

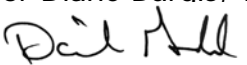


# Contra Costa County Public Works Department

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July 5, 2017

**TO:** **Internal Operations Committee**  
Supervisor Candace Andersen, Chair  
Supervisor Diane Burais, Vice Chair  
  
**FROM:** David J. Gould, Procurement Services Manager  
**SUBJECT:** SBE and Outreach Program Oversight Changes

**Recommendation:**

Accept the report on SBE and Outreach Program Oversight Changes and direct the County Administrator's Office and County Counsel to implement administrative and county code changes as described in this report.

**Background:**

Contra Costa County values the contributions of small business in the County and has developed programs to assist in the solicitation and awarding of contracts. The Board of Supervisors has adopted these programs to enable small and local businesses to compete for a share of the County's purchasing transactions.

Programs established include the Outreach Program in 1998, Small Business Enterprise (SBE) Program in 2000, Local Vendor Preference Ordinance in 2005, and the E-Outreach Policy in 2006. The responsibility for reporting has been shared by Purchasing and the County Administrator's Office. Staff is recommending changes to improve the administration and reporting of these programs.

**Changes:**

The following are the changes staff is recommending:

- **Designate the responsibility for reporting, to the Purchasing Agent under the direction of the CAO.** Over the past five years the Purchasing Division of the Public Works Department has automated vendor registration, developed and implemented an electronic requisition system, automated approval process, electronic delivery of purchase orders to vendors, and improved data collection and reporting capabilities. This automation puts the Purchasing Division in a position to collect data that is of value to the Board and streamline the reporting. Departments will continue to be responsible for providing information to

Purchasing Services Manager, but the new reporting functionality will greatly reduce the time and burden on department personnel. The County Administrator's Office continues to provide policy oversight for the program.

- **Consolidate the SBE, Outreach, E-Outreach, and Local Vendor Preference data into a single report.** The intent of these programs is to encourage departments to perform outreach and award contracts to Small, Local, Minority, Women, and Disabled Veteran owned businesses. By combining these programs under the umbrella of a single Business Opportunity Program, we can bring their administration under one office and focus on increasing business participation. This can be accomplished utilizing technology, requiring departments to solicit vendors within limits, and coordinating with departments and other agencies to promote opportunities for small, local, and typically disadvantaged businesses. The goals and requirements of the programs would not change. See the draft program description attached. In addition, a combined report would provide the Board of Supervisors with a more complete picture of purchasing and outreach activities.
- **Increase the threshold for E-Outreach to \$25,000.** E-Outreach requires bids of \$10,000 or more to be posted online. This requirement is inconsistent with those of most other California Counties. Posting bids online, also known as formal solicitation, provides for fair and open competition and transparency. Formal solicitations are time-consuming and should be used when the potential for competition will result in significant value for the County. Increasing the formal bid threshold to \$25,000 will increase the efficiency of the solicitation process. Also, allowing departments to informally solicit bids under \$25,000 provides them the flexibility to recommend awards to small, local, and typically disadvantaged businesses.
- **Authorize changes to Ordinance 1108-2.406 to increase the Purchasing Agents legal authority to issue purchase orders without competitive bids.** The ordinance entitled *Procedure – Competitive bids not required*, sets the Purchasing Agent's authority to award purchase orders without bidding at \$5,000. This amount is inconsistent with current practice and does not allow for alternative procurement methods. Staff is recommending the Purchasing Agent's authority to award purchase orders without solicitation be increased to \$100,000. Increasing this limit will grant the legal authority for the Purchasing Agent to issue purchase orders in the event of emergencies, exigent circumstances, or when other justification is provided such as sole source and cooperative purchasing

agreements. This change does not eliminate requirements for bidding or override the County Administrator's requirement to approve purchases exceeding \$25,000. The \$100,000 threshold is consistent with the Purchasing Agent's authority to approve contracts and agreements not exceeding \$100,000.

**Table 1: Formal Bid Thresholds of California Counties\***

Organization	Formal Bid Threshold
Alameda County	\$25,000
Butte County	\$25,000
Kings County	\$100,000
Lake County	\$25,000
Los Angeles Co.	\$100,000
Monterey County	\$50,000
Placer County	\$25,000
Sacramento County	\$35,000
San Diego County	\$250,000
San Francisco City & County	\$50,000
San Joaquin County	\$25,000
San Luis Obispo Co.	\$25,000
Santa Barbara County	\$25,000
Santa Clara County	\$100,000
Santa Cruz County	\$15,000
Shasta County	\$25,000
Solano County	\$25,000
Stanislaus County	\$25,000
Ventura County	\$35,000

\*2015 Survey by California Association of Public Purchasing Officials.