

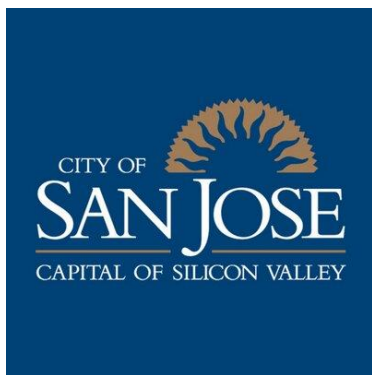


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## **2018 CITY OF SAN JOSE SMALL BUSINESS OPPORTUNITY AND INCLUSION PROJECT Summary Report – Service Order (#2)**



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## **CITY OF SAN JOSÉ SUMMARY REPORT.**

### **Small Business Opportunity and Inclusion Project**

### **Environmental Assessment and Scoping**

The City of San José is working to expand opportunities for diverse businesses in its contracting. The City engaged Keen Independent Research/Milagro Marketing Joint Venture and Silvy Group to help improve these efforts. The Keen Independent Research/Milagro Marketing study team is joined by subconsultants Rosales Law Partners and A Squared Ventures (A<sup>2</sup>V). (See Appendix A for more information about the study team.)

As occurred with other local governments in California, the City of San José's program to encourage minority- and women-owned business participation in its contracts was negatively affected by Article I, Section 31 of the California Constitution, enacted by Proposition 209. The City's MBE/WBE Program was struck down in 2000 in *Hi-Voltage Wire Works, Inc. v City of San José*.

In 2004, the City adopted a Local and Small Business Preference Ordinance pertaining to goods and services. Based on the 2015 Report to the Community & Economic Development Committee, it has been somewhat effective in expanding opportunities for local businesses in goods and services, with some positive effect on small businesses. No preference programs apply to locally-funded construction contracts, and it is unclear whether the program expands opportunity for small, local subcontractors or subconsultants. Outreach efforts are somewhat limited. To expand participation of underrepresented firms in its contracts, the City seeks improvements to these efforts and extension of programs to its construction contracts, including for the Airport.

The City currently devotes relatively little staff time and other resources to operate its LBE and SBE programs. The City largely relies on firms seeking benefits from the program to honestly report local and small business status. According to City staff, this can lead to program abuse.

This phase of the study, Service Order #2, is the environmental assessment and scoping portion of the larger San José Small Business Opportunity and Inclusion Project. Its four objectives are to:

- Identify current practices, constraints and opportunities concerning City of San José procurement and inclusion of small business and minority- and women-owned companies;
- Perform a preliminary scan of the external business environment in which the City operates;
- Synthesize and report results of this phase to City staff and City Council; and
- Develop recommendations for direction in follow-up phases.

## **Organization of the Report**

In this assessment, the study team provides options for potential initiatives that will promote use of minority- and women-owned businesses and other small businesses as prime contractors, vendors and subcontractors. This report sets the stage for the next Service Orders to further explore and possibly create new outreach and inclusion initiatives for the City.

Six appendices are attached to the Summary Report:

- A. Study Team;
- B. Workscope for Service Order (#2);
- C. Preliminary Internal Environmental Scan;
- D. Preliminary External Scan;
- E. Analysis of Proposed Capital Improvement Program Projects; and
- F. Recommendations for Outreach and Communications.

The appendices give insights on what the study team learned so far from preliminary internal and external environmental scans.

## **Evaluation of Potential Small Business Initiatives**

The study team explored ways the City might expand opportunities for small and underutilized businesses to perform locally-funded contracts and subcontracts, including for the Airport. The analysis focuses on identifying whether or not such initiatives are possible in order to develop a smaller set of programs for further research. Many of these options, if workable, could be implemented together.

Key questions included whether the City could:

1. Set SBE contract participation goals on locally-funded City contracts?
2. Extend its local or small business preference program that it has for non-construction contracts to public works contracts?
3. Implement an economically disadvantaged business program?
4. Implement an MBE/WBE/OBE contract goals program?
5. Change any of its thresholds for requiring bonding, prevailing wage, etc. on its small construction contracts?
6. Operate a sheltered market program for SBEs for small purchases?
7. Operate a working capital program that would assist small businesses on City prime contracts or subcontracts?
8. Change its eligibility criteria under its current Local and Small Business Preference Program?

9. Use other methods to further open procurement opportunities and increase the transparency of awards?
10. Reach out to local small businesses to directly inform them of bidding opportunities and expand education and training?

Initial conclusions follow.

**1. Can the City set SBE contract participation goals on locally-funded contracts, including those awarded by the Airport?** Yes. Current law appears to allow a race- and gender- neutral subcontract goals program, including those subject to a lowest responsible bidder standard. Under such a program, the City would set an SBE goal for a contract and require bidders and proposers to either meet that goal or demonstrate that they made good faith efforts to meet the goal.

The City could implement such a program for construction, professional services and other types of contracts that involve subcontract opportunities. It would set SBE goals on a contract by contract basis, and not set a goal when there were no subcontracting opportunities. City staff could reject bids or proposals that did not comply with the program. Staff would then monitor compliance to ensure that goals were met during the performance of the contract.

