

2010 JUL 15 PM 3:46

CITY OF OAKLAND

AGENDA REPORT

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Department of Contracting and Purchasing
DATE: July 27, 2010

RE: **Receive a Status Report On The Review Of Existing Contracts With Companies Headquartered In Arizona And Opportunities To Discontinue Those Contracts**

SUMMARY

City Council adopted the Arizona Boycott Resolution 82727 C.M.S. on May 4, 2010. The Arizona policy became effective immediately and states in part the following:

RESOLVED: That unless and until Arizona rescinds SB 1070, the City of Oakland urges City departments:

1. to the extent practicable, and in instances where there is no significant additional cost to the City or conflict with law, to refrain from entering into any new or amended contracts to purchase goods or services from any company that is headquartered in Arizona;
2. to not send City officials or employees to conferences in Arizona, and
3. to review existing contracts for the purchase of goods and services with companies headquartered in Arizona and explore opportunities to discontinue those contracts consistent with the terms of those contracts and principles of fiscal responsibility ,”

The Accounting Division of the Finance and Management Agency (FMA) staff searched Oracle and identified all Arizona addresses to which the City made payments. The Department of Contracting and Purchasing staff contacted those businesses directly or searched specific company profiles to determine if those addresses were actually the business headquarters. A list of those businesses headquartered in Arizona is provided as *Attachment C*.

KEY ISSUES AND IMPACT

The City Administrator directed staff to review the list of firms with Arizona headquarters and ensure that each contract comports with the Arizona Resolution 82727 C.M.S. specific to the following:

- (1) Of all existing contracts and pending contracts, explore opportunities to discontinue those contracts/agreements consistent with contract terms and principles of fiscal responsibility. Contact the Department of Contracting and Purchasing for assistance.

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- (2) If it is not feasible to discontinue certain contract/agreements, using the attached Schedule B-1 Arizona Boycott Checklist (*Attachment A*) please document why it is not feasible to do so.
- (3) Agency and department heads are considered the approving authority for Schedule B-1
- (4) Communicate to departmental staff that direct pay (per AI 1021) purchases and payments to Arizona-headquartered companies and businesses are held in abeyance until further notice:
 - a. Direct staff not to travel nor attend conferences held in Arizona.
 - b. Departmental staff with approval authority should not approve any direct pay purchases from companies and businesses in Arizona.
- (5) The Accounting Division of FMA will not process payments to companies and businesses headquartered in Arizona. Any exceptions must be accompanied by a completed Schedule B-1 Arizona Boycott.
 - a. Submitted invoices issued by companies and businesses based in Arizona will be returned to departments unprocessed.
 - b. Ensure that travel requests to Arizona will not be processed.

Moving forward, DCP has prepared Schedule B-2 "Arizona Resolution Declaration of Compliance" *Attachment B*, to include in all solicitations processed through contract administration and purchasing services.

Contracts and purchase orders will not be processed without a completed Schedule B-2 from businesses or a completed Schedule B-1 approved by agency and department heads.

For 2010, Oracle data revealed 11 contracts with companies headquartered in Arizona. Of those 11 contracts:

- Oakland Police Department is the administrator of 6 contracts
- Public Works is the administrator of one contract
- Oakland Fire Department is the administrator of three contracts
- Oakland Parks & Recreation is the administrator of one contract.

For 2009, Oracle data revealed 14 contracts with companies headquartered in Arizona. Of the 14, several are the same businesses used in 2010. Of those 14 contracts:

- City Administrator is the administrator of one contract
- DHS is the administrator of one contract
- DIT is the administrator of two contracts
- FMA is the administrator of one contract
- OFD is the administrator of one contract
- OPD is the administrator of five contracts

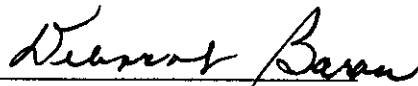
- OPR is the administrator of two contracts
- PWA is the administrator of two contracts

Each department is in the process of determining those contracts that are economically feasible to terminate and those that are not. Staff will return to council with a status of contract activity subsequent to the decisions of each department.

RECOMMENDATION AND RATIONALE

Staff recommends that Council accept this informational report.

