

REPORT ON COUNTY PROCUREMENT

March 7, 2011

SLEB PROGRAM RECOMMENDATIONS

The Small Local Emerging Business (SLEB) program recommendations below are submitted for your review and consideration in response to recently received proposals to amend the program.

1. Proposal:

Establish a Small Business Enterprise (SBE) Program that requires at least 50% of annual contracting and procurement dollars to be awarded to SBEs. The SBE Program applies to construction contracts up to \$14M, purchasing transactions up to \$500,000 and professional/personal services up to \$9.5M.

County Response:

- a. The County's current SLEB program directs 100% of all contracts up to \$25,000 to SLEBs/MBEs.
- b. Contracts over \$25,000 with non-SLEB primes would continue to require 20% minimum SLEB subcontractor participation.
- c. Current Statistics:

	MBE/SLEB		Local
	Contracts >\$25.5M	\$28.5M	42.28%
Contracts \$25,001 - \$100,000	\$29.2 M	43.77%	70.09%

2. Proposal:

The County should set aside contracts for only SBEs to submit bids.

County Response:

- a. County Counsel is currently reviewing the legality of the establishment of vendor pools.

3. Proposal:

The SBE program would include 10% preference points in the evaluation and score for all contracts over \$50,000.

County Response:

- a. It is recommended that the current 5% SLEB preference continue to be applied to eligible goods and services contracts with SLEB primes over \$25,000, and
- b. It is recommended that County Administrative Code 4.12.130 be amended to expand the application of the current 5% local bid preference to include all eligible contracts for goods and services over \$25,000 (rather than just eligible sealed bids).
 - i. A maximum 10% bid preference would then be available on eligible goods and services contracts over \$25,000 to SLEB primes.
- c. The California Public Contract Code (PCC) 2002, which only allows a 5% small business preference, continue to apply to ECOP.

4. Proposal:

County employees and supervisors performance reviews will be linked to the successful implementation of the goals of the Program.

County Response:

- a. **It is recommended that a recognition program be implemented for County departments that utilize SLEBs.**
 - i. **A proposal for a recognition program will be presented to the Procurement and Contracting Policy Committee (PCPC) at a future meeting.**

5. Proposal:

A small business enterprise is defined by California Government Code Section 14837, Chapter 3.5.

County Response:

- a. **We recommend the currently used SBE definition in the Government Code continue for construction contracts.**
- b. **It is recommended that the County continue to use the Federal Small Business Administration definition per NAICS code for goods and services contracts under the current SLEB program.**
 - i. **The SBA definitions per NAICS codes currently being used recognize businesses that are smaller than those defined under the Government Code.**

6. Proposal:

Establish a Small Disadvantaged Business Micro-Contracts (SDBMC) that requires County contracts up to \$50,000 to be awarded to Small Disadvantaged Business Enterprises (SDBE).

County Response:

It is recommended that the County continue the SLEB program as is with the amendments referenced above.



ALAMEDA COUNTY
AUDITOR-CONTROLLER AGENCY
PATRICK O'CONNELL
AUDITOR-CONTROLLER/CLERK-RECORDER

MEMORANDUM

TO: Nate Miley, Board of Supervisors, Chair- Procurement and Contracting Policy Committee

Scott Haggerty, Board of Supervisors, Procurement and Contracting Policy Committee

FROM: Patrick O'Connell, Auditor-Controller

DATE: March 7, 2011

SUBJECT: PROCUREMENT UPDATE

Attached is an updated progress report on County procurement. The data presented in the report is for the period July 1, 2008 through December 31, 2010. The total MBE/SLEB contract dollars for this reporting period are \$206.3M which represents 30.72% of the total contract dollars reported. The report in its entirety will be available on our website at <http://www.acgov.org/auditor/sleb/documents.htm>. If you have any questions please call me.

