



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

DATE ISSUED          October 10, 2012                                  REPORT NO. 12-126

ATTENTION:          Rules, Open Government & Intergovernmental Relations Committee  
                                Agenda of October 17, 2012

SUBJECT:              Fiscal Year 2012 Business Diversity Annual Report

SUMMARY:

The attached annual diversity report includes construction, consultant and vendor participation statistics, programmatic updates/activities and achievements, and compliance related activities. It also includes an executive summary and definitions of terms and/or acronyms. Four Departments have contributed to the contents of the report: Administration, Development Services Economic Development, Public Works and Purchasing & Contracting. The report covers the period July 1, 2011 through June 30, 2012.

Handwritten signature of Debra Fischle-Faulk in blue ink.

Debra Fischle-Faulk  
Administration Department  
Director

Handwritten signature of Kelly Broughton in blue ink.

Kelly Broughton  
Development Services  
Department Director

Handwritten signature of Tony Heinrichs in blue ink.

Tony Heinrichs  
Public Works  
Department Director

Handwritten signature of Ed Plank in blue ink.

Ed Plank  
Purchasing & Contracting  
Interim Department Director



# Fiscal Year 2012 Business Diversity Annual Report



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## Definitions

**A&E Consultant** – Architect & Engineering firms who provide consultant services to the City.

**Certified Firm** – A firm that has been certified by either the City or an Agency accepted by the City and the certification has been verified.

**CDBG** – Community Development Block Grant.

**CIP** – Capital Improvement Project.

**DBE** – Disadvantaged Business Enterprise (certifications available).

**DVBE** – Disabled Veteran Business Enterprise (certifications available).

**DPBT** – Persons with a Disability or Disabilities (no certification available).

**ELBE** – City Certified Emerging Local Business Enterprise.

**EOC** – Equal Opportunity Contracting Program.

**GRC** – General Requirements Contract. As-needed and indefinite quantity contracts with maximum and minimum contract amounts, maximum terms and assigned firm fixed price task orders.

**HUBZone** - Historically Underutilized Business Zones (Federal).

**LGBT** – Lesbian, Gay, Bisexual Transsexual Business (no certification available).

**MACC** – Multiple Award Construction Contract.

**Micro-enterprise Business** - Micro-enterprise is considered to be a for-profit business with five or fewer employees, one or more of whom owns the business and who are low- to moderate-income persons.

**MBE** – Minority Business Enterprise (certifications available).

**Prism** – The software purchased to assist with automating EOC compliance activity, reporting and certified firm searches.

**Restricted Competition** – A program developed for bidding/proposing exclusively among SLBE/ELBE firms. This replaced the Minor Construction Program and has opened similar opportunities for consultants.

**SAP** – Systems, Applications and Products in Data Processing. SAP AG is a German global software corporation that provides enterprise software applications and support to businesses of all sizes globally.

**SDCOC** – San Diego Contracting Opportunities Center.

**SDB** – Small Disadvantaged Business (federal).

**8(a)** - a small business enterprise 51% owned and controlled by a socially and economically disadvantaged individual(s). (Federal)

**SLBE** – City Certified Small Local Business Enterprise.

**Title VI** – A statute provision of the Civil Rights Act of 1964 requiring agencies receiving federal funds to ensure that no person shall, on the grounds of race, color, national origin, sex, disability or age, be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination under any program or activity it administers.

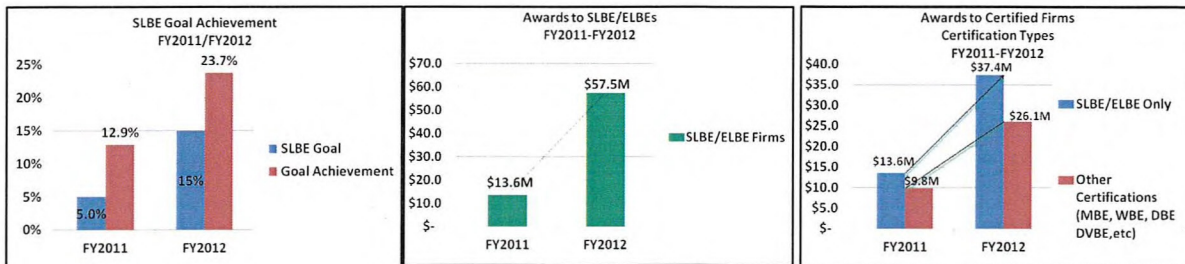
**WBE** – Woman Owned Business Enterprise (certifications available).

## Executive Summary

After two full years of implementation and over 545 available certified firms in the City’s database, the Small Local Business Enterprise (SLBE) Program has proven to be an extremely effective tool to increase prime and subcontracting opportunities for all segments of its small local business community.

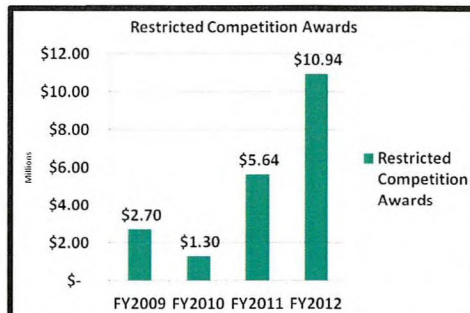
We are pleased to report another outstanding year! Once again we have *exceeded our SLBE annual goal for Capital Improvement Program (CIP) Construction Projects* as shown in the charts below. City certified SLBE’s and *Emerging Local Business Enterprises (ELBE’s) received \$57.5 million (23.7%)* of construction contract dollars awarded, up from 12.9% the year before. Total dollars awarded this fiscal year for *Construction contracts was \$242,387,560 – an 83.7% increase from last fiscal year due in part to the City’s CIP streamlining efforts.*

The continued leadership of the Mayor, along with the support of the City Council and City staff resulted in *a significant increase in dollars and percentage of dollars* awarded to certified Small/Emerging Local, Disabled Veteran, Disadvantaged, Woman and Minority owned businesses in construction contracts. *Total construction contract awards to all City recognized certified firms was \$63.5 million (26.2%).*



Restricted competition continues to be a viable program element that increases opportunities for and develops the capacity of small local businesses. As a result, Mayor Sanders continues to provide ongoing direction to size a percentage of projects into smaller packages (\$500,000 and below) to increase direct contract opportunities for SLBE/ELBE firms.

*Fifty-three (53) prime contracts have been awarded during this fiscal year totaling \$10.94 million – nearly double the amount awarded in FY2011.* These smaller projects were competitively bid by City certified SLBE/ELBEs.



We were also successful in exceeding our performance from last year in *Architect & Engineering (A&E)* contracts as shown in the charts below. Total dollars awarded for *A&E Consultant* contracts was *\$53,506,359* of which *\$14,038,091 (27%)* was awarded to certified firms.



The *Public Works Department CIP Streamlining* effort significantly increased the number of restricted competition awards to certified firms. To ensure small contract opportunities continue to be made available, the department established a goal of 15% of eligible CIP Construction and Architect & Engineering projects be sized to facilitate prime contracting opportunities for SLBE/ELBE firms. In addition, the inclusion of mandatory SLBE/ELBE/Disabled Veteran Business Enterprise (DVBE) participation levels on Multiple Award Construction Contract (MACC) tasks in both phases (design/construction) and the inclusion of a mandatory networking event for shortlisted prime contractors, provides additional subcontracting opportunities and targeted networking for these certified firms.

Our *Goods & Services* contracts included a 20% voluntary SLBE/ELBE goal for FY12. Total dollars awarded for *Goods & Services* was *\$226,882,668 – 5.2% of this total or \$11,698,573* was awarded to self identified MBE/WBE/DBE/DVBE/8(a) firms. This reflects an increase from 4.5% awarded to these firms in FY2011. Purchasing & Contracting Department is committed to exploring and facilitating more opportunities to increase awards to SLBE/ELBE and other categories of vendors for Goods and Services. A comprehensive integrated vendor registration and sourcing system has significant potential to increase these opportunities. The City will have much better information on the number of vendors, the products they provide and their participation in City procurements. This information can be used to identify effective strategies to develop and engage SLBE/ELBE vendors as well as other segments of the vendor community.

Toward this objective, *Purchasing & Contracting initiated a coordinated process to select and implement a comprehensive Citywide Vendor Registration and eSourcing System.* Once implemented later this fiscal year, registration as a potential bidder and/or proposer for City projects and goods and services procurements will be free and firms will be electronically notified of opportunities based on the goods/services they provide and/or license(s) they hold. The registration process will require them to identify the North American Industry Classification System (NAICS) or National Institute of Governmental Purchasing (NGIP) codes for their

business. The registration process will also encourage and facilitate firms to apply for SLBE and ELBE certification. Overall, the system will increase the number of firms actively involved in City solicitations for both goods and services and public works construction and will also create new opportunities for targeted procurements.

The 2011 *Small Business Development Pilot Program* began as outreach to small businesses listed in the databases of ACCION San Diego and the San Diego Contracting Opportunities Center, followed by a survey to assess barriers to contracting and identify training needs. **187** businesses were selected to participate based on the criteria and size standards of the City's SLBE program.

During this fiscal year, the Program offered four program orientation and training sessions, and 205 one-to-one counseling sessions were provided through the San Diego Contracting Opportunities Center. In addition, 20 businesses attended 10 training workshops offered by the San Diego Contracting Opportunities Center, and two "Meet the Buyers" Networking Events were hosted to give participants the opportunity to meet with the City's Purchasing and Contracting Specialists ("Buyers") to better understand City procurement and contracting processes. As a result of implementing the 2011 Pilot Program, and despite an ambitious nine month timeframe for firms to identify opportunities, respond to bids, and obtain contracts, **43 businesses were certified in the City's SLBE Program (20 SLBE/23 ELBE), six participants were listed on the City, County, and Port's Consultant Rotation List, and five participants were successfully awarded \$193,700 in City contracts.**

The *Development Services Department* appointed a *Small Business Liaison* whose primary objective is to provide individual assistance to small businesses. The liaison assists with accessing the most up-to-date information, documents, forms, codes, and procedures for their business needs. In addition, she reviews key regulatory steps for starting a business in the City of San Diego. By clarifying various requirements, identifying potential issues with means of resolution, and highlighting the Development Services Department's review and approval process, small businesses are provided with the support needed for the project to succeed. Future efforts will include exploring ways to streamline the restaurant permitting process to further enhance opportunities for small businesses.

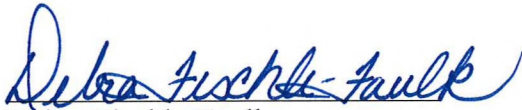
They also managed *Municipal Code Amendments* that have benefitted small businesses. As part of the 7<sup>th</sup> Update, permit process levels were lowered to streamline and lower project costs for businesses such as boarding kennels/pet day care, vet clinics, instructional studios and small retail. Amendments also facilitated the infill of vacant commercial tenant spaces by removing the requirement for conforming uses to obtain an costly discretionary permit for sites with previously conforming parking. Amendments also created a more flexible process to review signage for commercial centers as a whole and removed other barriers in the sign code that small businesses found to be an impediment to their success.

