



THE CITY OF SAN DIEGO

**CITIZENS' EQUAL OPPORTUNITY COMMISSION
REGULAR BUSINESS MEETING**

**CD of Recorded Minutes available upon request*

MINUTES

Wednesday, December 2, 2009 - 6 P.M. – 8 P.M.
City Administration Building
Council Committee Room
202 C Street – 12th Floor
San Diego, CA 92101

Commissioners Present:

Shirley Weber, Ph.D. (Interim Chair)
Eileen Chaske
Maurice Wilson

Sarah Young
Alden Salcedo
Stampp Corbin

Excused/absent Commissioners: Rebecca Llewellyn, Debbie Day, Dan Salas, and Brad Barnum

MAYOR'S STAFF:

Debra Fischle-Faulk, Director Administration
Hildred Pepper, Director, Purchasing & Contracting
Terrell Breaux, EOC Supervisor;
Laura Davis, EOC, WPO

GUEST'S:

Pam Ison, Council District 3

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- I. CALL TO ORDER:** The meeting was called to order at 6:02 p.m. by Chairperson Dr. Shirley Weber.
 - II. APPROVAL OF MINUTES AND AGENDA:** Minutes of November 4, 2009 and Today's Agenda were unanimously approved.
 - III. PUBLIC COMMENT: NONE**

IV. ACTION ITEMS: Small Local Business Enterprise Program has gone to Council and been approved.

V. DISCUSSION ITEMS: NONE

VI. STAFF REPORT:

- Purchasing & Contracting Overview / Goods and Services Statistics
Presented by Hildred Pepper / Handouts provided

Commissions Concerns:

- Discretion of the Purchasing & Contracting Agent
 - Sharing of information
 - Verbal quotes being accepted
 - Diversity within Purchasing & Contracting
 - Outreach to minority businesses
 - Confidence in doing business with the City
 - Meeting with other Businesses and requesting/sharing vendor data
 - Broaden small business information outside of construction services
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- Director's Program Update for CEOC: *Presented by Debra Fischle-Faulk/ Handouts provided*
 - Small Local Business Enterprise Program Proposal
 - Contract Compliance Software Package
 - Internal Audit
 - Certification
 - Labor Compliance
 - Upcoming Caltrans Project – Mandatory Pre-bid 12/04
 - SBA Agreement
 - New Website
-
- EOC Monthly Report: *Presented by Terrell Breaux, EOC Supervisor/ Handouts provided*
 - Awarded Construction Contracts
 - Notice to Proceed Letters
 - SCOPe contracts
 - Issued Waivers
 - Compliance Violations

- Statistical Report sent from the Civil Service Commission / *Handouts provided*
 - Request for future meeting to discuss report with a Personnel Department person as well as the Civil Service Commission
 - Question of Annual Report needing to be presented to Council

VII. SUBCOMMITTEE REPORT: NONE

VII. COMMISSIONERS ANNOUNCEMENTS:

Commissioner Young: Announced that if you wanted to send out information to the public the Towne Council Meetings are a good choice via your Council District.

Commissioner Corbin: Requested to get Councilmember DeMaio's Document sent out to all.

Commissioner Weber: Announced that Commissioner Rebecca Llewellyn is resigning due to family responsibilities.

IX. INTERIM CHAIR'S REPORT: NONE

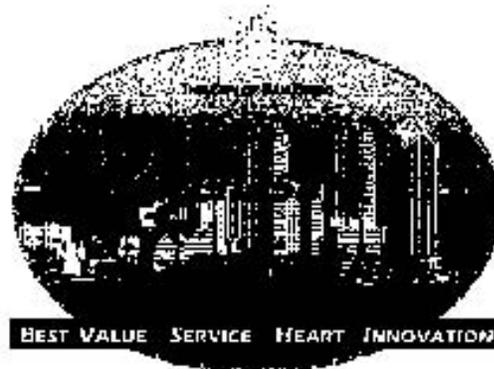
X. ADJOURNMENT: 7:37P.M Vote: *Passed Unanimously (6-0)*

*****Materials Provided**

- I. Minutes of November 4, 2009
- II. Purchasing& Contracting Overview
- III. Goods and Services Statistics
- IV. Director's Program Update Report
- V. EOC Monthly Report
- VI. Statistical Report for EEO 2007 & 2008

Citizens Equal Opportunity Commission

Purchasing and Contracting Overview



Mission Statement

To provide superior services and support to City departments and customers for the centralized acquisition of services and supplies.