- Total contract dollars - \$671.5M
- Local contract dollars - \$436.5M
- % of local contract dollars - 65.00%
- Total MBE/SLEB contract dollars - \$206.3M
- % of MBE/SLEB contract dollars - 30.72%
- Total contract dollars up to 500,000 - \$234.2M
- MBE/SLEB contract dollars up to 500,000 - \$103.7M
- % MBE/SLEB contract dollars up to 500,000 - 44.28%
- Approximately 1,250 certified SLEB
- Approximately 4,433 certified SLEBs/local MBEs

PO:hc
procurement update 3-11

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SLEB Program Recommendations

Proposal:

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County Response:

- The County's current SLEB program directs 100% of all contracts up to \$25,000 to SLEBs/MBEs.
- Contracts over \$25,000 with non-SLEB primes would continue to require 20% minimum SLEB subcontractor participation.

Current Statistics

	MBE/SLEB		Local
Contracts <\$25,000	\$28.5M	42.28%	78.22%
Contracts \$25,001 - \$100,000	\$29.2 M	43.77%	70.09%
Contracts \$100,001 - \$500,000	\$46.0 M	45.89%	67.05%

SLEB Program Recommendations

Proposal:

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County Response:

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SLEB Program Recommendations

Proposal:

The SBE program would include 10% preference points in the evaluation and score for all contracts over \$50,000.

County Response:

- It is recommended that the current 5% SLEB preference continue to be applied to eligible goods and services contracts with SLEB primes over \$25,000.
- It is recommended that County Administrative Code 4.12.130 be amended to expand the application of the current 5% local bid preference to include all eligible contracts for goods and services over \$25,000 (rather than just eligible sealed bids).
 - A maximum 10% bid preference would then be available on eligible goods and services contracts over \$25,000 to SLEB primes.
- The California Public Contract Code (PCC) 2002, which only allows a 5% small business preference, continue to apply to ECOP.

SLEB Program Recommendations

Proposal:

County employee and supervisor performance reviews will be linked to the successful implementation of the goals of the Program.

County Response:

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 - A proposal for a recognition program will be presented to the Procurement and Contracting Policy Committee (PCPC) at a future meeting.

SLEB Program Recommendations

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County Response:

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- It is recommended that the County continue to use the Federal Small Business Administration definition per NAICS code for goods and services contracts under the current SLEB program.
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SLEB Program Recommendations

Proposal:

Establish a Small Disadvantaged Business Micro-Contracts (SDBMC) that requires County contracts up to \$50,000 to be awarded to Small Disadvantaged Business Enterprises (SDBE).

County Response:

It is recommended that the County continue the SLEB program as is with the amendments referenced above.

Total Contracts Local & Non-Local

	7/1/08 - 12/31/10
Local	\$436.5M
Non-Local	\$235.0M
Total	\$671.5M
% Local	65.00%

Local Contracts Summary

	7/1/08 - 12/31/10
Total Local Contracts	\$436.5M
Local Dollars	65.00%
MBE/SLEB	\$206.3M
MBE/SLEB % of Total Contracts	30.72%

MBE/SLEB Contracts by Type

Type	7/1/08 - 12/31/10	
	\$	%
Construction	\$33.1M	27.68%
Architecture & Engineering	\$5.2M	48.45%
Professional Services	\$73.7M	26.73%
Goods & Services	\$94.3M	35.51%
Total	\$206.3M	30.72%

MBE/SLEB Contract Amounts by Ethnicity

	7/1/08 - 12/31/10
Type	\$
African American	\$25.4M
Hispanic American	\$21.9M
Multi-Ethnicity	\$13.0M
Asian American	\$39.1M
Caucasian Female	\$32.7M
Caucasian Male	\$73.8M
Native American	\$0.4M
Total	\$206.3M

