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DEPARTMENT OF  
ADMINISTRATIVE SERVICES

OFFICE OF SMALL  
BUSINESS DEVELOPMENT

CITY OF SACRAMENTO  
CALIFORNIA

FILED  
OCT 30 2001  
BY THE CITY COUNCIL  
OFFICE OF THE CITY CLERK

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October 1, 2001

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: ANNUAL REPORT ON THE SMALL BUSINESS DEVELOPMENT PROGRAM**

**LOCATION AND COUNCIL DISTRICT:** Citywide

**RECOMMENDATION:** For Council information only

**CONTACT PERSON(S):** Charlotte Broussard, Administrative Analyst, 264-0134  
Louane Roina, Administrative Analyst, 264-8797

**FOR COUNCIL MEETING OF:** October 30, 2001

**SUMMARY:**

This report:

- Shows a Citywide usage of small businesses achievement rate of **39.96%** in operating expenditures and **25.27%** in CIP expenditures, both exceeding the 20% goal.
- Shows Citywide Minority and Women Business Enterprise participation rate of **11.63%**, an improvement from 5.61% in fiscal year 1999 and 10.64% in fiscal year 2000.
- Shows a Citywide, Non-appropriated small business usage rate of 20.44% and Minority and Women Business Enterprise usage rate of 5.72%.
- Provides an outline of the major accomplishments for fiscal year 2001.

- Provides an outline of the staff developed plan for program development for fiscal year 2002. The emphasis for the next year will be on outreach and development of components to assist small businesses.

**COMMITTEE/COMMISSION ACTION:** None

**BACKGROUND AND ANALYSIS:**

The Office of Small Business Development (OSBD) and the Emerging and Small Business Development (ESBD) program were established by City Council in 1999. The ESBD program is a race and gender-neutral program designed to increase the participation of small and emerging businesses in City contracting opportunities.

SMALL BUSINESS DEVELOPMENT PROGRAM PERFORMANCE

The emphasis during the first year of the ESBD program was directed toward developing small business usage through the City's construction/CIP contracting procedures and awards.

Second year emphasis was placed on working with departments to increase the usage of small business when making operating expenditures for supplies and services. Second year accomplishments include the following:

- Fiscal year 2001 ESBD Citywide eligible operating expenditures were \$15,914,319 of which \$4,630,444 was spent with small businesses. The usage rate was 39.96%. This was an increase over the prior year's rate of 28.44%.
- This year we tracked the non-appropriated operating expenditures for ESBD usage. This usage rate, 20.44%, also surpassed the minimum goal. This is a positive result of the cooperative efforts by OSBD and City department staff in getting vendors of choice certified.
- The overall fiscal year 2001 construction ESBD usage rate is 25.27%. This figure consists of Public Works expenditures of \$66,059,987 and Utility expenditures of \$58,533,094 of which \$17,621,325 (or 26.67%) and \$13,869,000 (or 23.69%) respectively were spent with small businesses.
- Fiscal year 2001 MWBE percent usage rate increased for the second straight year. This year's usage rate was 11.63%. The figures for 2000 and 1999 were 10.64% and 5.61% respectively.
- OSBD presented Biz\$Link 01, a fair for the benefit of small businesses interested in doing business with the City. It was held at the Sacramento Convention Center. There were nearly 300 small businesses in attendance. As a result of this event, there were 29 newly certified firms added to our database. It is our hope to make this fair an annual event.
- A reciprocal certification agreement was established with State of California Department of General Services (DGS), Office of Small Business Certification and Resources (OSBCR). The intent of this agreement is to give the small business the benefit of certification with both agencies while submitting the application and documentation only once.

- Staff has developed a presentation for the purpose of educating outside agencies and interested business groups about the ESBG Program. There is a PowerPoint presentation for educational purposes and an informational business card disc for marketing purposes.
- The use of the Sheltered Market Program component was encouraged as a tool for helping City departments attain and surpass Council mandated 20% ESBG usage goals.
- OSBD has reached a cooperative agreement with the Greater Sacramento Small Business Development Center through Los Rios Community College District to provide small businesses with support services. These services will include consulting and training in business management, marketing, and finance.