The 8<sup>th</sup> Update is currently in process and also includes a number of regulatory reform measures to benefit small business. The update includes amendments that will significantly benefit restaurants by streamlining the permit process and lowering the cost for development and operation of a sidewalk cafe. Amendments are also included to facilitate development and



operation of child care centers in appropriate agricultural residential zones, and to facilitate development and operation of various educational facilities that offer vocational training in a setting that is alternative to the traditional post secondary university campus setting. The update also would help lower the process and associated project costs for wireless communication facilities, and would facilitate the start up of gyms for kids or adults by expanding the number of zones where such uses are allowed and lowering the permit process. The update will also address barriers within the parking regulations for small business by facilitating the use of shared parking agreements and facilitating development on small commercial lots 10,000 square feet or less.

We are proud of the progress that has been made this fiscal year and will continue to maintain a heightened focus on equal opportunity, economic development and inclusionary business practices.



Debra Fischle-Faulk  
Administration Department Director



Wally Hill  
Assistant Chief Operating Officer

## FY2012 Awards

*We have again exceeded our Annual Goal for CIP Construction Projects.*

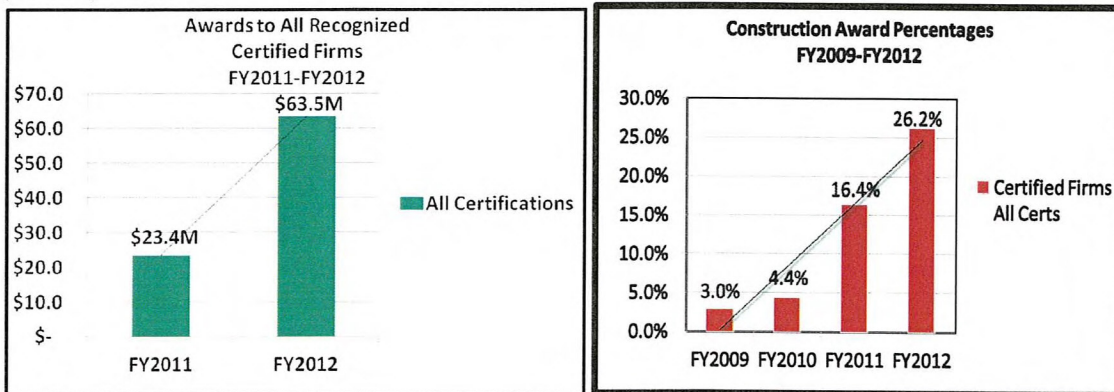
### Construction (All Certifications verified)

We surpassed our FY 12 SLBE annual goal. Strategically packaging projects for restricted competition, establishing contract-by-contract goals and directly notifying certified firms of bid opportunities positively impacted our ability to exceed our goal. Total dollars awarded was \$242,387,560 - of that amount **\$57,548,696<sup>1</sup> or 23.7% was awarded to SLBE/ELBEs**. This number includes firms with other recognized certification types. Our FY2012 annual goal that was established based on the anticipated number, dollar value and types of contracts was 15%.



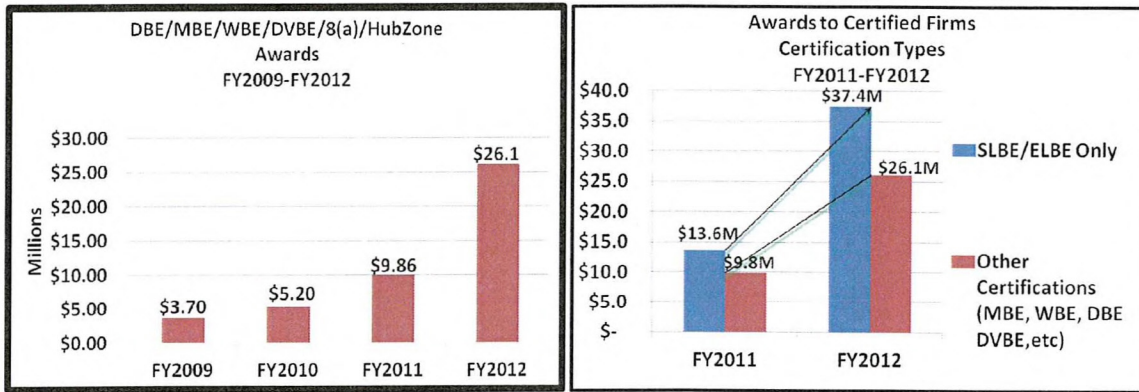
### *Construction Dollars Awarded to Firms with other Certifications also Increases*

Both dollars and percentage of total dollars awarded to certified firms continues to increase. The types of certifications we recognize include: MBE/WBE/DBE/DVBE/SLBE/ELBE/SBA 8(a)/SDB/HUBZone. Total dollars awarded to **all City recognized firms was \$63.5 million (26.2%)**.



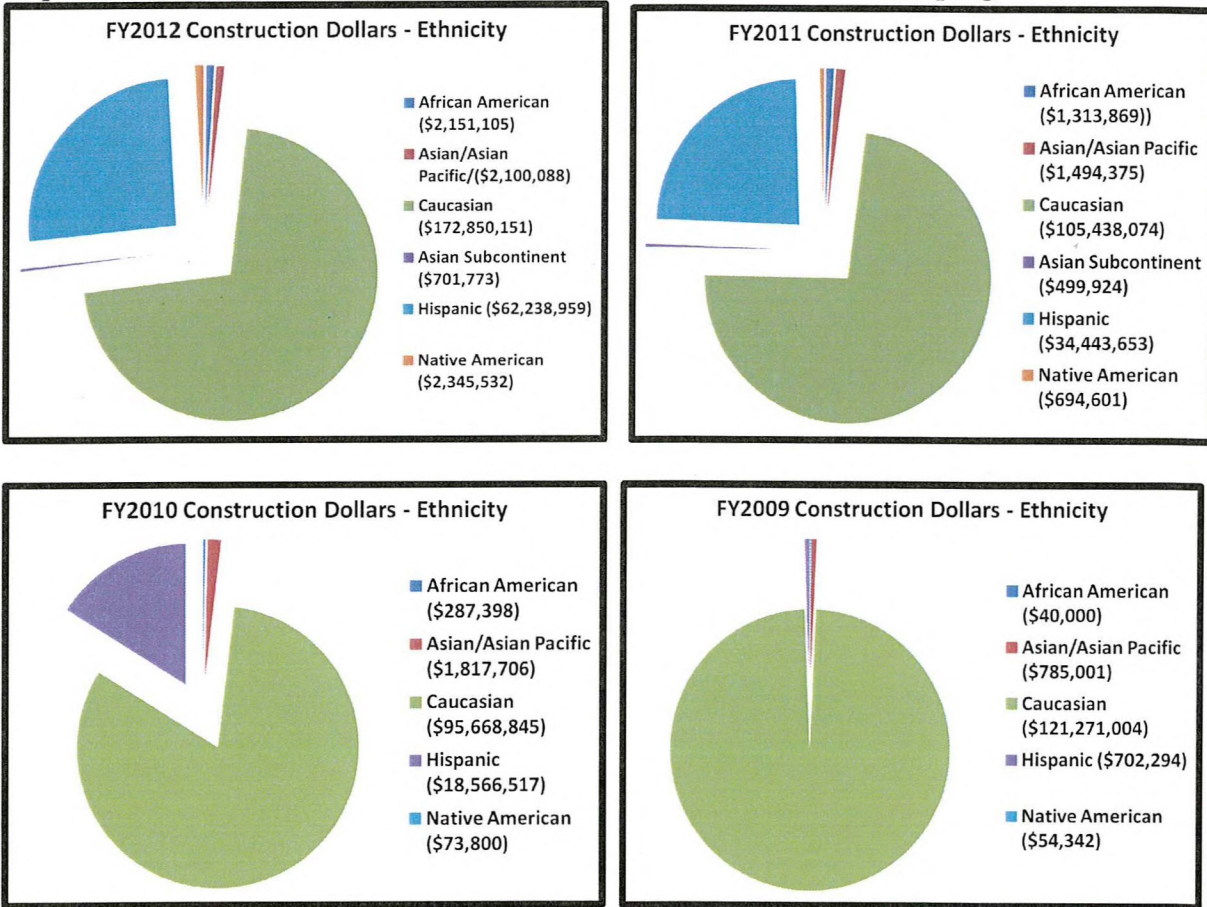
<sup>1</sup> This number includes firms with recognized certifications in addition to SLBE/ELBE

Firms certified as **MBE/WBE/DBE/DVBE/SDB<sup>2</sup>** were awarded **over \$26.1 million**.

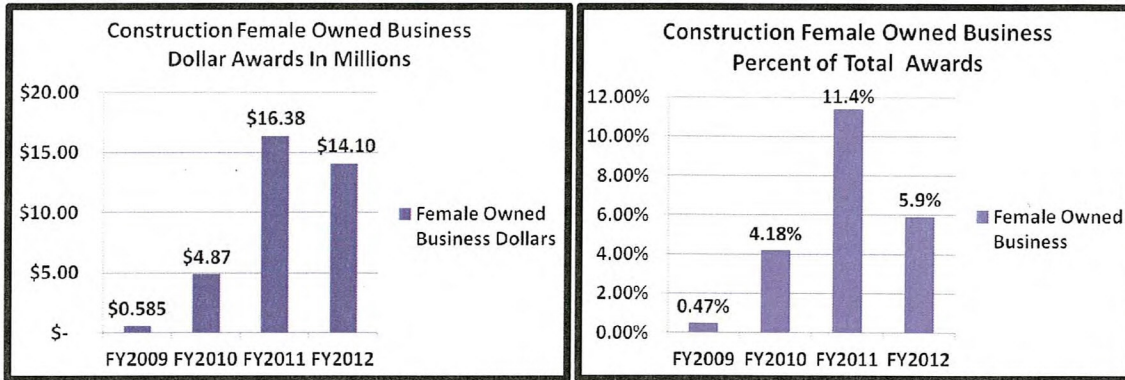


**Ethnic Dollar Distribution Increased – Gender Dollar Distribution Slightly Decreased**

More dollars and percentage of total dollars were awarded to diverse firms, however there was a drop in female owned business participation. The charts below show our progress.