Contracts by Geographic Area

Geographic Area	7/1/08 - 12/31/10	
	\$	%
Alameda	\$11.3M	2.59%
Albany	\$2.6M	0.60%
Berkeley	\$5.7M	1.31%
Castro Valley	\$1.4M	0.32%
Dublin	\$98.7M	22.61%
Emeryville	\$7.2M	1.65%
Fremont	\$14.8M	3.39%
Hayward	\$31.3M	7.17%
Livermore	\$34.6M	7.93%
Newark	\$5.1M	1.17%
Oakland	\$105.1M	24.07%
Piedmont	-	0.00%
Pleasanton	\$87.1M	19.95%
San Leandro	\$22.3M	5.11%
San Lorenzo	\$3.0M	0.69%
Sunol	\$0.1M	0.02%
Union City	\$6.2M	1.42%
TOTAL	\$436.5M	100.00%

MBE/SLEB Participation by Type

	7/1/08 - 12/31/10
Construction	
Total	\$119.6M
MBE/SLEB	\$33.1M
% MBE/SLEB	27.68%
Architecture & Engineering	
Total	\$10.7M
MBE/SLEB	\$5.2M
% MBE/SLEB	48.45%
Professional Services	
Total	\$275.7M
MBE/SLEB	\$73.7M
% MBE/SLEB	26.73%
Goods & Services	
Total	\$265.5M
MBE/SLEB	\$94.3M
% MBE/SLEB	35.51%
Total All Contracts	
Total	\$671.5M
MBE/SLEB	\$206.3M
% MBE/SLEB	30.72%

Construction Contracts by Ethnicity

	7/1/08 - 12/31/10
African American Males	\$0.2M
African American Females	\$0.1M
Asian American Males	\$0.4M
Asian American Females	\$12.8M
Hispanic American Males	\$6.5M
Hispanic American Females	\$1.2M
Native American Males	-
Native American Females	-
Multi-Ethnic > 50% Males	\$0.2M
Multi-Ethnic > 50% Females	-
Caucasian Males - SLEB	\$6.2M
Caucasian Females - SLEB	\$5.5M
Multi-Ethnic 50/50	-
Total MBE/SLEB	\$33.1M
Caucasian Males	\$78.0M
Caucasian Females	\$3.6M
Unknown/Decline	\$4.8M
Publicly Owned Entity	\$0.1M
Total	\$119.6M
% MBE/SLEB	27.68%

Architect & Engineering Contracts by Ethnicity

	7/1/08 - 12/31/10
African American Males	\$0.5M
African American Females	-
Asian American Males	\$2.5M
Asian American Females	\$0.1M
Hispanic American Males	-
Hispanic American Females	-
Native American Males	-
Native American Females	-
Multi-Ethnic > 50% Males	-
Multi-Ethnic > 50% Females	\$0.7M
Caucasian Males - SLEB	\$0.7M
Caucasian Females - SLEB	\$0.7M
Multi-Ethnic 50/50	-
Total MBE/SLEB	\$5.2M
Caucasian Males	\$3.9M
Caucasian Females	-
Unknown/Decline	\$0.1M
Publicly Owned Entity	\$1.5M
TOTAL	\$10.7M
% MBE/SLEB	48.45%

Professional Services Contracts by Ethnicity

	7/1/08 - 12/31/10
African American Males	\$6.6M
African American Females	\$4.8M
Asian American Males	\$3.5M
Asian American Females	\$3.7M
Hispanic American Males	\$8.5M
Hispanic American Females	\$0.8M
Native American Males	-
Native American Females	-
Multi-Ethnic > 50% Males	\$1.3M
Multi-Ethnic > 50% Females	\$0.4M
Caucasian Males - SLEB	\$34.8M
Caucasian Females - SLEB	\$5.0M
Multi-Ethnic 50/50	\$4.3M
Total MBE/SLEB	\$73.7M
Caucasian Males	\$62.4M
Caucasian Females	\$6.2M
Unknown/Decline	\$1.2M
Publicly Owned Entity	\$132.2M
Total	\$275.7M
% MBE/SLEB	26.73%

