

THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE ISSUED: January 21, 2011 REPORT NO. 11-015  
ATTENTION: Rules Committee Agenda of February 2, 2011  
SUBJECT: Equal Opportunity Contracting Program Update

REQUESTED ACTION:

None. Information only report.

STAFF RECOMMENDATION:

N/A

SUMMARY:

This report is the Equal Opportunity Contracting Program annual report for Fiscal Year 2010. It provides construction, consultant and vendor participation statistics, programmatic updates, and actions taken to date in response to various City Council/Committee requests. The statistical data in this report covers the period July 1, 2009 through June 30, 2010.

**Statistics – FY2010**

During Fiscal Year 2010, the City awarded 74 construction projects for a total of \$116,603,218. Certified firms received \$5,175,813 (4.4%) while non certified firms received \$111,427,405 (95.6%). A total of 59 projects valued at \$110,814,784 had race and gender neutral specifications (SCOPE), while 15 projects valued at \$5,788,434 were Federal and/or State funded with prevailing wage requirements. ***Dollars committed to certified<sup>1</sup> firms in FY2010 increased 38.7% from FY 2009 even though total dollars awarded decreased by 6.2%.*** Further details, including ethnicity and gender are provided in Attachment 1.

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<sup>1</sup> Minority, Woman, Disadvantaged, Disabled Veteran owned businesses certified by a City accepted federal, state and/or private agency.

Fiscal Year	No. of Awards	Total Dollars	Certified Firms	Percent Change
2010	74	\$116,603,218 ↓	\$5,175,813 (4.4%) ↑	+38.7% ↑
2009	75	\$123,809,986	\$3,732,554 (3%)	N/A

There were fourteen (14) *Minor Construction projects* totaling \$1,300,091 in FY 2010. During FY 2009, there were twenty-six (26) projects totaling \$2,704,085. Minor Construction projects are those projects with an estimated dollar value of \$250,000 and below. **Note:** Beginning July 1, 2010, this program has been replaced with the new SLBE Program and is called Minor Public Works. The dollar threshold for Minor Public Works projects is \$500,000 and below.

**Final Summary Reports** are submitted by prime contractors. They are consolidated records showing the name, telephone number and business address of each subcontractor, vendor/supplier and joint vendor partner and the total amount actually paid to each firm. They are submitted to the Resident Engineer thirty (30) days prior to contract completion. Twenty-seven (27) final summary reports were received during this reporting period. Total payments reported for this period is \$20,655,496.61. Certified subcontractors received \$2,428,167.62 (11.8%) and non-certified subcontractors received \$18,227,328.99 (88.2%). These reports represent projects that have been awarded in fiscal years 04, 05, 06, 07, 08 and 09.

Total Dollars Paid	Certified Firms	Non-Certified Firms
\$20,655,496.61	\$2,428,167.62 (11.8%)	\$18,227,328.99 (88.2%)

During this same period, *Architectural and Engineering (A&E) consultant firms* were awarded a total of \$41,601,364. Certified firms received \$16,712,542 (40.1%) while non-certified firms received \$24,888,822 (59.9%). **Dollars committed to certified firms in FY2010 more than doubled from FY2009** even though **the total amount awarded decreased by 45.5%**. Attachment 2 provides additional details including gender and ethnicity.

Fiscal Year	Total Dollars	Certified Firms	Percent Change
2010	\$41,601,364 ↓	\$16,712,542 (40.1%) ↑	+100.2% ↑
2009	\$76,323,231	\$ 8,349,091 (11%)	N/A

### Subcontracting Outreach Program (SCOPE)

#### **Internal Audit**

A performance audit of the Subcontractor Outreach Program (SCOPE) was completed by the Office of the City Auditor and submitted to the Audit Committee April 30, 2010. The

audit review period was November 2008 through October 2009. Thirteen recommendations were made, with staff agreeing with 11, partially agreeing with one and disagreeing with one. Staff either has or is in the process of implementing the agreed upon recommendations (Note - with the implementation of the new SLBE/ELBE Program, there are significantly less projects with SCOPE requirements.)

***SCOPE Goal Methodology***

Staff continues to conduct a semi-annual review of availability data to ensure goals are developed based on current information. This effort is undertaken in cooperation with Engineering & Capital Projects (E&CP). The process is similar to the Caltrans DBE Program Goal Methodology, however in addition to certified Disadvantaged Business Enterprises (DBEs), certified Minority, Women, Disabled Veteran owned and non-certified businesses are also included in the review and analysis. To ensure consistency, E&CP developed a Standard Operating Procedure detailing the process/procedures for goal setting which has been reviewed and signed off by the Director of Administration.

**Federal Aviation Administration (FAA) DBE Goals (FY2010/FY2011)**

In accordance with Department of Transportation regulations, a 20% (8.6% Race Conscious, 11.4% Race Neutral) Annual Anticipated DBE Participation Goal for FAA funded projects was proposed for Federal Fiscal Years 2009/2010. The goals were calculated based on DOT’s methodology in cooperation with Engineering & Capital Projects. There are 6 projects with an estimated value of \$11,963,765 for Federal Fiscal Years 2010 and 2011.

**Compliance Activities (FY10)**

During the early part of FY 2010, the Administration Department Director took over the day-to-day operations of EOC and directed staff to make compliance related activities their highest priority. In addition, specific programmatic guidance and individual technical assistance was provided. In most cases, ***compliance related activities significantly increased this fiscal year due to this critical shift in priorities.*** It should be noted that this was accomplished with less staff. Below is a comparison of FY2009/FY2010:

<b>Compliance Activity</b>	<b>FY2010</b>	<b>FY2009</b>
Pre-bid meetings* <sup>2</sup>	104 ↑	76
Pre-construction meetings*	69	Not included in 2009 report
Consultant interview panels	48 ↑	15
RFP review	108 ↑	37
Project site visits	107 ↑	17
Employee interviews	176	Not included in 2009 report
Certified payrolls reviewed	1,238	Not included in 2009 report
\$ recovered for employees	\$769	Not included in 2009 report

<sup>2</sup> Provide details of EO bid/contract requirements and answer contractor questions.

Scope documents reviewed	78	Not included in 2009 report
Scope documents failed	15	Not included in 2009 report
Federal good faith effort documents reviewed	5	Not included in 2009 report
Federal good faith effort documents failed	2	Not included in 2009 report
EO Plans requested, received and reviewed	98↑	12
EO Plans approved	74↑	10
EO Plans pending additional information	24↑	2
Final Summary Reports received and approved	27	29
Subcontractor payment verifications	207↑	58
\$ recovered for subcontractors	\$75,406	Not included in 2009 report
\$ assessed for public contract code violations	\$2,694.48	Not included in 2009 report

### **Action Documents Processed**

EOC staff reviews and approves requests for Mayor and City Council actions prior to docketing and/or contract award. The following are the statistics related to these activities.

1472 – Request for Council Action: 350 processed  
*(Includes review & approval of Executive Summary language, analysis of workforce report, supporting documentation (B-Page) and verification of EOC contract requirement compliance)*

1544 – Mayoral Action: 146 processed  
*(Includes analysis of workforce report and supporting documentation (B-Page) and verification of EOC contract requirement compliance)*

PA 2625 – Mayoral Approval of Contract Award: 156 processed  
*(Includes analysis of workforce reports & verification of EOC contract requirement compliance)*

### **Procurement of Off the Shelf Software Package**

Early Morning Software, a minority and woman-owned business, was awarded a two year contract to furnish the City with a fully compatible integrated contractor/vendor/subcontractor management software solution on January 8, 2010. The

purpose of this software is to automate several EOC compliance activity, reporting and notification to potential bidders of city construction prime and subcontracting opportunities. The modules purchased include:

1. Contract Management - includes solicitation announcements, contract details, contract goal setting (based on historical data) and purchase/change order information.
2. Payment Compliance – includes on-line payment reporting, commitment vs. actual, non-compliance alerts and US DOT Part 26 reporting.
3. Labor Management – includes on-line payroll submission, certified payroll audit, prevailing wage and workforce utilization.
4. Vendor Management – includes self-registration, detailed profiles, searchable online directory and correspondence tracking
5. Certification Management – includes on-line application submission, custom approval workflow, on-site visit documentation. (recently purchased for SLBE Program – go live date January 2011).

While we had intended modules 1-4 to be in production by the end of July, unanticipated system data upload issues arose, as well as refinements needed to be made to further customize the program to meet the City's needs. Statistics for our FY2011 annual report will be provided via this system.

### **Technical Assistance to Prime Contractors**

Staff updated/developed and posted the following guides and forms to assist prime contractors with understanding and meeting EOC requirements:

- Guide to submitting Subcontractor Outreach Program Documentation (SCOPE Guide)
- SLBE Program Instruction for Bidders Completing the Good Faith Effort Submittal
- List of City-Accepted Certifying Agencies
- Community, Association, Agency Resource List
- Pre-Construction Conference basic and prevailing wage requirement packets
- Pre-Construction Conference apprenticeship packet
- All required EOC forms included in specifications
- Provided SLBE Program training on 6/10/10
- Staff is available to perform courtesy reviews of a contractor's "Good Faith" effort documentation for the SLBE Program prior to submittal (as this is a new program and there will be a learning curve by both parties)

**Outreach Efforts (FY2010)**

There have been a number of workshops/presentations associated with the Small Local Business Enterprise Program (program description/details, application workshops), bonding assistance and general how to do business with the City. The following provides the dates and events:

<b>Date</b>	<b>Event</b>	<b>Purpose</b>
12/11/09	SBA & Surety Assoc. Bonding Workshop – Pilot	Technical Assistance
01/29/10	SBA & Surety Assoc. Bonding Workshop – EOCP Outreach	Technical Assistance
04/08/10	Presentation to Small Business Group – EOCP Outreach	SLBE /Program Application Rollout
04/09/10	Consultant Group Presentation	Program Presentation
04/14/10	Public Agency Consortium Meeting	SLBE Program Presentation
05/19/10	Balboa Park Club Bidders Symposium – E&CP Outreach	SLBE Program Application Workshop /Doing Business with the City
05/25/10	Tubman Chavez Multicultural Center – EOCP Outreach Event	SLBE Program Presentation/Application Workshop
05/26/10	Consultant Group Presentation	SLBE Program Presentation
06/01/10	Elite Service Disabled Veterans Monthly Meeting	SLBE Program Presentation/Application Workshop
06/02/10	Subs For Subs – CCDC Annual Outreach	SLBE Program Presentation/Application Workshop
06/03/10	Turner School of Construction Management	SLBE Program Presentation/Application Workshop
06/04/10	Meeting with City Protégés	SLBE Program Presentation/Application Workshop
06/07/10	Meeting with San Diego Unified School District	SLBE Program Presentation
06/10/10	Meeting with Construction Industry	SLBE Program Presentation
06/18/10	Small Business Advisory Board	SLBE Program Presentation
07/20/10	Asian Business Association	SLBE Program Presentation/How to Do

		Business with the City
07/26/10	San Diego Regional Supplier Development Council	SLBE Program Presentation/Application Workshop
07/27/10	Tubman Chavez Multicultural Center – D4 Outreach Event	SLBE Program Presentation/Doing Business with the City

**Mentor-Protégé Program**

The current program participants include:

**MENTORS**

**West Coast Air**

John Krueger

**I. E. Pacific, Inc.**

Diane Koester-Dion

**R. A. Burch, Const.**

R. A. Burch

**J. R. Filanc Const. Co. Inc.**

Catherine “Cathy” Final

**American Tech. Inc.**

Pat Riley

**Jaynes Corp**

Rick Cohen

**Helix Electric, Inc.**

Brian E. Jordan

**Orion Constr. Corp.**

Richard Dowsing

**Collins Plumbing, Inc.**

Richard R. Collins

**Orion Constr. Corp.**

Robert B. Wilson

**T.B. Penick & Sons, Inc.**

Marc Penick

**T C Constr. Co. Inc.**

Wes Wise

**PROTÉGÉS**

**Silva General Construction (DBE, SLBE)**

Rosalie Silva

**Pacific West Builders**

Patricia Romero

**Berrill Demolition, Inc. (ELBE)**

Michael R. Berrill

**Roberts Electrical Contractor, Inc. (DBE, ELBE)**

L. Lamonte Roberts

**A. B. Hashmi, Inc. (DBE, ELBE)**

A. B. Hashmi

**BPI Plumbing, Inc. (DBE, DVBE, ELBE)**

Alex Galicia

**Rick Fowler Construction, Inc.**

Rick Fowler

**Prava Construction Services (MBE, SLBE)**

Glenn Torrez

**J. Cloud, Inc. (DBE, SLBE)**

Jon Cloud

*Pereira Mechanical & Engineering, Inc.* successfully graduated from the Program January 28, 2010.