The City's program might be similar to the Federal DBE Program, except that eligibility for the program would not be based on race or gender. Programs that provide preferences to companies based on size of the business can be subject to legal challenge, but the City would only need to show a rational basis for such a program to survive such a challenge (the most easily met standard of legal review).

Discussions with City departments indicated that such a program was administratively feasible. However, such a program might require additional resources to review eligibility of the SBE participants and monitor prime contractor compliance with the program. It might also require formal certification of SBEs, either through the City or other entities such as the State.

And, effective subcontract goals programs require agency monitoring of whether the listed subcontractors are actually used on the contract (similar to contract compliance for contracts with DBE goals).

If the City chooses to set SBE contract participation goals on locally-funded contracts, the City may need to consider amending the City Charter.

**2. Can the City extend its local or small business preference program that it has for non-construction contracts to public works contracts?** The City's Local and Small Business Preference Ordinance is currently limited to goods and services contracts. However, it appears that the City could expand the program to small construction contracts.

For public works contracts under \$100,000, the Charter would not prohibit the City Council from enacting an ordinance that extends the City's current LBE and SBE program to public works contracts. However, public works contracts over \$100,000 must be awarded to the lowest responsible bidder and might preclude applying a local or small business preference. Increasing this dollar limit

would require an amendment to the Charter, which the City could consider pursuing (requires voter approval).

Note that local and small business preferences can be subject to legal challenge beyond whether they are allowable under a city's charter or municipal code.

**3. Can the City consider an economically disadvantaged business program (either preferences for primes or goals for subs)?** Some cities enact assistance programs that focus on businesses owned by economically disadvantaged individuals. Under such a program, not every small business would be eligible (high-wealth business owners would be excluded, for example). These programs could include preferences for bidders and proposers and subcontract goals, as described above.

Under such a program, white male business owners who demonstrate economic disadvantage would be eligible along with minority or female business owners who showed economic disadvantage. Certification would be very similar to that under the Federal Disadvantaged Business Enterprise (DBE), except that applicants would not need to show social disadvantage. The program would be open to white male-, minority- and women-owned businesses. Because firms certified as DBEs would automatically meet the certification criteria, the City would need to create a certification process for white male-owned companies.

**4. Can the City consider an MBE/WBE/OBE contract goals program?** Until 2011, the City of Los Angeles operated a subcontractor outreach program that required bidders to show a good faith outreach effort by contractors, suppliers and vendors to subcontract with:

- Minority business enterprises (MBEs, which must be certified as such);
- Women business enterprises (WBEs, which must be certified); and
- Other business enterprises (OBEs, which are firms that are not MBE/WBEs and does not require certification).

Under the MBE/WBE/OBE Subcontractor Outreach Program, the City of Los Angeles could set anticipated levels of participation for MBEs, WBEs and OBEs on contracts above \$100,000. When Domar Electric, Inc. challenged the City of Los Angeles Program, it was upheld by the California Court of Appeal and the California Supreme Court.

In 2011, the MBE/WBE/OBE Subcontractor Outreach Program was replaced with the Business Inclusion Program (BIS). The BIS was implemented to broaden the scope of the subcontractor outreach program to include SBEs, Emerging Business Enterprises and Disabled Veteran Business Enterprises (DVBE).

City of Los Angeles Staff indicate that the MBE/WBE/OBE Subcontract Outreach Program was successful. After program implementation, the City of Los Angeles experienced a large increase in MBE and WBE participation in City contracts. According to City of Los Angeles staff, prior to program implementation, prime contractors made minimal efforts to include MBEs and WBEs as subcontractors.

It appears that the City of San José could operate a similar program.

**5. Can the City change any of its thresholds for requiring bonding or prevailing wage on its construction contracts?** Beyond specific programs to provide preferences or set goals for small business participation, the City might consider ways to remove barriers to small business bidders. Bonding requirements can be a barrier to small businesses bidding on public sector construction contracts. Requirements to pay prevailing wages may also make small businesses less cost-competitive on these bids. Analysis of bonding and prevailing wage requirements follows:

- **Bonding.** The City requires a payment and performance bond for any public works project over \$25,000. It does not appear possible to increase the threshold for payment bonds, but the City might implement a bonding assistance program to help small, emerging prime contractors on its projects.
- **Prevailing wages.** The City cannot pay less than prevailing wage on public works contracts valued more than \$1,000. As of January 2015, a charter city cannot receive or use state funding on public works contracts if it opts out of statutes regarding prevailing wages.

The City of San José has a prevailing wage ordinance which requires compliance with the state prevailing wage law. Although it may modify this ordinance for SBEs, there is a risk of losing state funding.

**6. Can the City operate a sheltered market program for SBEs for small purchases?** The City could restrict bidding to small businesses for locally-funded procurements under certain size thresholds. These types of programs are commonly known as sheltered market programs or set-aside programs. Such a program could not provide preferences based on race or gender of the business owner.

It appears that a sheltered market program could apply to purchases of \$100,000 or less based on review of the Municipal Code. The City currently awards some small procurements or “minor” contracts through limited competition, especially when there appears to be a sufficient number of bidders for those procurements. The City could focus this procurement method for local small businesses.

Typically, sheltered market programs designate certain projects in a certain price range to be bid by program participants. For example, the City of Portland, Oregon has a Prime Contractor Development Program (PCDP) where projects from five thousand dollars to \$0.5 million are bid by PCDP participants.

