

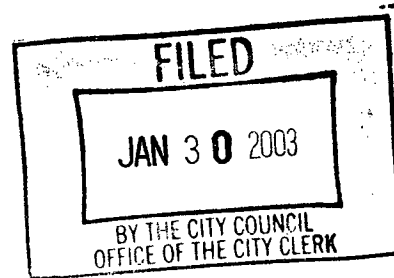


**Sacramento  
Housing &  
Redevelopment  
Agency**

January 15, 2003

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Redevelopment Agency and  
Housing Authority of the City of Sacramento  
Sacramento, California



Honorable Members in Session:

SUBJECT: SMALL BUSINESS ENTERPRISE PROGRAM STATUS REPORT

LOCATION & COUNCIL DISTRICT - Citywide

RECOMMENDATION

Staff is reporting on the status of the Small Business Enterprise Program (SBEP). This report is for your information and no specific action is required.

CONTACT PERSONS

Patrick Bohner, Program Manager - Procurement Services, 566-1268

Richard Nelson, Director of Program Operations, 440-1338

FOR COUNCIL MEETING OF - January 30, 2003

SUMMARY

This report is an annual report to the governing bodies of the status and utilization rates of the Small Business Enterprise Program (SBEP).

BACKGROUND

City Council approved the implementation of SHRA's SBEP on April 10, 2001. Briefly, the agency recognizes the importance of small business to the local economy. The Agency also has committed to fostering the growth of the small business sector by strengthening the connection between small businesses and the Agency's contracting opportunities. As a part of the program, to qualify as a small or very small business, the Agency adopted a two tiered classification that starts at one-half of the implemented standards set by the State of California's Office of Small

## **SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**

Housing Authority and Redevelopment Agency

January 15, 2003

Page 2

Business Certification and Resources (OSBCR). To restate, the definitions for those standards are as follows:

### **Small Business -**

- A business with 50 or fewer employees and an average annual gross receipts of \$5 million or less over the previous three tax years, or
- a manufacturer with 50 or fewer employees

### **Very Small Business –**

- A business with 25 or fewer employees and an average annual gross receipts of \$2.5 million or less over the previous three tax years, or
- a manufacturer with 25 or fewer employees

This report will present what has been implemented to date, what is in the process of being implemented, and will summarize the results to date.

### **IMPLEMENTED TO DATE**

- Reformatted the Bidder's Application to include Small Business and Very Small Business self-certification information in addition, adding language to better clarify MB/WBE qualifications and verifications.
- Mailed annual letter to all Sacramento County Chambers and business associations. The letter highlighted the SBEP goals and offered to meet with the members of these groups to further explain the details of the SBEP.
- Distributed over 400 Doing Business with SHRA brochures to business association and contractors.
- Continued to provide lists of SBEP certified sub-contractors to prime contractors encouraging sub-contracting portions of their work to small businesses.
- Partnered with the City of Sacramento in their annual Biz-Link Expo sponsored by the Office of Business and Management. Over 350 businesses and vendors attended this Expo.

### **CONTINUED DEVELOPMENT**

- Implemented a pilot program to facilitate on line bidding for select service contracts providing easier access to some bidding opportunities.

## **SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**

Housing Authority and Redevelopment Agency  
January 15, 2003  
Page 3

### **OTHER PROGRAM ACCOMPLISHMENTS**

- Staff has met with both the Hillsdale and Stockton Blvd. Business Information Centers (BIC) and their members. At these meetings staff explained the step by step process of how to do business with the Agency with respect to procurement opportunities.
- Staff has increased outreach to individuals by presenting a more in-depth profile of the SBEP as a standard part of all Procurement pre-bid meetings.

### **PROGRAM RESULTS**

- Over 200 new vendors have been added to the Agency database in 2002.
- As of November 2002, the Agency did business with 378 vendors. Out of those, 48 were small and 233 were very small businesses.
- Total utilization for the period of January 1, 2002 - November 2002 is as follows:
  - 47% of procurement dollars issued to small and very small businesses
  - 52% of total number of purchase orders and contracts issued to small and very small businesses
- Total utilization for last year was as follows:
  - 49% of procurement dollars were issued to small businesses and very small businesses
  - 57% of the total number of purchase orders and contracts were issued to small businesses and very small businesses

Although this years results are slightly lower than last years results, the overall results for both years far exceed our original goal of 30% utilization for small businesses with a subset of 15% utilization for very small businesses.

Please see Attachment I - Small and Very Small Business Enterprise Utilization Report for further detail.

