Happy New Year!

On November 8, 2011, the Board of Supervisors approved revisions to the SBE and Outreach programs effective January 1, 2012 as codified in the attached Board Order. The programs have been revised as follows:

**SBE Revisions**

- Increase the SBE thresholds as follows:
  - Purchasing Transactions - from $50,000.00 to $100,000.00
  - Services Contracts - from $50,000.00 - $100,000.00
  - Construction Contracts - from $25,000.00 - $100,000.00

- Establish a 5% bid preference for SBE bidders on County construction contracts and a 5% bid preference to bidders who meet participation goals for SBEs on County construction contracts, pursuant to Public Contract Code Section 2002.

**Outreach Program**

- Establish a pre-award, two step appeal procedure for all service contracts exceeding $100,000.00.

Please begin utilizing these new thresholds on all SBE and Outreach reports immediately. I am currently working with County Counsel to update the language revisions for the SBE and Outreach programs, which I will distribute to you as soon as possible.

If you have any questions, please feel free to contact me at 335-1754.

cc:  
David Twa  
Ted Cwiek  
Tim Ewell  
Barbara Riviera
To: Board of Supervisors  

From: Internal Operations Committee  

Date: October 27, 2011  

Subject: Internal Operations Committee recommendations for revision of Small Business Enterprise and Outreach Programs

RECOMMENDATION(S):

1. ADOPT the following revisions to the SBE Program effective January 1, 2012:
   A. Increase the SBE Program thresholds to the following amounts:

   - Purchasing Transactions – from $50,000 to $100,000
   - Services Contracts – from $50,000 to $100,000
   - Construction Contracts – from $25,000 to $100,000

Action of Board On: 11/08/2011

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<th>VOTE OF SUPERVISORS</th>
<th>Clerk's Notes</th>
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<td><strong>AYES</strong></td>
<td>I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.</td>
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<tr>
<td>NOES</td>
<td>ATTESTED: November 8, 2011</td>
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<tr>
<td>ABSENT</td>
<td>David J. Twa,</td>
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<td>ABSTAIN</td>
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<td><strong>Contact:</strong> Tim Ewell, 925-335-1036</td>
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<td><strong>cc:</strong> Julie Bauren, Steve Selvins, Tim Ewell</td>
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RECOMMENDATION(S): (CONT'D)

B. Establish a 5% bid preference for SBE bidders on County construction contracts and a 5% bid preference to bidders who meet participation goals for SBEs on County construction contracts, pursuant to Public Contract Code Section 2002.

2. ADOPT the following revision to the Outreach Program:
   A. Establish a pre-award, two-step appeal procedure for all services contracts exceeding $100,000.

3. DIRECT the County Administrator to establish policy review of the SBE Program thresholds once every two years.

4. DIRECT the County Administrator to update the SBE Program and Outreach Program text consistent with the above revisions and to submit the revised Program text to the Board for final approval.

5. RECOMMEND that the 2011 Internal Operations Committee (IOC) continue to review these Programs on an annual basis and consider recommendations from staff and affected departments.

FISCAL IMPACT:

No direct impact on the General Fund. For County construction contracts subject to the SBE Program (i.e., those up to $100,000), the adoption of SBE bid preferences totalling 10% could have a potential impact on the cost of such contracts.

BACKGROUND:

In August 1998, the Board of Supervisors adopted the Outreach Program to promote broad outreach to all businesses, including minority (MBE), women (WBE), disabled veteran (DVBE), small (SBE), local (LBE), and other (OBE) businesses. The Outreach Program currently applies to professional/personal services contracts or $2,500 or more, purchasing contracts that exceed $10,000, and construction contracts that exceed $100,000.

In December 13, 1999 the Board approved a second contracting program—the Small Business Enterprise (SBE) Program—for the purpose of providing small businesses a fair share of County business. The SBE Program currently applies to County construction contracts of $25,000 or less, and County purchasing and professional/personal services contracts of $50,000 or less. Except for those contracts and transactions that are exempt from the Program, the SBE Program provides for 50% of the applicable County contracts and transactions to be awarded to small businesses, as defined in the Program.

In adopting the SBE Program, the Board directed the County Administrator to work with County departments to implement the Program and referred the Program to the Internal Operations Committee (IOC) for continuing policy oversight and development of recommendations for Program changes, if warranted. For example, in 2006, at the IOC's recommendation, the Board exempted certain limited categories of purchases and services for which departments could not achieve SBE Program goals due to the specialized nature of the transactions and the limited number of providers of those goods and services.

The IOC has provided policy oversight on the both Programs since their inception, including surveying County departments on the implementation of the SBE and Outreach Programs and overseeing the progression to electronic web-based outreach.

The Affirmative Action Officer monitors performance quarterly and updates the IOC semi-annually. Following the retirement of the Affirmative Action Officer, the work responsibilities and critical functions during this time of limited resources have been assigned to the Assistant Human Resources Director as the Interim Affirmative Action Officer. The Interim Affirmative Action Officer will report to the County Administrator on all SBE, Outreach, and Affirmative Action issues.

At its November 1, 2010 meeting, after receiving staff and community input, the IOC approved the following.
recommendations and asked staff to return to Board to adopt final changes:

(1) Increase the SBE Program thresholds to the following amounts:
   - Purchasing Transactions – from $50,000 to $100,000
   - Services Contracts – from $50,000 to $100,000
   - Construction Contracts – from $25,000 to $100,000

(2) Establish a 5% bid preference for SBE bidders on County construction contracts and a 5% bid preference to bidders who meet participation goals for SBEs on County construction contracts, pursuant to Public Contract Code Section 2002.

(3) Establish a pre-award, two-step appeal procedure for all services contracts exceeding $100,000. Appeals would be first to the Department Head and then to the County Administrator. The procedure would involve pre-award notice to service providers of the appeal procedure and the intended contract award.

(4) Direct the County Administrator to establish policy review of the SBE Program thresholds once every two years.

**CONSEQUENCE OF NEGATIVE ACTION:**

If the Program changes are not adopted, the SBE and Outreach Programs will remain the same.

**CHILDREN'S IMPACT STATEMENT:**

Not Applicable.