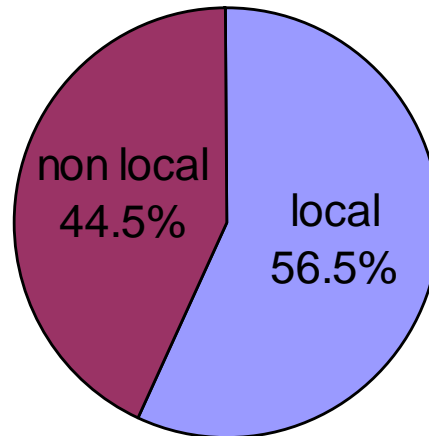
- ◆ Many expensive items have no local maker or distributor
- ◆ Loss of vendors
- ◆ Low margins not attractive to vendors
- ◆ Limits of Time, Staff, and Money
- ◆ Limited discretion
 - ◆ Public Projects
 - ◆ Preferences Vs fiduciary responsibility

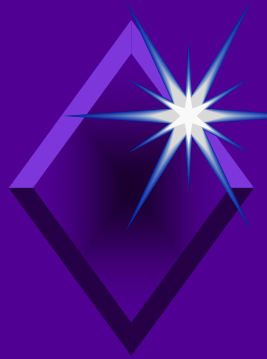


RESULTS OF OUR EFFORTS



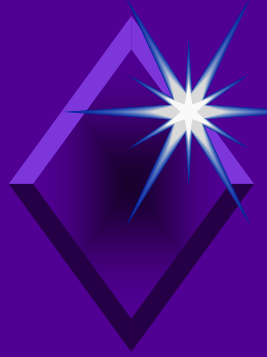
56.5% of 132 Million Dollars





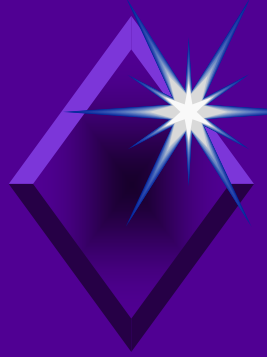
Top 10 In-County Purchasing Contracts in FY 04/05

- ◆ **Tri County Office Furniture-- \$774,209**
- ◆ **Corporate Express-- \$757,727:**
- ◆ **Quinn Company and Caterpillar Financial--
\$702,000**
- ◆ **GE Capital (Coastal Copy) -- \$608,126**
- ◆ **The Pacific Pride Foundation-- \$549,797**
- ◆ **Jordano's-- \$522,906**
- ◆ **Iverson Motor Company-- \$439,687**
- ◆ **Community Action Commission-- \$399,136**
- ◆ **Domestic Violence Solutions:- \$374,905**
- ◆ **Home Motors:-\$274,287**