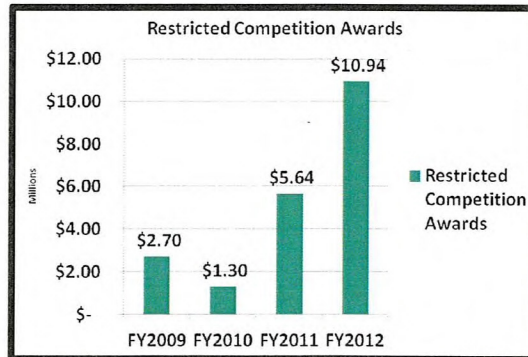
<sup>2</sup> Note: Some firms are also certified as SLBE/ELBEs, however they are excluded from the SLBE/ELBE only column



### Restricted Competition - Construction

At the direction of Mayor Sanders, a percent of projects continue to be packaged into smaller sizes (\$500,000 and below) for restricted competition among certified SLBE/ELBE firms. Public Works has established a goal of packaging 15% of the eligible CIP projects for restricted competition. Restricted Competition continues to increase prime contracting opportunities for these firms. ***Fifty-three (53) prime contracts have been awarded during this fiscal year totaling \$10.94 million – nearly double the amount awarded in FY2011.***

The chart below shows the progress made since replacing the Minor Construction Program with the Restricted Competition Program in 2011:



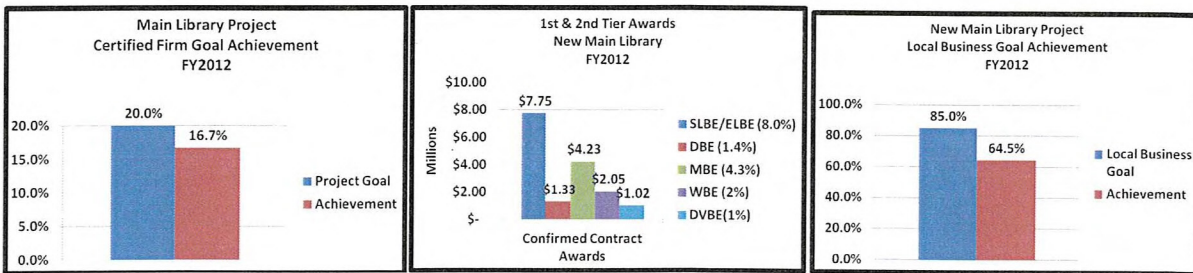
**Final Summary Reports** are submitted by prime contractors. They are consolidated records showing the name, telephone number and business address of each subcontractor, vendor/supplier and joint vendor partner and the total amount actually paid to each firm. They are submitted to the Resident Engineer thirty (30) days prior to contract completion. Eighty-seven (87) final summary reports were received during this reporting period. Total payments reported for this period is \$161,835,767. ***Certified subcontractors received \$16,277,180 (10%) and non-certified subcontractors received \$145,558,587 (90%).*** These reports represent projects awarded in prior fiscal years but were completed in the fiscal year reported.

| Fiscal Year | Total Dollars Paid | Certified Firms       | Non-Certified Firms    |
|-------------|--------------------|-----------------------|------------------------|
| 2012        | \$161,835,767      | \$16,277,180<br>(10%) | \$145,558,587<br>(90%) |

|      |                 |   |                            |
|------|-----------------|---|----------------------------|
| 2011 | \$93,472,693    | <b>\$5,908,955</b><br><b>(6.4%)</b>     | \$87,563,738<br>(93.6%)    |
| 2010 | \$20,655,496.61 | <b>\$2,428,167.62</b><br><b>(11.8%)</b> | \$18,227,328.99<br>(88.2%) |

### New Main Library

Construction of the New Main Library began in FY2009. The City's Construction Manager, Turner Construction, is making progress toward achieving their minimum goal commitments of 20% of subcontracting activity to certified firms and 85% of subcontracting to local firms. Based on their August 2012 report, they have **achieved 16.7% certified** and **64.5% local** firm participation.

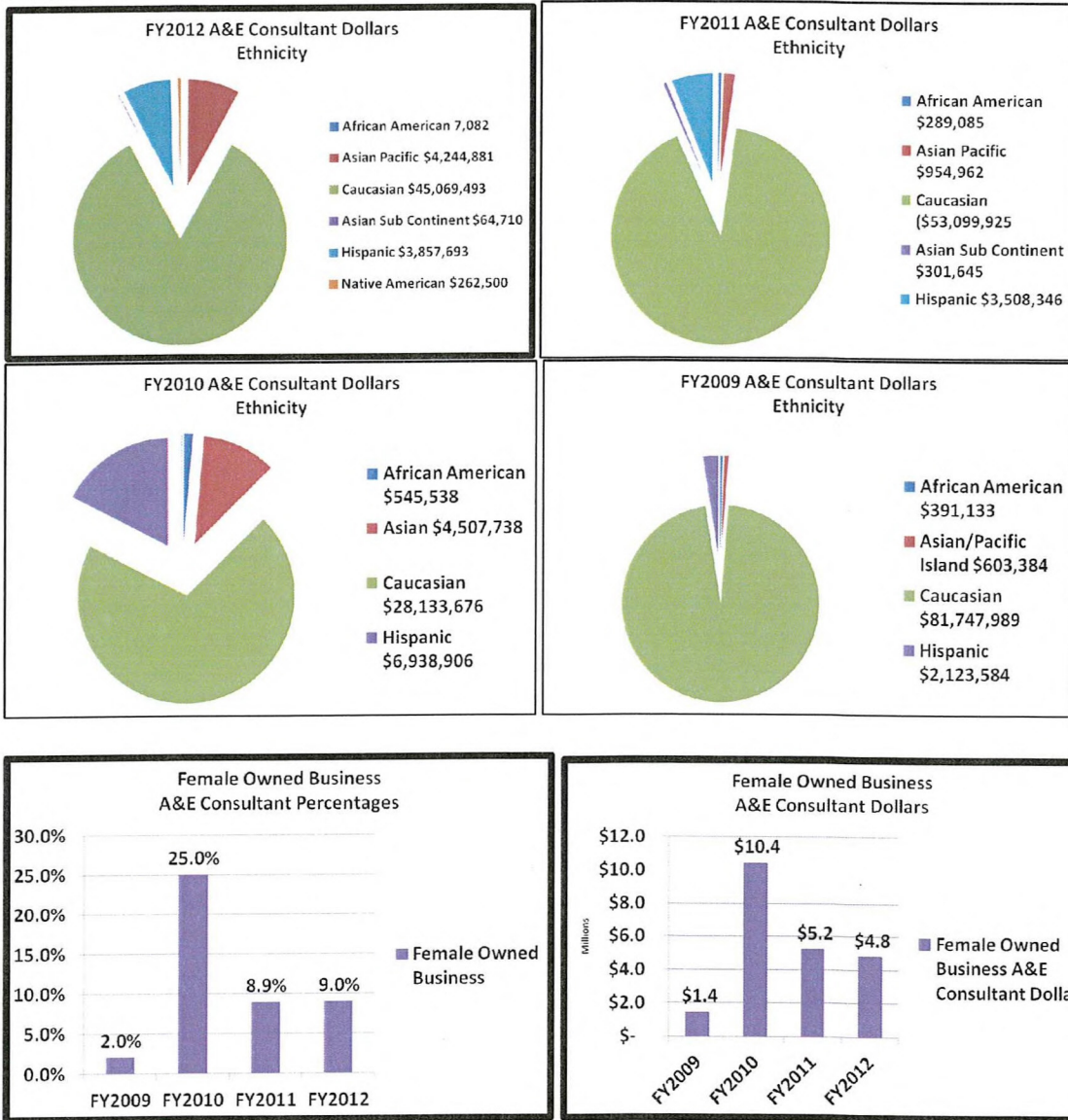


### A&E Consultants (All certifications verified)

We surpassed our last year's performance of awards to certified firms. **Certified firms received 27% of the total dollars awarded.** During this fiscal year, we increased our focus on A&E contracts in an effort to improve our performance. A restricted competition program was developed and implemented in August 2012. In addition, staff suggested changes to both the income caps and length of being in business for A&E firms based on their feedback which was recently approved and implemented. The following charts show our progress.



### Ethnic/Gender Dollar Distribution



### Restricted Competition – A&E Consultants

A collaborative effort between Administration and Public Works Departments resulted in the development of a restricted competition program for A&E Consultants. Among other things, the Program provides direct contract opportunities for certified SLBE/ELBE firms on projects valued at \$25,000 and below. Specifically, departments hiring an A&E consultant for professional services *must* contact, solicit a proposal from and consider for award, a minimum of one (1) firm from the City’s approved SLBE list. The required is waived if there are no certified firms on the list, however, a written waiver from Equal Opportunity Contracting must be obtained. For this fiscal year, 14 small projects for a total value of \$213,716 were awarded to certified SLBE/ELBE firms. In addition, Public Works Department has established a goal of

15% of eligible CIP Architect & Engineering projects be sized to facilitate additional SLBE/ELBE consultant opportunities.

### **Certifications – SLBE/ELBE**

The City continues to process SLBE/ELBE applications. A four person interdepartmental (Administration and Public Works) intakes, reviews, approves/denies applications and has begun to conduct site visits. Applications are taken daily, entered into our data base and reviewed for completeness. Additional information is requested as necessary and completed applications are forwarded to the review team who meets and makes decisions weekly. The following are the current certification statistics:

|                        |            |
|------------------------|------------|
| Construction:          | 260        |
| General Services:      | 20         |
| Professional Services: | 261        |
| Supplier:              | <u>6</u>   |
| <b>Total:</b>          | <b>547</b> |

### **Technical Assistance**

In a collaborative effort to provide valuable technical assistance tools Public Works and Administration Departments are developing an on-line tutorial series similar to a model adopted by the San Diego Airport. The project will provide free online tutorials to potential small/emerging local and other bidders to learn more about bidding opportunities, the bid and award processes, post award requirements, etc. This on-line approach will provide potential bidders with a tool to learn about City bid processes at their convenience, rather than having to attend training sessions generally scheduled during their general work hours or later in the evening. .

### **Contract-by-Contract Goal Setting – CIP Projects**

In accordance with Department of Transportation regulations (for Caltrans, FAA, FHWA funded projects) and the City's Small Local Business Enterprise Program requirements (City funded projects), Public Works Department staff calculated contract-by-contract goals for Equal Opportunity Contracting review and approval. This year, the team calculated, reviewed and approved goals for 99 projects.

### **Notice of Bid Opportunities – CIP Projects**

As part of our ongoing effort to ensure SLBE/ELBEs are directly notified of City bid opportunities, the Administration Department forwards weekly notices on contracts with an estimated value over \$500,000. During this fiscal year, 133 Special Notices of Bid Opportunities valued at approximately \$215 million were sent. In addition, restricted competition bid opportunities (\$500,000 and below) for construction projects are forwarded only to SLBE/ELBE firms by Public Works Contracting. Once the vendor registration system has been implemented early next year, this effort will be automated.

## Goods & Services

Goods & Services statistics are depicted in the charts below. In FY12 Over **\$11.6 million (5.2%)** was awarded to self identified DBE/MBE/WBE/DVBE/8(a) firms.

