



Contra Costa County  
**Public Works  
Department**

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April 4, 2018

**TO:** Internal Operations Committee  
Supervisor Diane Burgis, Chair  
Supervisor Candace Anderson

**FROM:** David Gould, Procurement Services Manager

**SUBJECT:** Small Business Enterprise, Outreach, and Local Program Report for July-December 2017

**RECOMMENDATION:**

**ACCEPT the SBE, Outreach, and Local Programs Report, reflecting departmental program data for the period: July 1 through December 31, 2017.**

**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.

The Board of Supervisors has set a goal of awarding at least 50% of eligible product and service dollars to small businesses. The Small Business Enterprise (SBE) Program applies to: (1) county-funded construction contracts of \$100,000 or less; (2) purchasing transactions of \$100,000 or less; and (3) professional/personal service contracts of \$100,000 or less.

The SBE Programs objective is to have at least 50% or more of the total eligible dollar base amounts be awarded to SBEs. A Small Business Enterprise, as defined by the California Government Code, Section 14837, Chapter 3.5 must be:

- Independently owned and operated business, which is not dominant in its field of operation
- Principal office of which is located in California
- Officers of which are domiciled in California, and which together with affiliates, has 100 or fewer employees

- Average annual gross receipts of fourteen million dollars (\$14,000,000) or less over the previous three tax years, or a manufacturer with 100 or fewer employees.

Reporting Requirements

It is the responsibility of each department to track and compile the data on these purchasing activities so that a countywide report can be provided to the Board of Supervisors. The Board receives reports for six month increments, and the last report received by the Board was for the period ending June 2017. Attachment A constitutes the report due for the time period of July 1-December 31, 2017.

Summary Findings

The table below summarizes the attached department activity on a countywide basis.

July - December 2017

	<b>Total # of ALL Contracts</b>	<b>Total # of SBE Contracts</b>	<b>SBE Percent of Total</b>	<b>Total Dollar Value of ALL Contracts</b>	<b>Total Dollar Value of SBE Contracts</b>	<b>SBE Percent of Total</b>
<b>ACTIVITY TYPE:</b>						
Professional/Personal Services	355	219	61.7%	\$15,027,315	\$7,724,036	51.4%
Purchasing Transactions	1406	485	34.5%	\$26,888,866	\$6,808,245	25.3%
Construction Contracts	6	6	100.0%	\$230,000	\$230,000	100%

Overall this information shows the County is directing a large volume of qualifying activity to SBE firms. For professional/personal services contracts, this activity surpassed the 50% goal for both number and dollar value. The dollar value of contracts reported was \$7.7 million for this period compared to \$7.9 million in the previous reporting period.

For the category of purchasing transactions, it should be noted that while the activity did not achieve the 50% goal, the dollar value of these contracts awarded to SBE businesses exceeded \$6.8 million. The percentage of Construction projects awarded under the program was 100% to SBE firms, or \$230,000.

It is worth noting that the SBE participation goals of surrounding agencies are more typically in the 20-25% range. By that measure, Contra Costa County's reported activity is above that threshold in every reporting category.

E-Outreach Report

In addition, outreach data for many small departments and for commodities exceeding \$10,000 is maintained and provided through the Purchasing Division of the Public Works Department reflecting outreach to small, women, minority-owned, local, disadvantaged and/or other business enterprises. During the reporting period, 45 bids were conducted using the BidSync e-outreach site. Notifications were sent to 224,306 businesses of which 39% are considered a small, local, or disadvantaged business.

In order to encourage the use of small, local, and disadvantaged businesses, the County's E-Outreach Program requires bids and Request for Proposals exceeding \$10,000 to be solicited online. For this period the County's E-Outreach Program produced the following results.

**E-Outreach Report  
 for the period  
 July 1, 2017 - December 31, 2017**

Number of Solicitations	45
Total Notifications	224,306
Dollar Value	\$ 19,885,732

BUSINESS CATEGORY	Notifications	Percentage of Total
MBE - Minority Business Enterprise	15,110	7%
WBE - Women Business Enterprise	12,298	5%
SBE - Small Business Enterprise	45,857	20%
LBE - Local Business Enterprise	2,635	1%
DVBE - Disabled Veteran Business Enterprise	89	.04%
DBE - Disadvantaged Business Enterprise	10,559	5%
<b>Total</b>	<b>86,548</b>	<b>39%</b>

Local Business Preference

The Local Bid Preference Program allows a bidder in a commodity bid exceeding \$25,000, who is a low bidder, to submit a new bid if they are within 5% of the low bidder. There were no instances of the Bid Preference being utilized for this reporting period.

Dollar Value Awarded to Local and Bay Area Businesses

The dollar value of Purchase Orders issued for the period was \$76.6 million. The dollar value awarded to Contra Costa County businesses was \$8.7 million. The value of awarded to all Bay Area businesses was 42% or \$32.5 million. This represents a significant contribution to the local economy.

Contra Costa County	\$7,630,330	9%
Other Bay Area Counties	\$12,656,936	14%
Other	\$68,785,678	77%
Total	\$89,072,944	100%

Conclusion

The County demonstrates continued commitment to achieving the 50% goal for participation by SBE firms in contract and purchasing activity. While the data for some individual departments is below this threshold, this is often due to unique business requirements that require sole source purchases or contracts.

Continued outreach is necessary to maintain and improve participation of SBE firms as well as training for department staff that make these purchasing and contract decisions regarding the policy.

The reporting for the SBE, Outreach, E-Outreach, and Local Bid Preference programs are combined into a single report and presented by the Purchasing Manager.

Attachment A