

COUNTY OF SAN MATEO

Inter-Departmental Correspondence

Date: October 15, 2001

Board Meeting Date: October 30, 2001

TO: Honorable Board of Supervisors
FROM: Neil R. Cullen, Director of Public Works
SUBJECT: **Disadvantaged Business Enterprise Program**

RECOMMENDATION

Adopt a resolution approving the Disadvantaged Business Enterprise Program Annual Overall Goal for Federal Fiscal Year 2002.

Previous Board Action

Adopted Resolution No. 64159 on December 19, 2000, approving the Disadvantaged Business Enterprise Program for Federal Fiscal Year 2001.

Key Facts

1. All agencies wishing to receive Federal-aid transportation funds through the State of California, Department of Transportation must have a Disadvantaged Business Enterprise (DBE) Program in accordance with Title 49 of the Code of Federal Regulations (CFR), Part 26, beginning with Federal Fiscal Year 2001.
2. New Program goals must be established for each Federal fiscal year.
3. The County's draft DBE Program for Federal Fiscal Year 2002 has been approved by the State of California, Department of Transportation (DOT), Office of Local Programs. A public notice was published on August 28, 2001, setting a document review period of 30 days and a public comment period of 45 days from the date of publication. No comments have been received.
4. The approved DBE program will remain in effect until Federal Fiscal Year 2002/2003 (begins October 1, 2002).

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Discussion

Title 49 of the CFR, Part 26, seeks to achieve several objectives to:

- a) ensure nondiscrimination in the award and administration of DOT-assisted contracts in an agency's highway, transit, and airport financial assistance programs;
- b) create a level playing field on which DBE's can compete fairly for DOT-assisted contracts;
- c) ensure that the agency's DBE program is narrowly tailored in accordance with applicable law;
- d) ensure that only firms that fully meet the eligibility standards are permitted to participate as DBE's;
- e) help remove barriers to the participation of DBE's in DOT -assisted contracts;
- f) assist the development of firms that can compete successfully in the market place outside the DBE program; and
- g) provide appropriate flexibility to recipients of Federal financial assistance in establishing and providing opportunities for DBEs.

The goal of the County's DBE Program for Federal Fiscal Year 2002 is to provide 6.2% of federally financed contracts to DBE contractors. DBE contractors are defined as for-profit small business concerns that are at least 51% owned and controlled by one or more socially and economically disadvantaged individuals. The management and daily business operations must also be controlled by one or more such individuals. These individuals must be citizens of the United States and (1) any individual who a recipient finds to be a socially and economically disadvantaged by the Small Business Administration.

The specific program is "exempted" from the provisions of Proposition 209 (California Constitution, Article 1, Section 31) as being an "action...taken to establish or maintain eligibility for any federal program, where ineligibility would result in loss of federal funds to the State".

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Fiscal Impact

There is no direct fiscal impact to the General Fund or any other funds of the County. However, a DBE Program must be in place if the County is to receive Federal-aid transportation funds.

A form of resolution has been approved by County Counsel.



Neil R. Cullen
Director of Public Works

NRC:GJR:sdd

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File No.: F-251 (A)

cc: Milt Mares, County Counsel
Brian C. Lee, P.E., Division Manager, Programs and Engineering Services
Bruce E. Kirk, Principal Civil Engineer, Project Development and Design
Geoffrey C. Kline, Transportation Systems Coordinator
Donna Vaillancourt, Management Services Division Manager
Gail Radcliffe, Contract Administrator

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM FOR SAN MATEO COUNTY DEPARTMENT OF PUBLIC WORKS

ANNUAL OVERALL GOAL 2001/2002

The amount of overall goal, methodology, breakout of estimated race-neutral and race-conscious participation, and any DBE program updates are presented herein in accordance with Title 49 of the Code of Federal Regulations Part 26, and as described in the *Local Assistance Procedures Manual*.