### FY12

| Business Type*   | # PO's | %     | PO Value         | %      |
|------------------|--------|-------|------------------|--------|
| DBE              | 102    | 1.3%  | \$1,046,688.58   | 0.5%   |
| MBE              | 235    | 3.1%  | \$7,816,994.01   | 3.4%   |
| WBE              | 120    | 1.6%  | \$1,030,750.04   | 0.5%   |
| DVBE             | 38     | 0.5%  | \$ 325,573.70    | 0.1%   |
| 8(a)             | 33     | 0.4%  | \$1,046,688.58   | 0.5%   |
| LGBT             | 2      | 0.0%  | \$ 20,867.68     | 0.0%   |
| DPBT             | 20     | 0.3%  | \$140,952.80     | 0.1%   |
| Other            | 7,142  | 93.0% | \$215,079,457.73 | 95.0%  |
| *Self Identified | 7,692  | 100%  | \$226,882,667.52 | 100.0% |

### FY11

| Business Type*   | # PO's | %     | PO Value         | %      |
|------------------|--------|-------|------------------|--------|
| DBE              | 216    | 3.1%  | \$2,525,621.17   | 0.9%   |
| MBE              | 220    | 3.2%  | \$7,176,239.75   | 2.6%   |
| WBE              | 368    | 5.3%  | \$2,067,290.15   | 0.7%   |
| DVBE             | 12     | 0.2%  | \$124,947.33     | 0.0%   |
| 8(a)             | 10     | 0.1%  | \$339,363.00     | 0.1%   |
| LGBT             | 73     | 1.1%  | \$325,741.70     | 0.1%   |
| DPBT             | 6      | 0.1%  | \$135,917.01     | 0.0%   |
| Other            | 5,999  | 86.9% | \$264,036,469.72 | 95.4%  |
| *Self Identified | 6,904  | 100%  | \$276,731,589.83 | 100.0% |

### FY10

| Business Type*   | # PO's | %    | PO Value         | %     |
|------------------|--------|------|------------------|-------|
| DBE              | 216    | 3.2% | \$1,887,272.65   | 0.8%  |
| MBE              | 210    | 3.1% | \$7,673,926.09   | 3.3%  |
| WBE              | 498    | 7.3% | \$3,597,312.32   | 1.6%  |
| DVBE             | 12     | 0.2% | \$220,196.62     | 0.1%  |
| 8(a)             | 9      | 0.1% | \$287,970.08     | 0.1%  |
| SLBE             | 4      | 0.1% | \$10,938.17      | 0.0%  |
| LGBT             | 65     | 1.0% | \$159,635.89     | 0.1%  |
| DPBT             | 6      | 0.1% | \$127,505.18     | 0.1%  |
| Other            | 5,797  | 85%  | \$215,437,529.01 | 93.9% |
| *Self Identified | 6,817  | 100% | \$229,402,286.01 | 100%  |



## Maintenance, Repair and Operations Contracts (MROs)

The City awarded large MRO contracts to Graybar, Wesco, Grainger, Waxie and Fastenal. Each firm is required to submit quarterly report. Each firm is required to and has submitted a FY12 annual report, however, certification data requires verification. Reports received indicate participation levels between 1-17%.

## Information Technology Services Contracts

The City recently awarded three large contracts for informational technology services to Atos, CGI and Xerox. Each firm is required to and has submitted an annual report that includes subcontracted dollars to date and a programmatic status. The reports are attached. As the contracts were awarded in June 2012 there has been a very limited amount of dollars expended to date. Staff will closely monitor their progress toward maximizing subcontracting opportunities for SLBE/ELBE firms.

EO Compliance meetings will be scheduled no later than the January 2013. We will have all MRO and IT Services providers present their programs to the Committee by the third quarter of the current fiscal year.

## Programs

### Mentor Protégé Program - Construction

One of the primary goals of the Mentor Protégé Program is to... *“Enhance the capacity and/or capabilities of protégé firms to perform as prime and/or subcontractors on public works and commercial projects...”* A true success of the program is that protégés have significantly increased their bonding limits. The following lists the protégés in the program during FY12:

| Protégé   | Program Entry Date | Single Bond Limit | Aggregate Capacity Limit | Current Single Bond Limit | Current Aggregate Capacity Limit |
|---|--------------------|-------------------|--------------------------|---------------------------|----------------------------------|
| A.B Hashmi (DBE,ELBE)<br><i>Graduated 1/24/12</i> | 10/28/08           | \$750,000         | \$1,500,000              | \$2,000,000               | \$4,000,000                      |
| Berrill Demolition (ELBE)                         | 01/21/09           | \$12,500          | \$12,500                 | \$750,000                 | \$1,500,000                      |
| BPI Plumbing (DVBE,ELBE)                          | 10/14/09           | \$200,000         | \$500,000                | \$1,000,000               | \$2,000,000                      |
| J. Cloud, Inc. (MBE,SLBE)                         | 05/04/10           | \$12,500          | \$12,500                 | \$500,000                 | \$1,000,000                      |
| Patricia I. Romero, Inc.                          | 10/23/08           | \$3,000,000       | \$7,000,000              | \$7,000,000               | \$15,000,000                     |

|   |          |             |             |             |             |
|---|----------|-------------|-------------|-------------|-------------|
| dba Pacific<br>West Builders<br>(8(a), SLBE)<br><i>Graduated</i><br>1/24/12 |          |             |             |             |             |
| Prava<br>Construction<br>Services<br>(MBE,SLBE)                             | 03/01/10 | \$1,000,000 | \$2,000,000 | \$2,000,000 | \$4,000,000 |
| Silva General<br>Construction<br>(DBE,SLBE)<br><i>Graduated</i><br>1/24/12  | 02/20/08 | \$115,000   | Not set     | \$4,000,000 | \$8,000,000 |
| Rick Fowler<br>Construction<br>(SLBE,<br>DVBE)                              | 11/12/09 | -0-         | -0-         | \$750,000   | \$1,500,000 |

In addition, we have provided several courses to assist them with their business development and capacity building efforts. Some of the courses taken were OSHA, Construction Project Management Scheduling, Construction Safety Hazard Awareness, Construction Estimating, Construction Financial Management, Prevailing Wage, ADA, Storm Water Compliance and Construction Project Management.

In FY12 we will conduct a comprehensive programmatic review to determine 1) how the program can be expanded and 2) what refinements can be made to continuously improve the program's effectiveness. This review will be conducted with the input and assistance of the construction business community and Citizens Equal Opportunity Commission. A recent meeting with the current mentors has generated a number of positive suggestions and new elements to consider that would improve and broaden the program.

### **Small Business Development Pilot Program**

In 2010, the Office of Small Business launched the Small Business Development Pilot Study & Program. The purpose of the Program is to positively impact "readiness levels" of small businesses to bid/respond to contracting opportunities with the City and help identify barriers to City procurement and contracting opportunities.

The Small Business Development Pilot Program provides an in-depth understanding of "How to do Business with the City"; identifies and assesses the training needs of small businesses to better position themselves as potential bidders; offers technical assistance and training specifically tailored to pilot participants needs; provides information on the benefits of the City's Small Local Business Enterprise Program to encourage certification; and ultimately aims to help position participants to successfully bid on contracts within a year. The program offers

orientation sessions, individual and tailored one-to-one counseling, training workshops based on interests and needs identified through an initial survey, “Meet the Buyers” Networking Events, and a Follow-Up Survey to assess the progress of pilot participants and impact of the Small Business Development Pilot Program. Since its inception, Pilot Program participants have been awarded \$478,700 in City contracts and 53 businesses were certified in the Small Local Business Enterprise Program. A total of 242 businesses have been served through the Pilot Program from 2010-2011.

In February 2011, the City of San Diego launched an e-mail outreach campaign to 3,567 small businesses within the databases of the San Diego Contracting Opportunities Center and ACCION San Diego to help identify potential participants for the 2011 Small Business Development Pilot Program. In March 2011, a Needs Assessment Survey was sent to the 343 small businesses that responded to the e-mail outreach campaign to assess and gather data on the technical assistance and training needed to better prepare small businesses to participate as vendors with the City of San Diego. Responses to the Needs Assessment Survey helped staff design the orientation sessions, counseling, training, and technical assistance to be provided through the program. The Survey also gathered information on barriers small businesses face in pursuing City contracts to help tailor future counseling, training, and services to small businesses. In April 2011, the City launched the Small Business Development Pilot Program to 187 businesses that completed the survey and also met the City’s Small Local Business Enterprise program criteria.

**Results** - The 2011 Pilot Program was provided over a nine month timeframe. From April 2011-December 2011, four program orientation and training sessions were offered, and 205 one-to-one counseling sessions were provided through the San Diego Contracting Opportunities Center. In addition, 20 businesses attended 10 training workshops offered by the San Diego Contracting Opportunities Center, and two “Meet the Buyers” Networking Events were hosted to give participants the opportunity to meet with the City’s Purchasing and Contracting Specialists (“Buyers”) to better understand City procurement and contracting processes. Even though the timeframe was ambitious for most firms to identify opportunities, respond to bids, and obtain contracts, as a result of the 2011 program, 43 businesses were certified in the City’s Small Local Business Enterprise Program, six participants were listed on the City, County, and Port’s Consultant Rotation List, and five participants were successfully awarded \$193,700 in City contracts.

#### ***Additional Program Results***

- |                 |  |
|-----------------|--|
| <b>Goal:</b>    | Increase number of businesses participating in the Small Business Development Pilot Program by 5%            |
| <b>Results:</b> | <b>Increase of 132 participants</b>  |
| <b>Goal:</b>    | Increase number of pilot participants certified in the Small Local Business Enterprise Program by 5%         |
| <b>Results:</b> | <b>Increase of 33 certifications</b>   |
| <b>Goal:</b>    | Provide 3 “Meet the Buyers” Networking Events in collaboration with City Purchasing & Contracting Department |
| <b>Results:</b> | <b>Three events were held during FY 2012</b>   |

**Micro-enterprise Program – Economic Growth**

In FY2012, the City’s Community Development Block Grant (CDBG) Program provided funding to four programs for micro-enterprise assistance activities. Microenterprise is defined as a for-profit business with five or fewer employees, one or more of whom owns the business, who are low- to moderate-income persons. Microenterprise assistance activities include technical assistance, loans, grants, loan guarantees, and /or interest subsidies.

The table below indicates the number of Microenterprises that were created or expanded, many more potential Microenterprise owners, and current Microenterprise owners desiring to expand, attended business workshops, seminars, and received other forms of technical assistance to prepare them for business ownership or expansion at a later date.

| Agency                         | CDBG Funds | Total # Businesses Assisted | Minority-Owned | Woman-Owned | Veteran-Owned | Leverage Funds (Loans) |
|--------------------------------|------------|-----------------------------|----------------|-------------|---------------|------------------------|
| Access, Inc.                   | \$41,526   | 13                          | 13             | 7           | N/A           | N/A                    |
| Accion San Diego               | \$196,923  | 43                          | 24             | 17          | N/A           | \$478,110              |
| Horn of Africa                 | \$136,883  | 50                          | 50             | 50          | N/A           | \$135,000              |
| Union of Pan Asian Communities | \$88,380   | 40                          | 40             | 25          | N/A           | N/A                    |

**Success Stories**

We have a number of success stories that can be told as a result of our more focused approach to increasing opportunities for our small local business community. The combined efforts of Business Finance, Office of Small Business, Public Works, Administration - Equal Opportunity Contracting, Purchasing & Contracting and members of the contracting community had a positive impact on contracts awarded. The following are a few success stories:

- ***APR Construction, Inc.***, a certified ELBE successfully bid on a \$159,381 contract
- ***Zasqueta Contracting, Inc.***, a certified SLBE successfully bid on a \$397,000 contract.
- ***Choctaw Construction Company, Inc.***, successfully bid on a \$342,480 contract.
- Six certified companies successfully completed proposals and were selected to be included in the City’s Consultant Rotation List for 2012/2013 Architectural and Engineering Services: ***The Bodhi Group, Inc., Coffey Engineering Inc., Don Hinderliter Architect, Inc., Kevershan Design, McKinnon Enterprises, and Ronald Kempf Enterprises.***

• **Humanability Communications**, a certified SLBE has successfully proposed as a subconsultant on 5 City projects for a total of \$131,000.

