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**DEPARTMENT OF
GENERAL SERVICES**

OFFICE OF MINORITY, WOMEN
AND SMALL BUSINESS

**CITY OF SACRAMENTO
CALIFORNIA**

MWBE91:021:RDR:RH:rh

5730 - 24TH STREET
BUILDING FOUR
SACRAMENTO, CA
95822-3699

916-449-8505

November 20, 1990

Budget and Finance Committee
Transportation and Community Development Committee
Sacramento, California

Honorable Members in Session:

**SUBJECT: REQUEST FOR AUTHORIZATION TO ISSUE REQUEST FOR PROPOSALS
 TO SELECT A CONSULTANT TO PERFORM A MINORITY/WOMEN
 BUSINESS ENTERPRISE (M/WBE) UTILIZATION STUDY.**

SUMMARY

Staff of the Office of Minority, Women and Small Business, working with representatives from the County of Sacramento and the Sacramento Housing and Redevelopment Agency (SHRA) has developed a Request for Proposals (RFP) for use in selecting a consultant to perform a study of business demographics and minority/women business enterprise (M/WBE) utilization in the Sacramento market area. This report requests that the Joint Committees recommend to the full Council approval of the attached Resolution which authorizes issuance of the Request for Proposals.

BACKGROUND

In August, 1988, the City Council adopted goals for the City to increase the level of minority and women business enterprise utilization. Those goals call for the City to achieve 20% minority and 5% women business utilization in discretionary business transactions.

In January, 1989, the U.S. Supreme Court issued a decision in the case of the City of Richmond v. J.A. Croson Co., which requires that

state and local governments base any preferential minority business programs on a "factual predicate" that demonstrates past discrimination against the group(s) to be offered preference. In addition, any mandatory utilization goals which are established must be based on M/WBE availability in the subject contracting category.

In September, 1989, the Council authorized staff to negotiate with the County of Sacramento and the SHRA to develop an (RFP) to select a consultant to perform a utilization study of the Sacramento market area. The results of the study could serve as the basis on which the agencies might establish remedial measures (e.g., bid preferences) in the event that utilization disparities resulting from discrimination are revealed. Whether any such remedial actions are taken on behalf of the City following completion of the study would be a decision to be made by the City Council.

FINANCIAL DATA

The area of minority/women business enterprise utilization studies is a relatively new field, having emerged as a result of the Supreme Court's Croson decision. Because of this fact, it is not possible to accurately estimate the cost of the study that is being proposed for the Sacramento market area. Only after the proposals have been received and their cost elements reviewed can an accurate cost projection be made. Since the study will be made on behalf of the County of Sacramento and the SHRA, those agencies have agreed to bear their shares of the costs. Request for funding approval will be submitted to the City Council once a fee has been negotiated with the consultant.

POLICY CONSIDERATIONS

The City's established M/WBE utilization goals are to achieve 20% minority and 5% women business enterprise utilization. For each of the last two years the combined M/WBE total utilization rate (Operating Budget) has been 7.4%. The Council may, at some point, wish to embrace measures such as bid preferences or other preferential mechanisms which could assist in increasing the share of the City's business flowing to the M/WBE business community. Until a "factual predicate" is established indicating the need for such measures, no such actions could legally be taken. Additionally, a component of the study will analyze the business demographics of our market area. This analysis will provide a basis on which establish appropriate goals for each contracting category.

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RECOMMENDATION

It is recommended that the Joint Committees recommend adoption by the full Council of the attached Resolution, which authorizes issuance of an RFP to select a consultant to perform an M/WBE utilization study. When the information becomes available, a request for funding approval and recommendation of a contract award will be submitted to the City Council.

Respectfully submitted,



Robbin DeShields Randolph
Procurement Services Manager

RECOMMENDATION APPROVED:



JACK R. CRIST
Deputy City Manager

Contact Person:
Robbin DeShields Randolph
Procurement Services Manager
449-5553

November 20, 1990
All Districts

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF November 20, 1990

A RESOLUTION AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS FOR SELECTION OF A CONSULTANT TO PERFORM A MINORITY/WOMEN BUSINESS ENTERPRISE (M/WBE) UTILIZATION STUDY.

WHEREAS the City of Sacramento is committed to equality of opportunity for all segments of the business community to participate in the business transactions undertaken by and on behalf of the City; and

WHEREAS the City Council has established goals calling for the City to achieve levels of 20% minority and 5% women business enterprise utilization;

IT IS HEREBY RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. Staff is authorized to issue a request for proposals (RFP) and to negotiate on behalf of the City, the County of Sacramento, and the Sacramento Housing and Redevelopment Agency (SHRA) for the purpose of selecting a consultant to perform a study of the utilization of minority-owned and women-owned businesses in the Sacramento market area; and
2. Request for funding approval and recommendation for contract award will be submitted to the City Council when the information is available.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____ **A**