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DEPARTMENT OF
GENERAL SERVICES

MINORITY AND WOMEN
BUSINESS ENTERPRISE PROGRAM

CITY OF SACRAMENTO
CALIFORNIA

February 1, 1990
MWBE90:043:RDR:rh

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

916-449-8505

Budget and Finance Committee
Transportation and Community Development Committee

Honorable Members in Session:

SUBJECT: Second Quarter (FY90) Minority/Women Business Enterprise
(M/WBE) Program Progress Report

SUMMARY

The attached report summarizes activities of the City's Minority/Women Business Enterprise (M/WBE) Program during the Second Quarter of Fiscal Year 1989-90 - October 1, 1989 through December 31, 1989. It provides information on Second Quarter activities and fiscal year-to-date statistical totals for M/WBE utilization.

RECOMMENDATION

It is requested that the Joint Committees review this report and forward it to the full Council for its information.

Respectfully submitted,

ROBBIN DESHIELDS RANDOLPH
Procurement Services Manager/
M/WBE Program Manager

Approved:

SOLON WISHAM, JR.,
Assistant City Manager



DEPARTMENT OF
GENERAL SERVICES

MINORITY AND WOMEN
BUSINESS ENTERPRISE PROGRAM

CITY OF SACRAMENTO
CALIFORNIA

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

916-449-8505

January 2, 1990
MWBE90:040:RDR:rh

City Council
Sacramento, California

Honorable Members in Session:

Subject: 1989-90 Minority/Women Business Enterprise Program -
Second Quarter Report - October 1, 1989 through December
31, 1989

SUMMARY

The attached report summarizes activities of the City's Minority/Women Business Enterprise (M/WBE) Program during the Second Quarter of Fiscal Year 1990 - October 1, 1989 through December 31, 1989. It provides a review of special, continuing, and planned future activities of the M/WBE Program. It also provides a statistical breakdown of City operating budget expenditure activity which shows overall participation of minority and women owned firms to be 7.7% of the total discretionary transactions in the operating budget. For the first time, it also contains statistics on M/WBE expenditures from the capital improvement projects (CIP) budget, which had a M/WBE utilization rate of 4.5%. This report was provided to the Joint Committees (Budget & Finance and Transportation & Community Development) for review at their meeting of February 13, 1990.

BACKGROUND

The 1990 fiscal year is the second year of formal operation for the M/WBE Program that was established by the City Council in August 1988. At the time the Program was created, staff was directed to prepare reports on a quarterly basis in order to keep the Council apprised of progress toward meeting established M/WBE goals. The

City's current M/WBE goals are to achieve 20% minority and 5% woman business enterprise participation in City business transactions. This report covers work activities conducted during the period from October 1, 1989 through December 31, 1989, and cumulative expenditure data from July 1, 1989 through December 31, 1989.

ANALYSIS

A. SPECIAL ACTIVITIES

1. M/WBE Utilization Study

At its meeting on September 27, 1989, City Council authorized staff to negotiate with the County of Sacramento and the Sacramento Housing and Redevelopment Agency (SHRA) to form a joint venture for the purpose of issuing a Request for Proposals (RFP) to perform a study of minority and women business utilization, as mandated by the U.S. Supreme Court decision in the case of City of Richmond v. J.A. Croson Co.

Both the County and SHRA have agreed to participate in the study project, and a working committee comprised of four departmental representatives from each agency has been formed for the purpose of constructing the RFP. The committee will evaluate the proposals when they are received, and make recommendations based on the results of the study when it is completed.

The working committee plans to have a final RFP document ready to issue in mid-February. It is expected that a contract should be ready for Council approval around the end of April. The study itself will probably take between three and six months to complete. Following completion of the study, policy recommendations will be brought to the Council based on the results of the study.

2. Small Business Economic Opportunity Program

At its September 27, 1989, meeting the Council also authorized staff to develop a racially neutral Small Business Economic Opportunity Program to provide assistance to City-certified small businesses in doing business with the City.

Staff is currently drafting the administrative procedures and qualification criteria for the program. The draft will be circulated to affected City departments for review and comment.

Also, a meeting was held with the staff of the City's Office

of Economic Development. They were given an overview of plans for the Small Business Economic Opportunity Program. It was agreed that since this program will be engaged in the enhancement of opportunities for businesses which do business with the City it does not duplicate and will not interfere with the operations of the Office of Economic Development.