• **P.W. Corporation dba Wade Co.**, a certified ELBE successfully bid on the building improvements general requirements contract (GRC).

### **Testimonials: - Small Business Development Pilot Program**

Comments from Pilot Participants participating in/completing the Program:

“I was so impressed with your “Meet the Buyers” event on May 3<sup>rd</sup>. It made me excited about getting started with contracting with the City. Thank you for putting that together. You have brought a level of professionalism to the whole process. I had mentioned to you that I attended an orientation about five years ago which just overwhelmed me and I put it on a back burner. When I went to your orientation it was completely different. You made it easy to understand and much simpler so that someone new to the experience could grasp what it was all about. I just want to say THANK YOU!”

“Before I had no idea how to even start doing business with the City of San Diego. Now I have a clear path to follow when I get my certification completed. Also I met some really smart, cool people that facilitated the orientation and in meeting them, doing business with the City of San Diego seemed less formidable. You certainly have the right people handling this program!”

“I now understand the bidding and procurement process. I am able to quickly review bids and determine whether or not our company will be able to fulfill the request. We receive multiple bid requests due to our SLBE status. I have enjoyed meeting the City Buyers and others in this program. The Contracting Opportunities Center’s seminars and counseling was very valuable and keeps us inspired to keep pursuing new options for our business. Now, I just need more hours in the day to get everything done.”

“As far as I am concerned, you have given us direction, inspiration and all the tools we need to continue on a path to success. Thanks so much!”

### **Executive Support**

Mayor Sanders continues to stress and actively support the City’s overall efforts to stimulate economic development through the support and empowerment of the local community, promote equal opportunity for all segments of the contracting community and provide new avenues for the development of new capacity and sources of competition for City contracts.

He has directed all departments to package projects in a **balanced** manner to provide contracting opportunities for small, medium and large firms and routinely monitors our progress. Upcoming construction projects for bid under \$500,000 are posted on the City’s website. This provides Small Local Businesses with a 5-6 month outlook of upcoming opportunities.

He routinely meets with the Administration Department Director to keep apprised of the ongoing activities, issues and progress of the Equal Opportunity Contracting (EOC) Program and reaffirmed the City's commitment to our Disadvantaged Business Enterprise Program on federally funded projects via an Annual Policy Statement which can be found on the City's website at: <http://www.sandiego.gov/eoc/dbe/index.shtml>.

CIP Streamlining and the Multiple Award Construction Contracts (MAAC) Program were also approved. These two efforts can have a positive impact on the SLBE/ELBE Program goals. CIP streamlining has already significantly increased the number of restricted competition awards to certified firms. In addition, the inclusion of mandatory SLBE/ELBE/Disabled Veteran Business Enterprise (DVBE) participation levels on Multiple Award Construction Contract (MACC) tasks in both phases (design/construction) and the inclusion of a mandatory networking event for shortlisted prime contractors, provides additional subcontracting opportunities and targeted networking for these certified firms.

## **Boards and Commissions**

### **Citizens Equal Opportunity Commission (CEOC)**

The CEOC is governed by Municipal Code Section 26.16. Members are appointed by the Mayor and confirmed by the Council. The board consists of eleven (11) Members and must include one (1) representative from each of the following historically under-represented groups: Latino, African-American, Filipino, American Indian, Asian/Pacific Islander, Disabled, and Lesbian/Gay/Bisexual/Transgender. The remaining four (4) members are appointed from the City at large.

The duties of the Commission include: 1) monitor and/or evaluate the Equal Opportunity Program of the City, 2) advise on a continuing basis, the Mayor, City Council, Civil Service Commission and other appropriate agencies of City government, 3) submit written reports for review by Rules Committee and City Council, 4) assist in the recruitment of competent historically under-represented individuals/businesses, women and persons with disabilities, and 5) promote the City of San Diego as an Equal Opportunity Employer of individuals and firms desiring to contract with the City. The Commission meets the first Wednesday of each month at 6 p.m. on the 12<sup>th</sup> floor of the City Administration Building. The Administration Department staffs the Commission.

During this fiscal year, the Commission has been very active in promoting and supporting the goals and activities associated with equal opportunity in contracting. They have provided valuable input and direction on critical policy decisions that impact the program and have promoted equal opportunity citywide. The following is a summary of the major items they were involved in:

- CIP Streamlining/MACC Project Proposals: The Commission was actively involved in both proposals. After hearing the initial staff presentation and public testimony, the Commission recommended and participated in additional stakeholder meetings. They submitted two letters to

the Mayor and City Council and were instrumental in securing mandatory goals and networking on MACC projects. They will closely monitor the impacts on equal opportunity in contracting of these proposals and make additional recommendations as necessary.

- Mentor Protégé Program: The Commission reviewed the City's current programmatic operations, guidelines and accomplishments with the objective of identifying potential programmatic improvements. Additional discussions and actions are planned.

- Goods & Services Contracts: The Commission requested the Purchasing & Contracting Department Director provide regular statistical reports with the objective of broadening their knowledge of the types of procurements made, the dollar amounts and the efforts for inclusiveness and diversity in contracting. They will monitor their progress on ensuring inclusion on goods and services contracts.

- Contract Compliance: The Commission requested the City Attorney present the existing legal remedies for non-compliance with City equal opportunity contracting requirements. After being presented with the California Public Contract Code and the City's Debarment Ordinance, the Commission requested staff to draft proposed changes to the Debarment Ordinance that includes failure to comply with equal opportunity contracting requirements. They will review and comment on the final document prior to its presentation to City Council.

- New Central Library: The Commission heard public testimony on both a contracting and labor issue related to the project and facilitated its resolution. They will continue to monitor this project.

The Commission is preparing their comprehensive annual report to the Mayor and City Council with plans to present and submit it no later than January 2013.

### **Small Business Advisory Board**

The City of San Diego's Small Business Advisory Board serves as an advocate and liaison for the small business community by providing forums to discuss and learn about City programs and services, business assistance organizations, and free resources available to help start, grow, and expand City of San Diego small businesses. The Board is governed by San Diego Municipal Code, Section 26.06. Members shall be appointed by the Mayor and confirmed by the Council. The board consists of eleven (11) members including one representative from each of the following groups: Small Business Administration District Director or designated representative; President of the Business Improvement District Council or designated representative. The nine (9) remaining appointees may include, but are not limited to, representatives of the following areas of interest and expertise: Small business owners; Accounting, financial-lending, legal or economic backgrounds; Advocates of small business interests with governmental agencies. The Office of Small Business staffs the Board.

During this fiscal year, the Board offered information, presentations, and outreach opportunities from the Elite Service Disabled Veteran-Owned Business Network, Entrepreneurship Clinic at the University of San Diego School of Law, San Diego Entrepreneur Center, Small Business

Law Center at Thomas Jefferson School of Law, and Union of Pan Asian Communities; and featured the City of San Diego’s Clean Tech Initiative, Development Services Department, Police Licensing Division, and Small Local Business Enterprise Program.

Board members also participated in the City’s Small Business Enhancement Program Grant process that provides funding to non-profit organizations to offer technical assistance and innovative programs and services to City of San Diego small businesses. In FY 2012, six non-profit organizations were collectively awarded Small Business Enhancement Program Grant funding in the amount of \$116,030.

The Board hosted its Annual Community Outreach Meeting on October 21, 2011 for the region’s small business community. This special event featured an insightful “Navigating the New Economy” Panel consisting of San Diego business leaders and strategists, dynamic speakers on “Marketing Engagement Strategies” and “Social Media & Your Business Success,” and a presentation highlighting the City’s Small Business Development Pilot Program. The event was held at the Balboa Park Club and nearly 70 people attended.

### Contract Compliance Activities

#### Equal Opportunity Contracting Program (EOC)

EOC Program team continues to focus on compliance. Below is a chart detailing with data for FY2009-2012:

| Compliance Activity            | FY2012                                 | FY2011       | FY2010       | FY2009                      |
|--------------------------------|--|--------------|--------------|-----------------------------|
| Pre-bid meetings* <sup>3</sup> | 139                                    | 168          | 104          | 76                          |
| Pre-construction meetings*     | 103 ↑                                  | 96           | 69           | Not included in 2009 report |
| Pre-proposal* meetings         | 15                                     | Not included | Not included | Not included                |
| Consultant interview panels    | 3                                      | 27           | 48           | 15                          |
| RFP review                     | 154                                    | 207          | 108          | 37                          |
| Project site visits            | 64                                     | 68           | 107          | 17                          |
| Employee interviews            | 95 ↑                                   | 68           | 176          | Not included in 2009 report |
| Certified payrolls reviewed    | 2,049 ↑                                | 1,933        | 1,238        | Not included in 2009 report |
| \$ recovered for employees     | \$9,300** ↑<br>+\$136,735 <sup>4</sup> | \$1,157.69   | \$769        | Not included in 2009 report |
| SCOPE/SLBE                     | 56                                     | 79           | 78           | Not included in             |

<sup>3</sup> Provide details of EO bid/contract requirements and answer contractor questions.

<sup>4</sup> Awaiting final verification that employees actually received payments



|   |            |              |              |                             |
|---|------------|--------------|--------------|-----------------------------|
| documents reviewed                              |            |              |              | 2009 report                 |
| SCOPE/SLBE documents failed                     | 10         | 26           | 15           | Not included in 2009 report |
| Federal good faith effort documents reviewed    | 33         | 52           | 5            | Not included in 2009 report |
| Federal good faith effort documents failed      | 5          | 37           | 2            | Not included in 2009 report |
| EO Plans requested, received and reviewed       | 11         | 40           | 98           | 12                          |
| EO Plans approved                               | 11         | 32           | 74           | 10                          |
| EO Plans pending additional information         | 0          | 7            | 24           | 2                           |
| Monthly Invoice Reports received and reviewed   | 568        | Not included | Not included | Not included                |
| Final Summary Reports received and approved     | 57         | 59           | 27           | 29                          |
| Subcontractor payment verifications             | 74         | 500          | 207          | 58                          |
| \$ recovered for subcontractors                 | \$57,628 ↑ | 0            | \$75,406     | Not included in 2009 report |
| \$ assessed for public contract code violations | 0          | \$6,720.40   | \$2,694.48   | Not included in 2009 report |

### Community Development Block Grant – Economic Development

Economic Development Department’s Community Block Grant staff monitors Davis Bacon requirements on CDBG funded construction projects. The chart below is their monitoring activities:

| Fiscal Year | Active Contracts | Certified Payrolls Reviewed | Site Visits | Interviews Conducted |
|-------------|------------------|-----------------------------|-------------|----------------------|
| 2011        | 44               | 200                         | 150         | 125                  |
| 2012        | 36               | 73                          | 151         | 191                  |

In addition, the CDBG Program had two Section 3 CIP Projects: 1) Boys and Girls Club (\$650,000) and 2) City Heights CDC \$906,082. The contractor was certified by the San Diego Housing Commission as a S3 business concern and committed to hire 30% of his workforce from low income communities.