The Mentor Protégé Program has purchased the following for protégés:

- Predictive Index System (PIS) Employment Tool
- HP DeskJet Plotter
- Construction Specific Computer Software
- Hewlett Packard Designjet Plotter
- Canon imageRUNNER Model C2880i series copier/scanner/printer
- Accounting Services
- CPA Services

### **Small Local Business Enterprise Program (SLBE)**

The Mayor and City Council approved the proposed Small Local Business Program in January, 2010 with an implementation date of July, 2010. Because the program was implemented in July, 2010, the impacts are not reflected in this FY10 report. The following summarizes activities to date.

#### **Certification:**

On April 8, 2010, the Mayor kicked-off a series of SLBE application workshops. Nine workshops have been conducted. As of December 3, 2010, we have received 283 applications to date - 176 have been approved, 90 are pending, 20 have been denied and 8 are inactive. 40 Notices of bid opportunities have been sent to the approved firms based on the firms/ NAICS codes.

#### **Goals:**

As prescribed by the Program, an ad hoc Goal Setting Committee was established and met in early July to discuss the Program and recommend an annual goal for construction projects. The Committee consisted of management level representatives from the following departments/groups: Public Works, Library, Engineering & Capital Projects, Fire, Administration/EOC, Environmental Services, Storm Water, Disability Services, Parks & Recreation, Public Utilities, General Services and Police. After discussing the number of firms that had applied and the type of work the firms were interested in, the committee agreed that the recommended goal should be 5% of the total construction projects. For example, if the annual construction program is \$100 million, the goal for construction awards for the ELBE/SLBE participation would be \$5 million. It is important to note that this will not be a static goal. The committee believed that 5% would be an appropriate goal during the first year, as there was very limited availability data. For perspective, reaching the 5% goal will require a 13.6% increase in the amount of construction contracts awarded to certified firms. As the program matures through increased availability data, participation and opportunities, the goal should increase to maximize equal opportunity contracting for our local small and emerging businesses.



Contract-by-contract goals are established based on the availability of certified firms. Engineering and Capital Projects Department is provided a monthly update of certified firms by NAICS codes. The formula used to develop goals is the same formula used for SCOPE and Caltrans goal development.

**General Requirements Contracts (GRCs):**

GRCs are unit cost construction contracts procured for specific trades (electrical, mechanical, right of way pipeline, etc.) that have minimum and maximum contract values and specified contract durations. Once a GRC is awarded, task orders can be assigned to the winning contractor. As part of an effort to provide additional opportunities to SLBE/ELBEs, Engineering & Capital Projects developed 7 small GRCSs valued at not-to-exceed amount of \$500,000 to coincide with the large GRCs that have a not-to-exceed amount of \$4,500,000. The small GRCs are restricted to certified SLBE/ELBEs while the large are open to all. Attachment 3 is a summary sheet of the program provided at a workshop held at the Tubman Chavez Multicultural Center.

**Sample Success Stories:**

*St. Thomas Enterprises*, an approved SLBE and 2006 graduate of the Mentor Protégé Program, was the successful bidder on the La Jolla Shore Lifeguard Station, a project with an estimated cost of \$2,266,000. *BPI Plumbing*, an approved ELBE and current protégé, is a listed subcontractor for St. Thomas Enterprises on the project.

*A B. Hashmi, Inc.*, an approved ELBE and certified DBE, successfully bid on Sewer Group 785AM (Linda Vista Community Area – Everview Road) a project with an estimated cost of \$243,637.

*3 Blind Mice Window Coverings, Inc.*, an approved ELBE, received a \$1,749 purchase order for the Azalea Recreation Center.

**Citizens Equal Opportunity Commission (CEOC)**

The Commission has prepared their annual report which is included as Attachment 4.

**Training Update**

All EOC Staff attended 8 hrs of refresher training regarding prevailing wage and apprenticeship utilization. One staff member also attended HUD Section 3 compliance training.

SLBE Program training was provided to Engineering & Capital Projects department staff on September 2<sup>nd</sup> and October 26<sup>th</sup>. Similar training was provided to Purchasing & Contracting on October 14<sup>th</sup>. Additional training sessions are being scheduled for

department project managers. Numerous workshops regarding the SLBE Program were also conducted as indicated in the outreach efforts chart.

### New Main Library

Construction for the New Main Library began this fiscal year. Turner Construction committed to 20-30% MBE/WBE/DBE/SLBE/ELBE and 1-3% DVBE participation. To date, these firms have been awarded approximately 8.4%. This number will increase as more construction contracts are awarded. Staff routinely monitors their progress to ensure they achieve their goals, as well as, conducts site visits to ensure labor compliance.

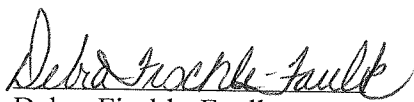
### Redevelopment Agency Update


Attached is Centre City Development Corporation's FY2009-2010 Equal Opportunity annual report. CCDC has a 20% voluntary MBE/WBE/DBE/DVBE/SBE goal that, unlike the City, includes certified small businesses. The construction, consultant and vendor statistics reflect the amount paid to prime contractors. For their Disposition and Development and/or Owner Participation Agreements they both prime and subcontractor expenditures are reported. They achieved and/or exceeded their goal in all categories with the exception of vendor services.

### Summary

Progress has been made in a number of areas. Both construction and A&E consultant contract awards to certified firms have increased while the overall dollar amounts have decreased. Compliance related activities have increased resulting in dollars recovered for subcontractors and better enforcement of contract requirements. Our partnership with Engineering & Capital Projects has strengthened resulting in increased opportunities of small local businesses (i.e. assistance with application reviews, breaking projects into smaller components, creating small GRCs, brainstorming additional ways to contract, etc.). We have improved coordination/collaborative efforts with other entities within the City (i.e. Office of Small Business, Economic Development, Redevelopment, Public Utilities, etc.). With the continued support from the Mayor and City Council and the addition of the new Equal Opportunity Contracting Program Manager, we expect to make additional positive strides in equal opportunity contracting with the new Small Local Business Enterprise Program, our automated system and ongoing efforts to identify, recommend and implement program improvements.

Respectfully Submitted,

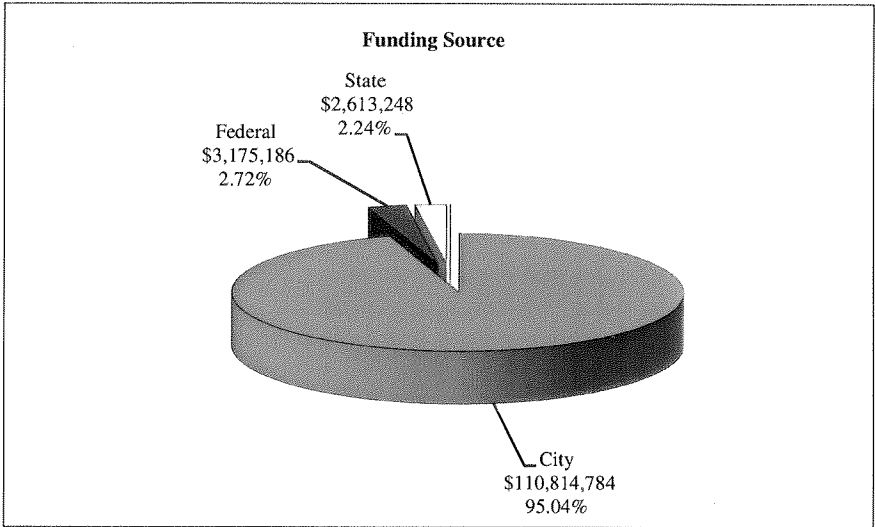
  
Debra Fischle-Faulk  
Director, Administration

Approved:   
Wally Hill  
Assistant Chief Operating Officer

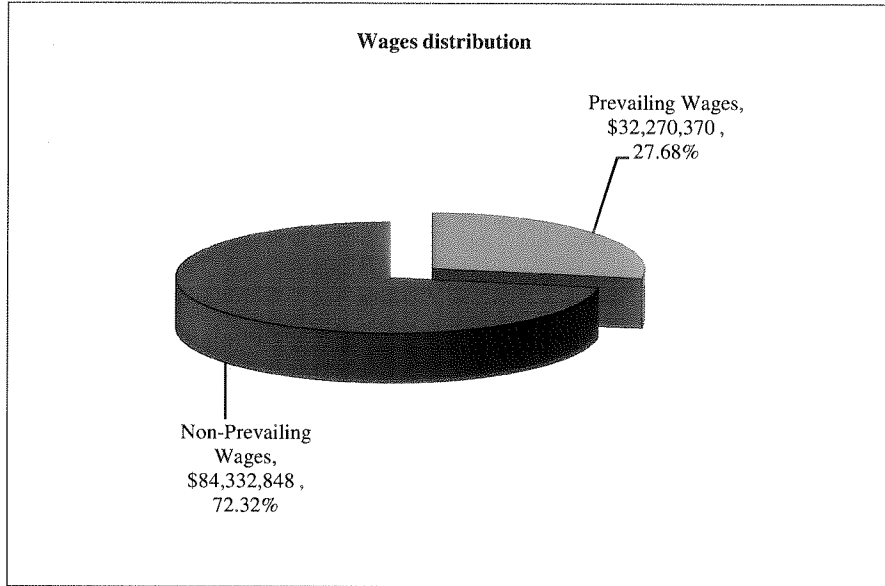
- Attachments:
1. Construction Contracts Charts
  2. A&E Consultant Contracts Charts
  3. GRC Summary
  4. CEOC Annual Report
  5. CCDC Annual Report

**CONSTRUCTION PROJECTS  
FISCAL YEAR 2010**

Funding Source	Projects	Dollars	Percentage (based on dollars)
City	59	\$ 110,814,784	95.04%
Federal	4	\$ 3,175,186	2.72%
State	11	\$ 2,613,248	2.24%
State/Federal	0	\$ -	0.00%
	74	\$ 116,603,218	100.00%

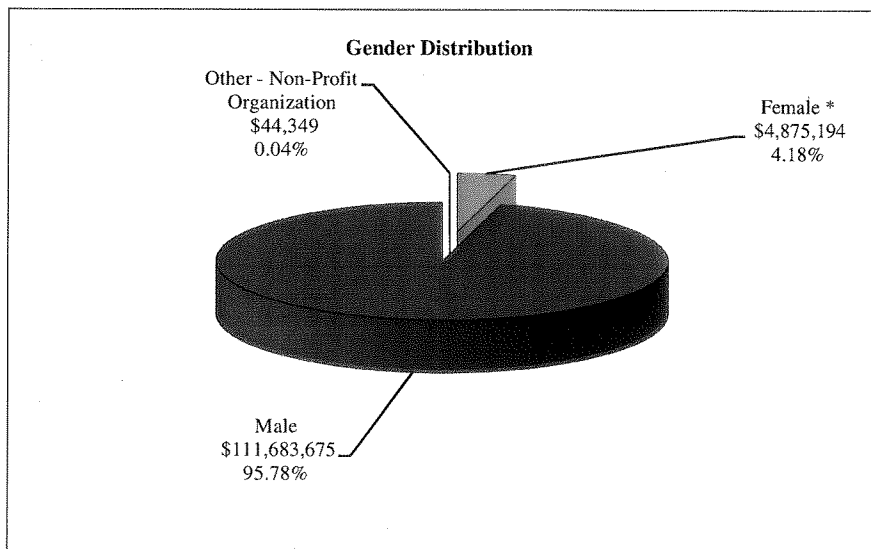


Wages	Projects	Dollars	Percentage (based on dollars)
Prevailing Wages	19	\$ 32,270,370	27.68%
Non-Prevailing Wages	55	\$ 84,332,848	72.32%
	74	\$ 116,603,218	100.00%