Several California local governments have implemented such programs. The City of San Francisco has a “Micro Set-Aside Program” whereby smaller contracts are reserved for bids solely from small, local firms certified under the City’s program. The City of San Diego has a Small Local Business Enterprise Program that allows bidding restrictions to eligible firms.

**7. Could the City operate a working capital program that would assist small businesses that receive City prime contracts or subcontracts?** The City might implement a working capital program to assist small businesses, provided there is no preference for MBEs/WBEs. There are

several models for such efforts, including working with financial institutions to provide working capital loans for companies receiving City contracts. Options might include:

- Programs that provide contingent financing commitments that allow successful bidders to receive working capital loans upon award;
- Vendor guarantee programs where the supplier used by the successful bidder relies on the credit and guarantee of the financial institution for payment of goods; and
- Purchase order financing where the financial institution pays the supplier directly for goods that have been ordered to fulfill a job, or opens up a line of credit with the supplier.

Initially, the City would work with the financial institution(s) to establish program requirements. Once the program requirements are established, there would be minimal work for the City outside of program advertisement and directing firm owners to those financial institutions participating in the program.

The Wisconsin Department of Transportation's (WisDOT) DBE Mobilization Loan Guaranty Program is designed to help disadvantaged businesses obtain working capital to participate in transportation-related construction prime or subcontracts with WisDOT. Loan proceeds are used as working capital and cannot exceed 50 percent of contract amount.

With help from nonprofit business support organizations, the City of New Orleans, Louisiana created the BuildNOLA Mobilization Fund to help local small and disadvantaged businesses compete for public and private contracts.

**8. Could the City change its eligibility criteria under its current Local and Small Business Preference Program?** The City operates two related preferences for firms bidding or proposing on the City's non-construction contracts: the local business preference and the local small business preference.

- To obtain the local SBE preference, a business must have no more than 35 employees. The company must also qualify as a local business enterprise (LBE), which means that it must have a current San José Business Tax Certificate Number and an office in Santa Clara County with at least one employee.
- Keen Independent's investigation did not identify any background on why the City chose 35 employees as its definition of a small business. The state and federal governments use definitions that are considerably larger, and some government agencies focus programs on "micro businesses," which are smaller. The City's size standard does not vary by industry as it does for the federal definition of small business.
- The City also might simplify its ordinance to be just a local small business program or similar program without a parallel LBE program. Interviews with City staff indicated that LBE preferences often go to large businesses (which is 2.5% for price-based



awards and 5% on points-based procurements). Also, local business preferences, without a legal basis, can be challenged in court.

- In addition, the City might consider size definitions that match other local, state or federal government certifications, which might eliminate or reduce the need for the City to develop its own certification process.

The City does not currently track and report the impact of the program, the size of firms obtaining the LBE preferences, how often the preferences affect who obtains a contract, the cost of the program to the City, and whether “local” preferences go to national firms that have small local offices. Keen Independent’s review of a cross-section of City public works contracts since 2012 suggests that more contracts go to prime contractors based outside of Santa Clara County than go to locally-focused companies. Improving its information about the impact of its current programs might be an immediate action item for the City.

**9. Can the City use other methods to further open procurement opportunities and increase the transparency of awards?** Keen Independent’s review of City procurements and the BidSync system in place at the time of this study identified potential improvements to the ease of learning about opportunities, identifying winning bidders and proposers, and understanding why they were chosen.

- Although the BidSync system may not be difficult to access for companies familiar with similar systems, it might be a barrier for those that have not regularly used electronic notification and bidding platforms. (For example, there is a live chat option to assist new users, but it might not immediately appear on the webpage.)
- A potential bidder can view general information about bids by going to the City’s Procurement website, but it cannot download the bid packet without registering on BidSync.
- BidSync and similar systems often provide an opportunity to identify the firm that won a procurement, the bid tabs or evaluation scores for the procurement, and even line item details for bids. However, the City had not posted that level of detailed information for most procurements based on Keen Independent’s review in early 2018.

Full use of systems such as BidSync can increase the transparency of City procurement. However, the City will need to provide education and training about the use of these tools to ensure that they do not present a barrier for small businesses to learn about procurement opportunities.

**10. Could the City reach out directly to local small businesses to inform them of bidding opportunities and expand education and training?** There is no prohibition against providing more information to individual local small business about City contract and subcontract opportunities if the City also publicly advertises its procurements when required.

However, City staff report that they do not currently have information about local small businesses available for the specific goods, services and construction needed by the City.

The study team also identified limited knowledge of City contracting and procurement among many of the local chambers and other trade associations. They are less able to assist their members in accessing City procurement opportunities if they are not aware of the breadth of these opportunities and how businesses can access City procurement.

There are many avenues for short-term improvements in the accessibility to City contracting and the number of local small businesses involved in those contracts.