**Action Documents - EOC**

EOC staff reviews and approves requests for Mayor and City Council actions prior to docketing and/or contract award. This is to ensure equal opportunity requirements are followed. The following are the FY10-FY12 statistics.

|  |             |             |             |
|--|-------------|-------------|-------------|
|  | <u>FY12</u> | <u>FY11</u> | <u>FY10</u> |
| <i>1472 – Request for Council Actions:</i> | <i>254</i>  | <i>365</i>  | <i>350</i>  |

(Includes review & approval of Executive Summary language, analysis of workforce report, supporting documentation (B-Page) and verification of EOC contract requirement compliance)

|                                |           |            |            |
|--------------------------------|-----------|------------|------------|
| <i>1544 – Mayoral Actions:</i> | <i>88</i> | <i>102</i> | <i>146</i> |
|--------------------------------|-----------|------------|------------|

(Includes analysis of workforce report and supporting documentation (B-Page) and verification of EOC contract requirement compliance)

|   |            |            |            |
|---|------------|------------|------------|
| <i>PA 2625 – Approval of Contract Awards:</i> | <i>219</i> | <i>228</i> | <i>156</i> |
|---|------------|------------|------------|

(Includes analysis of workforce reports & verification of EOC contract requirement compliance)

**Training - EOC**

It is important that Equal Opportunity staff keep current with contract compliance related regulations and appropriate implementation requirements. This fiscal year, staff attended Davis Bacon, Title VI and Department of Industrial Relations (DIR) Labor Compliance trainings.

**Programmatic Assessments/Audits**

**Program Assessments - EOC**

The California Department of Transportation (Caltrans), Office of Business and Economic Opportunity and Local Assistance Review Teams conducted a program assessment of the City’s Disadvantaged Business Program July 13-15, 2011. Ten “best practices” were identified and there were no findings, however two recommendations were made: 1) Resident Engineers, Program Managers and any other applicable staff should attend trainings to gain general knowledge of the DBE Program and Federal regulations; and 2) Maintain a bidder’s list of all prime and subcontractors that have bid on our federal-aid contracts. The Title VI Program Team also conducted a program assessment on the City’s Title VI Program during the same time. Four “best practices were identified and provided several suggestions on how to strengthen and improve our program, many have been implemented others are underway.

## Audits - EOC

Three projects were audited by funding agencies – two State and one Federal. The following are the projects and results:

| DATE       | AGENCY   | PROJECT  | RESULTS   |
|------------|--|--|---|
| 07/27/2011 | State of California<br>(State Water Resources Control Board) | Point Loma Grit Processing Improvement Project | No Findings – Labor Compliance Review.                        |
| 11/15/2011 | Department of Energy (DOE)                                   | Monitoring Visit                               | No Findings – Davis Bacon Requirements on DOE funded projects |
| 02/16/2012 | State of California<br>(State Revolving Fund Loan)           | Alvarado Water Treatment Plant                 | No Findings – Labor Compliance Review                         |

## Complaints (Non-Discrimination In Contracting) – San Diego Municipal Code, Article 2, Division 35 §22.3501-22.3517

There were no formal complaints of discrimination filed in accordance with the City’s Non-Discrimination in Contracting ordinance.

## Citywide Outreach

The City continues to hold, support and participate in a number of outreach events to ensure all segments of our business community are aware of and providing opportunities to compete on City projects. The following are the FY12 outreach activities and/or events:

### Business Finance

The City of San Diego’s Revolving Loan Funds (RLF) offer financial assistance to expanding small and mid-size businesses that require capital, but are unable to meet the terms of traditional banks. In partnership with nontraditional, nonprofit lenders the City’s RLF loans help the business owner meet their requirements for additional funding. The “gap financing” program ranges from \$25,000 to \$150,000 in the Small Business Micro Loan Fund and \$150,000 to \$500,000 in the San Diego Regional Revolving Loan Fund. Through careful screening of loan applicants and creative loan structuring, the program can help business owners achieve their goal. During FY 2012, Business Finance answered 130 inquiries regarding the loan programs and conducted 7 Business Outreach Events at the following venues:

| Date      | Event                | Details  |
|-----------|----------------------|--|
| 7/16/2011 | Smart Money Workshop | Distribution of information at ACCION San Diego’s workshop |

|           |   |  |
|-----------|---|--|
| 7/14/2011 | Meeting with Citibank Executives from New York, CA & NV | Discussion of Business Finance Loan Programs   |
| 10/8/2011 | Financial Options Workshop                              | Table with Business Finance and Econ. Dev. Growth Services Literature                    |
| 1/17/2012 | Gaslamp Quarter Association - workshop series           | Table with Business Finance Literature and 1-1 consultations                             |
| 2/29/2012 | Lender Training on SBA Comm. Advtg. Loans               | Table with Business Finance Literature and 1-1 consultations                             |
| 4/5/2012  | San Diego Microfinance Summit                           | Table with Business Finance Literature and 1-1 consultations                             |
| 5/23/2012 | Women's Business Financing Event                        | Panel of financial resources for co-working space for female entrepreneurs in San Diego. |

### Equal Opportunity Contracting

| <b>Date</b> | <b>Event</b>  | <b>Purpose</b>   |
|-------------|---|--|
| 0711/11     | Equal Employment Opportunity Commission (EEOC) Technical Assistance Meeting | EEO Regional Training  |
| 07/19/11    | Black Contractors Association (BCA) Chat-N-Chew                             | Networking Event   |
| 10/04/11    | Inclusive Business Peer Group Meeting                                       | City host to Western Region Agency Meeting Programmatic Strategies |
| 10/24/11    | Public Agency Partners for Small Business Forum                             | Small Business networking event                                    |
| 01/09/12    | SLBE Good Faith Effort Requirement Focus Group                              | Gather feedback on existing requirements                           |
| 02/21/12    | ACEC California – Consultant Organization                                   | SLBE Program/Certification Requirements                            |
| 03/07/12    | Cal Mentor Awards Program   | SLBE Program Requirements and Update                               |
| 03/16/12    | Economic Summit   | SLBE Program Presentation and Requirements                         |
| 05/16/12    | Small Business Outreach – District 6  | SLBE Program Presentation and                                      |

|          |  |  |
|----------|--|--|
|          |  | Requirements                             |
| 06/04/12 | SLBE Good Faith Effort Requirement Focus Group | Gather feedback on existing requirements |
| 06/15/12 | Small Business Advisory Board                  | SLBE Program Requirements and Update     |
| 06/19/12 | SLBE/ELBE Quarterly Liaison Meeting            | Provide and receive Programmatic input   |

**Office of Small Business**

The Small Business Ambassador provided opening remarks and/or presentations on the “10 Key Steps to Starting a Business”, “The Business of Small Business in the City of San Diego”, Small Business Development Pilot Program, and City programs and services at small business community events and expos throughout FY 2012 including:

| <b>Date</b> | <b>Organization/Event</b>  | <b>Activity/Presentation</b>  |
|-------------|--|---|
| 7/16/11     | “Smart Money Summit” – ACCION San Diego  | Provided “10 Key Steps to Starting a Business” Workshop.  |
| 7/20/2011   | Old Town San Diego Chamber of Commerce   | Provided The “Business” of Small Business in the City of San Diego presentation at monthly meeting (Office of Small Business Overview/ City Programs & Services). |
| 7/20/2011   | Mission Hills Business Improvement District  | Provided The “Business” of Small Business in the City of San Diego presentation at monthly meeting (Office of Small Business Overview/ City Programs & Services). |
| 7/30/11     | Women Entrepreneur Empowerment (WEE) – WEE provides motivational workshops and luncheons to inspire aspiring and existing women entrepreneurs. | Served as Emcee for Multicultural Business Showcase featuring a marketplace of San Diego women-owned businesses.  |
| 9/16/11     | SDSU Small Business Consulting Class   | Provided The “Business” of Small Business in the City of San Diego presentation.  |
| 10/5/11     | “Pacific Southwest Safety Conference”  | Provided “10 Key Steps to Starting a Business” Workshop.  |

|          |  |   |
|----------|--|---|
| 10/13/11 | SBA Radio with Ruben Garcia & Caz Taylor – <i>Small Business Advisory Show</i> | Radio Interview: Featured Role of Small Business Ambassador, City’s Small Business Local Business Enterprise Program, Small Business Advisory Board Annual Outreach Event |
| 10/21/11 | “Annual Community Outreach Meeting” – Small Business Advisory Board            | Provided presentation on City’s “Small Business Development Pilot Program”  |
| 11/26/11 | “Small Business Saturday”  | Opening Remarks and Presented Proclamation on behalf of Mayor   |
| 1/11/12  | City Heights Business Association  | Provided “The Business of Small Business in the City of San Diego presentation monthly meeting (Office of Small Business Overview/ City Programs & Services).             |
| 1/24/12  | SCORE – Marketing & Contracting with Government Agencies and Major Primes      | Providing “Doing Business with the City of San Diego” presentation.   |
| 3/22/12  | SBA Radio with Ruben Garcia & Caz Taylor – <i>Small Business Advisory Show</i> | Radio Interview: Featured City’s Small Business Development Pilot Program and Small Business Advisory Board Meetings/Topics   |
| 4/14/12  | “Small Business Bootcamp” – ACCION San Diego                                   | Provided “10 Key Steps to Starting a Business” Presentation.  |
| 4/19/12  | SBA Radio with Ruben Garcia & Caz Taylor – <i>Small Business Advisory Show</i> | Radio Interview: Featured City’s Small Local Business Enterprise Program, Police Regulated Businesses, Small Business Advisory Board Meetings/Topics                      |
| 5/5/12   | Where’s the Money – Access to Capital Business Expo (ACCION San Diego)         | Opening Remarks/ Welcoming Remarks  |
| 6/2/2012 | UCSD Career Boost Panel  | Welcoming Remarks & Served as Moderator for Entrepreneur Panel  |

## Purchasing & Contracting

During Fiscal Year 2012, Purchasing & Contracting staff participated in the following outreach events/educational workshops to establish relationships and increase vendor opportunities. In addition, they hosted 6 “How to Do Business” seminars attended by approximately 105 small/local businesses.

| Date               | Event   |
|--------------------|---|
| 08/09 & 08/10/2011 | GSA Business Matchmaking<br>Disabled Veteran Business<br>Enterprises      |
| 08/10/11           | IT Educational Seminar<br>+2,000 Vendor Blast                             |
| 08/18/11           | Information Technology &<br>Security Conference                           |
| 09/27/11           | Business Matchmaking  |
| 03/21/12           | Annual Small Business<br>Exchange – Caltrans District<br>11               |
| 05/03/12           | Meet the Buyers Networking<br>Event                                       |
| 05/15/12           | Keeping the Promise, LAX<br>(Disabled Veteran Business<br>Alliance)       |
| 5/08/12            | Operation Opportunity 2012 –<br>San Diego Supplier<br>Development Council |
| 06/22/12           | Meet the Buyers Networking<br>Event                                       |

## Inclusive Business Peer Network – Administration - EOC

Last fiscal year, the City was invited to participate in the Insight Center for Community and Economic Development’s Southern California Peer Networking Group. The Peer Networking Group is part of the Center’s Inclusive Business Initiative, a project designed to provide information to states and local governments, as well as diverse small businesses and their advocates, in order to further the inclusive business programs of public agencies. The initiative is a key component of the Insight Center's work to advance strategies that build family and community assets and help overcome the racial wealth gap.