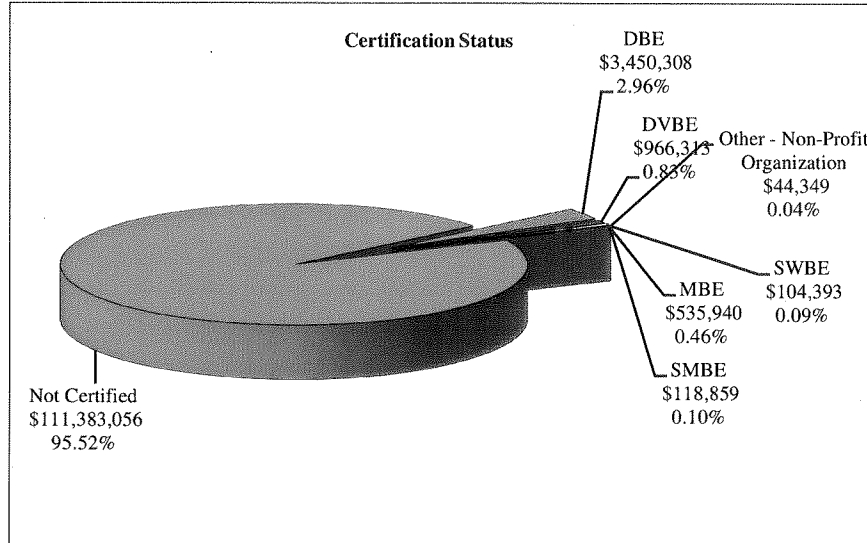


Gender Distribution	Contracts	Dollars	Percentage (based on dollars)
Female *	19	\$ 4,875,194	4.18%
Male	171	\$ 111,683,675	95.78%
Other - Non-Profit Organization	1	\$ 44,349	0.04%
	191	\$ 116,603,218	100.00%

\* Data includes non-certified firms.

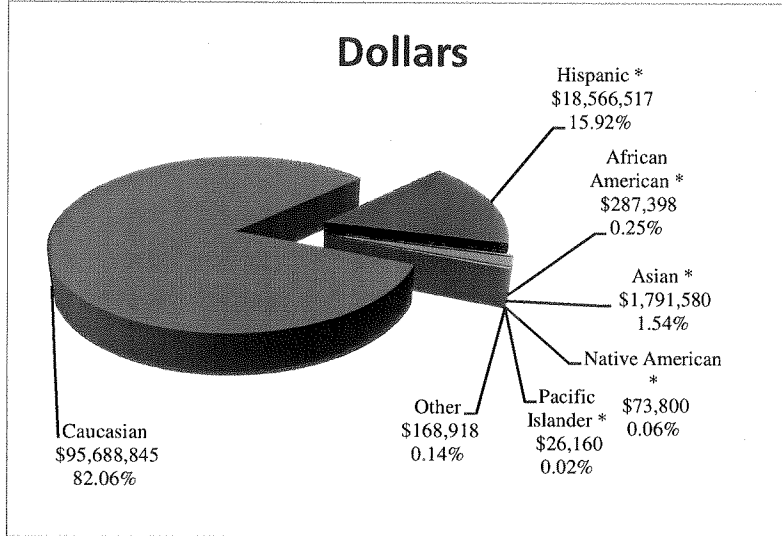


Certification Status	Contracts	Dollars	Percentage (based on dollars)
DBE	19	\$ 3,450,308	2.96%
DVBE	9	\$ 966,313	0.83%
MBE	2	\$ 535,940	0.46%
SMBE	1	\$ 118,859	0.10%
SWBE	2	\$ 104,393	0.09%
Other - Non-Profit Organization	1	\$ 44,349	0.04%
Not Certified	157	\$ 111,383,056	95.52%
	191	\$ 116,603,218	100.00%



Ethnicity	Contracts	Dollars	Percentage (based on dollars)
Caucasian	155	\$ 95,688,845	82.06%
Hispanic *	22	\$ 18,566,517	15.92%
African American *	6	\$ 287,398	0.25%
Alaskan Native			0.00%
Asian *	4	\$ 1,791,580	1.54%
Filipino			0.00%
Native American *	1	\$ 73,800	0.06%
Pacific Islander *	1	\$ 26,160	0.02%
Other	2	\$ 168,918	0.14%
	191	\$ 116,603,218	100.00%

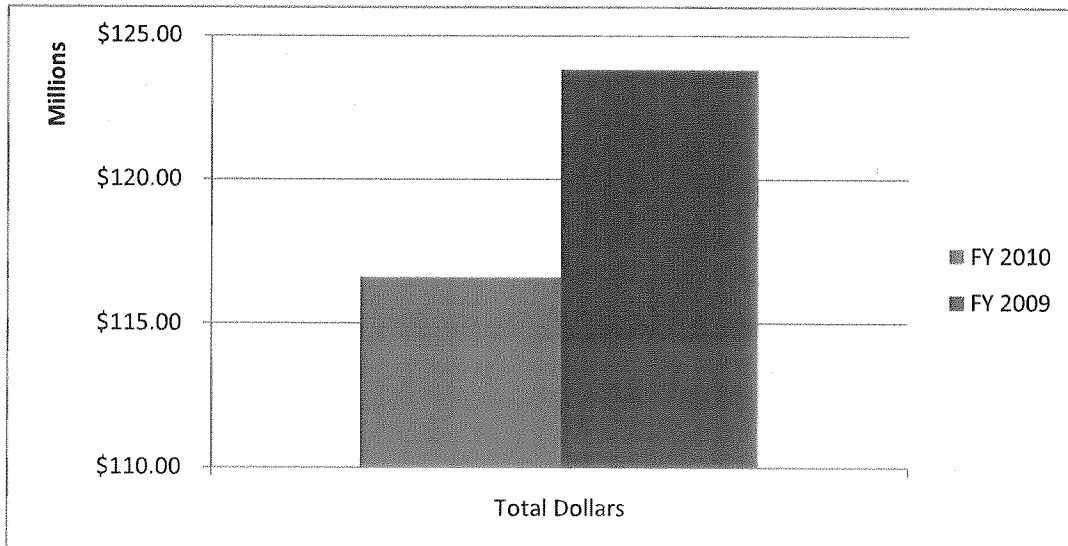
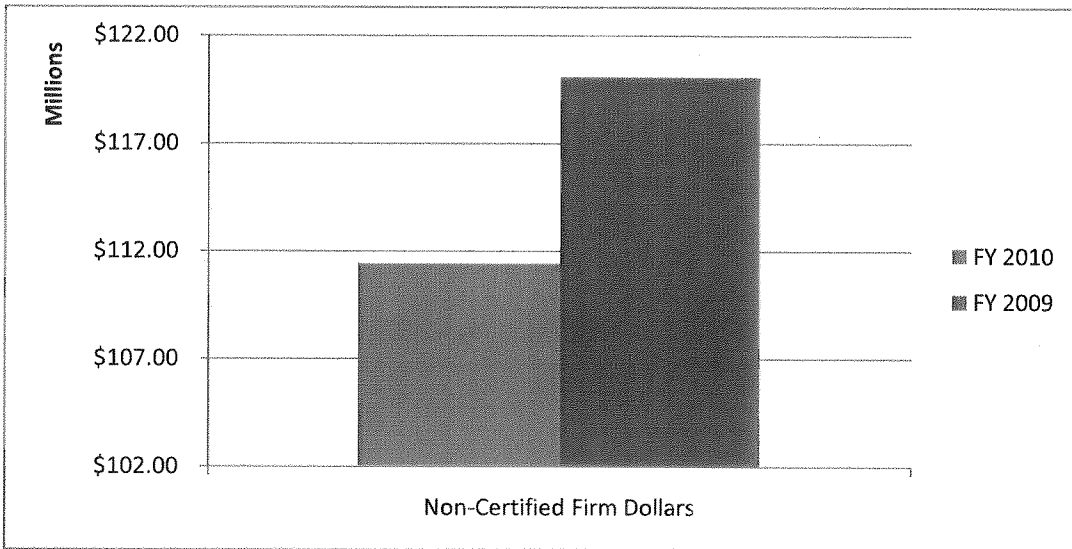
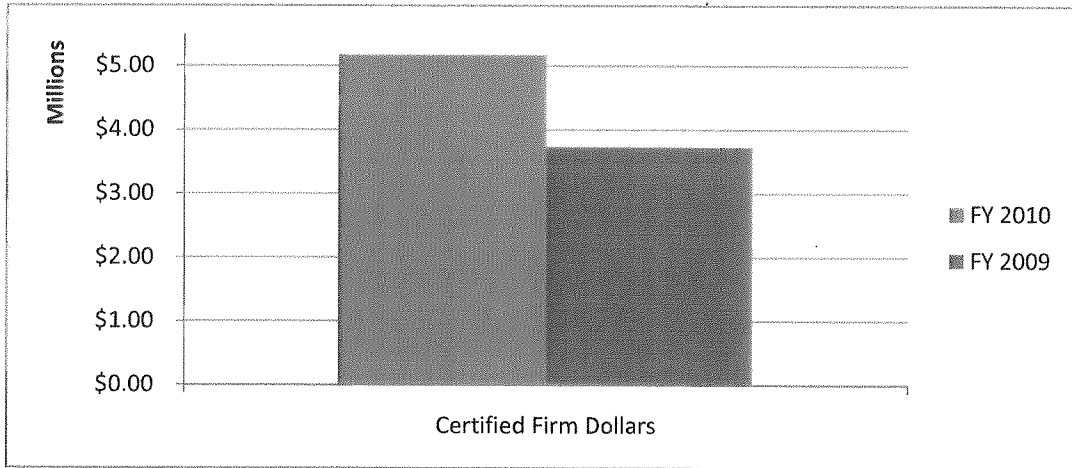
\* Data includes non-certified firms.