- The City might explore community networking efforts for contractors and other businesses that have proven effective in communities such as San Diego and San Francisco. Often this is done through partnerships with other local groups with ties to individual businesses.
- The City sometimes holds pre-bid and pre-proposal conferences, but staff reported that these meetings are designed more to answer questions than to provide opportunities for potential subcontractors to meet prime contractors. It could consider adding this feature to the meetings or holding separate meet-and-greet events for primes, subs and suppliers when it releases its requests for bids on large projects or announces plans for a series of contracts related to wastewater treatment, opportunities at the airport or other areas of contracting.
- As the City documents the companies that hold local business licenses, the City could directly reach out to those businesses to identify firms that might be interested in City procurement and build information about the goods, services and construction provided by those companies. It could also encourage those companies to register on BidSync or other procurement systems used by the City. There are many other methods for outreach as well.
- There are additional efforts the City can take to further build the pool of small local contractors and other businesses. This might include expanding education programs including workshops, courses and on-line tutorials.

The City might also update its LBE and SBE directories. During meetings that were held between Keen Independent and City staff in late 2017, several City staff expressed the desire to have updated LBE and SBE directories with current and relevant information. These directories have not been recently updated and, as a result, the City does not have accurate and up-to-date information for LBEs and SBEs. Updated LBE and SBE directories would help the City to disseminate information about City procurement programs and opportunities to local companies and small businesses.

## Options for City Consideration

This report focuses on whether or not a program or initiative is currently possible. Further research might consider which program or initiative might be most effective in light of any additional costs borne by the City. The City might provide direction on the following questions to refine the programs to be more fully explored in the next phase of the research. Should the City:

- Continue a preference program for bidders and proposers meeting eligibility criteria (some version of its current Local and Small Business Preference ordinance)?
- Extend the preference program to bidders on construction contracts (which would require a change to the City Charter)?
- Assist small subcontractors by setting SBE goals on certain contracts?
- Only accept bids or proposals from eligible small businesses for some small contracts (sheltered market program)?

Each of the above program elements can be operated alone or in combination.

If the answer to any of the above questions is “yes,” then the City must consider eligibility criteria and how it might ensure that program benefits are restricted to eligible firms. Because a formal certification program would require new staff positions, the City might benefit from aligning program eligibility with others’ programs (economic disadvantage under the Federal DBE Program or small business under the State of California program). The City would need to consider whether to continue the local portion of the existing program, incorporate it into a combined local small business program, or discontinue any local preference.

In addition to preference and goals programs, the City might seek ways to remove barriers to small business participation in its procurement, including bonding assistance and working capital programs. It could also work to expand awareness of bid opportunities and simplify bidding processes. Each of these initiatives could take place in conjunction with the small business programs discussed above.

## Conclusions

The City’s current Local and Small Business Preference Ordinance has operated relatively unchanged since its adoption in 2004. It is opportune for the City to consider changes to this program and other efforts to build linkages to its local small business community.

The next phases of the study should include obtaining City feedback on these potential initiatives, deciding which initiatives to further investigate, and soliciting input and additional ideas from businesses, trade associations and chambers, and other interested groups.

## **APPENDIX A.**

### **Study Team**

The City of San José is working to expand opportunities for diverse businesses in its contracts. The City of San José engaged the Keen Independent Research/Milagro Marketing Joint Venture (Keen Independent/Milagro) to help improve these efforts. The City separately engaged Silvy Group to work in concert with Keen/Milagro to facilitate short-term and long-term initiatives.

#### **Keen Independent Research/Milagro Marketing Joint Venture**

The study team has performed similar assignments for other local governments, and already has experience with many components of the proposed work for the City. David Keen and Annette Humm Keen, Principals of Keen Independent and David Ocampo, the Principal of San José-based Milagro Marketing, are leading this effort.

The Keen Independent Research/Milagro Marketing Joint Venture is joined by subconsultants Rosales Law Partners of San Francisco and A Squared Ventures (A<sup>2</sup>V) of Oakland.

Team responsibilities include long-term, defensible program recommendations, community outreach and implementation of new long-term opportunity and inclusion initiatives for small and underutilized businesses in contract participation on locally-funded City contracts, including those awarded by the Airport.

**Keen Independent and Milagro Marketing.** Keen Independent and Milagro Marketing have conducted extensive research with Santa Clara County minority- and women-owned businesses and other small businesses and, based on results, developed new processes and programs for the City that assist MBEs, WBEs and other small businesses. For example, Keen Independent/Milagro created the “Your Business Coaching Center,” the small business portal for the City. David Keen and Annette Humm Keen have conducted small business research for the City over the past 13 years.

Keen Independent has national small business and MBE/WBE program experience. Mr. Keen has designed a number of SBE programs for local governments that had discontinued MBE/WBE programs. He worked with Mara Rosales of Rosales Law Partners to successfully defend the Caltrans DBE Program against legal challenge.

**Rosales Law Partners LLP.** While a San Francisco Deputy City Attorney, study team member Mara Rosales of Rosales Law Partners created the original (1984) San Francisco Local Business Enterprise (LBE) program. In 1989, this program was amended and limited to small businesses.

**A Squared Ventures(A<sup>2</sup>V).** A<sup>2</sup>V, an Oakland-based firm, has an 18-year history of SLBE, MWBE and veteran-owned business outreach and compliance review. A<sup>2</sup>V implements policies that assist the larger contracting community to converge with minority, woman, disadvantaged, local and small business in municipal and private procurement opportunities.