Vision Statement

Establish ourselves as a “one stop” department for all of the City’s purchasing and contracting needs.

PURCHASING AND CONTRACTING

OVERVIEW

The Purchasing and Contracting (P&C) Department issues competitive solicitations, conducts market research, evaluates bids and proposals, and administers contracts. As the City's centralized acquisition agents for commodities, services, professional services, consultants and construction, P&C resolves protests and performance/delivery issues, resulting in the best value to the City. On behalf of the City, the department issues Request for Bids (RFB), Request for Proposals (RFP), Requests for Information (RFI), Requests for Qualifications (RFQ) and negotiates Sole Source Agreements. Purchasing & Contracting also oversees citywide programs such as the Procurement Card Program, and coordinates citywide Service Level Agreements.

Purchasing & Contracting operates Central Stores, which is an Internal Service Fund responsible for the procurement, storage and distribution of materials and supplies needed for the daily operations of City departments from two (2) storeroom operations; the storage, internal distribution and public sale of surplus and obsolete City property; the contract administration and accounts payable for US vendor accounts in the Citywide Open Purchase Order Program; and the daily collection, sorting, metering and delivery of City interoffice and USPS mail in the City's Mail Center Operation.

GOALS AND OBJECTIVES:

P & C's goals and objectives include:

- Providing customer service that is positive, courteous and cooperative, flexible, responsive and responsible.
- Establishing and administering contracts and stores operations efficiently and effectively.
- Procuring commodities, services and non-architectural and engineering consultants, resulting in best value.
- Ensuring that City business is conducted in a fair and open environment in full compliance with the laws and regulations and best practices; avoiding unfair practices, giving all vendors equal opportunity and embracing minority, local and small business outreach programs.
- Participating in continuous improvement through professional certification, training, development and outreach.
- Accepting the role as "change agent" when challenged with unexpected changes achieving positive and successful outcomes.
- Promoting strategic sourcing initiatives and purchasing trends.
- Striving to be recognized as a model procurement organization, embracing technology and ethics and integrity in day-to-day responsibilities.

CITYWIDE OPEN PURCHASE ORDER PROGRAM

The Citywide PO Program includes administration and accounts payable of 198 vendor accounts providing a variety of supplies and services to City departments. There are approximately 120,000 individual purchases per year. Last year's purchases on Citywide PO's were approximately \$22.4 million. The volume of individual invoices processed for payment through the Citywide PO's is approximately 40% of all invoices paid by the City of San Diego annually. The administration of the accounts includes the review of vendor invoices for contract pricing and monitoring the general terms and conditions of each account.

MAIL CENTER OPERATIONS

The Mail Center provides both interoffice mail service and outbound USPS mail service for all City departments. **The Interoffice Mail Activity** provides the daily pick-up (including US mail to be processed in the Mail Center) and delivery of interoffice mail for approximately 200 designated mail stations. This includes 37 mail stations (City Administration Building and Civic Center Plaza Building) that receive service twice per business day. There are approximately 2 million pieces of interoffice mail delivered per fiscal year. **The USPS Mail Activity** processes approximately 2.3 million pieces of outgoing City mail per fiscal year. By qualifying this mail for maximum USPS discounts utilizing bar-code, presort, address management, tabbing and digital metering technologies, the Mail Center saves City departments approximately \$350,000 per year in postal expenses.

OTHER PURCHASING & CONTRACTING RESPONSIBILITIES

- Protest Hearings
- Public Records Act Request
- Project Management Academy
- Construction Management Academy
- Training on Request
- Construction Industry Meetings

CONTRACT AWARD PROCESSES

AWARDING A CONTRACT

- Initiating Department Identifies Need
- Scope of Work/Specs Issued
- Review by Other Departments/Staff
- Washington City Attorney, etc.
- Information by P&C
- P&C Review/Proposals/ Quotes
- Evaluation Criteria Selected
- Solicitation Prepared/Issued
- Responses
- Pre-Solicitation Conference
- Take Large Demands on Community and
Diversity
- Site Visit
- Agenda
- Date and Time
- Late Bids/Proposals Not Accepted
- Evaluation Process
- Contract Awarded
- Award

QUOTE AND BID REQUIREMENTS

- For Purchases less than \$5,000,
One Quote is required (written or
oral).
- For Purchases between \$5,000
and \$10,000, Minimum of Two
Quotes are required (written or
oral).
- For Purchases between \$10,000
and \$50,000, Minimum of Five
Quotes (written).
- Purchases greater than \$50,000
require a Formal Bid. See City
Notice City Website.