## 2002 EXPECTATIONS

- While working with City departments to increase small business usage, OSBD will continue to work towards increasing the size of our database of certified vendors. Our goal is an annual database vendor increase of 1%. We will also work toward broadening the types of services available through our database.
- Plans are underway to present our second annual small business fair, Biz\$Link.
- Staff will be organizing and presenting quarterly education and training programs designed to enhance capacity building for emerging small businesses and interested small businesses.
- Staff will work with Business Improvement Districts (BIDs), business associations, and neighborhoods to develop strategies to improve small businesses opportunities, capacity building, and employment.
- Our website will be expanded and improved to provide interested parties more pertinent information about the benefits offered by our program, information about small businesses, and the opportunities available through the City contracting and procurement process.

**FINANCIAL CONSIDERATIONS:** None at this time.

## **POLICY CONSIDERATIONS:**


Staff continues to support City Council's priorities of diversity, inclusiveness, and economic development. Staff continues to implement City policy on economic diversity and utilization within applicable provisions of State and Federal law.

## **ESBG CONSIDERATIONS:**


Staff's performance and goals are consistent with ESBG policy to assist emerging and small businesses in enhancing their participation in public contracts and purchase awards.

City Council  
Re: OSBD Annual Report  
October 30, 2001

Respectfully submitted,

  
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Trevor Walton  
OSBD Coordinator

RECOMMENDATION APPROVED

  
\_\_\_\_\_  
Robert P. Thomas  
City Manager

CITY OF SACRAMENTO  
 ESBE and MWBE USAGE NUMBERS  
 July 1, 2000 to June 30, 2001

S:\Year End Numbers\FY01 City Usage Numbers.xls\Condensed

AGENCY NAME		ELIGIBLE \$	ESBE \$	MWBE \$	ESBE %	MWBE %	FY 00 ESBD %	FY 00 MWBE %
010	Mayor/Council	208,636	145,773	143,622	69.87%	68.84%	60.33%	49.47%
030	City Manager's Office	298,275	224,745	83,834	75.35%	28.11%	41.62%	10.63%
050	City Attorney's Office	194,913	47,760	39,923	24.50%	20.48%	21.91%	16.56%
070	City Clerk	164,572	105,404	72,790	64.05%	44.23%	55.38%	51.53%
090	City Treasurer's Office	257,656	95,253	23,169	36.97%	8.99%	23.91%	14.56%
Total	Administrative Services Dept	6,102,507	2,178,500	986,249	35.70%	16.16%	23.32%	7.56%
210	Police Department	1,637,140	433,672	290,408	26.49%	17.74%	22.24%	9.51%
250	Fire Department	2,349,378	1,714,386	44,401	72.97%	1.89%	46.25%	26.39%
310	Public Works	15,178,936	7,809,997	1,170,793	51.45%	7.71%	38.89%	11.12%
330	Department of Utilities	4,207,330	1,106,686	404,429	26.30%	9.61%	22.77%	8.16%
440	Economic Development	630,562	349,370	321,941	55.41%	51.06%	11.50%	8.68%
Total	Convention, Cultural & Leisure Services	3,650,326	585,973	552,035	16.05%	15.12%	20.86%	8.85%
450	Parks & Recreation	3,041,382	635,555	246,869	20.90%	8.12%	22.56%	10.94%
480	Planning & Development Agency	949,843	227,467	194,530	23.95%	20.48%	19.20%	12.34%
460	Neighborhood Services	953,443	253,778	55,451	26.62%	5.82%	17.62%	4.37%
<b>City Departmental Total</b>		<b>39,824,899</b>	<b>15,914,319</b>	<b>4,630,444</b>	<b>39.96%</b>	<b>11.63%</b>	<b>28.44%</b>	<b>10.64%</b>
900	City Non-Appropriated	3,890,275	795,210	204,863	20.44%	5.27%	Not Available	

\* Benchmark for utilization of small and emerging business is 20%.

### MWBE % USAGE NUMBERS FISCAL YEARS 1993 - 2001