Respectfully submitted,



Deborah Barnes, Director

Department of Contracting and Purchasing

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:



Office of the City Administrator

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ARIZONA BOYCOTT CHECK LIST

To be completed and signed by using agency

BOYCOTT OF THE STATE OF ARIZONA AND ARIZONA-BASED BUSINESS

Using Agency/Department _____

Staff Contract Contact Name _____

Contract Contact Phone and e-mail (phone) _____ (e-mail) _____

New Contract? ___ Yes Existing Contract? ___ Yes Purchase Order? ___ Yes

Purchase (please define): Goods _____ Services _____ Other _____

This business is **headquartered** in: _____

Does this purchase comport with the Arizona Resolution? Yes _____ No _____

If no, please explain: (use attachments if additional space is needed) _____

Signed (Using Agency/Department Staff Contact) : _____ Date _____

Reviewed and Approved By: _____
(Using Agency/Department Head)

Submitted to: Department of Contracting and Purchasing:
Gwen McCormick (Contract Admin) _____

Signed _____ Date _____

Jimmie Jackson (Purchasing Services) _____
Signed _____ Date _____

Excerpt: (Resolution #82727) RESOLVED: That unless and until Arizona rescinds SB 1070, the City of Oakland urges City departments (1) to the extent where practicable, and in instances where there is no significant additional cost to the city or conflict with law, to refrain from entering into any new or amended contracts to purchase goods or services from any company that is headquartered in Arizona, (2) to not send City officials or employees to conferences in Arizona, and (3) to review existing contracts for the purchase of goods and services with companies headquartered in Arizona and explore opportunities to discontinue those contracts consistent with the terms of those contracts and principles of fiscal responsibility, and



Declaration of Compliance with the Arizona Resolution

A Boycott of the State of Arizona and Arizona-Based Businesses. Resolution #82727

To be completed by Business Owner.

(1) Business Name _____

(2) Business Contact Person: (Name/Title) _____

(3) Business Contact Person: (Phone/E-mail) _____

(4) Business Headquarters Address _____

(5) Existing contracts with the City ? Yes No If Yes, please list title and agency: _____

(6) The above named company is currently responding to the following contract opportunity:

Title: _____

Project Number: _____

Name of City Contact/Project Manager/Agency/Department _____

Phone/ e-mail _____

A

I declare under penalty of perjury that my company is NOT headquartered in Arizona

Signed (Business Owner) _____ Date _____

I declare under penalty of perjury that my company is headquartered in Arizona and my proposal/bid should be considered because _____

(Please use attachments if additional space is needed).

Signed (Business Owner) _____ Date _____

B

2009 DESCRIPTION	DEPT	DEPT NAME	VENDOR_NAME	VENDOR NUMBER	DIST_AMOUN T	ADDRESS_LINE1	CITY	STATE	ZIP	Headquarters/Corporate Office
1 H 02A186 09 LP OPD SHIELD 25000	02	CAO	TATOO MANUFACTURING	97093	1,071.58	3741 E TECHNICAL DRIVE	TUCSON	AZ	85713	
2 H78E098-09(MARISA)HEAD START PRESENTATION	78	DHHS	SAFFRON PERSPECTIVE INC	95895	3,500.00	15540 E CAVERN DRIVE	FOUNTAIN HILLS	AZ	85268	Scottsdale, Az
3 M 46A054 09 LB- HS CODE 852910	46	DIT	ANTENNA PLUS LLC	94390	1,365.56	9458 EAST SUNNYSIDE DRIVE	SCOTTSDALE	AZ	85260	9458 E Sunnyside Dr., Scottsdale, AZ 85260,
4 M 46A037 09 AB ACCT OAKLA01- UPS INSTALL	46	DIT	DP AIR CORPORATION	26830	2,950.00	PO BOX 52726	PHOENIX	AZ	85072- 2726	Phoenix, Arizona
5 H 08A006 09 JB CEDA FMA BUSINESS INCENTIVE PROJECT	08	FMA	DAN COHEN	93204	1,350.00	4714 EAST ROCKLEDGE ROAD	PHOENIX	AZ	85044	Arizona
6 H20P104-09CT # 99011481 OFD MAINT SUPLS	20	OFD	U HAUL	40795	63.83	P.O. BOX 52128	PHOENIX	AZ	85072- 2128	Phoenix, Az
7 H10P301-09CT # 5107778803 OPD POL SUPLS & EQUIP	10	OPD	HEADSETS DIRECT, INC.	68868	6,155.55	1454 W GURLEY STREET	PRESCOTT	AZ	86305	Prescott, Arizona
8 H10P185-09CT # 2032 OPD PROF POL SVCES PMTS	10	OPD	REFLEX TRAFFIC SYSTEMS INC	95005	12,834.00	23751 N 23RD AVENUE	PHOENIX	AZ	85085- 1854	23751 N 23rd Ave Ste 150. Phoenix, AZ
9 M10P289-09CT # OPD POL OFFC REG FR PSTL ARMR CLSS M.ROSS DEC 08	10	OPD	SPECIALIZED ARMAMENT WAREHOUSE	65208	400.00	P.O. BOX 6310	CHANDLER	AZ	85246- 6310	Chandler, Arizona
10 H10P234-09CT # 106910 OPD POL SUPLS	10	OPD	TASER INTERNATIONAL	63273	675.00	P.O. BOX 29661-2018	PHOENIX	AZ	85038- 9661	Scottsdale, Arizona
11 H 50C029-09 AD	50	OPR	ETHNIC MINORITY SOCIETY	81264	150.00	200 WEST WASHINGTON 16TH FL	PHOENIX	AZ	85003	
12 M 50C004-09 TRAINING SERVS.	50	OPR	HERBYE K WHITE	93739	2,768.84	DBA DMS CONSULTING	TEMPE	AZ	85284	
13 M30K283-09(VD)CUST#466, MAINT SUPPLIES	30	PWA	EWING IRRIGATION PRODUCTS INC	46427	1,480.61	3441 E. HARBOUR DRIVE	PHOENIX	AZ	85034	Phoenix, Arizona
14 M30K032-09(CD)MISC MAINT SUPPLIES	30	PWA	TOTTURF	73401	609.88	P O BOX 4425	SCOTTSDALE	AZ	85260	Chandler, Az

