

Purchasing & Contracting Department

Disparity Study Implementation

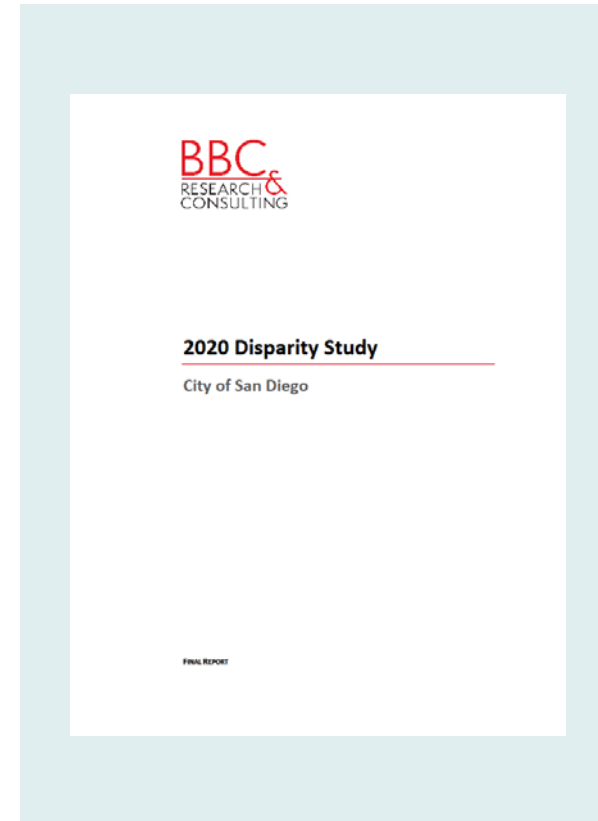
City Council Meeting

July 19, 2022

Item #331

Introduction

- **August 2019:** Request for Proposal (RFP) issued
- **December 2019:** Contract awarded to BBC Research & Consulting
- **February 2020 – April 2021:** Study Period
- **July 2021:** Study results presented to Council



Program Considerations



Overall Aspirational Goal

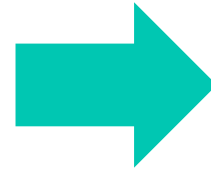
What is this?

City creates a % goal for the participation of MBE & WBE businesses in City contracts & procurement.



Goal Creation

- Establish a base figure
- Adjustment factors
- Revisit Goal annually



Who's Doing It?

Subcommittee with various stakeholders



Decision

- Adopt 31% goal per study results?
- Adopt initial 20% goal?
- Remove SLBE aspirational goal?



Contract Specific Goals: Race- and Gender-Conscious



Race- and Gender-Neutral Measures: Primary Considerations

01

EOC Program

- Increase staffing to help support overall program.
- **Implementation: FY24**

02

Program Manual

- Develop comprehensive plan to share across departments.
- **Implementation: FY24**

03

Subcontracting Goals

- Include in City contracts.
- **Implementation: FY23**

04

Small Business Set Asides

- Updating Construction program.
- Recommended program for consultants, goods, and services contracts.
- **Implementation: FY23/24**

05

Unbundling Contracts

- Breaking up large contracts into smaller contracts to increase participation.
- **Implementation: FY23/24**

06

Bonding Assistance

- Program to help assist small businesses participating on public works projects.
- **Implementation: FY23/24**

Contract Specific Goals: Race- and Gender-Neutral

Construction Contracts

Established Program

- No change to requirement other than increasing values of major public works contracts to \$1M+.

Consultant Contracts

Program in Development

- Requires adoption of SDMC 22.3616(a).
- Included in contracts valued at \$500k or more.



Goods, Services Contracts

Program in Development

- Requires adoption of SDMC 22.3620(b)
- Included in contracts valued at \$500k or more.



Small Business Set Asides – Construction

Current	Proposed
Contracts over \$1M - Mandatory SLBE/ELBE subcontracting goal	Contracts over \$1.5M - Mandatory SLBE/ELBE subcontracting goal
Contracts \$500K - \$1M - Mandatory SLBE/ELBE subcontracting goal - Bid Discount Applies (5%)	Contracts \$1M - \$1.5M - Mandatory SLBE/ELBE subcontracting goal - Bid Discount Applies (5%)
Contracts \$250K - \$500K - ELBE/SLBE bidders only	Contracts \$500K - \$1M - ELBE/SLBE bidders only
Contracts less than \$250K - ELBE bidders Only	Contracts less than \$500K - ELBE bidders Only