3. Office of Minority, Women and Small Business

In order to reflect the full scope of its services, the M/WBE Program Office has changed its name to **Office of Minority, Women, and Small Business**. The OMWSB coordinates the following activities:

- **Minority/Women Business Enterprise Efforts** - Monitoring and reporting on goals, and coordinating the Request for Proposals for the M/WBE Utilization Study.
- **Small Business Economic Opportunity Program** - Currently developing qualification criteria and administrative procedures.

B. CONTINUING ACTIVITIES

1. Participant Certification

During the period from October 1, 1989 through December 31, 1989, 74 new vendors have been added to the City's list of certified M/WBE vendors. One vendor was de-certified due to a change in company ownership to a non-minority owner. The City's centralized LGFS computer system now contains a total of 830 certified M/WBE vendors.

2. Mayor's M/WBE Task Force

The Mayor's Special Task Force on M/WBE met to review the First Quarter Report (FY90) of M/WBE activities on October 16, 1989. Minutes of that meeting are attached to this report as Exhibit "B". In addition to reviewing the First Quarter Report, the Task Force was advised of Council's authorization for staff to coordinate the joint venture Croson study with the County and SHRA and to develop the small business program. It was also noted that the City M/WBE goals of 20% (MBE) and 5% (WBE) are to remain in place until results of the Croson study are available.

The Task Force was asked for a "self-evaluation" of its role. The group consensus was that the Task Force should remain in place for the foreseeable future to provide a diversity of perspectives on M/WBE issues and to review and offer comment on staff proposals that affect M/WBE firms.

3. Outreach

M/WBE Program staff have been involved in the following outreach activities during this reporting period:

- Working with the Sacramento Regional Purchasing Council
- Attended annual NAACP Awards Banquet
- Attended annual Human Rights Awards Dinner sponsored by the Human Rights/Fair Housing Commission of the City and County of Sacramento
- Participating in Sacramento Minority Business Opportunity Committee activities
- Capital City Purchasing Association meetings
- Advertisements were placed in the following publications:
 - NAACP Awards Banquet Booklet
 - Human Rights Awards Dinner Booklet

4. List of Current Bids

The system of providing up-to-date information to M/WBE vendors by publishing a List of Current Bids that are being solicited by the City's Purchasing Office has been met with appreciation, and is continuing. The list is sent to the local minority business development center's (NEDA) plan room on a weekly basis and copies are provided to the minority chambers of commerce for their general membership meetings. This service assists M/WBE firms in receiving the most current information available on opportunities for doing business with the City.

5. Sacramento Regional Purchasing Council

M/WBE Program staff has continued to be actively involved with the development of the Sacramento Regional Purchasing Council

(SRPC). The SRPC is a not-for-profit organization that has been established to bring the private and public business sectors together with the minority business community in order to help increase minority purchasing opportunities in the greater Sacramento area.

C. FUTURE ACTIVITIES

1. M/WBE Utilization Study

Staff will continue to work with the County of Sacramento and SHRA on the Request for Proposals (RFP) for the selection of a consultant to perform the M/WBE Utilization Study. As noted earlier in this report, Council will be kept apprised of progress and will be provided with policy recommendations at the conclusion of the study.

2. Establish Administrative Procedures for Implementation of Small Business Economic Opportunity Program.

Staff plans to report to Council during the third quarter with a recommended Small Business Economic Opportunity Program.

3. Continue Monitoring of Expenditures with M/WBE Firms

The current reporting system for tracking City expenditures with M/WBE firms from the operating and CIP budgets will continue.

D. STATISTICS THROUGH THE SECOND QUARTER, 1989-90 FISCAL YEAR

1. Operating Budget

Through the Second Quarter, the City has spent a total of \$13,812,080 in "baseline" purchases for goods and services from the operating budget. Of this total, the amount spent with M/WBE firms was \$1,069,725. This represents 7.7% of the total "baseline" City purchases in the operating budget through the Second Quarter of the 1989-90 fiscal year, from July 1, 1989 through December 31, 1989.

The level of participation by M/WBE firms in City operating budget transactions in the Second Quarter FY90 again shows a small increase from that of the First Quarter FY90 (7.6%). It is, however, a fairly significant improvement over the 4.2% M/WBE participation that was reported last year at this time.

The Operating Budget statistics year-to-date for fiscal year 1989-90 are:

**Year-to-Date FY 1989-90 M/WBE Purchases
 OPERATING BUDGET TOTALS**

<u>Classification</u>	<u>Amount</u>	<u>Percentage</u>
Total Baseline Expenditures	\$ 13,812,080	100.0%
Total M/WBE	1,069,725	7.7%
Total Minority Male	607,524	4.4%
Total Minority Female	152,898	1.1%
Total Non-Minority Female	309,303	2.2%
- - - - -	- - - - -	- - - - -
Total Minority-Owned*	760,422	5.5%
Total Woman-Owned**	462,201	3.3%

* Includes Minority Male and Female

** Includes Minority and Non-minority Women

The activity detail by Department for the information contained in the above table is attached as Exhibit "A". In addition, departmental detail is on file in the City Clerk's Office.