This year, the City was selected to be part of a California Delegation, as the Southern California representative, to travel to the state of Washington and review their Office of Minority and Women’s Business Enterprise (OMWBE) Program. The cities of Los Angeles, San Francisco

and Oakland were the other delegates. Washington State's OMWBE Director presented their Supplier Diversity Program implemented after their Initiative 200, an initiative similar to California's Proposition 209, their certification process and Linked Deposit Program. In addition, we received an overview of and met with members of their Ad Hoc Advisory Committee, the Governor's Policy Office, Washington State Building & Construction Trades Council, Department of Labor & Industries, Department of Employment Security and Department of Transportation. The Director of Social Responsibility for the Port of Seattle, Assistant Director 8(a) Business Development Program, US Small Business Administration and the VP for Multicultural & Small Business Development, Seattle Metropolitan Chamber of Commerce presented as well. Finally, the California Delegation shared their best practices and participated in an Inclusive Business Initiative Webinar to share our experience with other agencies.

## Recognition

It is important to recognize those businesses and individuals who made a significant contribution to our success. As such, the Mayor has selected the following for special recognition:

### Construction Prime Contractors

**Orion Construction:** Orion Construction is being recognized for consistently meeting and/or exceeding subcontracting goals and for serving as a mentor for four years in the City's Mentor Protégé Program. This fiscal year, Orion successfully bid on 7 projects (water/sewer/pipeline/pump station) that included between 2-12 SLBE/ELBE firms at participation levels ranging from 21.3% to 49.4%. They also actively participate in the ongoing development of the SLBE Program. They have been a mentor to 2 firms - one protégé graduated and the other is expected to graduate early next year. Both firms nearly tripled their single and aggregate bonding capacity and have successfully bid and been awarded City contracts as a prime and/or subcontractor.

**Ortiz Corporation:** Ortiz Corporation is also being recognized for consistently meeting and/or exceeding subcontracting goals. This fiscal year, Ortiz successfully bid on 3 water/sewer projects that included between 5-11 SLBE/ELBE firms at participation level ranging from 21.6% to 36.2%. They have assisted SLBE/ELBE firms with expedited payments and encourage non-certified firms to apply and actively participate in the ongoing development of the SLBE Program.

### SLBE/ELBE Firm(s)

**LaSalle Solutions:** LaSalle Solutions is a professional services consultant specializing in construction/project management, construction inspections and contract administration. They were one of the first firms to be certified in the Program. They are an invaluable program advocate. Since the program's implementation Mr. LaSalle has proactively meet with organizations to promote the Program and encourage others to apply. The Company was part of the initial Small Business Pilot Program and participates in the CalMentor Program. They have advocated and provided suggestions for the design and development of the restricted competition for A&E projects. They also routinely contribute to the ongoing development of the City's Equal



Opportunity Contracting Program by responding to various surveys and attending numerous feedback meetings. To date, they have received one subcontract

***Pal General Engineering, Inc.:*** Pal is a general engineering contractor who specializes in asphalt and concrete paving, water and sewer projects, storm water, demolition, grading and concrete flat work. They have been an active participant in the Small Local Business Enterprise Program since its implementation. They successfully bid on 10 restricted competition projects that included at least 1 and most times 2-3 SLBE/ELBE firms as subcontractors. They have also successfully bid on 11 projects as subcontractors. They consistently advocate for SLBE/ELBE firms and encourage majority owned firms to include and/or develop SLBE/ELBE's. In addition, they routinely contribute to the ongoing development of the City's Equal Opportunity Contracting Program by responding to various surveys and attending numerous feedback meetings.

#### Internal Advocates

***James Nagelvoort, Assistant Director Public Works:*** James routinely and consistently advocates for and supports the City's Small Local Business Program. One of his top priorities has been to ensure the SLBE Program is successful. He has: assigned Public Works staff to assist with the review and approval of applications; ensured construction and now consultant projects are sized in a manner to provide prime contract opportunities to SLBE/ELBE firms; supporting and advocating for processes and policies that assist SLBE/ELBE firms; conducting outreach and feedback sessions with a diverse group of stakeholders; attending and reporting to Citizens Equal Opportunity Commission on a monthly basis; proactively following up on and resolving Equal Opportunity Contracting issues associated with public works contracting; and ensuring Administration – EOC has a seat at the CIP Review and Advisory Committee (CIPRAC). Finally, he routinely consults with EOC management to ensure Public Works policies, procedures and decisions do not negatively impact the SLBE Program.

#### Internal Team:

***Mohsen Maali, Berric Doringo, Michelle Haines and Dave Stucky - Engineering & Capital Projects - Project Information and Technical Services Team:*** This team has been instrumental in the implementation of the SLBE Program. This team assisted with the design and development of the SLBE/ELBE certification application; review, approval and site visits associated with processing certifications; contract-by-contract goal setting for CIP construction projects; contract-by-contract goal setting for Department of Transportation goals; preparation of statistical information; assisting EOC with the preparation of specifications and forms; developing standard operation procedures to assist with implementing procedures related to equal opportunity contracting; and ensuring equal opportunity issues are considered in the day-to-day operations of the departments. They are proactive and willing to assist EOC without hesitation.

This Recognition Program will be refined/formalized over the next fiscal year with the assistance and participation of the Citizens Equal Opportunity Commission. It will also include consultants and vendors.

## **Conclusion**

Our collaborative efforts have resulted in increased opportunities, additional assistance and improved processes for all segments of the small business contracting community. We are proud of the progress that has been made this fiscal year and will continue to maintain a heightened focus on equal opportunity, economic development and inclusionary business practices. To that end, we will continue to bring forward programmatic improvements, changes and updates.

**IT Services Annual Status Reports  
Fiscal Year 2012  
Atos, CGI Technologies and Solutions, Xerox**

# Equal Opportunity Contracting Program IT Services Annual Status Report

Fiscal Year 2012\*

*Company Name:*

Atos

*Local Diversity & Outreach Coordinator:  
(Name, Address and Phone #)*

David Evans  
1200 Third Ave Suite 400  
San Diego, CA 92101  
(619) 236-6405

## Contract Information \*

Total Contract Value: \$41,872,435

Total Subcontract Value: \$0  
(please complete attached form)

## Status of Programs Specifically Developed for San Diego:

(Please list each Program and provide the activities completed)

### *LINK San Diego*

Atos is working with local employers, universities, colleges, school systems, service agencies, and city and county governmental organizations to create a unique collaborative program we are calling "LINK San Diego". The goal of this initiative is to build a Regional Collaborative Network that allows San Diego County entities to share resources, knowledge, and assets in ways they have never before been able to share. LINK San Diego will establish and maintain a "collaborative network" of connections – virtual, social, and physical – that creates a framework for sharing and collaboration among San Diego County workforce entities, programs, and resources, including:

- Employers (all shapes and sizes, from large global to tech start-ups)
- Service providers
- Business Associations
- Universities and colleges (deans, department heads, faculties)
- Public and private school systems
- Non-profits
- Philanthropists
- Private and corporate foundations
- Local and regional venture capital organizations and funds
- University students (undergrad and grad students)
- High school and middle school/junior high students (PK-12+ as applicable)

## Equal Opportunity Contracting Program IT Services Annual Status Report

LINK stands for Local Interconnected Nodes of Knowledge. The goals for this program include:

- Building a multi-disciplinary, regional “center of excellence” for San Diego County around career pathways education, STEM, and other mutually determined and designated workforce and economic development priorities.
- Ensuring that every student in the San Diego Region has access to the resources of the Region, irrespective of cultural/socioeconomic background and means
- Ensuring that programs, assets, and resources are optimally shared and leveraged across all organizational lines.
- Connecting regional employers, universities, service providers, and public and private schools so they can function as a virtual conference table and implementing engine for programs across geographic, political, and cultural lines
- Creating and implementing programs that are: sticky, scalable, sustainable, and systemic.

*Below is a summary of the community engagement activities completed since the contract was signed between Atos and the City of San Diego on May 24, 2012:*

- ▶ June 28: Conducted Community Engagement Collaborative Roadmap Development Workshop II, facilitated by Doug Arthur, director, Alliance Group-Business Partners, Atos North America, Cincinnati, OH and attended by new and prior stakeholders.
- ▶ June 29: Doug Arthur met with Paul Webster, VP, Policy, Chamber, to determine next steps. P. Webster recommended individual meetings with “tribal leaders” August 1 to present “neural network” concept in prep for Board vote, after presenting concept to the Education & Workforce Committee.
- ▶ July 12: Doug Arthur drafts “LINK San Diego” concept for presentation to the Chamber Education and Workforce Committee on 6/25. Presents/wordsmiths with Paul Webster and Carmen Sandoval of the San Diego Chamber.
- ▶ July 17: Dave invites Jeff Leveroni, CoSD, Director, IT, to join Debra Fischle-Faulk, Administration Department Director to visit the Cincinnati Program. Jeff was unable to attend due to other commitments.
- ▶ July 25: Paul Webster, VP, Policy, San Diego Chamber of Commerce, and Doug Arthur presented the “LINK San Diego” community engagement concept to the Chamber Education and Workforce Committee by teleconference. The committee is headed by Vince Mudd, former Chamber President, and includes representatives from the City of San Diego, San Diego Workforce Network, Intermediary Network, and several colleges and school districts.
- ▶ July 27-28: Debra Fischle-Faulk visited Cincinnati to observe and participate in the 2012 INTERalliance IT Careers Camp program at University of Cincinnati:
  - Debra visited KnowledgeWorks where the student teams competed on Friday, 7/22, where she met the senior leadership of KnowledgeWorks and Strive (a subsidiary of KnowledgeWorks already engaged in San Diego that does “cradle-to-career” programming for underserved youth.)
  - She visited the 4 student teams on Friday and critiqued their original business plan presentations to be shown to the judges’ panel on Saturday, giving advice to the students.

## Equal Opportunity Contracting Program IT Services Annual Status Report

She proposed a “sister city” student exchange program between San Diego and Cincinnati to the students themselves (as you can imagine, all 20 students wanted to be selected to go to San Diego) she returned on Saturday to see the teams again before returning to San Diego.

- Debra also interviewed several students doing INTERalliance internships

► August 1: Paul Webster and Doug Arthur had 2:1 successful meetings with select regional leadership to gather priorities/concerns around community engagement and receptivity to the “LINK San Diego” concept. Met with:

- Vince Mudd, former Chamber President, current Chair, Chamber Education & Workforce Committee
- Scott Himmelstein, Director, Center for Education Policy & Laws, University of San Diego
- Kay Davis, legacy community leader, High Tech High School Board member
- Mark Cafferty, President & CEO, Economic Development Corp, and Jared Aaker also of the EDC

► August 30: Doug Arthur and Paul Webster met with Randy Ward, Superintendent, San Diego County Schools, presented the “LINK San Diego” concept to Dr. Ward, and achieved his support and buy-in to bring the concept to a leadership team within Dr. Ward’s purview to explore sponsorship of “LINK San Diego” by the Superintendent’s Office.

