



Contra Costa County
Public Works
Department

Brian M. Balbas, Director
Deputy Directors
Stephen Kowalewski, Chief
Mike Carlson
Carrie Ricci
Joe Yee

September 5, 2018

TO: Internal Operations Committee
Supervisor Diane Burgis, District III, Chair
Supervisor Candace Andersen, District II, Vice Chair

FROM: David Gould, Procurement Services Manager
David Gould

SUBJECT: Small Business Enterprise, Outreach, and Local Program Report for January-June 2018

RECOMMENDATION:

ACCEPT the SBE, Outreach, and Local Programs Report, reflecting departmental program data for the period: January 1 through June 30, 2018.

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 December 2017. Attachment A constitutes the report due for the time period of January 1-June 30, 2018.

Summary Findings

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

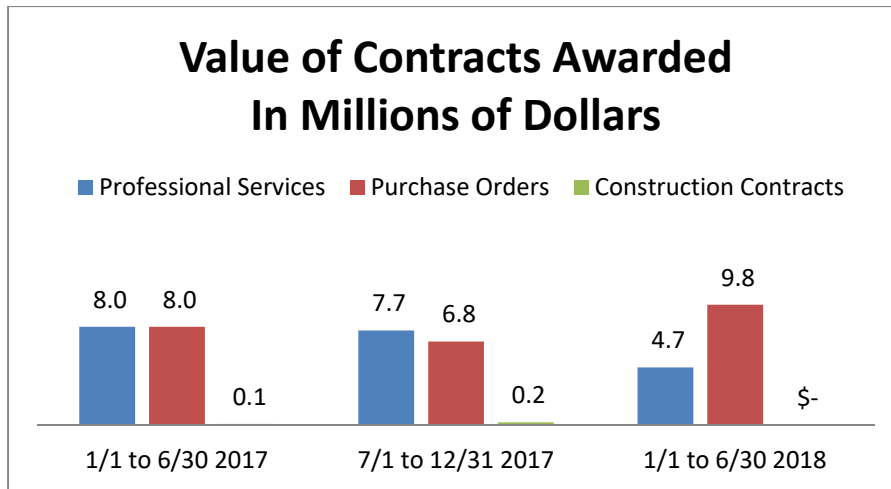
January - June 2018

ACTIVITY TYPE:	Total # of ALL Contracts	Total # of SBE Contracts	SBE Percent of Total	Total Dollar Value of ALL Contracts	Total Dollar Value of SBE Contracts	SBE Percent of Total
Professional/Personal Services	228	123	53.9%	\$12,155,809	\$4,730,577	38.9%
Purchasing Transactions	1570	552	35.2%	\$27,520,175	\$9,812,560	35.7%
Construction Contracts	0	0	0%	\$0	\$0	0%

Overall this information shows the County is directing a large volume of qualifying activity to SBE firms. For professional/personal services contracts, this activity fell short of the 50% goal for the dollar value of contracts. The dollar value of contracts awarded to businesses under the program was \$4.7 million for this period compared to \$7.7 million in the previous reporting period. This equates to a respectable 38.9% of eligible dollars awarded to program participants.

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 increased by \$3 million over the previous reporting period. Departments report no construction contracts awarded under the program for this period.

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 order to encourage the use of small, local, and disadvantaged businesses, the County's E-Outreach Program requires bids and Request for Proposals of \$10,000 or more to be solicited online. For this period there were 34 bids totaling \$28,875,577 that fell within the County's E-Outreach Program.

In addition, outreach data for all electronic solicitations is maintained and provided through the Purchasing Division of the Public Works Department reflecting outreach to small, women, minority-owned, local, disabled veteran, and disadvantaged business enterprises. During the reporting period, 34 bids were conducted using the BidSync e-outreach site. Notifications were sent to 153,598 businesses of which 44.7% are considered a small, local, or disadvantaged business.

E-Outreach
January 1, 2018 - June 30, 2018

Number of Solicitations	34
Total Notifications	153,598
Dollar Value	\$ 28,875,577

BUSINESS CATEGORY	Notifications	Percentage of Total
MBE - Minority Business Enterprise	12,013	7.8%
WBE - Women Business Enterprise	12298	8.0%
SBE - Small Business Enterprise	33,382	21.7%
LBE - Local Business Enterprise	378	.25%
DVBE - Disabled Veteran Business Enterprise	81	.05%
DBE - Disadvantaged Business Enterprise	10,559	6.9%
Total	68,711	44.7%

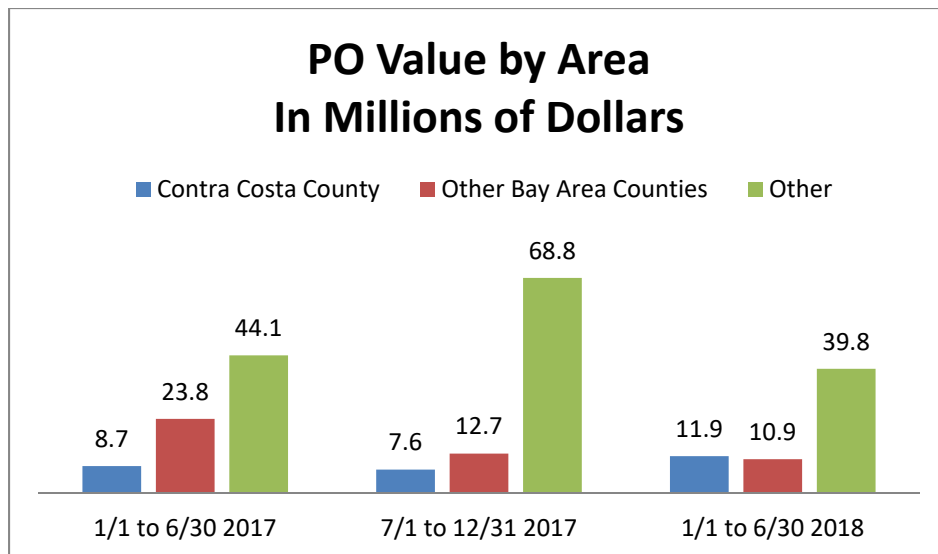
Local Business Preference

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 \$62.5 million. The dollar value awarded to Contra Costa County businesses was \$11.9 million, a \$4.3 million increase from the previous period. The value of awarded to all Bay Area businesses was 36% or \$22.7 million. This represents a significant contribution to the local economy.

Contra Costa County	\$11,853,196	19%
Other Bay Area Counties	\$10,854,109	17%
Other	\$39,774,230	64%
Total	\$62,481,535	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 departments is below this threshold, this is often due to unique business requirements that require sole source purchases or contracts.