

## 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 (add "Binding") 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 (Metrics, goals, results will evolve over time; so this process of setting and maintaining metrics must continue throughout and forever) (5 Priority Dots)
- Work with local partners to strengthen the capacity of local businesses through technical assistance, training, education; and, (4 Priority Dots)
- Address barriers in the bidding and contracting process. (2 Priority Dots)

### 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
<p><b>1. Set specific goals and adopt policies for increasing procurement from Richmond businesses in construction (add “including design services” or consider “design and construction”) and through regular procurement. Local Definition for Richmond includes Richmond, North Richmond, and Unincorporated areas of North Richmond. Second Priority is San Pablo.</b></p> <p><b>(30 Priority Dots)</b></p>	<ul style="list-style-type: none"> <li>• Ensure that Formal preferences for 25% local spend are integrated into CONSTRUCTION contracts to produce legally binding results <b>(1 priority dot)</b></li> <li>• Apply procurement policies to other sectors beyond construction including design services</li> <li>• Reserve a specific percentage of Set-aside CONSTRUCTION contracts for local small business</li> <li>• Operate a Bid Process that selects a responsible low bidder, best value, and that limits and/or minimizes any change orders</li> <li>• Incentivize procurement officers to meet CONSTRUCTION goals (“including worker safety and health”) <b>(add “general or non-construction goals)</b></li> <li>• Adopt prompt payment policies requiring prime contractors to pay subcontractors 30 days maximum after invoice submission</li> <li>• Set a goal for increasing NON CONSTRUCTION procurement from Richmond Based Businesses over five years, including incentivizing procurement officers to meet goals <b>(3 priority dots)</b></li> <li>• 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. <b>(1 priority dot)</b></li> </ul>
<p><b>2. Work with local partners to Expand outreach and education on new construction and ongoing procurement.</b></p> <p><b>(15 Priority Dots)</b></p>	<ul style="list-style-type: none"> <li>• Assign dedicated staff to manage outreach activities <b>(add “hire and executive director to work with non profits)</b></li> <li>• Promote, create, or attend vendor outreach events including Business roundtable <b>(organize quarterly roundtables each year); (hold more business lunches to engage small businesses)</b></li> <li>• Facilitate preconstruction Matching Workshops between prime contractors and subcontractors</li> </ul>

		<ul style="list-style-type: none"> <li>• Develop a Supplier mentor/protégé program that includes incentives for prime contractor participation</li> <li>• Create a one-stop procurement shop on the BGC Campus.</li> </ul>
	<p><b>3 Work with local partners to increase access to capital.</b>  <b>(16 Priority Dots)</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Fund incentives that require coordination of the local small business support system.</li> </ul>
		<ul style="list-style-type: none"> <li>• 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</li> </ul>

	<p><b>4 Work with local partners to address bonding challenges.</b></p> <p><b>(10 Priority Dots)</b></p>	<ul style="list-style-type: none"> <li>• 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</li> <li>• Require primes to require wrap-around insurance policies as opposed to contractor default that covers prime only <b>(2 Priority Dots)</b></li> </ul>
	<p><b>5 Work with local partners to build capacity of Richmond businesses to compete.</b></p> <p><b>(36 Priority Dots)</b></p> <p><b>(We don't want a subcontracted company coming to the Richmond campus with a private workforce that is subjected to poverty wages, lack of benefits, &amp; no union representation. Local businesses should receive the subsidies needed to be able to thrive on the new campus since it will be receiving tons of business.)</b></p>	<ul style="list-style-type: none"> <li>• increase the numbers of Richmond businesses that are certified through training sessions on certification application and by simplifying application process</li> <li>• Provide, fund, and/or support a Blueprint room for contractors <b>(1 priority dot)</b></li> <li>• Create and/or support a new fund for launching and building capacity of small, locally and worker-owned businesses <b>(2 priority dots)</b></li> <li>• Support and/or participate in capacity building workshops <b>(1 priority dot)</b></li> <li>• Establish a "Certifications" Reciprocity and common licensing agreements</li> <li>• Extend partnerships, especially beyond construction including cleaning, HVAC maintenance, and building controls systems maintenance</li> <li>• Create and/or support a program that provides back office administrative support, including for example accounting, bid support, payroll services</li> </ul>

	Recommendation:	Strategies
	<p data-bbox="359 435 940 634"><b>6 Regularly assess and address policies and protocols that create barriers for local, small and micro enterprises to assess UCB and LBNL procurement opportunities.</b></p> <p data-bbox="407 683 648 719"><b>(26 priority dots)</b></p> <p data-bbox="407 768 907 886"><b>(On going assessment is highly important; can nip problems in the bud.)</b></p>	<ul data-bbox="982 440 1944 854" style="list-style-type: none"><li>• 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</li><li>• Encourage partnerships between large and small vendors</li><li>• Review insurance and bonding requirements to consider and address policies that present barriers to small business</li><li>• 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</li></ul>