## **Silvy Group**

Bob Silvas, President of Silvy Group, a Chula Vista-based firm, founded the company after 23 years with the San Diego County Regional Airport Authority (SDCRAA) and San Diego Unified Port District. While at SDCRAA, Mr. Silvas implemented a successful inclusion program for small and local businesses demonstrated by strong participation in recent airport expansion projects.

In concert with the Keen Independent/Milagro study team, Silvy Group focus on short-term initiatives for opportunity and inclusion of small and underutilized businesses in contract participation on locally-funded City contracts, including those awarded by the Airport.

## **APPENDIX B.**

### **Workscope for Keen Independent/Milagro Marketing Service Order (#2)**

Annette Humm Keen of the Keen Independent Research/Milagro Marketing Joint Venture presented the proposed workscope for this project phase in-person to the Community and Economic Development (CED) Committee in June 2017. In their absence, Silvy Group prepared a video presentation for the Committee's viewing. At the June meeting, the Committee made the decision to move forward with the proposed workscope beginning with internal and external environmental scans and recommendations for the next implementation phases.

#### **Project Objectives**

This Service Order (#2) is the environmental assessment and scoping phase of the larger San José Small Business Opportunity and Inclusion Project. The four primary objectives are to:

- Identify current practices, constraints and opportunities concerning City of San José procurement and small business/MBE/WBE/DBE inclusion;
- Perform a preliminary scan of the external business environment in which the City operates and get input from key City staff;
- Synthesize and report results to City staff and City Council; and
- Develop recommendations for direction and implementation for Service Order (#3).

The overarching goal of the project is to be inclusive of a broad group of internal and external stakeholders.

#### **Task List**

A list of tasks follows. Combined, the Keen Independent/Milagro team performed 16 tasks in coordination with Silvy Group.

1. Held project kick-off meeting (via conference call) and performed ongoing coordination (in association with Silvy Group).
2. Identified City goals and objectives for the Project and inventoried City processes for further examination (in association with Silvy Group).
3. Performed initial research on legal issues, operational components, responsibilities and tracking/metrics concerning City procurement, programs and reporting.
4. Identified internal stakeholders (with Silvy Group assistance).

5. Identified a preliminary cross-section of companies currently and potentially engaged as vendors, primes and subs in City procurement.
6. Identified a preliminary list of other external stakeholders (primarily a Silvy Group task).
7. Developed an overview of best practices for communications (with Silvy Group assistance).
8. Researched local contracting environment and potential industry partners (primarily a Silvy Group task).
9. Inventoried past/existing initiatives and programs, assessed relative success (primarily a Silvy Group task).
10. Reviewed schedule for significant future procurement opportunities.
11. Identified perceived barriers to procurement opportunities among local businesses and partners (primarily a Silvy Group task).
12. Prepared draft report and present preliminary results concerning internal environmental scan and assessment.
13. Prepared draft report and presented preliminary results concerning external environmental scan and assessment (primarily a Silvy Group task).
14. Combined results to summarize current barriers and opportunities and identified potential options (in association with Silvy Group).
15. Will present results to City and CED to obtain feedback on direction for next project phase (in association with Silvy Group).
16. Made recommendations for scopes of work for next project phase (in association with Silvy Group).

Keen Independent prepared a Summary Report and appendices to provide directions for short- and long-term opportunity and inclusion initiatives for small and underutilized businesses in contract participation on locally-funded City contracts, including those awarded by the Airport.

## APPENDIX C.

### Preliminary Internal Environmental Scan

Keen Independent and the Silvy Group each met with City staff from a number of departments. Together the team gathered relevant information from Finance/Purchasing, Public Works, the Airport, the City Attorney's Office, Office of Economic Development, Office of Equality Assurance and others. Overall, these meetings provided insights into what is known, what research is still needed and direction for the next phases.

#### Current Conditions

The study team gathered information from City staff on current conditions including:

- City charter and public works contracts;
- Procurements delivered through purchasing;
- Local (LBE) and small business (SBE) preference programs; and
- Federal Disadvantaged Business Enterprise (DBE) Program and Airport Concession Disadvantaged Business Enterprise Program (ACDBE) operations.

**City Charter and Public Works Contracts.** City contracts are separated by dollar amount.

- The City Charter separates public works contracts at or below \$100,000 from those above \$100,000.
- The City must publicly bid contracts above \$100,000 and award them to the lowest responsive, responsible bidder. At the time of this research, the City was using "BidSync," a public sector bid database, to publicly advertise its Request for Bids (RFBs).
- Contracts of \$100,000 and below (also called minor contracts) can be awarded through informal bidding processes.
- Public Works might be seeking a charter change that would increase the threshold from \$100,000 to perhaps \$500,000. (For example, San Francisco's threshold is currently \$600,000.) The City might go for a vote related to a charter change in 2018.

Public Works typically administers larger local procurements for the Department of Transportation (DOT), including its engineering master contracts. It serves as the project manager for Environmental Services Department contracts, including the Department's 60-year wastewater treatment plant overhaul capital improvements project (<http://www.sanjoseca.gov/index.aspx?NID=1665>). Additionally, Public Works staff in place at the Airport's Planning and Development Department are responsible for project management of large construction contracts.