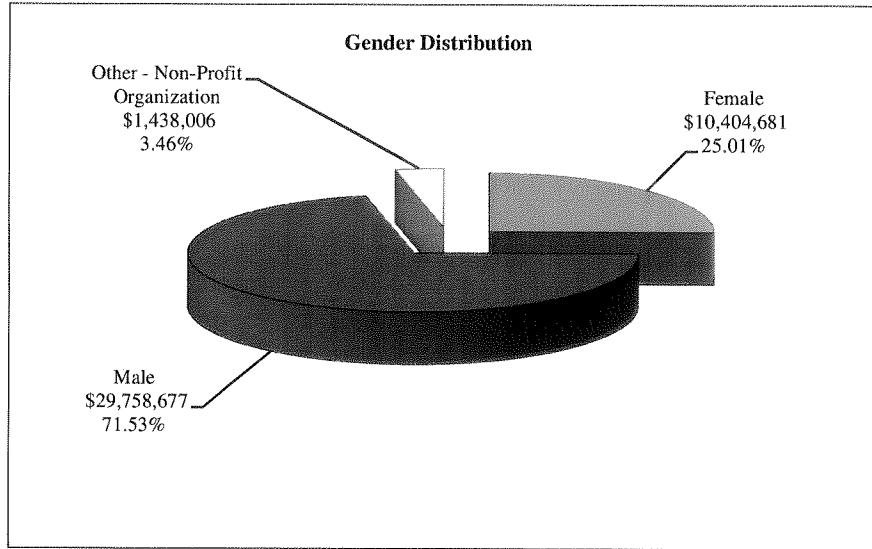
### CONSTRUCTION CONTRACT DATA

Fiscal Year	Construction Awards	Total Dollars	Certified Firm Dollars	As a Percentage	Non-Certified Firm Dollars	As a Percentage
2010	74	\$ 116,603,218	\$ 5,175,813	4.44%	\$ 111,427,405	95.56%
2009	75	\$ 123,809,986	\$ 3,732,554	3.01%	\$ 120,077,432	96.99%

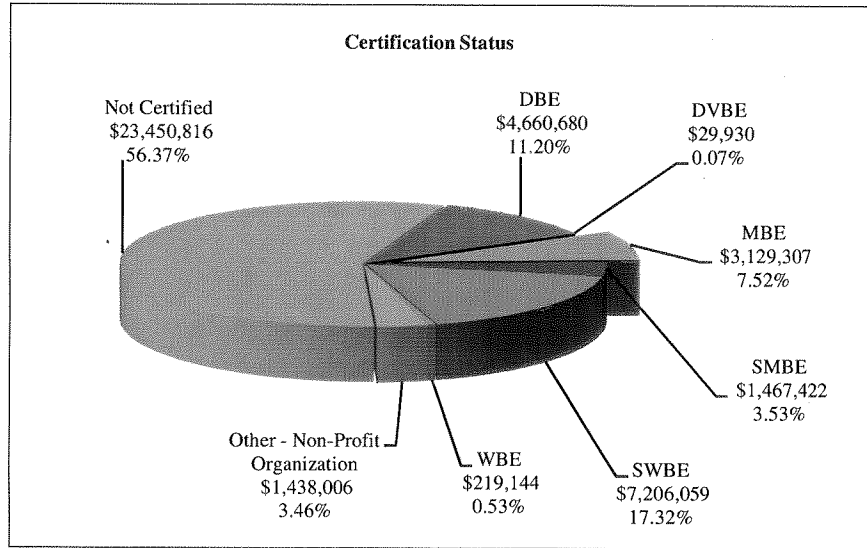


**ARCHITECT & ENGINEERING (A&E)  
CONSULTANT DATA  
FISCAL YEAR 2010**

Gender Distribution	Contracts	Dollars	Percentage (based on dollars)
Female	40	\$ 10,404,681	25.01%
Male	120	\$ 29,758,677	71.53%
Other - Non-Profit Organization	5	\$ 1,438,006	3.46%
	165	\$ 41,601,364	100.00%

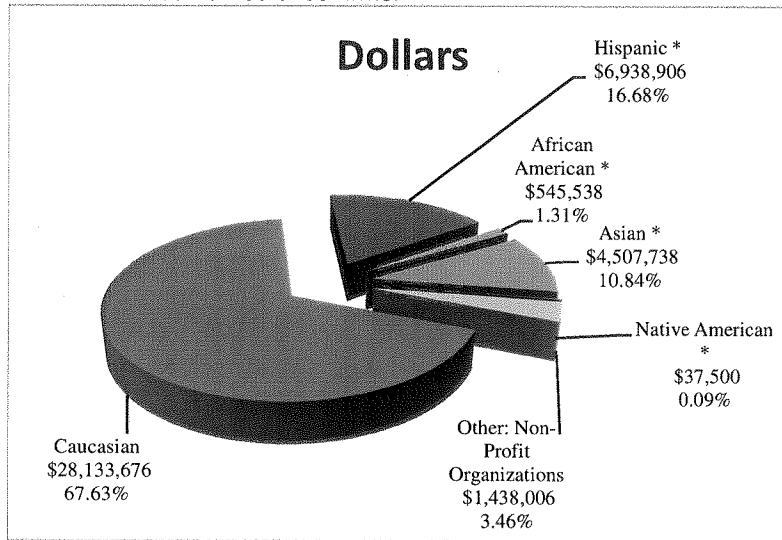


Certification Status		Dollars	Percentage (based on dollars)
DBE	29	\$ 4,660,680	11.20%
DVBE	2	\$ 29,930	0.07%
MBE	5	\$ 3,129,307	7.52%
SMBE	3	\$ 1,467,422	3.53%
SWBE	7	\$ 7,206,059	17.32%
WBE	6	\$ 219,144	0.53%
Other - Non-Profit Organization	5	\$ 1,438,006	3.46%
Not Certified	108	\$ 23,450,816	56.37%
	165	\$ 41,601,364	100.00%



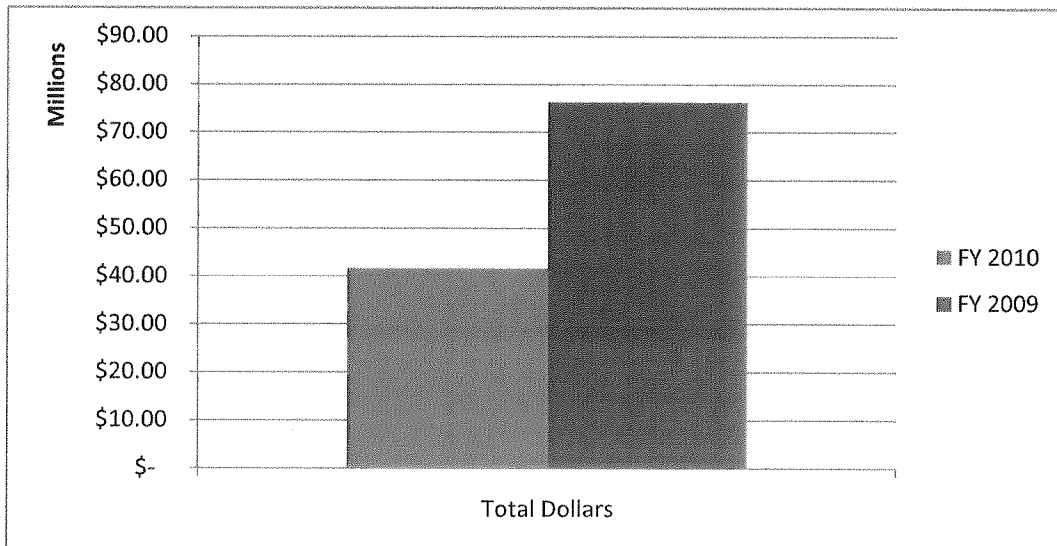
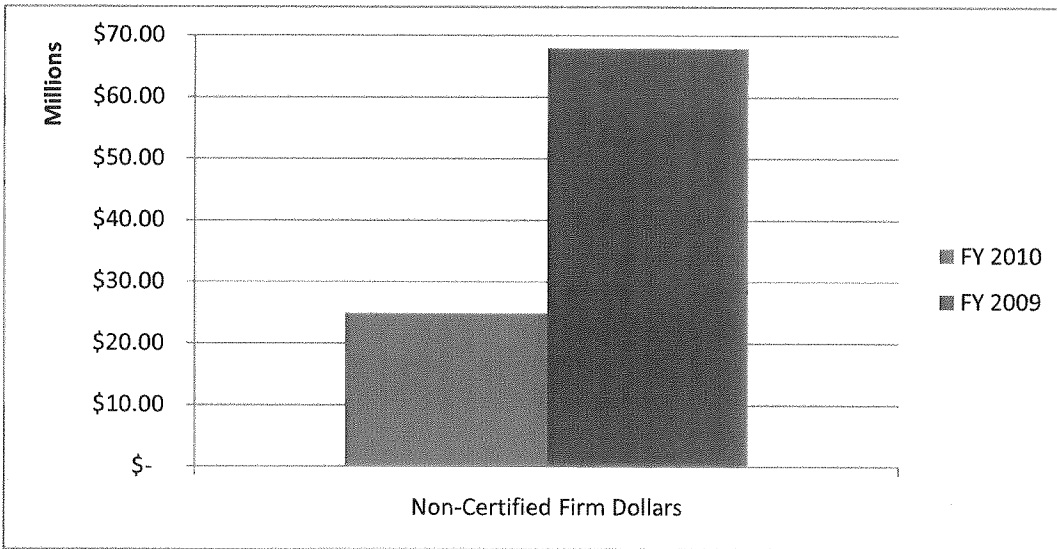
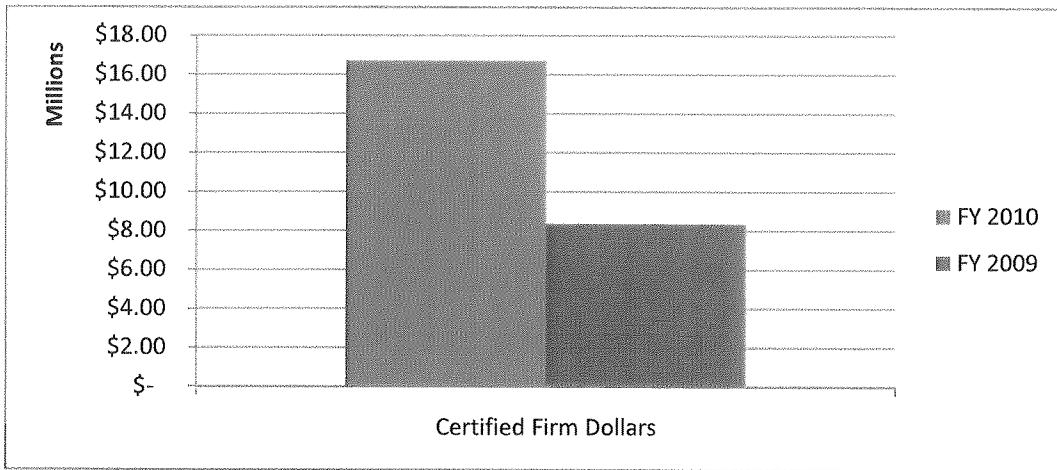
Ethnicity	Contracts	Dollars	Percentage (based on dollars)
Caucasian	127	\$ 28,133,676	67.63%
Hispanic *	16	\$ 6,938,906	16.68%
African American *	3	\$ 545,538	1.31%
Alaskan Native			0.00%
Asian *	13	\$ 4,507,738	10.84%
Filipino			0.00%
Native American *	1	\$ 37,500	0.09%
Pacific Islander			0.00%
Other: Non-Profit Organizations	5	\$ 1,438,006	3.46%
	165	\$ 41,601,364	100.00%

\* Data includes non-certified firms.



### PROJECTS DATA

Fiscal Year	Total Dollars	Certified Firm Dollars	As a Percentage	Non-Certified Firm Dollars	As a Percentage
2010	\$ 41,601,364	\$ 16,712,542	40.17%	\$ 24,888,822	59.83%
2009	\$ 76,278,322	\$ 8,349,091	10.95%	\$ 67,929,231	89.05%





## GRCS Program for SLBE/ELBE Certified Contractors

### General Requirements Contracting (GRC) Program

#### GRCS Program Overview

- 7 small contracts by trade
- Up to \$500k
- 2 years each
- Open to City of San Diego certified SLBE/ELBE contractors
- Task Orders up to \$150,000

#### **What is GRCS?**

A General Requirements Contract (GRC) is a **public works contract** which contains a **unit price book** of detailed specifications and unit prices for typical tasks. Specific construction projects are not contemplated or authorized at the time of award. Work is authorized as required by separate **task orders (projects)**. GRCS contracts have been specifically developed for **SLBE/ELBE certified contractors**.