2. Capital Improvement Projects (CIP) Budget

In past quarterly M/WBE Program reports, expenditure activity reporting has been limited to the operating budget. This report contains the first reporting of expenditures from the Capital Improvement Projects (CIP) budget. The CIP expenditures have been tracked using the same "baseline" object codes utilized in monitoring of the operating budget. Total baseline CIP expenditures through the end of the Second Quarter were \$13,311,645. Of that amount, a total of \$596,211 or 4.5% was spent with City-certified M/WBE firms. It should be noted that the City's computerized financial system is capable of recording only payments made to prime contractors. The prime contractors in turn pay their sub-contractors with proceeds received. Because payments made to sub-contractors by the prime contractors are not included

in the figures reported here, it is possible that the actual level of M/WBE participation is somewhat higher than these numbers indicate. An accurate method for measuring the precise level of M/WBE participation through the tracking of payments to sub-contractors is not available at this time.

The Capital Improvement Projects Budget statistics year-to-date for fiscal year 1989-90 are:

Year-to-Date FY 1989-90 M/WBE Purchases
 CIP BUDGET TOTALS

<u>Classification</u>	<u>Amount</u>	<u>Percentage</u>
Total Baseline Expenditures	\$ 13,311,645	100.0%
Total M/WBE	596,211	4.5%
Total Minority Male	315,457	2.4%
Total Minority Female	192,176	1.4%
Total Non-Minority Female	88,578	0.7%

Total Minority-Owned*	507,633	3.8%
Total Woman-Owned**	280,754	2.1%

* Includes Minority Male and Female

** Includes Minority and Non-minority Women

Note: Because many CIP projects involve multiple City departments, the information cannot be broken down by department at this time.

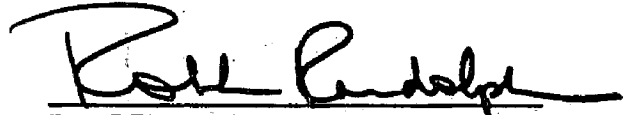
(Please see next page for continuation of the report)

Second 1989-90 M/WBE Progress Report
January 2, 1990
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RECOMMENDATION

This report is for Council information and requires no action.

Respectfully submitted,



ROBBIN DESHIELDS RANDOLPH
Procurement Services Manager/
M/WBE Program Manager

FOR CITY COUNCIL INFORMATION:

WALTER J. SLIPE
City Manager

Contact Person:
Robbin DeShields Randolph
Procurement Services Manager
449-5551

All Districts
February 20, 1990

**** SUMMARY by DEPARTMENTS ****
 CITY OF SACRAMENTO
 M/WBE EXPENDITURES
 Second Quarter - Fiscal Year 1989-90

Responsible Activity	Object Codes	2nd QTR	MBE	2nd QTR	WBE	2nd QTR	M/WBE
		Year-to-Date MBE Purchases	Use Percent	Year-to-Date WBE Purchases	Use Percent	Year-to-Date TOTAL Purchases	Use Percent
Mayor/Council	Baseline	1,539	6.37%	2,270	9.40%	24,150	15.77%
City Manager	Baseline	1,811	4.96%	659	1.81%	36,466	6.77%
City Attorney	Baseline	1,048	2.42%	258	.59%	43,375	3.01%
City Clerk	Baseline	543	.60%	213	.23%	91,028	.83%
City Treasurer	Baseline	4,313	9.61%	831	1.85%	44,905	11.46%
Finance	Baseline	5,021	1.04%	19,823	4.11%	482,102	5.15%
Data Management	Baseline	28,769	7.02%	2,710	.66%	409,681	7.68%
Personnel	Baseline	1,630	1.31%	609	.49%	124,743	1.80%
Employee Relations	Baseline	0	.00%	0	.00%	2,484	.00%
General Services	Baseline	250,243	4.42%	70,837	1.25%	5,665,606	5.67%
Police	Baseline	23,173	3.21%	48,308	6.70%	721,094	9.91%
Fire	Baseline	2,952	1.04%	72,126	25.50%	282,818	26.55%
Public Works	Baseline	96,940	3.03%	66,841	2.09%	3,204,592	5.11%
Planning & Development	Baseline	23,222	7.75%	9,899	3.30%	299,644	11.05%
Library	Baseline	1,738	.74%	17,267	7.31%	236,276	8.04%
Community Center	Baseline	245	.13%	14,892	7.81%	190,576	7.94%
Parks & Community Svcs	Baseline	164,336	8.42%	134,657	6.90%	1,952,541	15.31%
CITY TOTALS:		607,524	4.40%	462,201	3.35%	13,812,080	7.74%

MINORITY WOMEN/BUSINESS ENTERPRISE PROGRAM
MAYOR'S SPECIAL TASK FORCE
MINUTES

MEETING DATE: October 16, 1989

MEETING TIME: 5:30 P.M.