**Procurements delivered through Purchasing.** Municipal Code 4.12 outlines responsibilities of Purchasing. The Purchasing Division procures supplies, materials, equipment and information technology across the City, as well as some professional services. Purchasing also provides some guidance for other departments making professional services procurements. (Consultant contracting has always been decentralized.) Purchasing also awards some repair services.

Purchasing's involvement typically ends at contract award, with end users handling supplier management.

The Purchasing Department posts notices of its procurement opportunities through BidSync. Procurements above \$120,000 are formally bid with a typical 30-day response period (or a minimum of ten days).

**Local (LBE) and small business (SBE) preference programs.** The City's local (LBE) and small business (SBE) preferences do not apply to public works contracts at the City. (By charter, the City awards public works contracts to the lowest responsive, responsible bidder.) The Office of Equality Assurance (OEA) oversees the local and small business preference programs.<sup>1</sup> To qualify:

- For LBE preference (2.5% on price-based or 5% points-based procurements), the supplier must have a current San José Business Tax Certificate Number and an office in Santa Clara County with at least one employee. (Several departments reported that their LBE participation is largely from large local businesses, for example, for City landscape maintenance.)
- For SBE preference (2.5% for low bid or 5% for "best value" contracts), suppliers must first qualify as an LBE and, additionally, have 35 or fewer employees (regardless of where they reside). Keen Independent did not identify any background information about the City's decision to limit an SBE to 35 or fewer employees.

**Federal Disadvantaged Business Enterprise (DBE) Program and Airport Concession Disadvantaged Business Enterprise Program (ACDBE).** Airport staff indicated that the department operates the Federal DBE Program on a race-neutral basis for FAA-funded contracts at the Airport.

The Airport reported to have been recently meeting an overall annual DBE goal of 6.3 percent. A new overall DBE goal must be submitted to FAA in 2019.

The Airport's operation of the ACDBE Program is also neutral. (There are currently four prime concessionaires at the Airport.)

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<sup>1</sup> <http://www.sanjoseca.gov/index.aspx?NID=4462>

## Outreach Methods

The study team asked each participating department to describe their types and levels of outreach to minority- and women-owned businesses and other small businesses.

- Few reported “unbundling” contracts to encourage SBEs, and small and underutilized business participation. Breaking contracts into smaller components was reported to increase cost and tax project management resources.
- The Airport maintains a list of interested firms and advertises its RFBs on BidSync. Once posted they might also email or call potential vendors and post the request for bids on multiple sites such as FAA, ACI, chambers and AMAC, or use The Blue Book Network, an industry source for bid leads. For smaller projects, the Airport defaults to the DBE list.
- Most relied solely on OEA or OEA’s DBE and interested vendor lists for any outreach to small and underutilized businesses, or due to limited resources did no outreach at all.
- A few mentioned hosting “meet and greets,” when a large project was pending.
- A vendor guide is available for businesses interested in doing business with the City of San José, as is the virtual portal, “Your Business Coaching Center.” This virtual Center is supported by business coaches with Spanish and Vietnamese language capabilities.

## Legal Review

Keen Independent worked with Rosales Law Partners to research the legal issues surrounding small business programs (delivered under separate cover by Rosales Law Partners).

## Conclusions and Next Steps

When considering next steps, cost and resources constraints will need to be considered in the design and implementation of short- and long-term initiatives.

- The LBE Program encourages local businesses regardless of size and capacity.
- There are legal issues that impact next steps.
- There is a need for greater transparency in how contracts are procured. For example, knowing what department is responsible to procure a contract can be confusing.
- Although departments interviewed share a desire for expanding outreach initiatives addressing opportunity and inclusion of small and underutilized businesses, current outreach is extremely limited.

## **APPENDIX D.**

### **Preliminary External Scan**

The Silvy Group was tasked with conducting a preliminary scan of the external business environment in which the City operates. The Silvy Group interviewed relevant external stakeholders in Santa Clara County. These agencies included:

- Silicon Valley Organization;
- Hispanic Chamber of Commerce of Silicon Valley;
- Silicon Valley Black Chamber of Commerce;
- Associated General Contractors;
- National Association of Women on Construction;
- San José's Minority Business Development Agency;
- National Electrical Contractors Association; and
- Other groups.

The Silvy Group also interviewed various public agencies throughout California and Washington. In San Diego, the agencies formed a "Public Agency Consortium" that held quarterly outreach events. Washington was selected because of similar regulatory constraints faced by the City. Many of these agencies changed to race and gender-neutral goal/preference programs in place of remedial programs that were prohibited by state regulations. Resources were added to help agencies with the certification process and to monitor compliance.

### **Preliminary Survey of Businesses**

Silvy Group attempted to survey the local small business community through an on-line survey. The purpose of the survey was to identify perceived barriers and/or challenges to working with a public agency. Silvy Group requested the assistance of the above-mentioned organizations, other public agencies and through the City Council's public outreach media. In addition, Silvy Group identified certified Disadvantaged Business Enterprises (DBEs) located in Santa Clara County using the California Unified Certification Program (CUCP) database, SBEs through the State's Department of General Services (DGS) and internal databases.

Preliminary outreach to small businesses and underutilized businesses in Santa Clara County by the Silvy Group proved difficult and could be evidence that target groups feel largely disconnected from the City of San José. At this time, it appears that the City has limited means to identify and contact available businesses.