#### **What are the Bidding Requirements for GRCS contracts?**

- ✓ City Certification as SLBE or ELBE Contractor
- ✓ Bond letter demonstrating bonding level of \$250k or greater
- ✓ Bid Bond waived
- ✓ Performance and Payment Bond for \$250,000 each
- ✓ Possess valid contractor license(s) as specified in contract documents
- ✓ 10% Voluntary Subcontractor/vendor Participation Goal

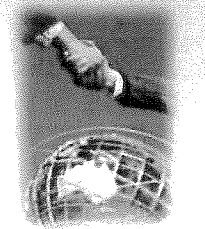
#### **GRCS Contract Trades Proposed for Procurement**

<b>In 3 to 6 months</b>	<b>Right of Way Pipeline (A and C36 contractor license)</b>
	<b>Electrical Systems (A, C7, and C10 contractor license)</b>
<b>In 3 to 9 months</b>	<b>Mechanical Systems (A, B, C36, and C20 contractor license)</b>
	<b>Building Improvements (A and B contractor license)</b>
	<b>Street Lighting/Traffic Signals (A, C7 and C10 contractor license)</b>
<b>In 6 to 9 months</b>	<b>Roofing (A, B, and C39 contractor license)</b>
	<b>Sitework (A, C8, C11, and C27 contractor license)</b>

#### **Additional Information**

**SLBE Website:** [www.smallcontracts.com](http://www.smallcontracts.com)

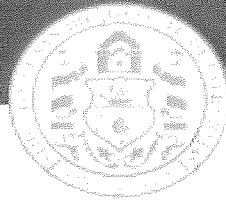
**GRC Program Manager:** **Jim Shamloufard**  
[jshamloufard@sandiego.gov](mailto:jshamloufard@sandiego.gov)  
 619-533-3160



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THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE ISSUED: January 21, 2011 REPORT NO. 11-016

ATTENTION: Honorable Mayor Jerry Sanders, City Council and The Committee on Rules, Open Government and Intergovernmental Relations

SUBJECT: Citizens Equal Opportunity Commission 2009/2010 Annual Report

REFERENCE: Municipal Code Chapter II, Article 6, Division O, Section 26.16; Section 43 of the City Charter-amended 11-4-1969. Amended by Ordinance 19255 on 1/26/04.

SUMMARY

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE CITY COUNCIL.

BACKGROUND

The Citizen's Equal Opportunity Commission (CEOC) was established, pursuant to the authority of Municipal Code section 26.16 enacted on November 1, 2 1975, as an advisory commission to the Mayor and City Council. The duties of the commission include monitoring and/or evaluating the Equal Opportunity Program of the City; advising on a continuing basis the Mayor, City Council, City Manager, Civil Service Commission and other appropriate agencies of the City government; submitting written quarterly reports which evaluate the progress of the City and its agencies for review and acceptance by the Rules, Open Government and Intergovernmental Relations Committee ("the Rules Committee") and, upon acceptance, for submission to the full City Council. Other duties of the commission include assisting the City in recruitment of Opportunity Employer and as a provider of equal opportunity to individuals and firms desiring to contract with the City. Commissions are appointed by the Mayor and confirmed by the City Council. They serve two year terms, without compensation. There are nine actively serving commissioner. Among the commissioners, the following constituencies are represented: African American, Asian/Pacific Islander, Disabled, Filipino, Latino, Lesbian/Gay/Bisexual/Transgender, and Native American.

The CEOC meets regularly at 6:00 PM, on the first Wednesday of each month in the 12<sup>th</sup> Floor Council Committee meeting room of the City Administration Building located at 202 C Street, San Diego. The meetings are publicly noticed and open to the public. In addition to the regular

**CITIZENS EQUAL OPPORTUNITY COMMISSION**  
1200 Third Avenue, Suite 200 • San Diego, CA 92101  
Tel (619-235-5785) • Fax (619-235-5209)



meetings, the commission has occasionally held monthly working meetings, also open to the public and publicly noticed, at 8:00 AM on a weekday immediately following the regularly scheduled meeting, to work on specific issues being addressed by the Commission and the Council.

The past year, the Mayor has been very diligent in appointing new members to the Commission when Commissioners have been termed out. Additionally, the members of the Commission have been diligent about attending meetings and the Commission has had great success in having a quorum in order to conduct meetings. In fact, the Commission met once when the City Administration building's elevators were closed due to an earthquake. The Commission met on the first floor in order to deliver its opinion on matters coming before the City Council. Past and current Commissioners during this reporting period include:

- |                           |                                 |
|---------------------------|---------------------------------|
| Brad Barnum               | Rebecca Llewellyn (past member) |
| Eileen Chaske             | Mike Olivier                    |
| Ron Cho                   | Daniel Salas (past member)      |
| Jon Cloud                 | Alden Salcedo                   |
| Stamp Corbin (Vice-Chair) | Dr. Shirley Weber (Chair)       |
| Debbie Day (past member)  | Maurice Wilson                  |
| Juan Gallegos             | Dr. Sarah Young (past member)   |

## OVERVIEW

The City has identified itself as an "Equal Opportunity Employer" and seeks to accomplish this goal in two major ways: employment and public contracting. The public contracting aspect of the City's programs involves the contracts with non-employed individuals and firms who provide services to the City, for example through consulting, the supply of goods and materials, and the construction of public works. There is, however, no single "Equal Opportunity Program" which the CEOC's attention is focused. Instead, as discussed below, the CEOC has monitored a number of different programs whose stated goals are to afford equal opportunity.

In the past, the greatest challenge of CEOC was getting the necessary data to evaluate and monitor programs. As stated in earlier annual reports, the city's data collection efforts were abysmal. There was little information provided to properly evaluate programs and their effectiveness. Additionally, the reporting of the scant data available was irregular. The CEOC requested timely and regular reporting at monthly meetings. Because of the number of City departments involved in equal opportunity, the commission developed a clear line of expectation that the responsibility for ensuring accurate and regular reports rested on the shoulders of Ms. Debra Fischle-Faulk, Administration Department Director. The CEOC is pleased to report that the staff delivered on this responsibility, thus making the Commission a more effective operating body and able to respond to matters effecting equal opportunity in a timely manner. This resulted in the CEOC appearing before Rules Committee, full Council, and diversity committees at city and county levels, and delivering written opinions to the effected groups.

The staff this year has made equal opportunity a top priority. Thus, they have consistently brought critical issues before the Commission that might improve the City's equal opportunity record, which has consistently been low for the past several years. The fact that the staff assigned to the commission has made improvement a high priority, there does not appear to be such evidence from the Council's actions. Absent an affirmative action program in the state, the efforts to improve the City's record will require extraordinary commitment on the part of the elected officials who set the tone for the operation at the city level. Seldom is the topic of equal opportunity brought before the Council, unless it is introduced by the CEOC. This makes equal opportunity a step child in the City's operations. It is in this context that this report is presented concerning the work of the CEOC and City's efforts in the area of Equal Opportunity.

#### DISCUSSION:

As stated above, 2009/2010 presented new opportunities for the CEOC. The ability to receive data concerning the city's programs and their effectiveness propelled the Commission into the arena of pro-actively effecting programs and policies being considered by the Council.

#### *SUBCONTRACTING OUTREACH PROGRAM (SCOPE)*

Fortunately, at the request of the Administration Department Director, there was an audit conducted of the SCOPE program that revealed the limitations of SCOPE. The Commission addressed many of the issues presented by the audit and supported the recommendation that a Disparity Study be conducted. This recommendation of a Disparity Study has been on the agenda of the Council for some while. It was addressed in last year's report and not properly address last year because the Council was waiting for the decision of the Coral Construction, Inc. v. City and County of San Francisco case. That case has been ruled upon, however, its decision has not provided San Diego with much direction concerning this area. Thus, the CEOC reiterates the necessity for a Disparity Study.

As stated in last year's report, SCOPE has not been effective in increasing MBE, WBE, DBE and/ or DVBE participation in City construction contracts. Last year's report also called out the fact that a centralized bidder registration software system was promised and was to have been implemented and to date, has not been. It has taken the City more than three years to implement the new software, which is still not operational. However, the Administration Department purchased Prism Compliance Management software to assist with automating compliance related activities, reporting and certification.

#### *CONTRACT VENDOR REGISTRATION SYSTEM*

As stated above, to the dismay of the Commission, this system is still not operational. Promised in 2008, and guaranteed in September of 2009, the Commission awaits the installation and implementation of this system. Having waited so long for this software, we are hopeful that it will make a marked difference in the operation of the outreach efforts of the City and positively impact the number of MBEs/WBEs/DBEs and DVBEs doing business in San Diego. In spite of

not having an automated system, staff has manually noticed 40 projects to SLBEs in accordance with their NAICS codes.

**SMALL LOCAL BUSINESS ENTERPRISE (SLBE)**

The Commission was pleased to participate in the preparation of the final draft of the SLBE Program, ultimately approved by the Mayor and adopted by the City Council. A number of drafts were presented to the Commission for our questions, comments and input. After receiving responses to our input, questions and suggested refinements, the Commission voted to support the final draft. We receive monthly updates from staff and look forward to positive results.

**THE MINOR PUBLIC WORKS PROGRAM (FORMERLY THE MINOR CONSTRUCTION PROGRAM)**

The Minor Construction Program has been replaced with a Minor Public Works Program (SLBE) that has a higher limit (\$500,000 in comparison to \$250,000) and more incentives for bidders. The recommendation of the CEOC of last year's report was adhered to by staff in the revamping of this program.

The staff has been actively involved in promoting this program. To their credit, they have conducted numerous workshops for various organizations on the new program and have been aggressively registering small local businesses into the program. To date there are 176 have been approved SLBEs, 90 pending applications with 20 denied and 8 inactive.

**CONSTRUCTION CONTRACTS**

Construction contracting has consistently been the area of great concern of CEOC. The numbers are unacceptably low and the resistance to change equally entrenched. This was most apparent in the activities of the AGC –San Diego's challenge of the Caltrans Disparity Study. The CEOC, in its letter to the Council, found the challenge unconscionable in light of the fact that 95% of Caltrans \$3 billion in federal funds were awarded to white male contractors. The Commission called upon the Council to join them in this effort to stop the AGC's efforts. The CEOC was supported by the local NAACP and the Equal Justice Society of San Francisco.

Despite the efforts of the staff, San Diego's progress in this area is small. It has increased from 3% (2009) to 4.4% (2010). The Commission has yet to feel the impact of the Mayor and City Council's expressed outrage where the progress of the City in the area of equal opportunity in contracting was declared "abysmal ." While we recognize the challenges with a strict low bid process, we had hoped to see a greater increase.

**ARCHITECTURAL AND ENGINEERING (A&E) CONSULTANT FIRMS**

Unlike construction, the City's equal opportunity's efforts in the areas of architecture and engineering are more promising. Commitments to certified firms increased from 11% (2009) to 40 % (2010). In this area, there appears to be greater flexibility in the awarding of contracts.

And while the Commission is pleased with the increase, there is still room for greater diversity given the size of the ethnic, disabled and female populations in San Diego.

**GOODS & SERVICES**

We recognize the City spends hundreds of millions of dollars on goods and services and have expressed our interest in raising the level of attention to diversity in this area. We have requested statistical reports in order to gauge the city's progress. The limited information received to date has been difficult to understand and we therefore have been unable to determine where this program stands. In addition we are unclear of the status of the Vendor Registration System that we understood was electronic at one time but is currently manual.

It is our understanding that the City Council requested the IBA to research successful diversity programs in the procurement of goods and services and report back. The Commission would like to receive that report and recommends a comprehensive programmatic semiannual report on goods and services be provided to the Mayor, Council and Commission.

**EMPLOYMENT**

Recognizing that diversity in city employment falls under our mission, the Commission requested and received a presentation on the latest diversity statistics of the city from the Personnel Department. This was the first presentation made in several years. We will continue to monitor these statistics on at least an annual basis.