Purchasing & Contracting Department

Small Business Set Asides – Consultants, Goods & Services

Consultant

Two-Tier Program:

1. Contracts \$250K - \$500K

ELBE/SLBE bidders only

2. Contracts <\$250K

ELBE bidders Only

- Requires adoption of **SDMC 22.3616(c) and 22.3616(d)**

Goods & Services

Two-Tier Program:

1. Contracts \$250K - \$500K

ELBE/SLBE bidders only

2. Contracts <\$250K

ELBE bidders Only

- Requires adoption of **SDMC 22.3618 and 22.3619**



Small Business Set Aside – Impact to Mayoral Authority

Current SDMC Language	Proposed SDMC Language
<p>22.3207 – Award of Consultant Contracts</p> <p>(a) The Purchasing Agent may award a <i>consultant contract</i> without City Council approval if:</p> <ol style="list-style-type: none">(1) The <i>consultant contract</i> does not exceed \$250,000; and(2) The total cumulative amount of contract awards to the consultant, including the current award, does not exceed \$250,000 in any given fiscal year.	<p>22.3207 – Award of Consultant Contracts</p> <p>(a) The Purchasing Agent may award a <i>consultant contract</i> without City Council approval if:</p> <ol style="list-style-type: none">(1) The <i>consultant contract</i> does not exceed \$500,000; and(2) The total cumulative amount of contract awards to the consultant, including the current award, does not exceed \$500,000 in any given fiscal year.

Bonding Assistance Program

What is this?

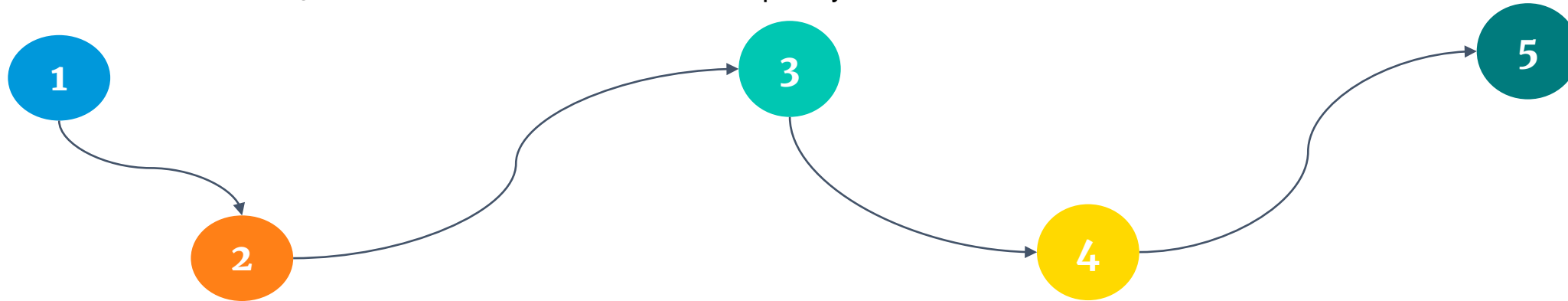
- A program designed to help small local contractors obtain bid, payment and performance bonds and/or increase their bonding capacity.

Establish Estimated Budget

- Initial \$500k requested in FY23 budget.
- Will require additional funding for subsequent years.

Administration of Program

- Possible transfer of administration to Risk Management Department.
- May require additional FTEs.



Benchmarking

- City and County of San Francisco
- San Diego County Regional Airport Authority
- City of Los Angeles

RFP Process

- RFP advertisement in Q1 of FY23.
- Award in Q2-Q3 of FY23.
- Implementation FY 2024

Race- and Gender-Neutral Measures: Program & Policy

01

Advertising & Outreach

- Making list of current SLBE/ELBE firms in searchable format.
- **Implementation:**
January 2022

02

Prompt Payment

- Adding a clause to all City contracts to ensure prompt payment is made from prime to sub after City has made payment.
- **Implementation:**
January 2022

03

Capacity Building

- Technical Assistance
- Business Development
- Mentor Protégé Program
- Joint Venture Program
- **Implementation:**
FY23

04

Networking & Outreach

- Focus on intentional engagement efforts.
- **Implementation:**
FY23

05

Growth Monitoring

- Tracking of additional data for SLBE firms to determine success of program.
- **Implementation:**
FY24

06

Disparity Studies

- Policy on frequency of studies.
- Cost associated with future studies.
- **Implementation:**
FY25



Questions