For example, the Silvy Group conducted a 15-question preliminary on-line survey administered via stakeholder channels and through other internal and councilmember communication channels. Of the 102 respondents, only 13 Santa Clara County businesses represented small firms by Small Business Administrations (SBA) size standards and just six of these firms would qualify under the

City's small business program. (Two firms identified themselves as historically underrepresented.) This provides an indication of the difficulty reaching out to small businesses in Santa Clara County.

### **Legal Review**

As part of Service Order #2, Keen Independent worked with Rosales Law Partners to research the legal issues surrounding small business programs.

### **Conclusion and Next Steps**

There is a need for outreach using even stronger efforts in the next phase, Service Order #3. These efforts might include one-one-one contacts that Keen Independent has successfully used to obtain input from business owners in Santa Clara County. The fact that the next phase of the research would propose and test new actionable initiatives could generate more response from business owners as well.

In next phases, Keen Independent/Milagro and with Silvy Group could recontact key stakeholders and expand outreach to area business owners. The end result will be input on specific initiatives that could increase local small business opportunities.

## APPENDIX E.

### Analysis of Proposed Capital Improvement Program Projects

Keen Independent examined future contract opportunities at the City by examining past contracting and the proposed Capital Improvement Program. This appendix examines the City's CIP. For Fiscal Year 2018 through Fiscal Year 2022, the City of San José's Adopted Capital Improvement budget will fund about \$3.3 billion in Capital Improvement Program (CIP) projects.

#### Summary of Types and Funding of Projects

The CIP includes a wide spectrum of projects that can provide substantial future procurement opportunities for women- and minority-owned businesses from a variety of different industries. The projects range in size and budget and include opportunities for vendors to provide professional services; engage in minor and major construction work; perform repair and maintenance to structures, roadways, parks, facilities and equipment; and provide goods and non-professional services. This appendix highlights the projects that may be available for potential future procurement opportunities by City Service Area (CSA).

Figure A-1.

Summary of Fiscal Year 2018 through Fiscal Year 2022 Capital Program Funding by CSA

City Service Area	\$1,000s
<b>Community and Economic Development</b>	
Developer assisted projects	\$ 14,900
<b>Environmental and Utility Services</b>	
Sanitary sewer system	\$ 228,400
Storm sewer system	46,300
Water pollution control plant	1,510,000
Water utility system	33,100
Total	\$ 1,817,800
<b>Neighborhood Services</b>	
Library	\$ 54,200
Parks and community facilities development	304,900
Total	\$ 359,100
<b>Public Safety</b>	
Public safety	\$ 55,400
<b>Transportation and Aviation Services</b>	
Airport	\$ 313,500
Parking	34,700
Traffic	621,600
Total	\$ 969,800
<b>Strategic Support</b>	
Communications	\$ 13,400
Municipal improvements	47,900
Service yards	20,400
Total	\$ 81,700
<b>Grand Total</b>	<b>\$ 3,298,700</b>

Source: City of San José. (2017). *2017-2018 Capital Budget 2018-2022 Capital Improvement Program*. Retrieved from <https://www.sanjoseca.gov/DocumentCenter/View/71898>

## Summary of Capital Programs by CSA

The City of San José appropriates its budget between six CSAs including: Community and Economic Development, Environmental and Utility Services, Neighborhood Services, Public Safety, Transportation and Aviation Services, and Strategic Support. Environmental and Utility Services receives the bulk of this funding (55%), followed by Transportation and Aviation Services (29%). The various projects funded by each CSA are discussed below.

**Community and Economic Development.** The Community and Economic Development CSA primarily provides funding for developer assisted projects that include the undergrounding of overhead electrical facilities, some street improvements and contingent-lien projects. For Fiscal Year 2018 through Fiscal Year 2022, the City allocated \$14.9 million to fund projects that include:

- Furnishing and installing conduits, ducts, boxes, pole bases and pads, and vaults for transformers and associated equipment;
- Structures and substructures work such as breaking of pavement, trenching, backfilling and repaving required in connection with the installation of the underground system;
- Street improvements like center-strip paving, landscaping and voluntary off-site street improvements for a marketplace development on Berryessa Road; and
- Contingent-lien project improvements including culvert modifications, flow controls, erosion control measures, plantings and pedestrian enhancements.

**Environmental and Utility Services.** The Environmental and Utility Services CSA includes funding for a sanitary sewer system, a storm sewer system, a water pollution control plan and a water utility system. For Fiscal Year 2018 through Fiscal Year 2022, the City allocated \$1.8 billion to this CSA.

**Sanitary sewer system.** For Fiscal Year 2018 through Fiscal Year 2022, the City allocated \$228.4 million for the Sanitary Sewer System Capital Program that primarily consists of replacing or upgrading sanitary sewer mains. The capital program includes:

- Installation of new sewer lines;
- Rehabilitation of neighborhood sewers that exhibit structural deterioration, root intrusion or blockages;
- Pump station rehabilitation (mechanical and electrical components);
- Masterplanning and condition assessment; and
- Engineering.