**OUTREACH ACTIVITIES**

The following outreach/technical assistance activities were conducted to assist businesses with understanding how to do business with the City and new program elements:

<b>Date</b>	<b>Event</b>	<b>Purpose</b>
12/11/09	SBA & Surety Assoc. Bonding Workshop – Pilot	Technical Assistance
01/29/10	SBA & Surety Assoc. Bonding Workshop – EOCP Outreach	Technical Assistance
04/08/10	Presentation to Small Business Group – EOCP Outreach	SLBE /Program Application Rollout
04/09/10	Consultant Group Presentation	Program Presentation
04/14/10	Public Agency Consortium Meeting	SLBE Program

		Presentation
05/19/10	Balboa Park Club Bidders Symposium – E&CP Outreach	SLBE Program Application Workshop /Doing Business with the City
05/25/10	Tubman Chavez Multicultural Center – EOCP Outreach Event	SLBE Program Presentation/Application Workshop
05/26/10	Consultant Group Presentation	SLBE Program Presentation
06/01/10	Elite Service Disabled Veterans Monthly Meeting	SLBE Program Presentation/Application Workshop
06/02/10	Subs For Subs – CCDC Annual Outreach	SLBE Program Presentation/Application Workshop/ How to Do Business with the City
06/03/10	Turner School of Construction Management	SLBE Program Presentation/Application Workshop
06/04/10	Meeting with City Protégés	SLBE Program Presentation/Application Workshop
06/07/10	Meeting with San Diego Unified School District	SLBE Program Presentation
06/10/10	Meeting with Construction Industry	SLBE Program Presentation
06/18/10	Small Business Advisory Board	SLBE Program Presentation
07/20/10	Asian Business Association	SLBE Program Presentation/How to Do Business with the City
07/26/10	San Diego Regional Supplier Development Council	SLBE Program Presentation/Application

		Workshop/ How to Do Business with the City
07/27/10	Tubman Chavez Multicultural Center – D4 Outreach Event	SLBE Program Presentation/Doing Business with the City

**COMPLIANCE RELATED ACTIVITIES**

With the focus shift to compliance activities, there has been a significant increase in this area as indicated below:

<b>Compliance Activity</b>	<b>FY2010</b>	<b>FY2009</b>
Pre-bid meetings* <sup>1</sup>	104	76
Pre-construction meetings*	69	Not included in 2009 report
Consultant interview panels	48	15
RFP review	108	37
Project site visits	107	17
Employee interviews	176	Not included in 2009 report
Certified payrolls reviewed	1,238	Not included in 2009 report
\$ recovered for employees	\$769	Not included in 2009 report
Scope documents reviewed	78	Not included in 2009 report
Scope documents failed	15	Not included in 2009 report
Federal good faith effort documents reviewed	5	Not included in 2009 report
Federal good faith effort documents failed	2	Not included in 2009 report
EO Plans requested, received and reviewed	98	12
EO Plans approved	74	10

<sup>1</sup> Provide details of EO bid/contract requirements and answer contractor questions.

EO Plans pending additional information	24	2
Final Summary Reports received and approved	27	29
Subcontractor payment verifications	207	58
\$ recovered for subcontractors	\$75,406	Not included in 2009 report
\$ assessed for public contract code violations	\$2,694.48	Not included in 2009 report

**STRUCTURE AND STAFFING**

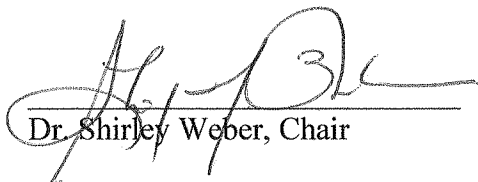
It has been quite a challenge to implement the work of equal opportunity with extremely reduced staff. However, despite that, the work of those assigned to CEOC has been excellent. The willingness to provide the Commission with much needed data and updates has allowed the Commission to respond quickly and effectively to the various proposals before the city. (See the log of CEOC activities since the last report).

We realize that the structure was not optimal. Therefore, we are pleased with the addition of Mr. Henry Foster as Program Manager in the Administration Department. Mr. Foster brings the type of government and private industry expertise needed to enhance the work of the Commission.

CEOC accomplished much this past year. It has soundly placed the City on the path to progress. What it needs is the support of the Mayor and City Council to make Equal Opportunity a top priority. Other cities in California faced with similar challenges have outdistanced San Diego in this area. San Diego motto of "the Finest City" is often tarnished by it dismal report in Equal Opportunity.

The Commission appreciates the staff and those who have supported our work. We eagerly and enthusiastically enter 2011 with high expectations and optimism.

Respectively Submitted,



Dr. Shirley Weber, Chair

CEOC Activities  
12/2009 – 10/2010

September, 2009

- ▶ Voted (Yea-6, Nay-0, recused-2) to approve draft letter to Mayor and City Council regarding AGC's lawsuit
- ▶ Voted for a special meeting to review, discuss and take a position on the proposed SLBE Program

October, 2009

- ▶ Sent letter of concern to Mayor and City Council regarding AGC's lawsuit

November, 2009

▶ **Commissioner Weber:**

Attended Rules Committee. Staffing level comments were voiced at the meeting due to the City's current budget issues. Adequate staff is necessary to implement the proposed program. Committee members were assured that there were opportunities to accrue staff.

- ▶ Requested an update on a regular basis regarding staffing levels.

▶ **Commissioner Weber:**

Attended the Rules Committee meeting and a request was made by the Committee that the Commission be provided a list of potential Contractors. She committed to ensuring the list is provided to the Council.

December, 2009

- ▶ Staff report from Purchasing & Contracting Department (P&C) – raised concerns:

- Discretion of P&C Agent
- Sharing information
- Verbal quotes being accepted
- Diversity within P&C
- Outreach to minority businesses
- Confidence in doing business with the City
- Meet with other Businesses and requesting/sharing vendor data
- Broaden small business information outside of construction services

- ▶ Received statistical report from the Civil Service Commission (composition of City employees)

- Requested meeting with Personnel Department to discuss report



January, 2010

▶ Presentation: EEO Annual Report 2007-2008 Presentation by Personnel Department- Glenn Encarnacion- Deputy Personnel Director and Harold Barclay Equal Employment Investigation Manager: (Handouts Provided)

▶ Action Item: Requested from City Attorney a short legal memo explaining why we don't keep employment data on employing people with Disabilities.

▶ Requested Action: Commissioners asked about the possibility of Purchasing & Contracting providing a list of all contractors that bid on individual projects. They requested the information in the past, however have not received it.

February, 2010

▶ Action Item: Request from City Attorney a short legal memo explaining why we don't keep employment data on employing people with Disabilities.

\*Motion: To move forward in hosting an SLBE Certification Workshop.

Vote: Unanimously passed to move forward in hosting a Certification Workshop.

March, 2010

▶ IBA Presentation – Jeff Sturak (*handouts provided*)

• Jeff Sturak presented the IBAs report to the Rules Committee regarding Councilmember Emerald's Green Jobs in Public Works Proposal

▶ Construction Apprenticeship Programs Presentation - Corrine Wilson, Research and Policy Analyst with the Center on Policy Initiatives  
(*handouts provided*)

▶ A request was made for a Commission representative to attend the Human Relations Commission Meeting March 17th at the Balboa Park Club. Motion made to attend the Human Relations Commission Meeting was unanimously passed and either Commissioner Weber or that Salas attend. Commissioner Salas attended.

June, 2010

▶ Heard City Attorney's Report - Local Hiring: Sanna Singer, Deputy City Attorney  
a. Local Hiring Preference Program considered by Rules Committee and forwarded to Council for review by Council on 6/28/2010.

**Option 1:** Address local hiring through Project Labor Agreements (PLA). (Currently being used by Los Angeles)

**Option 2:** Enact an Ordinance imposing local hiring requirements on all Public Works projects within a certain dollar amount and if an Ordinance is put forward by Council and brought before an advisory committee and that the contractor must hire a professional hiring firm.

**Option 3:** Enact an Ordinance imposing mandatory hiring goal.

\*Motion made and vote taken of those who disagree with the SCOPe/DVBE issue.

4 - In Favor  
2 – Abstained

\*Motion made and vote taken in favor of the Disparity Study.

4 - In Favor  
2 – Opposed

\*Motion made and Commissioners requested the following regarding proposed Local Hiring Preference:

1. Prepare a letter to Council President Hueso indicating Commissions' issues;
2. Further discussion proposal to better understand all issues;
3. The Commission understands the good intentions of the program but would like to discuss the implications and adverse affects it could have on current programs; and
4. Chair Shirley Weber to draft the letter of concern and forward to Administration Department Director.

► Action: Chair Shirley Weber to draft the letter to Councilmember DeMaio inviting him to one of the regularly scheduled meeting in July to examine his initiative.

\*Motion was made and vote was taken to oppose the Green Initiative program.

In favor - 4  
Opposed - 0  
Abstained – 2

► Councilmember Carl DeMaio was invited (as requested) and the soonest he could make it would be August at our regular scheduled meeting.

### July, 2010

► SCOPe Audit Report (Audit Committee Agenda 6/14/10) – Commissioner Corbin reported his attendance at the Audit Committee Meeting of June 14, 2010 where he presented the Commission's position of the City moving forward with a Disparity Study. The Audit Committee voted to move the item to the report to the full City Council for action.

► Chair Shirley Weber represented the Commission at the July 12, 2010 City Council meeting and the Commission's issues/position on the Local Hiring Program Ordinance. The Commission had concerns regarding the necessity of the ordinance, how enforcement would be implemented, how monitoring might be achieved and the impact on staff.

► The Commissioners position on the Local Hiring Program Ordinance was prepared and signed by Chair Weber and forwarded to City Council

August, 2010


- ▶ Presentation: Proposed Equal Benefits Ordinance by Pam Ison  
Pam Ison, District 3 Council Representative presented Councilmember Todd Gloria's proposed Equal Benefits Ordinance.
- ▶ The Commissioners position on the Local Hiring Program Ordinance was prepared and signed by Chair Weber and forwarded to City Council.

September, 2010

- ▶ The proposed Equal Benefits Ordinance was discussed in detail.  
\*Motion made and vote was taken to support the Ordinance  
In favor - 4  
Opposed - 0  
Abstained - 1

**MEMORANDUM**

DATE: DECEMBER 1, 2010

TO: HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL 

FROM: FRANK J. ALESSI, EXECUTIVE VICE PRESIDENT & CHIEF FINANCIAL OFFICER

SUBJECT: FISCAL YEAR 2009-2010 EQUAL OPPORTUNITY ANNUAL REPORT

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Attached is the Centre City Development Corporation (CCDC) Fiscal Year 2009-2010 (FY'10) Equal Opportunity Annual Report, which was accepted by the Board of Directors at the November 17, 2010 CCDC Board meeting.

Should you have any questions regarding the report, please call Charlene McAdory, Equal Opportunity Administrator, at (619) 533-7172 or by e-mail at [mcadory@ccdc.com](mailto:mcadory@ccdc.com)

cc: Frank J. Alessi, CCDC  
Andrew Phillips, CCDC  
Debra Fischle-Faulk, City of San Diego – 9<sup>th</sup> Floor CAB

Attachment

DATE ISSUED: November 8, 2010

ATTENTION: Centre City Development Corporation  
Meeting of November 17, 2010, Agenda 698

SUBJECT: Equal Opportunity Annual Report for Fiscal Year 2010 – General

STAFF CONTACT: Charlene McAdory, Equal Opportunity/Contracts Administrator

REQUESTED ACTION: That the Centre City Development Corporation (“Corporation”) accepts and approves the Equal Opportunity (EO) Annual Report for Fiscal Year 2010 (FY10), and forwards it to the Redevelopment Agency of the City of San Diego (“Agency”) for their information.

STAFF RECOMMENDATION: That the Corporation accepts and approves the EO Annual Report for FY10, and forwards it to the Agency for their information.