### **PLANS FOR 2003**

- Continued outreach to the community through business organizations, chambers, and other activities as they present themselves.
- Participate as a sponsor of the City of Sacramento's annual BIZ-Link Expo in May of 2003.
- Conduct additional staff training as needed throughout the year.
- Continue to expand the VSPS database and enhance the reporting capabilities.

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority and Redevelopment Agency  
January 15, 2003  
Page 4

- Continue to maintain utilization records of small and very small businesses to match or exceed our current goals.
- Conduct prevailing wage training for new and existing vendors.

Overall, staff's goal for 2003 is to continue to increase the outreach to small and very small businesses as well as provide training and assistance to further enhance the participation of these groups in ongoing procurement opportunities.

## **FINANCIAL CONSIDERATIONS**

This report is informational only - there are no financial considerations.

## **POLICY CONSIDERATIONS**

This report is an annual report to the governing bodies of the status and results since the implementation of the Small Business Enterprise Program adopted on April 10, 2001.

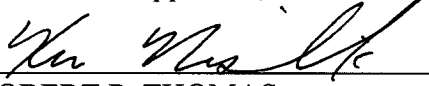
## **ENVIRONMENTAL REVIEW**

This is an administrative action exempt from environmental review per CEQA Guidelines Section 15378 (b)(2); NEPA does not apply.

## **M/WBE CONSIDERATIONS**

This report is informational only - there are no M/WBE considerations.

Transmittal Approved,

  
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ROBERT P. THOMAS  
City Manager

Respectfully submitted,


  
ANNE M. MOORE  
Executive Director

TABLE OF CONTENTS:

1) Attachment I –page 5

**SMALL AND VERY SMALL BUSINESS ENTERPRISE UTILIZATION****Construction**

Type of Business	Total Dollars Issued	Percent of Dollars Issued	Number of Purchase Orders/Contracts Issued	Percent of Purchase Orders/Contracts Issued
Very Small Business Enterprise	3,948,209.06	35.0	2,148	68.9
Small Business Enterprise	1,614,865.12	14.3	202	6.5
All other Business Enterprise	5,728,763.70	50.7	768	24.6
Totals	11,291,837.88	100.0	3,118	100.0

**Professional Services**

Type of Business	Total Dollars Issued	Percent of Dollars Issued	Number of Purchase Orders/Contracts Issued	Percent of Purchase Orders/Contracts Issued
Very Small Business Enterprise	1,268,408.76	42.8	519	40.2
Small Business Enterprise	244,205.00	8.2	30	2.3
All other Business Enterprise	1,448,895.97	48.9	742	57.5
Totals	2,961,509.73	100.0	1,291	100.0

**Non-Professional Services**

Type of Business	Total Dollars Issued	Percent of Dollars Issued	Number of Purchase Orders/Contracts Issued	Percent of Purchase Orders/Contracts Issued
Very Small Business Enterprise	1,085,575.28	31.6	1,259	35.6
Small Business Enterprise	294,930.42	8.6	509	14.4
All other Business Enterprise	2,056,020.29	59.8	1,769	50.0
Totals	3,436,525.99	100.0	3,537	100.0

**Material and Supplies**

Type of Business	Total Dollars Issued	Percent of Dollars Issued	Number of Purchase Orders/Contracts Issued	Percent of Purchase Orders/Contracts Issued
Very Small Business Enterprise	112,973.88	8.6	175	10.3
Small Business Enterprise	130,508.83	10.0	152	9.0
All other Business Enterprise	1,064,322.57	81.4	1,364	80.7
Totals	1,307,805.28	100.0	1,691	100.0

**Multiple Classification Services**

Type of Business	Total Dollars Issued	Percent of Dollars Issued	Number of Purchase Orders/Contracts Issued	Percent of Purchase Orders/Contracts Issued
Very Small Business Enterprise	779,306.68	54.9	475	48.3
Small Business Enterprise	122,367.20	8.6	43	4.4
All other Business Enterprise	518,477.28	36.5	466	47.4
Totals	1,420,151.16	100.0	984	100.0

**TOTALS**

Totals	Total Dollars Issued FY2002	Total Percent of Dollars Issued	Total Number of Purchase Orders/Contracts Issued	Total Percent of Purchase Orders/Contracts Issued
Very Small Business Enterprise	7,194,473.66	35.2	4,576	43.1
Small Business Enterprise	2,406,876.57	11.8	936	8.8
All other Business Enterprise	10,816,479.81	53.0	5,109	48.1
Totals	20,417,830.04	100.0	10,621	100.0