2010 DESCRIPTION	DEPT	DEPT NAME	VENDOR_NAME	VENDOR_NUM MBER	DIST_AMOUN T	ADDRESS_LINE1	CITY	STATE	ZIP	Headquarters/Corp orate Office
1 H20P090-10 OFD REIMB EXPS FRE PNEL BRD PMTS	20	OFD	FRANKLIN CHEATHAM	68065	348.45	12737 W SAN JUAN AVENUE	LITCHFIELD PA	AZ	85340	
2 H20P090-10 OFD REIMB EXPS FRE PNEL BRD PMTS	20	OFD	KERRY SWICK	99610	330.72	1460 S CENTRAL DRIVE	CHANDLER	AZ	85248	
3 H20P075-10CT # 99014388 OFD MAINT SUPLS PMTS	20	OFD	U HAUL	40795	58.89	P.O. BOX 52128	PHOENIX	AZ	85072-2128	Phoenix, Az
4 H10P167-10CT # 164185 OPD POL SUPLS PMTS	10	OPD	DIAMONDBACK TACTICAL LLLP	99529	15,450.00	23040 N 11TH AVENUE	PHOENIX	AZ	85027	Arizona
5 H10P170-10CT # OPD CRME LAB SUPLS PMTS	10	OPD	GG&G INC	99001	31,685.00	3602 E 42ND STRAVENUE	TUCSON	AZ	85713	Arizona
6 H10P142-10CT # 5107778803 OPD OFC SUPLS PMTS	10	OPD	HEADSETS DIRECT, INC.	68868	2,091.90	1454 W GURLEY STREET	PRESCOTT	AZ	86305	Prescott, Arizona
7 H10P107-10CT # OPD POL OFFCR TRANG REG PMTS J.VILLALOBOS	10	OPD	MD HELICOPTERS, INC.	44193	5,950.00	4610 E. FIGHTER ACES ROAD	MESA	AZ	85215	Arizona
8 H10P020-10CT # 2032 OPD RD LGT CMRA ENFCMNT SVCES PMTS	10	OPD	REFLEX TRAFFIC SYSTEMS INC	95005	23,280.00	23751 N 23RD AVENUE	PHOENIX	AZ	85085-1854	Arizona
9 H10P049-10CT # OPD POL OFC SUPLS PMTS	10	OPD	SPECIALIZED ARMAMENT WAREHOUSE	65208	425.87	P.O. BOX 6310	CHANDLER	AZ	85246-6310	Arizona
10 H50K087-10(JC)LAKE CHABOT GOLF DRAINAGE PROJ - MOBILIZATION	50	OPR	WADSWORTH GOLF CONSTRUCTION COMPANY	98284	9,000.00	OF THE SOUTHWEST	BUCKEYE	AZ	85326	
11 M30K031-10(VD)ICUST#466, MAINT SUPPLIES	30	PWA	EWING IRRIGATION	46427	2,677.97	3449 E. HARBOUR DR	PHOENIX	AZ	85034	Arizona