SUMMARY: The Corporation is pleased to report the results of its efforts in EO achievements. The EO Annual Report is an overview of the Corporation’s achievements in small business activities for FY10. The report summarizes the analyses and is intended to assist in understanding the economic and fiscal benefits generated to businesses. Business contracting opportunities occur directly with the Corporation in the following three areas:

- Public Works construction contracts;
- Consulting contracts (for either on-call services or one-time contracting needs); and
- Vendor services.

In addition to these contracting opportunities, Corporation staff monitors the contracting achievements for design services and construction contracts of entities with Agency Development Agreements (DA).

The goal for small business participation in all business opportunities is 20 percent. Although independent construction contracts (public works) are difficult to achieve (the award of a contract is based on the lowest qualified bid), goals were achieved. Additionally, achievements in consulting services as well as Disposition Development/Owner Participation Agreements that include design and construction contracts were achieved for the period referenced in Attachment A, Charts 1 and 2.

Businesses that contract with the Corporation are required to take steps to ensure equal employment opportunities within their own workplace as set forth to achieve the County Labor Force Availability measures for the employment of underrepresented ethnic groups (African-American, Asian-American, Filipino, Latino and Native-American), women, and people with disabilities.

To be successful, the Corporation implements the City of San Diego's ("City") Equal Employment Program ("Program"). The overall objective of the Program is to ensure that business contracting entities doing business with or receiving funds from the City and the Corporation will not engage in unlawful discriminatory employment practices prohibited by state or federal laws.

It is the policy and practice of the Corporation to ensure that race, religion, sex, color, ethnicity, sexual orientation, national origin, and disabilities not be used as criteria in business contracting practices. The Corporation makes every effort to ensure that all persons and businesses have equal access to contracts and other business opportunities.

The Corporation is committed to EO in the solicitation of business contracting to assure that persons or businesses doing business with or receiving funds from the Corporation are an EO business and employer. Further, the Corporation endeavors to do business with firms sharing the Corporation's commitment to EO and does not do business with any firm that discriminates.

Any person or employer doing business with the Corporation is encouraged to take positive steps to expand its subcontracting and subconsulting base and offer opportunities to all eligible persons or businesses. All are encouraged to contract with small businesses, disabled-owned businesses, women-owned businesses, firms owned by underrepresented ethnic groups (African-American, Asian-American, Filipino, Latino and Native-American), and local firms, or enter into a joint venture with those firms.

Pursuant to City and Corporation contracting policies, procedures and programs, whenever potential subcontracting opportunities occur, a qualifying firm which submits a bid for a contract over \$250,000 that is funded with state and/or local funds, is required to expand its outreach efforts to meet mandatory goals, thus soliciting participation from businesses that are generally underrepresented on construction projects. Those underrepresented businesses are Minority, Women, Disabled, Disabled Veterans and Small Business Enterprises (M/W/D/DV/SBEs). The mandatory subcontracting outreach goal is intended to increase the level of M/W/D/DV/SBE participation in all contracting activities.

During FY10, the Corporation solicited professional services in the following areas:

- Site Development and Housing for the Homeless;
- Photography Services;
- Website Design and Maintenance;
- Historical Resources/Relocation Study;
- Parks and Open Space Master Plan;
- Real Estate Economical/Financial/Brokerage;
- Geotechnical Engineering;
- Project Management;
- Parking Lot Operator; and
- Artist.

Public Works Construction services were solicited for the following projects:

- Parking Lot Construction and Soil Remediation;
- Safety Enhancements;
- Streetscape Improvements; and
- Historical Theatre Build-Out.

Bids are awarded to the lowest responsible bidder. All bids must successfully pass the City's Subcontracting Outreach Program (SCOPE), referenced herein on page six. An analysis of the general contractor's commitment to the program is performed by the City's EO Contracts staff.

Supplies/materials and services are solicited based on need. Vendors are also selected by the lowest bid submitted. The following vendor services were provided during FY10:

- General/Building/Plant Maintenance Service;
- Computer Supplies;
- Printing Supplies; and
- Patrol Services.

To promote small business participation, outreach and contracting opportunities, the Corporation participates in various networking events, workshops and mixers to encourage subconsultants and subcontractors to register their firm or business on the Corporation's Website. Once registered, businesses receive immediate notice of opportunities as they occur.

To further assist the small business sector, a partnership was established among independent public agencies referred to as the Public Agency Consortium (PAC). Each fiscal year, PAC sponsors the following four major events:

- Subs for Subs (Corporation);
- Paths to Partnerships (San Diego County Water Authority);
- Procurement Fair (Caltrans); and
- Operation Opportunity.

Additionally, there are several small but meaningful business workshops, seminars, expositions and forums throughout the year. Through these events, subcontractors have access to free construction, consulting and vendor-related business management counseling and training services. Businesses are encouraged to expand their networks and register on agency sites to stay abreast of business opportunities as they occur.

FISCAL CONSIDERATIONS: None.

COMMITTEE RECOMMENDATION: On November 3, 2010, the Budget/Finance & Administration Committee voted unanimously to accept and approve the EO Annual Report for FY10.

CENTRE CITY ADVISORY COMMITTEE RECOMMENDATION: None.

OTHER RECOMMENDATIONS: None.

CHANGES SINCE BOARD COMMITTEE MEETING: This item has not changed since the Committee action noted above.

### BACKGROUND

This EO Annual Report is submitted on behalf of the Corporation to demonstrate compliance with EO reporting requirements. This report includes information from July 1, 2009 to June 30, 2010, and shows the percentage of dollars expended for all certified M/W/D/DV/SBE consultants, vendor services and subcontractor contracts relative to the total consultant and vendor services and subcontractor dollars paid out during the reporting period. This report also includes information on prevailing wage and labor compliance reporting for all public works projects during the reporting period.

It is the policy of the Corporation to promote the realization of equal employment opportunities through a positive, continuing program of specific recruitment, outreach, hiring, promotion and other practices designed to ensure the full realization of equal employment opportunity.

To make the policy effective and to ensure conformance with the law, the Corporation has adopted an EO Program as described herein. As an EO employer, the Corporation endeavors to disseminate information about business opportunities as widely as possible. All business opportunities are posted online and with several sources including national and local minority organizations and newspapers.

In compliance with the EO record keeping requirements, the Corporation has created a file for each new solicitation announcement. The file contains, among other items, copies of the announcement, as well as a listing of all sources used to recruit and target interested parties for the business opportunity.

The Corporation is guided in its practices by the City's EO Policies and Procedures. The Corporation administers federal, state and local government EO laws; actively encourages fair dissemination of public contracting dollars, monitors certified payroll records, determines contractor and subcontractor conformance with rules, and monitors representation of socially and economically-disadvantaged business activities in consulting, vendor services and construction contracts. This ensures progress toward implementation and enforcement of the City's EO policies for its projects as well as for projects of the Agency, as required in state and federal regulations.

The Corporation's EO/Contracts Administrator (EO/CA) and the Labor Compliance Consultant inform and discuss with prime contractors and their subcontractors the importance of properly classifying and paying employees for the types of work they are hired to perform. Monitoring of construction projects includes, but is not limited to, required posters, federal and state prevailing wage rates, provisions for apprentices, and labor compliance forms and codes. The following are prevailing wage projects during the reporting period:



- Harbor Drive Pedestrian Bridge;
- Cortez Hill Family Center Phase II;
- Cortez District Streetlights Phase I;
- Downtown Areawide Traffic Signals; and
- Seventh & Market Soil Remediation.

The Corporation regularly convenes preconference/bid and presubmittal meetings to provide the small business community with the opportunity to interact with general contractors and prime consultants to build relationships and diversify teams. The intention is to produce results, operate in a manner that promotes economic parity, and seek partnerships with business owners who share the Corporation's EO commitment by providing quality products and services.

Certification as an M/W/D/DV/SBE is a benefit, not a requirement to obtain business with the Corporation; however, once obtained, it allows an entity to align itself with public agencies and can lead to securing contract(s). Certification is encouraged because public entities such as the Corporation have annual goals they strive to achieve, and, certification opens opportunities, and allows for successful competition for business opportunities for which businesses otherwise would not be eligible to compete.

A resource reference for those who desire to obtain certification as an M/W/D/DV/SBE is the California Unified Certification Program CUCP. The CUCP offers tutorials as well as technical assistance to any unqualified business owner, specifically small business owners. Other resources available include the Small Business Administration and the Association of General Contractors Mentor-Protégé Program. Moreover, a business is not limited to obtaining just one certification, a business may obtain as many as it is qualified for.

In October 2008, the San Diego Airport Authority created the Surety Bond Program ("Bond Program") available to general contractors, especially subcontractors. The Bond Program was designed to help the socially- and economically-disadvantaged business enterprises obtain bonding and financial capital to successfully compete for business opportunities for which they otherwise would not be eligible. The program is free to any small business who wishes to participate.

EO Goal Achievements – The City and the Corporation are committed to an EO Program pursuant to applicable federal and state laws and regulations. EO must be part of all activities of the state and its agencies, including employment of individuals and firms that contract with the City and the Corporation.

The Corporation adheres to the voluntary 20 percent subcontracting goal required by the City. Outreach documentation includes certified M/W/D/DV/SBE enterprises. During FY10, results were achieved as follows:

	Advisory Goal	Achieved
Construction Contracts**	20%	75%
Consulting Contracts**	20%	27%
Vendor Services**	20%	10%
Development Agreements–Design*	20%	36%
Construction	20%	21%

**\*Development Agreements for design and construction services:** A breakout of spending activity in the above-referenced areas is listed in Attachment B, Table 2.

**\*\*Construction, Consulting and Vendor Services:** A breakout of spending activity in the above-referenced areas is listed in Attachment B, Table 1.

Corporation Website/Media Resources – The Corporation’s Website is a useful tool designed to inform, invite, educate and encourage the public of opportunities as they occur as well as how to do business with the Corporation. The newly-reconstructed site offers online registration to receive meeting and event notices. The site, an e-based mail system, is currently the Corporation’s main outreach outlet. Its distribution list reaches thousands of subscribers in an instant. Other resources such as ethnic trade/community-focused organizations and publications, 12 public agencies, and surrounding municipalities are outlets for disseminating information about business opportunities with the Corporation.

Business Opportunities – During FY10, the Corporation issued ten requests for consultant/vendor services and four public works bid opportunities as listed on pages two and three, and nine. Staff continues to promote business opportunities, and encourages attendance at preconference, bid, and submittal meetings that employ “good faith efforts” in its deliverables.

Outreach Activities – On a monthly basis, the Corporation’s EO/Contracts Administrator participates on panels at community forums to speak about current and future business opportunities. Staff attends business expos, workshops, and community meetings to inform, invite and encourage socially disadvantaged groups to take interest in responding to bids and/or solicitation announcements as they occur. Staff also responds to any questions relating to current or future project activity.

On an annual basis, the Corporation sponsors its business exposition “Subs for Subs,” which brings participants under one roof. The focus of the business exposition is to match large primes with small primes through an all day event where businesses can showcase their product line; where speakers can teach and participants listen to new ideas and ways of introducing products and services to a diverse audience. Through the support of partnerships (public agencies), the event is offered free. The goal of the business exposition is to assist businesses in building relationships and gaining visibility.

Growth – The goal of the Corporation’s EO small business program is to build relationships, foster harmony bring together owners, general contractors, subcontractors and suppliers in one place to strengthen business efforts. Staff continues to meet with development project teams,

potential developers and general contractors to assist in achieving or exceeding the Corporation's EO contracting and subcontracting goals. Staff also provides project teams with outreach strategies, best practices and resources, small and emerging business directories and networking opportunities to build a diversified team.