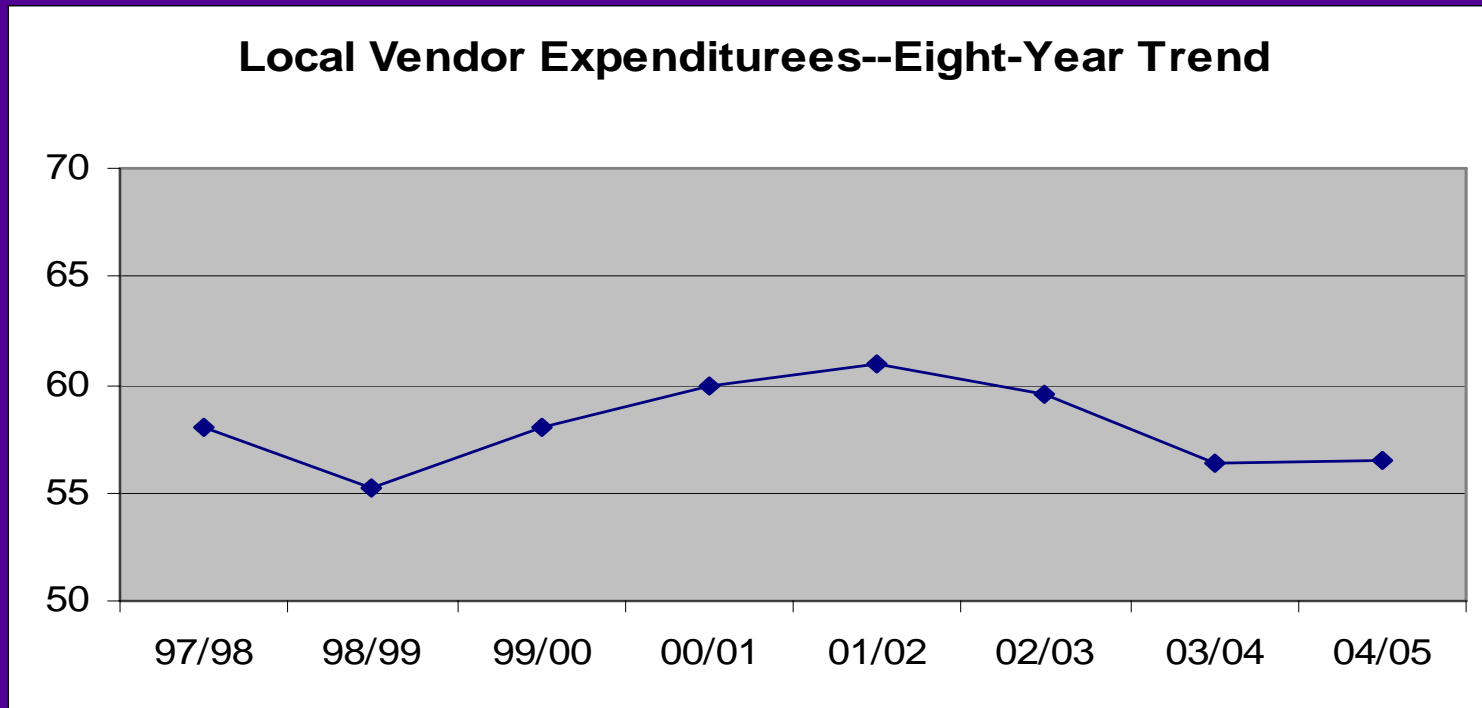


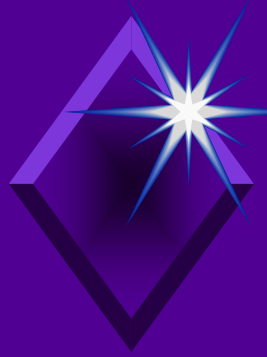
Top 10 Local Board Contract vendors in FY 04/05

- ◆ **Prison Health Services, Inc.—\$3,769,911:** (Sheriff)
- ◆ **Telecare Corporation--\$2,438,976:** (AD&MH)
- ◆ **Community Action Commission--\$2,412,298** (Probation, MH)
- ◆ **Union Asphalt--\$2,271,130** (Public Works)
- ◆ **Addus Health Care Inc--\$2,199,005** (DSS)
- ◆ **Work Training Program--\$1,439,822** (DSS-WRC)
- ◆ **Sojourn Services--\$1,357,857** (MH) (PH)
- ◆ **S.B. Council on Alcoholism--\$1,249,117** (Probation, MH)
- ◆ **Santa Barbara Cottage Hospital--\$1,180,982** (PH, MH)
- ◆ **AEGIS Medical Systems--\$1,017,567** (AD&MH)



Eight Year Trend, Local Purchases





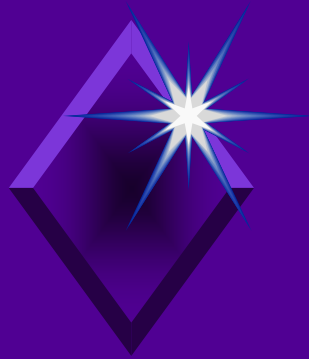
WHERE DO WE GO FROM HERE?

- ◆ INCREASE CHAMBER CONTACTS
- ◆ CONDUCT NORTH AND SOUTH COUNTY OUTREACH SEMINAR
- ◆ BOARD LETTER CHANGES
- ◆ CONTINUE EFFORTS TO BE USER FRIENDLY
- ◆ LVO Advisory Committee:
 - ◆ Definition of Local Vendor
 - ◆ Preference for local Bids



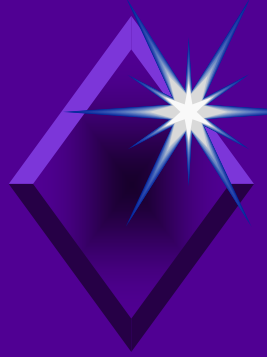
What is a “Local Vendor?”

- ◆ Physical Location
- ◆ Local employees and/or ownership
- ◆ In business at least 6 months
- ◆ Resale Permit (for taxable items)



Preferences?

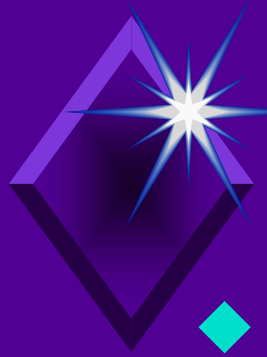
Opposed by ISM and NIGP
Used throughout the state
Used by the state
Standing up in court



Analysis of FY 2004/2005 Purchasing Bids

Effect of 6% Preference on results

| | |
|-------------------------------|----|
| ◆ No non-Local Bidders | 05 |
| ◆ No Local Bidders | 14 |
| ◆ Local Vendor Won (no Pref.) | 32 |
| ◆ Local Vendor Won (1 1/2%) | 01 |
| ◆ Local Vendor over 6% higher | 06 |
| ◆ 6% Preference would win | 02 |
| ◆ 3% Preference would win | 01 |
| Total Bids | 61 |



Analysis of FY 2004/2005 Purchasing Bids

Effect of 6% Preference on results

- ◆ Of the 9 local suppliers outbid, a 6% preference would have resulted in:
 - ◆ A \$3453 award for fresh meat, at an additional cost of \$195.49
 - ◆ A \$28,315 award for a Fire Chief Sedan at an additional cost of \$1348.33
 - ◆ A \$22,251 award for a 2WD Trailblazer at an additional cost of \$1059.56

The remaining non-local bids were more than 6% lower than the local bid.



GOAL:

- ◆ 60% OF ALL SANTA BARBARA COUNTY PURCHASES OF GOODS AND SERVICES WILL GO TO

- ◆ LOCAL VENDORS