LOCATION: City Hall, Accounting Conference Room, 915 "I" St.

PRESENT:

Task Force Members:

Gene Fong, Aerojet Tech Systems Company
Sheila Martin, Sacramento Housing & Redevelopment Agency
Maureen O'Connor, Sacramento First National Bank
Bud Rodgers, Associated General Contractors
Dennis Tootelian, California State University Sacramento

Staff:

Robbin DeShields Randolph, M/WBE Program Manager
Robert Holbrook, Administrative Assistant, M/WBE Program
Mina Minkler, M/WBE Technician

CALL TO ORDER AND APPROVAL OF MINUTES OF JULY 17, 1989 MEETING

The meeting was called to order by Robbin Randolph at 5:35 p.m., and introductions were made.

The minutes of the meeting of July 17, 1989, were approved as written.

REVIEW OF FIRST QUARTER FY90 PROGRESS REPORT

Following approval of the minutes, Robbin reviewed the First Quarterly Progress Report.

Robbin noted that the First Quarterly Report covers work activities during the period from July 1, 1989 through September 29, 1989. Overall expenditure activity in the operating budget during this period increased to 7.6%.

The method of presenting the performance statistics has been modified beginning with the First Quarterly Report for Fiscal Year 1990. Statistics are no longer broken into "centralized" and "decentralized" categories. Instead, all expenditures are reported directly against the department from whose budget the expenditure is made. Expenditures subject to exemption from reporting will be limited to three categories: government entities, non-profit organizations and professional associations.

Robbin mentioned that staff still plans to provide a directory of City-certified M/WBE vendors, but that other priorities had precluded work on the directory during this quarter. Task Force members suggested that such a directory include indicators of past use and performance. Robbin noted that the Sacramento Regional Purchasing Council has produced a list of qualified M/WBE vendors that have done business with member public agencies and private corporations and the City has that information at its disposal.

REVIEW OF STRATEGY FOR RESPONSE TO CROSON DECISION

The City Council on September 27, 1989, approved staff's recommendation of a three element approach to responding to the U.S. Supreme Court's decision in the case of the City of Richmond v. J.A. Croson Co.. The three elements are:

1. Undertake a disparity study in a joint venture effort with the County of Sacramento and the Sacramento Housing and Redevelopment Agency (SHRA). The study, to be performed by a consultant, will identify our "market area" and provide M/WBE related information which will ultimately be used to provide the factual predicate for any future M/WBE preference program.
2. Maintain M/WBE goals of 20% (MBE) and 5% (WBE) until the disparity study is completed. Staff will continue to monitor and report on expenditure activity, and it will continue to be City policy to encourage increased diversity in the City's vendor base.
3. Establish a Small Business Economic Opportunity Program. The program would provide preferences on a racially neutral basis to small businesses doing business with the City. In addition, the program may provide for certain contracts to be reserved exclusively for small businesses.

REASSESS THE ROLE OF THE MAYOR'S TASK FORCE

As a result of the Croson decision, further development of the M/WBE program has been delayed until the completion of the M/WBE Utilization Study. The Task Force members were apprised of this and asked what role, if any, they felt the Task Force should play in the coming months. The members indicated that they would like to continue to meet on a quarterly basis and to be available to:

- Review and comment on the City's M/WBE Quarterly Progress Reports

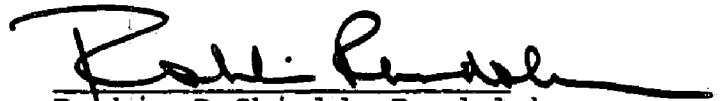
- Serve as resource persons
- Review and comment on the M/WBE Utilization Study and any proposed M/WBE programs

NEXT MEETING

The next Mayor's Special Task Force meeting was scheduled for January 22, 1990, at 5:30 p.m.

ADJOURNMENT

The meeting was adjourned at 6:45 p.m.



Robbin DeShields Randolph
Procurement Services Manager/
M/WBE Program Manager

Attest:



Mina Minkler
M/WBE Technician