Goods & Services Contracts by Ethnicity

	7/1/08 - 12/31/10
African American Males	\$9.5M
African American Females	\$3.7M
Asian American Males	\$10.6M
Asian American Females	\$5.5M
Hispanic American Males	\$3.3M
Hispanic American Females	\$1.6M
Native American Males	\$0.1M
Native American Females	\$0.3M
Multi-Ethnic > 50% Males	\$3.1M
Multi-Ethnic > 50% Females	\$0.8M
Caucasian Males - SLEB	\$32.1M
Caucasian Females - SLEB	\$21.5M
Multi-Ethnic 50/50	\$2.2M
Total MBE/SLEB	\$94.3M
Caucasian Males	\$78.0M
Caucasian Females	\$6.0M
Unknown/Decline	\$0.7M
Publicly Owned Entity	\$86.5M
Total	\$265.5M
% MBE/SLEB	35.51%

Total Contracts by Ethnicity

	7/1/08 - 12/31/10
African American Males	\$16.8M
African American Females	\$8.6M
Asian American Males	\$17.0M
Asian American Females	\$22.1M
Hispanic American Males	\$18.3M
Hispanic American Females	\$3.6M
Native American Males	\$0.1M
Native American Females	\$0.3M
Multi-Ethnic > 50% Males	\$4.6M
Multi-Ethnic > 50% Females	\$1.9M
Caucasian Males - SLEB	\$73.8M
Caucasian Females - SLEB	\$32.7M
Multi-Ethnic 50/50	\$6.5M
Total MBE/SLEB	\$206.3M
Caucasian Males	\$222.3M
Caucasian Females	\$15.8M
Unknown/Decline	\$6.8M
Publicly Owned Entity	\$220.3M
Total	\$671.5M
% MBE/SLEB	30.72%

MBE/SLEB by Contract Amount

	7/1/08 - 12/31/10
CONTRACTS UNDER \$25,000	
Total	\$67.3M
MBE/SLEB	\$28.5M
% MBE/SLEB	42.28%
CONTRACTS \$25,001 - \$100,000	
Total	\$66.7M
MBE/SLEB	\$29.2M
% MBE/SLEB	43.77%
CONTRACTS \$100,001 - \$500,000	
Total	\$100.2M
MBE/SLEB	\$46.0M
% MBE/SLEB	45.89%
CONTRACTS OVER \$500,000	
Total	\$437.3M
MBE/SLEB	\$102.6M
% MBE/SLEB	23.47%
TOTAL ALL CONTRACTS	
Total	\$671.5M
MBE/SLEB	\$206.3M
% MBE/SLEB	30.72%

Contract Amounts Under \$25,000 by Ethnicity

	7/1/08 - 12/31/10
African American Males	\$1.2M
African American Females	\$0.5M
Asian American Males	\$3.6M
Asian American Females	\$1.0M
Hispanic American Males	\$1.3M
Hispanic American Females	\$0.9M
Native American Males	\$0.1M
Native American Females	\$0.1M
Multi-Ethnic > 50% Males	\$1.4M
Multi-Ethnic > 50% Females	\$0.1M
Caucasian Males - SLEB	\$10.5M
Caucasian Females - SLEB	\$6.7M
Multi-Ethnic 50/50	\$1.1M
Total MBE/SLEB	\$28.5M
Caucasian Males	\$19.1M
Caucasian Females	\$2.8M
Unknown/Decline	\$0.5M
Publicly Owned Entity	\$16.4M
Total	\$67.3M
% MBE/SLEB	42.28%

