



Procurement Subcommittee

Context and Approach:

The local procurement subcommittee's recommendations are **designed to increase the numbers of Richmond businesses that successfully compete for procurement opportunities at new Berkeley Global Campus in both construction and non-construction services.** The basic recommendations call for the University and the LBNL to:

- Set goals for the percentage of Richmond businesses that will be contracted to provide a service or product; track and report the numbers of Richmond businesses that secure opportunities and the overall “spend” in Richmond
- Work with local partners to strengthen the capacity of local businesses through technical assistance, training, education; and,
- Address barriers in the bidding and contracting process.

Process:

- **Wide Ranging Collaboration and Expertise:**
Community Working Group members, UCB/LBNL procurement departments, City of Richmond, small business development centers, Healthy Richmond, Richmond Main Street, Richmond Chamber of Commerce, For Richmond, CCISCO, local small businesses; the sub-committee was advised by experts with extensive experience in equity based procurement strategies.
- **Engaged Local Business Involvement through Business Roundtables** (August 2015 and November 2015)
 - 100 Richmond leaders, 80 local businesses represented in business outreach events
 - Survey completed to provide feedback on draft procurement recommendations, programs, and strategies

	Recommendation:	Strategies
	1. Set specific goals and adopt policies for increasing procurement from Richmond businesses in construction and through regular procurement. Local Definition for Richmond includes Richmond, North Richmond, and Unincorporated areas of North Richmond. Second Priority is San Pablo.	<ul style="list-style-type: none">• Ensure that Formal preferences for 25% local spend are integrated into CONSTRUCTION contracts to produce legally binding results• Apply procurement policies to other sectors beyond construction including design services• Reserve a specific percentage of Set-aside CONSTRUCTION contracts for local small business• Operate a Bid Process that selects a responsible low bidder, best value, and that limits and/or minimizes any change orders• Incentivize procurement officers to meet CONSTRUCTION goals• Adopt prompt payment policies requiring prime contractors to pay subcontractors 30 days maximum after invoice submission• Set a goal for increasing NON CONSTRUCTION procurement from Richmond Based Businesses over five years, including incentivizing procurement officers to meet goals• Prioritize local food procurement including providing pathway for local farms to sell local produce on new campus at weekly farm stand and via CSA (community-supported agriculture) boxes.
	2. Work with local partners to Expand outreach and education on new construction and ongoing procurement.	<ul style="list-style-type: none">• Assign dedicated staff to manage outreach activities• Promote, create, or attend vendor outreach events including Business roundtable• Facilitate preconstruction Matching Workshops between prime contractors and subcontractors• Develop a Supplier mentor/protégé program that includes incentives for prime contractor participation• Create a one-stop procurement shop on the BGC Campus.

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	3. Work with local partners to increase access to capital.	<ul style="list-style-type: none">• Contribute to an established a program that awards grants and funds loans for capital improvements, and additionally contribute funds to expand the City of Richmond's Revolving Loan Fund.• Fund incentives that require coordination of the local small business support system• Require prime to establish and/or contribute to a Collateral pool or guaranteed line of credit that serves as a \$5M set aside for small businesses
	4. Work with local partners to address bonding challenges.	<ul style="list-style-type: none">• Work with local partners to improve bonding availability or couple with prime-sub contracts. Bonding types include: bid bonding, payment bonding, performance bonding; waive bid bonds, GC/CM provide bonding for subs• Require primes to require wrap-around insurance policies as opposed to contractor default that covers prime only
	5. Work with local partners to build capacity of Richmond businesses to compete.	<ul style="list-style-type: none">• increase the numbers of Richmond businesses that are certified through training sessions on certification application and by simplifying application process• Provide, fund, and/or support a Blueprint room for contractors• Create and/or support a new fund for launching and building capacity of small, locally and worker-owned businesses• Support and/or participate in capacity building workshops• Establish a "Certifications" Reciprocity and common licensing agreements• Extend partnerships, especially beyond construction including cleaning, HVAC maintenance, and building controls systems maintenance• Create and/or support a program that provides back office administrative support, including for example accounting, bid support, payroll services

	Recommendation:	Strategies
	6. Regularly assess and address policies and protocols that create barriers for local, small and micro enterprises to assess UCB and LBNL procurement opportunities.	<ul style="list-style-type: none">• Structure contracts and bidding process to encourage inclusion of small, minority and worker-owned businesses by using a standard definition of MBE, WBE to include zip code• Encourage partnerships between large and small vendors• Review insurance and bonding requirements to consider and address policies that present barriers to small business• Restructure contracts so smaller firms can compete by unbundling of larger contracts into smaller contracts, done by function or by contract size or by product