GOVERNING ORDINANCES

(Partial List)

- Charter Section 100(b) Delegation of
Authority.
- Municipal Code Chapter 2
- Charter Article V.
- Administrative Regulations.

ARCHITECTURAL & ENGINEERING CONTRACTING

- The City's Consultant Relation List is shared by the City, County and Port of San Diego
- The City's Consultant Services Coordinator manages the list and responds to requests for use received from the City, County and Port of San Diego.

THREE COVERED PROCESSES

1. **Under \$25,000**
• Consultant Request
• Bidder Qualification by RFP
• RFP
2. **Between \$25,000 - \$250,000**
• Consultant Relation List (a) not a
can be used
• details and selection processes
required
3. **Over \$250,000**
• Request for Best Bid Proposal
• RFP required
• processes and selection process
required
• Covered under 1402 - appropriate
level of review

REFERENCE DOCUMENTS

1. Administrative Regulation 100.25000
2. Administrative Regulation 15.15
3. Code of Ethics 100-07
4. San Diego City Charter Section 1
5. San Diego City Charter Section 18

NOTE: The Consultant Relation List consists of 25 disciplines, half of which are reviewed on a bi-annual basis. This assures that an approved firm's eligibility exceeds a 24-month duration.

CONSTRUCTION CONTRACTING

Purchasing and Contracting is responsible for the 100% review of the contract document through the Notice to Proceed, with various post award activities as required.

100% Review

- A Senior Contract Specialist receives the final master mark up of the specification and reviews it to ensure it has the necessary elements to meet the requirements of the City Charter, Municipal Code, Public Contracting Code and the Specification for Public Works and the Regional and City Supplement.

Advertising

- Ensure all elements necessary for advertising are present.
- Ensure the bid opening date does not precede the Council approval.
- Provide written advertisement to Daily Transcript and other necessary publications.
- Upload specification and plans to E-Bidboard.
- Prepare and review addenda; distribute and upload.
- Respond to questions from the construction community concerning contracting issues.
- Conduct pre-bid meeting.

Bid Opening

- Decline the bidding period if used.
- Open bids and announce the apparent low bidder.
- Verify contractor license.
- Verify contractor pre-qualification.
- Tabulate bids and post on web site and e-mail to distribution.
- Provide information to EOCIP.
- Notify project manager of apparent low bid.

Award

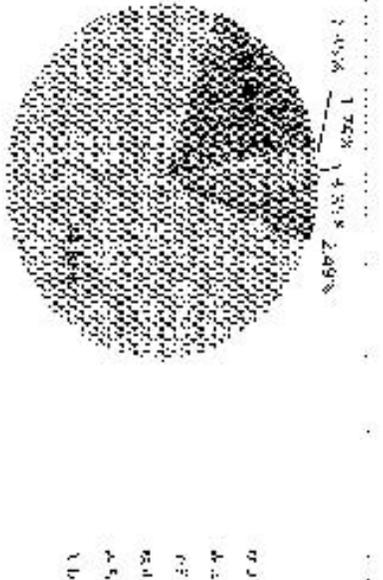
- Respond to letters of protest.
- Notify lowest reliable and responsible bidder of pre-submittal requirements.
- Review and verify insurance, bonds and any other submittals required for the award of contract.
- Obtain action document from project manager.
- Obtain signatures from the Mayor or designee and the Office of the City Attorney
- Notify project manager to set pre-construction meeting.
- Issue Notice To Proceed.

Subcontractor Substitution

- Review request submitted by prime contractor.
- Notify out-going subcontractor of rights under the public contracting code and requesting their agreement in writing of the substitution.
- Notify in-coming subcontractor of the intent of the contractor and the dollar value of the contract.
- Verify the reason for substitution meets the requirements of the Public Contract Code.
- If substitution is challenged, organize and conduct an administrative hearing to determine if substitution should be granted.