Subcontracting Opportunity Program (SCOPE) – As referred to on page three, this applies to City-funded construction projects that exceed \$250,000. SCOPE requirements include the following:

- Mandatory subcontractor participation goals;
- Advisory Disadvantaged Business Enterprise (DBE), Disabled Veteran Business Enterprise (DVBE) and Other Business Enterprise (OBE) goals are advisory only and do not constitute the “sole” basis for determining noncompliance or disqualification;
- Documentation of outreach efforts must be submitted within three working days from bid opening; and
- Final Summary Report Submittal – Contractors must submit a Final Summary Report that includes all subcontracting activity during the project within 15 calendar days after final inspection of contract work.

Prevailing Wage Project Details – All public works construction projects are subject to state or federal prevailing wage pay. Analysis of prevailing wage activity consists of the following:

- Review of certified payroll, placement posters by contractors, preliminary investigations of apparent violations, field/desk audit reviews; and
- May include issuing a recommendation to the resident engineer regarding possible violations or discrepancies.

At pre-construction meetings, a pre-construction package is delivered to the general contractor and is comprised of the following:

- Pre-construction letter discussing labor compliance;
- Forms required for the project;
- Federal prevailing wage rates and state prevailing wage rates;
- Posters required on site; and
- State apprenticeship provisions and requirements and excerpts from the labor code and apprentice sections is provided to the contractor.

Disposition and Development Agreement (DDA)/Owner Participation Agreement (OPA) – EO Activity for Developers/Owner Participants – At the time a DDA or OPA is entered into with the Agency, the entity is required to submit a Workforce Report. Staff compares the Work Force Report with applicable County Labor Force Availability Data within ten working days of receipt to determine if an Equal Employment Opportunity Plan (EEOP) is required. If an EEOP is required, it shall include goals or timetables for increasing women and minority employment and will not require terminating or laying-off existing employees. City and Corporation staff can assist with preparing an acceptable plan and closely monitoring compliance with the plan through periodic on-site compliance reviews.

Any developer or property owner doing business with the Agency is required to adhere to the Agency's EO policies and programs. The purpose is to ensure that persons or businesses that enter into DDA or OPA with the Agency, that plan, design or construct improvements on sites initially purchased and assembled with Agency funds, or that occupy a site after its completion, provide equal opportunities to contractors, subcontractors consultants and subconsultants.

For FY10, the composite achievements for M/W/D/DV/SBE enterprises were 33 percent for design and 16 percent in construction as listed in Attachment B, Table 2.

Environmental Impact – This activity is not a “project” for purposes of the California Environmental Quality Act (CEQA) because it does not fit within the definition of a “project” set forth in Public Resources Code Section 21065 or State CEQA Guidelines Section 15378. Thus, this activity is not subject to CEQA pursuant to State CEQA Guidelines Section 15060(c)(3).

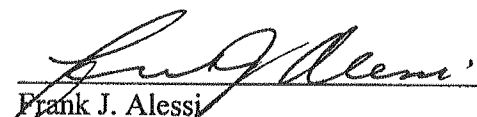
CONCLUSION


The Corporation's achievements for consulting contracts and construction contracts exceeded the 20 percent voluntary M/W/D/DV/SBE goals. Staff continues to be proactive in all aspects of the Corporation's business contracting to ensure that all segments of the business community have the opportunity to do business with the Corporation.

Respectfully submitted,

Concurred by:

  
Charlene McAdory  
Equal Opportunity/Contracts Administrator

  
Frank J. Alessi  
Executive Vice President & Chief Financial Officer

  
Andrew Phillips  
Assistant Vice President, Finance/Controllor

- Attachments:   A – Charts 1 and 2  
                  B – Table 1: Three Year Comparative Analysis of Business Contracting Achievements  
                  Table 2: Breakout DDA/OPA EO Activity for Agency Agreements

## FY 2010 SUMMARY

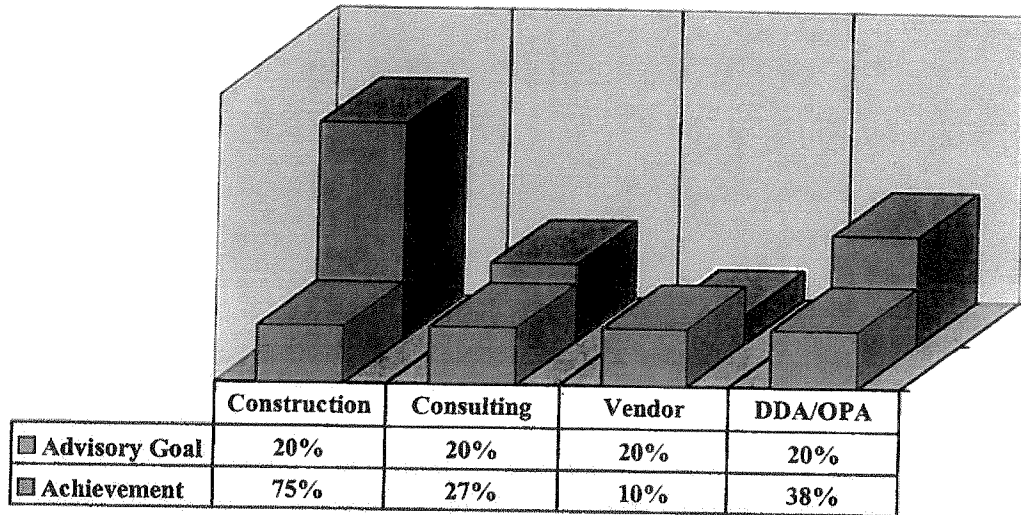


Chart 1

## DISTRIBUTION OF PARTICIPATION BY CONTRACT TYPE

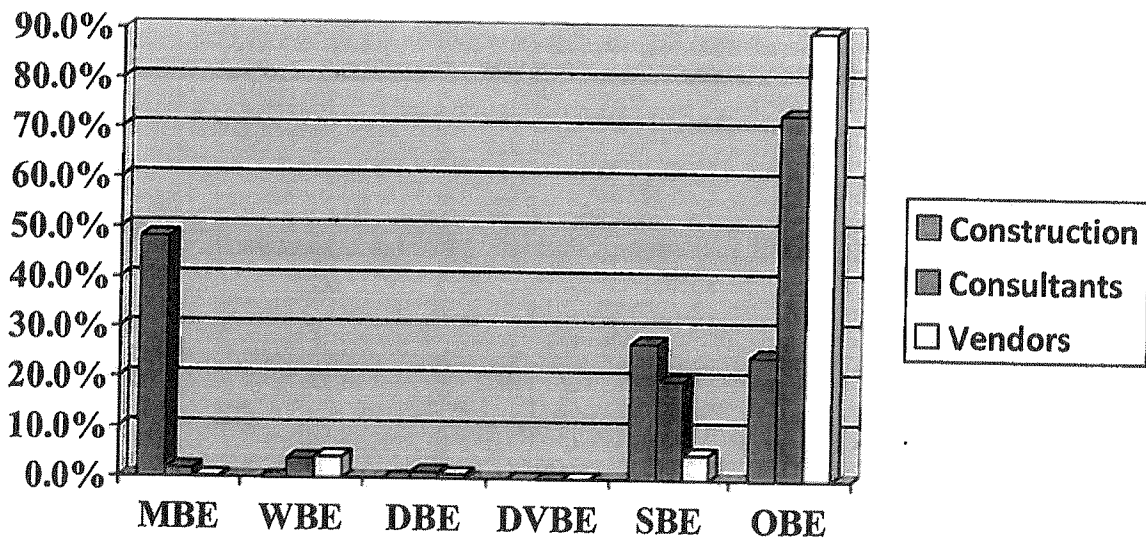


Chart 2

**TABLE 1: COMPARATIVE ANALYSIS OF BUSINESS CONTRACTING ACHIEVEMENTS  
FY10 EO ANNUAL REPORT**

The chart compares FY10 and prior years FY09 and FY08 Contracting Achievements. (The achievements for public works contracting reports the amounts paid to prime contractors only when the project has been completed during the reporting period.)

<b>CATEGORIES</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>
<b>Construction Contracts (Public Works)</b>			
Expenditures paid out to Qualified Contractors	\$11,520,234	\$8,588,866	\$10,737,371
Expenditures paid out to Certified Contractors	\$ 8,285,722 (72%)	***	***
<b>Outreach Goal: 20%</b>	\$ 3,234,512 28.1%	\$6,925,827 80.6%	\$ 8,090,334 75%
<b>Consultant Services</b>			
Expenditures paid out to Qualified Consultants	\$8,162,012	\$11,955,691	\$10,206,919
Expenditures paid out to Certified Subconsultants	\$5,706,140 (70%)	***	***
<b>Outreach Goal: 20%</b>	\$2,455,872 30.1%	\$ 4,157,678 34.8%	\$ 2,739,772 27%
<b>Vendor Services</b>			
Expenditures paid out to Qualified Vendors	\$2,874,203	\$ 2,194,444	\$1,976,221
Expenditures paid out to Certified Vendors	\$2,155,523 (75%)	***	***
<b>Outreach Goal: 20%</b>	\$ 718,680 25%	\$ 281,247 12.8%	\$ 200,859 10%

\*\*\*In order to be consistent with the reporting requirements of the City of San Diego, the Corporation no longer reports statistical information on "Qualified" firms.

**TABLE 2: DISPOSITION AND DEVELOPMENT AGREEMENTS AND  
OWNER PARTICIPATION AGREEMENTS ACTIVITY REPORT  
FY10 EO ANNUAL REPORT  
July 1, 2009 – June 30, 2010**

<b>AGENCY AGREEMENT</b>	<b>DESIGN PHASE</b>	<b>CONSTRUCTION PHASE</b>
<b>Project:</b> Parkside Terrace <b>Developer:</b> Wakeland Housing/ Parkside Terrace <b>Contractor:</b> Harper Construction	Design Phase Completed FY08	Total Expenditures \$ 16,040,079  Cert MBE 549,815 Cert WBE 92,173 Cert SBE 24,161 Cert DBE 38,027 Cert DVBE  \$ 704,176 Total Certified 5% <b>Percent of Phase Completed: 100%</b>
<b>Project:</b> Ten Fifty B - Housing <b>Developer:</b> Affirmed Housing <b>Contractor:</b> Turner Construction		Total Expenditures \$ 66,251,973  Cert MBE \$ 12,445,442 Cert WBE \$ 461,825 Cert SBE \$ 3,607,781 Cert DBE \$ Cert DVBE \$  \$ 16,515,048 Total Certified 25% <b>Percent of Phase Completed: 100%</b>

AGENCY AGREEMENT	DESIGN PHASE	CONSTRUCTION PHASE
<b>Project:</b> 15 <sup>th</sup> & Commercial <b>Developer:</b> 15 <sup>th</sup> & Commercial <b>Contractor:</b> Roel Construction Co.	\$ 773,025      Total Expenditures \$ 246,266      Cert MBE \$ 1,855        Cert WBE \$                Cert SBE \$ 7,495        Cert DBE \$                Cert DVBE \$ 255,616      Total Certified    33% <b>Percent of Phase Completed: 90%</b>	\$2,307,033      Total Expenditures \$ 42,917        Cert MBE \$ 97,261        Cert WBE \$ 214,625       Cert SBE \$ 7,606         Cert DBE \$                Cert DVBE \$ 362,409      Total Certified    16% <b>Percent of Phase Completed: 6%</b>
<b>TOTAL CCDC/DOWNTOWN PROJECTS</b>	\$ 773,025      Total Expenditures \$ 246,266      Cert MBE \$ 1,855        Cert WBE \$                Cert SBE \$ 7,495        Cert DBE \$                Cert DVBE \$ 255,616      Total Certified    33%	\$ 113,955,465      Total Expenditures \$ 13,038,174      Cert MBE \$ 651,259        Cert WBE \$ 3,337,165      Cert SBE \$ 46,643         Cert DBE \$                Cert DVBE \$ 19,073,241      Total Certified    6%