Contract Amounts \$25,001-\$100,000 by Ethnicity

	7/1/08 - 12/31/10
African American Males	\$0.9M
African American Females	\$1.0M
Asian American Males	\$2.8M
Asian American Females	\$1.8M
Hispanic American Males	\$1.5M
Hispanic American Females	\$0.7M
Native American Males	-
Native American Females	\$0.2M
Multi-Ethnic > 50% Males	\$0.9M
Multi-Ethnic > 50% Females	\$0.3M
Caucasian Males - SLEB	\$10.9M
Caucasian Females - SLEB	\$7.2M
Multi-Ethnic 50/50	\$1.0M
Total MBE/SLEB	\$29.2M
Caucasian Males	\$18.4M
Caucasian Females	\$2.5M
Unknown/Decline	\$1.2M
Publicly Owned Entity	\$15.4M
Total	\$66.7M
% MBE/SLEB	43.77%

Contract Amounts \$100,001-\$500,000 by Ethnicity

	7/1/08 - 12/31/10
African American Males	\$3.0M
African American Females	\$1.1M
Asian American Males	\$6.8M
Asian American Females	\$3.0M
Hispanic American Males	\$3.5M
Hispanic American Females	\$1.3M
Native American Males	-
Native American Females	-
Multi-Ethnic > 50% Males	\$0.5M
Multi-Ethnic > 50% Females	\$0.8M
Caucasian Males - SLEB	\$18.2M
Caucasian Females - SLEB	\$6.8M
Multi-Ethnic 50/50	\$1.0M
Total MBE/SLEB	\$46.0M
Caucasian Males	\$30.6M
Caucasian Females	\$5.6M
Unknown/Decline	\$3.0M
Publicly Owned Entity	\$15.0M
Total	\$100.2M
% MBE/SLEB	45.89%

Contract Amounts Over \$500,000 by Ethnicity

	7/1/08 - 12/31/10
African American Males	\$11.7M
African American Females	\$6.0M
Asian American Males	\$3.8M
Asian American Females	\$16.3M
Hispanic American Males	\$12.0M
Hispanic American Females	\$0.7M
Native American Males	-
Native American Females	-
Multi-Ethnic > 50% Males	\$1.8M
Multi-Ethnic > 50% Females	\$0.7M
Caucasian Males - SLEB	\$34.2M
Caucasian Females - SLEB	\$12.0M
Multi-Ethnic 50/50	\$3.4M
Total MBE/SLEB	\$102.6M
Caucasian Males	\$154.2M
Caucasian Females	\$4.9M
Unknown/Decline	\$2.1M
Publicly Owned Entity	\$173.5M
Total	\$437.3M
% MBE/SLEB	23.47%

Total Contracts by Ethnicity

	7/1/08 - 12/31/10
African American Males	\$16.8M
African American Females	\$8.6M
Asian American Males	\$17.0M
Asian American Females	\$22.1M
Hispanic American Males	\$18.3M
Hispanic American Females	\$3.6M
Native American Males	\$0.1M
Native American Females	\$0.3M
Multi-Ethnic > 50% Males	\$4.6M
Multi-Ethnic > 50% Females	\$1.9M
Caucasian Males - SLEB	\$73.8M
Caucasian Females - SLEB	\$32.7M
Multi-Ethnic 50/50	\$6.5M
Total MBE/SLEB	\$206.3M
Caucasian Males	\$222.3M
Caucasian Females	\$15.8M
Unknown/Decline	\$6.8M
Publicly Owned Entity	\$220.3M
Total	\$671.5M
% MBE/SLEB	30.72%

Vendor Pool

	SLEB	Local Vendors Non-SLEB	Non-Local Vendors	Total
African American	192	1,251	423	1,866
Asian American	224	992	583	1,799
Hispanic American	94	613	363	1,070
Native American	5	27	31	63
Multi-Ethnic	32	296	331	659
Caucasian	707			707
Total MBE/SLEB	1,254	3,179	1,731	6,164
Caucasian		3,438	4,556	7,994
Unknown/Decline		74	68	142
Publicly Owned Entity		223	501	724
Total Other		3,735	5,125	8,860
TOTAL VENDORS	1,254	6,914	6,856	15,024