PURCHASING COMPARABLE DEPARTMENT
 FY09 Purchasing Activity
 \$ Total

FY09 Purchasing Activity	\$ Total	% of Total
Purchase Orders	10,108,552	3.33%
Contract Purchase Orders	32,430,576	1.99%
Department Orders	112,141,875	24.68%
Vendor Applications	212,002,273	16.44%
Contract Applications	17,480,276	1.15%
Vendor Transactions	22,409,109	1.74%
Total	3,751,790,508	100.00%



Purchasing Contracting Department
 FY09 Purchasing Activity
 Count

FY09 Purchasing Activity	Count	% of Total
Release Orders	2,827	7.63%
License Purchase Orders	421	0.37%
Department Orders	7,157	7.17%
Pricing Agreements	670	0.67%
PO-Card Transactions	10,911	30.58%
2009 Transactions	18,083	58.23%
Total	89,764	100.00%

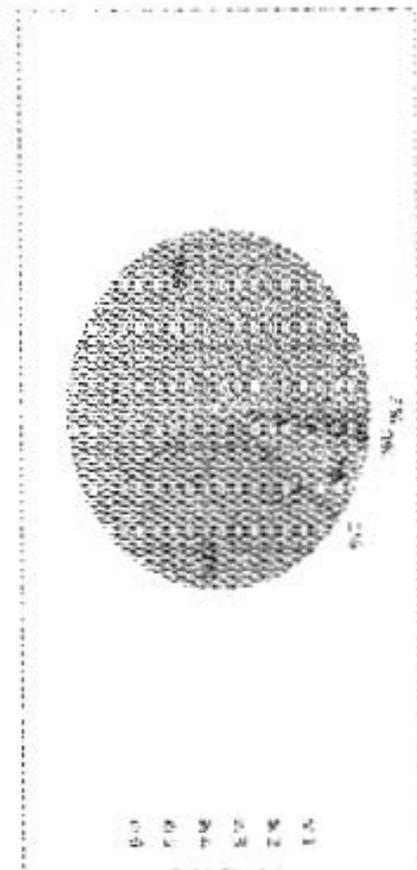


Figure 1 of 1

**Purchasing and Contracting
Small, Local and Emerging Business Development and Outreach
Initiative
December, 2009**

The intent of this initiative is to increase local, small, and emerging business contract participation within the City of San Diego's contracting process. This initiative shall not be construed to require contractors or vendors to award contracts or subcontracts, to make or to purchase materials, supplies, equipment, general services, professional services or construction from small, local and emerging businesses that do not submit the low responsible, responsive bid or the best value proposal. This initiative shall apply to all City of San Diego procurement activities and is intended to supplement the activities of the Small and Local Business Program and the Office of Small Business.

Specific Development and Outreach Initiative efforts include:

1. Initiation of an intense 12 hour small, local and emerging contractor development program which would be formatted as included in Attachment 1 to this document.
2. Increased interface by Purchasing & Contracting Department with small, local and emerging business groups that support emerging businesses that would benefit from this initiative.
3. Enhance the advertisement of upcoming bid/proposal opportunities in small, local and emerging business focused media. Maximize the use of the internet/web-based applications as a notification tool used by the City to inform small, local and emerging businesses of City opportunities.
4. Use of electronic notification tools as a vehicle to notify vendors and contractors of procurement opportunities.
5. Conduct focused workshops on the completion of proposal and bid documents issued by the City.
6. Make available to support agencies, notices of contracting opportunities prior to the issuance of the solicitation.
7. Partner with other public agencies and share best practices regarding successes in increasing small, local and emerging business participation.
8. Participate in educational/outreach opportunities throughout the City/County/Region to train small, local and emerging businesses and support organizations.
9. Offer "good faith efforts" training at all outreach events including all pre-solicitation conferences. Use the conferences to foster relationship building.

Attachment I
 Small, Local and Emerging Business Development and Outreach Initiative

Week 1 (Session 1)

<u>Topic</u>	<u>Time</u>
How to Do Business with the City of San Diego	6-7:00 p.m.
Legal Business Structures	7-8:00 p.m.
How To Write a Business Plan	8-9:00 p.m.

