



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:** 07/08/14  
**Placement:** Administrative  
**Estimated Tme:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** General Services Matthew P. Pontes, Director (560-1011)  
Contact Info: Karen L. Miles, Assistant Director (568-2678)

**SUBJECT: Local Vendor Outreach Program Report for 2013**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: N/A

**Other Concurrence:**

As to form: N/A

**Recommended Actions:**

That the Board of Supervisors:

- a) Receive and file the annual report on the results of the Local Vendor Outreach Program for calendar year 2013;
- b) Approve and authorize the General Services Director to continue to research and implement ways to expand the Local Vendor Outreach Program to increase local vendor participation;
- c) Approve and authorize the General Services Director to research procurement system software and to report back to the Board on upgrade options to enhance reporting features of participation in the Local Vendor Outreach Program;
- d) Direct the General Services Director to report back to the Board on the Local Vendor Outreach Program research in the spring of 2015; and
- e) Determine that acceptance of the annual report is not a "project" as defined by the California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(5), as it is an administrative activity that will not result in direct or indirect changes in the environment.

**Summary Text:**

Through the efforts of all personnel with the responsibility of spending County funds, we were successful during 2013 in exceeding the established performance measure of directing 60% of our discretionary spending to local vendors by increasing the participation rate to 62%. This outcome was accomplished with the continued utilization of the 6% preference to local vendors on formal bids issued by Purchasing for tangible items.

**Background:**

The Board of Supervisors established the Local Vendor Outreach Program (The Program) in 1993 with the goal of increasing local vendor participation in the County's purchasing process for both goods and services.

The Program also has reporting requirements for the Purchasing Manager to track the amount of money spent with local vendors, and to report annually on the progress made in increasing participation and meeting established goals. In 1997, a performance measure was adopted by the Board as part of the General Services Department's budget establishing the goal of having 60% of the County's discretionary expenditures spent locally.

In calendar year 2013, the County spent \$98 million discretionary dollars with local vendors. As a percentage, we exceeded the adopted 60% performance measure and increased local vendor participation rate to 62%. These positive results are attributed to the combined efforts of the following: 54% was attributed to spending by the Board of Supervisors, 34% was attributed to spending by the Purchasing Division, and 12% was attributed to spending by individual departments. Based on these spending distributions, it is clear that our success is dependent on the efforts of all personnel involved in spending County money. Further advancement of local vendor participation rates is tied directly to the conscious efforts of the County team as a whole, and in considering local vendors on every possible expenditure decision when allowable.

We would like to confirm to the Board that the Local Vendor Outreach Program is working for the County and our local vendors, and that the established goal of 60% is still a realistic number that can be supported without incurring excessive additional cost to the County. We will continue to strive towards making additional gains in the Program, but we must also remain cognizant that gains made at a significant cost may not be in the best interest of our limited financial resources. We must continue to make prudent cost conscious decisions, and seek to maximize each and every expenditure dollar.

**Performance Measure:**

The performance measure in this program is to spend 60% of the County's discretionary funds on goods and services with local vendors.

**Fiscal and Facilities Impacts:** None

**Fiscal Analysis:**

The program is accomplished within the existing budget of the Purchasing Division, General Services Department.

**Staffing Impacts:** None

**Special Instructions:** Please send a copy of the Minute Order and the NOE with the date filed.

**Attachments:** Notice of Exemption (CEQA)

**Authored by:** Karen L. Miles, Assistant Director