The County of San Mateo California submits our annual overall goal information and notice of change of DBE Liaison Officer for your review and comment. We have established an annual overall DBE goal of 6.2% for the Federal Fiscal Year 2001/2002, beginning on October 1, 2001 and ending on September 30, 2002.

Methodology

Data for eight federal funded projects was used in the development of the DBE goal. The main categories of work (by Work Category Code [WCC]) for each of the eight projects were defined and assigned % of total project work. The total DBEs (by WCC) defined as willing to work either in San Mateo County or statewide were compared to the total available contractors (by North American Industrial Classification System code [NAICS]) for each of the eight projects. This data was then refined to more closely represent the geographic areas (eight counties – Alameda, Contra Costa, Merced, San Francisco, San Joaquin, San Mateo, Santa Clara and Stanislaus) of sub-contractors on federal funded projects over the last two and one-half years (no projects completed to date in 2001 to be included in computation) years. These steps resulted in a base goal of 6.2%. Upon establishing the base goal, actual data for the most recent four federal funded projects was reviewed regarding DBE participation – with an overall DBE participation of 6.05%. The impact of this final analysis resulted in no adjustment to the base goal of 6.2% for the DBE participation in San Mateo County, Department of Public Works' DOT- assisted contracts projected to be expended in FY 2001/2002.

Breakout of Estimated Race-Neutral and Race-Conscious Participation

In the past, San Mateo County Department of Public Works has not utilized specific contract goals. Historical data from the last two and one-half (no projects completed to date in 2001 to be included in computation) years has shown a DBE participation of 6.05% which has been achieved through only

race-neutral methods. Therefore, San Mateo County Department of Public Works plans to achieve the 6.2% DBE goal utilizing the following Race-Neutral methods:

1. Providing information and communications programs on contracting procedures and specific contract opportunities (e.g.: utilizing our website and brochures to distribute DBE program information and contract opportunities).
2. Ensuring the distribution of the DBE directory through print means (e.g.: making the DBE directory available for reference to potential prime contractors at the San Mateo County Department of Public Works main office).
3. Arranging solicitation, times for the presentation of bids, quantities, specifications, and delivery schedule in ways that facilitate DBE and other small business participation within guidelines of County policy and State bidding requirements (e.g.: unbundling large contracts to make them more accessible to small businesses and encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces).

DBE Program Updates

San Mateo County Department of Public Works has designated the following individual as the DBE Liaison Officer: Gail Radcliffe, 555 County Center 5th Floor, Redwood City, CA 94063, (650) 599-1426 gradcliffe@co.sanmateo.ca.us. In that capacity, Gail Radcliffe is responsible for implementing all aspects of the DBE program and ensuring that the San Mateo County Department of Public Works complies with all provisions of 49 CFR Part 26. This is available on the Internet at osdbuweb.dot.gov/business/dbe. Gail Radcliffe has direct, independent access to the President of the Board of Supervisors concerning DBE program matters. The DBELO has the assistance of two professional employees who devote a portion of their time to the program.

Public Notice Comments

A public notice was published on August 28, 2001 in the San Mateo County Times. No comments were received during the 45-day comment period.

DBE Liaison Officer

Date

Resolution No. _____

Board of Supervisors, County of San Mateo, State of California

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**Resolution Approving the Disadvantaged Business Enterprise Program
for Federal Fiscal Year 2002**

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, all agencies receiving Federal-aid transportation funds (through State of California, Department of Transportation (DOT)-assisted contracts) must implement a Disadvantaged Business Enterprise (DBE) Program in accordance with Title 49 of the Code of Federal Regulations (CFR), Part 26; and

WHEREAS, there has been presented to this Board of Supervisors for its consideration and approval the Disadvantaged Business Enterprise Program; and

WHEREAS, this Board has examined this Disadvantaged Business Enterprise Program and considered said Program as to both form and content.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Disadvantaged Business Enterprise Program for Federal Fiscal Year 2002 is approved.

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DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM FOR SAN MATEO COUNTY DEPARTMENT OF PUBLIC WORKS

ANNUAL OVERALL GOAL 2001/2002

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