



**Sacramento
Housing &
Redevelopment
Agency**

3.1

March 17, 2004

City Council
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 - March 30, 2004

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. 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. These contracting opportunities are defined as procurements handled by the Agency's Procurement Division. As a part of the program, to qualify as a small business or very small business, the Agency adopted a

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency and
Housing Authority of the City of Sacramento
March 17, 2004
Page 2

two tiered classification that starts at one-half of the implemented standards set by the State of California's Office of Small 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.
- 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 Second Annual Biz-Link Expo sponsored by the Office of Business and Management. Over 400 businesses and vendors attended this Expo.

CONTINUED DEVELOPMENT

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

OTHER PROGRAM ACCOMPLISHMENTS

- Staff has met with the Hillsdale Business Information Centers (BIC) and members. At these meetings staff explained the step by step process of how to do business with the Agency with respect to procurement opportunities.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency and
Housing Authority of the City of Sacramento
March 17, 2004
Page 3

- Staff participated with the State of California, Department of General Services, Reciprocity Program in a Small Business Forum. Over two hundred businesses and 40 vendors participated in this forum.
- 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 240 new vendors have been added to the Agency database in 2003.
- As of December of 2003, the Agency did business with 468 vendors. Out of those, 49 were small business and 186 were very small businesses.
- Total utilization for the period of January 1, 2003 – December 31, 2003 is as follows:
 - 54 percent of procurement dollars issued to small business and very small businesses
 - 59 percent of total number of purchase orders and contracts issued to small business and very small businesses
- Total utilization for the period of January 1, 2002 – December 31, 2002 was as follows:
 - 47 percent of procurement dollars were issued to small businesses and very small businesses
 - 52 percent of the total number of purchase orders and contracts were issued to small businesses and very small businesses

This year's results are slightly higher than last year's results. The overall results for both years continue to exceed our original goal of 30percent utilization for small businesses with a sub-set of 15 percent utilization for very small businesses.

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

PLANS FOR 2004

- 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 2004.
- Conduct additional staff training as needed throughout the year.
- Continue to expand the VSPS database and enhance the reporting capabilities.
- Continue to maintain utilization records of small business and very small businesses to match or exceed our current goals.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency and
Housing Authority of the City of Sacramento
March 17, 2004
Page 4

Overall, staff's goal for 2004 is to continue to increase the outreach to small business 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 report is for information only regarding an existing program, so no environmental review is required.

M/WBE CONSIDERATIONS

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

Respectfully submitted,


ANNE M. MOORE
Executive Director

Transmittal Approved,

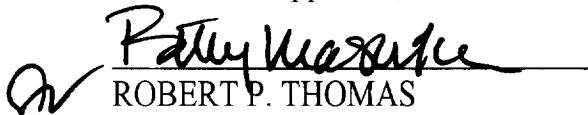

ROBERT P. THOMAS
City Manager

TABLE OF CONTENTS:

- 1) Attachment I -page 5

Attachment I

Small and Very Small Business Enterprise Utilization - 2003				
Construction				
<i>Type of Business</i>	<i>Total Dollars Issued</i>	<i>Percent of Dollars Issued</i>	<i>Number of Purchase Orders/Contracts Issued</i>	<i>Percent of Purchase Orders/Contracts Issued</i>
Very Small Business Enterprise	4,585,196.51	52.4	2,335	73.0
Small Business Enterprise	589,769.07	6.7	291	9.1
All other Business Enterprise	3,583,681.56	40.9	574	17.9
Totals	8,758,647.14	100.0	3,200	100.0
Professional Services				
<i>Type of Business</i>	<i>Total Dollars Issued</i>	<i>Percent of Dollars Issued</i>	<i>Number of Purchase Orders/Contracts Issued</i>	<i>Percent of Purchase Orders/Contracts Issued</i>
Very Small Business Enterprise	1,760,216.85	33.1	515	34.3
Small Business Enterprise	1,141,760.29	21.5	17	1.1
All other Business Enterprise	2,410,539.45	45.4	969	64.6
Totals	5,312,516.59	100.0	1,501	100.0
Non-Professional Services				
<i>Type of Business</i>	<i>Total Dollars Issued</i>	<i>Percent of Dollars Issued</i>	<i>Number of Purchase Orders/Contracts Issued</i>	<i>Percent of Purchase Orders/Contracts Issued</i>
Very Small Business Enterprise	1,203,694.39	41.2	1,029	40.2
Small Business Enterprise	346,581.00	11.9	473	18.5
All other Business Enterprise	1,373,594.27	47.0	1,060	41.4
Totals	2,923,869.66	100.0	2,562	100.0
Material and Supplies				
<i>Type of Business</i>	<i>Total Dollars Issued</i>	<i>Percent of Dollars Issued</i>	<i>Number of Purchase Orders/Contracts Issued</i>	<i>Percent of Purchase Orders/Contracts Issued</i>
Very Small Business Enterprise	144,383.79	11.1	201	16.3
Small Business Enterprise	207,680.21	16.0	167	13.5
All other Business Enterprise	944,742.61	72.9	865	70.2
Totals	1,296,806.61	100.0	1,233	100.0
Multiple Classification Services				
<i>Type of Business</i>	<i>Total Dollars Issued</i>	<i>Percent of Dollars Issued</i>	<i>Number of Purchase Orders/Contracts Issued</i>	<i>Percent of Purchase Orders/Contracts Issued</i>
Very Small Business Enterprise	9,762.87	31.4	15	8.4
Small Business Enterprise	164.27	0.5	5	2.8
All other Business Enterprise	21,124.76	68.0	158	88.8
Totals	31,051.90	100.0	178	100.0
TOTALS				
<i>Totals</i>	<i>Total Dollars Issued FY2002</i>	<i>Total Percent of Dollars Issued</i>	<i>Total Number of Purchase Orders/Contracts Issued</i>	<i>Total Percent of Purchase Orders/Contracts Issued</i>
Very Small Business Enterprise	7,703,254.41	42.0	4,095	47.2
Small Business Enterprise	2,285,954.84	12.5	953	11.0
All other Business Enterprise	8,333,682.65	45.5	3,626	41.8
Totals	18,322,891.90	100.0	8,674	100.0