► Doug Arthur and Paul Webster met with Phil Blair, Manpower, to explain “LINK San Diego” to Phil and get his buy-in that the initiative was worthy of his support, both to benefit the young people of San Diego and to synergize with the programs supported by Manpower to benefit unemployed and displaced veterans in the San Diego region..

► August 31: Atos hosted a Community Engagement Workshop and invited other area businesses. Representatives from Xerox, In Control Technology, Net Apps, VCE, EMC and others were in attendance. This workshop was a discussion around the role local employers should play in the collaborative network being formed in San Diego to address education shortfalls and workforce talent development, attraction, retention issues.

► August 31: Doug Arthur and Paul Webster met at the Chamber with James Hayes of the Youth Entrepreneur Program (YEP) to understand the internship program and career development programming being promoted and managed by YEP, and to determine possibilities for synergy between YEP and LINK San Diego.

### IMMEDIATE NEXT STEPS PLANNED:

1. Presentation of “LINK San Diego” to the Education and Workforce Committee of the San Diego Regional Chamber of Commerce for full endorsement.
2. Presentation of “LINK San Diego” to the full Board of the San Diego Regional Chamber of Commerce for full endorsement of the initiative by the Chamber.
3. Meeting and presentation by Doug Arthur and Paul Webster with City Council president Tony Young (currently scheduled for Oct 11, 2012) to explain the LINK San Diego initiative to Councilman Young, and to determine next steps from the City’s perspective in the implementation of this concept.

## **Equal Opportunity Contracting Program IT Services Annual Status Report**

4. A regrouping of the focus groups that met in November 2011 and January 2012 to bring them up to speed on the progress made with the LINK San Diego initiative and to assess their individual interest in taking leadership roles within this initiative.
5. Design of the digital framework/network that will support LINK San Diego and provide digital connectivity of all entities within San Diego County.

# Equal Opportunity Contracting Program IT Services Annual Status Report

Fiscal Year 2012\*

*Company Name:* CGI Technologies and Solutions Inc.

*Local Diversity & Outreach Coordinator:  
(Name, Address and Phone #)* Steven Newstrom  
402 W. Broadway, Suite 400  
San Diego, CA 92101

## Contract Information\*

Total Contract Value: \$ 70,644,132

Total Subcontract Value: \$ 232,558

## Status of Programs Specifically Developed for San Diego:

(Please list each Program and provide the activities completed)

Contract began on 6/1/12. There has been little Labor activities in Fiscal year 2012 as Transition of Application Development and Maintenance Services from SDDPC to CGI began on 6/1/12 and completes on 10/28/12. Staffing needs ramp up each month during this timeframe until Full Steady State needs are determined and filled by 11/30/12.

During the month of June, 2012, CGI initiated a Staffing Outreach Program where we have secured Master Services Agreements (MSA) with local businesses having either an SLBE or ELBE status with the City. As staffing needs arise, CGI will evaluate each need to determine if it should be filled via internal member or if the position is best filled via a contractor. Once the status is determined, if appropriate, we will reach out to those Staffing Vendors that we have MSA's with, this approach provides an expedited ability to secure the necessary skills.

As of 6/30/12, we are negotiating MSA's with the following firms:

IMG Networks – Ray Rodriguez  
Quartic Solutions – Timo Luostarinen  
Island Staffing – E.J. Conrad  
Evvari GIS Consulting – Ari Isaak

\*Fiscal Year – July 1<sup>st</sup> through June 30<sup>th</sup>.





|   |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|
| TOTAL WBE SUBCONTRACTORS / SUPPLIERS*     |  |  |  |  |  |  |  |
| TOTAL ELBE SUBCONTRACTORS / SUPPLIERS*    |  |  |  |  |  |  |  |
| TOTAL SLBE SUBCONTRACTORS / SUPPLIERS*    |  |  |  |  |  |  |  |
| TOTAL WoSB, SUBCONTRACTORS / SUPPLIERS*   |  |  |  |  |  |  |  |
| TOTAL HUBZone SUBCONTRACTORS / SUPPLIERS* |  |  |  |  |  |  |  |
| TOTAL SDVOSB SUBCONTRACTORS / SUPPLIERS*  |  |  |  |  |  |  |  |
| TOTAL AMOUNT PAID TO PRIME                |  |  |  |  |  |  |  |

I certify under penalty of perjury that the foregoing is true and correct:

Signed Copy hand delivered

Authorized Signature

Steve Newstrom, VP  
Printed Name / Title

9/21/2012  
Date

# Equal Opportunity Contracting Program IT Services Annual Status Report

Fiscal Year 2012\*

*Company Name:*

Xerox State & Local Solutions, Inc

*Local Diversity & Outreach Coordinator:  
(Name, Address and Phone #)*

Lora Villareal \_\_\_\_\_  
2828 N. Haskell Ave \_\_\_\_\_  
Dallas, TX 75204 \_\_\_\_\_  
214-841-6041 \_\_\_\_\_

### Contract Information \*

Total Contract Value:

\$ 0 in FY12 \_\_\_\_\_

Total Subcontract Value:  
(please complete attached form)

\$ \_\_\_\_\_

### Status of Programs Specifically Developed for San Diego:

(Please list each Program and provide the activities completed)

*Xerox State and Local Solutions, Inc was awarded the network services contract for the City of San Diego on June 26, 2012 with a start date of July 1, 2012. Therefore, we have no financial data to report for this reporting period. However, please review the activities we have completed below.*

- 1. Xerox established a subcontract with Techmasters to provide consulting services to the City Library on the eRate program. The subcontract was executed on September 1st and they are now starting the eRate application process so their billing will increase.*
- 2. Xerox recruited Island Staffing to join the SLBE program which they recently qualified for. However, due to the insurance requirements in the RFP, they ultimately declined to partner with Xerox because it was not profitable for them.*
- 3. Xerox is currently seeking a qualified small business to assist with the installation of 9,000 new telephone handsets throughout City offices. This work will start late in 2012 and continue through 2013.*
- 4. Our vendor for cable installation, Ron Morrell Cable (dba Cable, Inc.) has indicated they may shut down their San Diego operation, so we are seeking replacement vendors.*
- 5. Xerox will participate in the Small Business Workshop scheduled for September 26 in conjunction with Council Member Lori Zapf.*
- 6. Xerox is committed to hiring under-represented college interns to provide opportunities to gain experience and provide support in a production IT environment. In the first 100 days since contract award, Xerox has focused on providing a seamless transition of all voice communications and data networking operations from SDDPC. In this next quarter, we will begin our internship program and seek qualified candidates to join our team. With the consent of the City's EOCP office, we would see more benefit in having*

\*Fiscal Year – July 1<sup>st</sup> through June 30<sup>th</sup>.

## **Equal Opportunity Contracting Program**

### **IT Services Annual Status Report**

*a year-round college internship program vice just a summer program. As always, Xerox is happy to discuss this or any other related efforts with City staff.*

\*Fiscal Year – July 1<sup>st</sup> through June 30<sup>th</sup>.

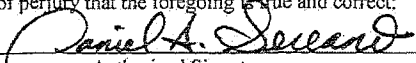
# ANNUAL INVOICING REPORT

Prime Contractor: Xerox State & Local Solutions, Inc.  
 Project Title: City of San Diego, IT Services  
 Contact Person and Phone: Pete Reinagel, 858-232-9230

Fiscal Year: 2012 \_\_\_\_\_  
 Proposal Number: 10015345-11-Z  
 Original Contract Amount: \_\_\_\_\_  
 Contract Amount to Date: \_\_\_\_\_

| SUBCONTRACTORS / SUPPLIERS<br>(List Names of all Subcontractors / Suppliers) | DBE, DVBE, OBE, MBE, WBE, ELBE, SLBE, WoSB, HUBZone, OR SDVOSB* | Actual Start Date | Date of Last Invoice | Dollar Amount Paid This Month | Amount Invoiced to Date | CUMULATIVE AMOUNTS PAID TO DATE |               | ORIGINAL COMMITMENT  |               | Change Order Paid This Month |
|--|---|-------------------|----------------------|-------------------------------|-------------------------|---------------------------------|---------------|----------------------|---------------|------------------------------|
|  |   |                   |                      |                               |                         | Dollar Amount                   | % of Contract | Dollar Amount        | % of Contract |                              |
| <b>SUBCONTRACTORS:</b>   |   |                   |                      |                               |                         |                                 |               |                      |               |                              |
| Techmasters  |   | September 1, 2012 |                      |                               |                         |                                 |               | \$10,000 per year    |               |                              |
| <b>VENDORS/SUPPLIERS:</b>  |   |                   |                      |                               |                         |                                 |               |                      |               |                              |
| AT&T   |   | July 1, 2012      |                      |                               |                         |                                 |               | \$3,416,088 per year |               |                              |
| Cox Communications   |   | July 1, 2012      |                      |                               |                         |                                 |               | 0                    |               |                              |
| NEC  |   | July 1, 2012      |                      |                               |                         |                                 |               | 0                    |               |                              |
| Cable Inc  |   | July 1, 2012      |                      |                               |                         |                                 |               | 0                    |               |                              |
| Cisco  |   |                   |                      |                               |                         |                                 |               | 0                    |               |                              |
| TOTAL DBE SUBCONTRACTORS / SUPPLIERS*  |   |                   |                      |                               |                         |                                 |               |                      |               |                              |
| TOTAL DVBE SUBCONTRACTORS / SUPPLIERS*                                       |   |                   |                      |                               |                         |                                 |               |                      |               |                              |
| TOTAL OBE SUBCONTRACTORS / SUPPLIERS   |   |                   |                      |                               |                         |                                 |               |                      |               |                              |
| TOTAL MBE SUBCONTRACTORS / SUPPLIERS*  |   |                   |                      |                               |                         |                                 |               |                      |               |                              |
| TOTAL WBE SUBCONTRACTORS / SUPPLIERS*  |   |                   |                      |                               |                         |                                 |               |                      |               |                              |
| TOTAL ELBE SUBCONTRACTORS / SUPPLIERS*                                       |   |                   |                      |                               |                         |                                 |               |                      |               |                              |
| TOTAL SLBE SUBCONTRACTORS / SUPPLIERS*                                       |   |                   |                      |                               |                         |                                 |               |                      |               |                              |
| TOTAL WoSB, SUBCONTRACTORS / SUPPLIERS*                                      |   |                   |                      |                               |                         |                                 |               |                      |               |                              |
| TOTAL HUBZone SUBCONTRACTORS / SUPPLIERS*                                    |   |                   |                      |                               |                         |                                 |               |                      |               |                              |
| TOTAL SDVOSB SUBCONTRACTORS / SUPPLIERS*                                     |   |                   |                      |                               |                         |                                 |               |                      |               |                              |
| TOTAL AMOUNT PAID TO PRIME   |   |                   |                      |                               |                         |                                 |               |                      |               |                              |

I certify under penalty of perjury that the foregoing is true and correct:

  
 Authorized Signature

**DANIEL A. SEREANO, VICE PRESIDENT**  
 Printed Name / Title

**9-21-12**  
 Date

Form Title: MONTHLY INVOICING REPORT  
 Form Number: CC25

(Rev. 09/2012)

\*Certified by the City and/or a City approved Agency