



Contra Costa County
Public Works
Department

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June 30, 2020

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

FROM: Cynthia Shehorn, Procurement Services Manager

SUBJECT: Small Business Enterprise, Outreach, and Local Program Report
for July-December 2019

RECOMMENDATION:

ACCEPT the SBE, Outreach, and Local Programs Report, reflecting departmental program data for the period: July 1 through December 31, 2019.

BACKGROUND:

Contra Costa County values the contributions of small business in the County and developed programs to assist in the solicitation and awarding of contracts. The Board of Supervisors 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 objective of the program 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 fifteen million dollars (\$15,000,000) 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 a countywide report can be provided to the Board of Supervisors. The Board receives reports in six-month increments, with the last report submitted to the Board for the period ending June 2019. Attachment A constitutes the report due for the time period of July 1- December 31, 2019.

Summary Findings

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

July - December 2019

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	323	159	49.2%	\$17,465,303	\$7,670,510	43.9%
Purchasing Transactions	1,306	374	28.6%	\$28,103,063	\$5,951,423	21.2%
Construction Contracts	0	0	0%	\$0	\$0	0%

This information shows the County is directing a large volume of qualifying activity to SBE firms, however the activity for professional/personal services accounts for only 43.9% of the goal. While the activity for purchasing transactions did not exceed the 50% goal, the dollar value awarded to SBE businesses exceeded \$5.9 million for the period. No construction contracts were reported.

It is worth noting that the SBE participation goals of surrounding agencies are typically in the 20-25% range. By that measure, Contra Costa County's reported activity is above that threshold for professional/personal services and in line with the range for Purchasing transactions.

The Probation Department is commended for exceeding their goals in both professional services contracts and purchasing transactions by exceeding their objective and awarding 66.4% of the goal in professional services contracts, and 57.0% in purchasing transactions.

Department/Activity	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
PROBATION						
Professional/Personal Services	23	11	47.8%	\$233,954	\$155,421	66.4%
Purchasing Transactions	41	20	48.8%	\$295,239	\$168,345	57.0%

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 18 bids totaling \$5,292,648 that fell within the parameters of the program.

In addition, the data specific to electronic solicitations is developed and provided by the Purchasing Division of the Public Works Department, and reflects outreach to small, women, minority-owned, local, disabled veteran, and disadvantaged business enterprises. During this reporting period, 18 bids were conducted using the BidSync e-outreach site. Notifications were sent to 252,274 businesses of which 32.6% are considered a small, local, or disadvantaged business enterprise.

E-Outreach
July 1, 2019 – December 31, 2019

Number of Solicitations	18
Total Notifications	252,274
Dollar Value	\$ 5,292,648

BUSINESS CATEGORY	Notifications	Percentage of Total
MBE - Minority Business Enterprise	15,433	6.2%
WBE - Women Business Enterprise	13,294	5.3%
SBE - Small Business Enterprise	41,891	16.7%
LBE - Local Business Enterprise	1,794	.07%
DVBE - Disabled Veteran Business Enterprise	285	0.1%
DBE – Disadvantaged Business Enterprise	9,164	3.6%
Total	81,861	32.6%

Local Business Preference

For opportunities exceeding \$25,000, the Local Business Preference Program allows for local businesses to submit a new offer if within 5% of the lowest 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 \$29 million. The dollar value awarded to Contra Costa County businesses was \$3.6 million. The value awarded to other Bay Area businesses was 12.8% or \$3.7 million. This represents a significant contribution to the local economy.

Contra Costa County	\$3,610,268	12.4%
Other Bay Area Counties	\$3,732,915	12.8%
Other (Non Bay Area)	\$21,751,286	74.8%
Total	\$29,094,469	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, departments are showing greater interest in increasing the percentage of awarded contracts. Instruction is being provided on the search features of the purchasing system, which identifies businesses in the small, local, women, minority, veteran and disadvantaged business categories.

Attachment A