Week 1 (Session 2)

<u>Topic</u>	<u>Time</u>
Insurance Requirements and Business Licenses	6-7:30 p.m.
Accounting, Bookkeeping and Taxes	7-8:00 p.m.
Marketing Your Business/Web Presence	8-9:00 p.m.

Week 2 (Session 1)

<u>Topic</u>	<u>Time</u>
How To Hire And Retain Good People	6-7:00 p.m.
How To Build Capacity	7-8:00 p.m.
Importance of Networking	8-9:00 p.m.

Week 2 (Session 2)

<u>Topic</u>	<u>Time</u>
Banking and Finance Panel	6-7:00 p.m.
Resource Assistance Panel	7-8:45 p.m.
<ul style="list-style-type: none"> • City of San Diego Office Small Business • County of San Diego • California State • Small Business Administration • Caltrans 	

CITY OF SAN DIEGO
Equal Opportunity Contracting
Director's Program Update for Citizens Equal Opportunity Commission
December 2, 2009

Small Local Business Enterprise Program Proposal

- Rules Committee moved item to Council, requested IBA recommendations be included – due to budget anticipate going to Council next year
- E&CP Prequalification review staff to be loaned to EOCP to assist with review of financials for certification documents if program approved by Council
- Working on developing application based on other City programs

Contract Compliance Software Package

- Intent to Award Letter issued
- Preliminary conference call with vendor Early Morning Software (MBE, woman-owned)

Internal Audit

- Independent Auditor conducting audit on SCOPe as requested
- Entrance Conference held 08/01/09
- Ongoing- anticipate completion 12/09

Certification

- 3 staff members attended Certification and DBELO training 11/09

Labor Compliance

- Program Manual being reviewed by California DIR anticipate approval 12/09
- Staff member attended training at Airport Authority
- Additional refresher training scheduled for mid-December

Upcoming Caltrans Project – Mandatory Prebid 12/04

- Otay Truck Route Widening Phase 3
 - 7.5% Underutilized DBE Race Conscious Goal
 - 3.8% DBE Race Neutral Goal

SBA Agreement

- Bonding workshop scheduled - 12/11 (small venue to conduct needs assessment, will include SBA, Purchasing & Contracting, EOCP, Surety and cash management vendors). Larger workshop will be held January 2010.

↳ specifically payroll services

New Website

- In collaboration with Engineering & Capital Projects, we will be launching a new Web site that will help small contractors take advantage of business opportunities on city public works projects. The Web site is specifically aimed at reaching San Diego contractors for jobs under \$1 million.



REPORT TO CITIZENS EQUAL OPPORTUNITY COMMISSION

DATE: December 2, 2009
TO: CEOC Chair and Commissioners
FROM: Terrell Breaux, Equal Opportunity Contracting
SUBJECT: Construction and Consultant contracting activities for November 2009

- 1) 2 construction contracts were awarded for the month of November. See spreadsheet
- 2) 4 Consultants were issued Notice to Proceed letters - all City funded.
 1. Scripps Institution of Oceanography - UCSD (Not Certified) for Point Loma Ocean Outfall Plume Behavior Study. \$803K
Subs: None
 2. Toponex Svcs (SWBE) Aerial Survey for Gramp Infr 919 Project. \$19,588
Subs: None
 3. TMAD Taylor Gaines, Inc (Not certified) Ridgehaven Backup Generator Design Project, \$24,980
Subs: None
 4. Lowell, Inc (Not Certified) Aerial Mapping on SDG&E Block 4Z, Block 7A and Block 8B Project, \$57,144
Subs: None
- 3) Number of SCOPE contracts closed-out and number of Final Summary Reports received in last 30 days.
No SCOPE contracts closed. Four (4) Final Summary Reports reviewed and verification of payments conducted.
- 4) A brief description of any waivers issued or complaints files by firms or individuals doing business with The City of San Diego.
None
- 5) A brief, general summary of any compliance violations found by staff during CEOC's routine monitoring activities.

Four site visits were made for November with no violations found.

The two (2) Labor violations from Oct were investigated and restitution has been made. One employee received \$728 dollars in back pay and his hourly wage was corrected from \$25.27 to \$37.39 as a result of the site visit. The second employee received \$41 in back pay and his hourly wage corrected from \$37.15 to \$37.72.