**Storm sewer system.** For Fiscal Year 2018 through Fiscal Year 2022, the City allocated \$46.3 million for the Storm Sewer Capital Program that funds:

- Construction of a new storm pump station and repair and replacement of other pump stations;
- Creation of bioretention areas and installation of permeable pavers;
- Installation of large trash capture devices throughout the city;
- Identification and repair of damaged storm sewer lines;
- Construction and rehabilitation of storm drain outfalls at locations throughout the city;
- Construction of major and minor storm sewer lines;
- Installation of flow monitors and rain gauges;
- Engineering,
- Project-related survey and evaluation work; and
- Masterplanning.

**Water pollution control plan.** The Water Pollution Capital Program is guided by a master plan, which recommends more than 114 capital improvement projects to be implemented over a 30-year planning period. For Fiscal Year 2018 through Fiscal Year 2022, the City allocated \$1.5 billion for the following improvements:

- Aeration tanks and blower rehabilitation;
- Digester and thickener facilities upgrade;
- Energy generation improvements;
- Headworks improvements and new headworks;
- Nitrification clarifier rehabilitation; and
- Plant instrument air system upgrade.

Due to the magnitude and scope of this project, there is ample opportunity for vendors to engage in a variety of procurement opportunities. Tasks associated with the Water Pollution Capital Program include:

- Replacement of flow meters and actuators;
- Sensors, controls and monitoring equipment upgrades;
- Structural, mechanical, electrical and instrumentation upgrades to the secondary and nitrification aeration tanks;
- Diffuser replacement;
- Installation of partition walls and reconfiguration of air piping;
- Concrete repairs and upgrades;
- Installation of Variable Frequency Drives, new motors, motor-control centers and controls;
- Construction of all new mechanical dewatering units, feed tank, storage, conveyance and chemical dosing facilities;

- Construction of a new odor control system, primary sludge screening facility, heat exchangers, biogas flare, polymer dosing facility and a rack mounted digester gas conveyance system;
- Rehabilitation and structural retrofits for primary clarifiers;
- Rehabilitation, replacement, and/or extension of four water systems including piping, valves, pumps, controls and other ancillary equipment;
- Replacement of filter media, valves, electrical controls, air scouring equipment and piping additions;
- Construction of engineered earthen berms for 100-year flood protection;
- Re-routing inlet and recycle flow piping, new storm water pump stations and other mechanical enhancements to improve Headworks Number Two;
- Construction of condition assessment, bridge repairs or replacement, levee and levee gate repairs and electrical transformer refurbishment;
- Replacement of substations and switches, modification of power distribution buses and cabling;
- Replacement of Plant instrument air-supply system;
- Modification of existing drainage facilities and construction of new storm system facilities;
- Structural improvements to Plant buildings (e.g., floor, ceiling, wall, partition, plumbing, heating, ventilation and air conditioning upgrades, fire protection, security improvements and ancillary landscaping improvements);
- Construction of a new warehousing facility and an electronic warehouse management system which may include new computers, a central database, barcode scanners, mobile tablets and other technology improvements;
- Wiring and replacement of field communication hardware;
- Safety improvements to the tunnel system throughout the Plant that may include structural, mechanical, electrical, ventilation, fire safety, coating and physical testing;
- Rehabilitation and/or replacement of process piping systems, valves and related appurtenances throughout the Plant;
- Handrail replacement, concrete repairs, telecommunication systems upgrade and Plant support system improvements;
- Development of a document management system and standards for electronically capturing, indexing, storing, retrieving, distributing and versioning master drawings, specifications and other final design documents;
- Inventorying, developing, updating and integrating existing records and field drawings; and
- Masterplanning.



**Water utility system.** For Fiscal Year 2018 through Fiscal Year 2022, the City allocated \$33.1 million for the Water Utility System Capital Program that primarily seeks to maintain the existing water utility system infrastructure and provide facilities for new development. Projects associated with this CSA may involve the following work:

- Replacement of a diesel standby generator;
- Reservoir rehabilitation;
- Repair and replacement of deteriorated access road and storm water drainage systems at various facility sites;
- Replacement and relocation of approximately 2,050 feet of an 8-inch steel water main;
- Rehabilitation of existing wells;
- Evaluation to determine viable locations to build water wells;
- Development and construction of a groundwater production well;
- Replacement and/or refurbishment of pumps, motors, valves, electrical control mechanisms, generators and water mains;
- Purchase, test and installation of water meters for new developments;
- Repair and installation of additional safety and security equipment such as new and repaired fencing at reservoirs, construction of concrete block walls around wells and the installation of safety railing at various sites;
- Installation of connections between water mains and meters;
- Extension of existing water mains;
- Evaluation of major water facility fees;
- Comprehensive seismic analysis of existing water storage reservoirs;
- Design, engineering and inspection for the connection of new developments to the water utility system;
- Computer analysis of the water distribution system; and
- Masterplanning.

**Neighborhood Services.** The Neighborhood Services CSA consists of the Library Capital Program and the Parks and Community Facilities Development Program (P&CFD).

**Library Capital Program.** For Fiscal Year 2018 through Fiscal Year 2022, the City allocated \$54.2 million to the Library Capital Program. The majority of Library Capital Program projects consist of one-time construction projects at various City libraries. Improvements include both interior and exterior design elements and enhancements such as:

- Reconfiguration of public and staff work areas;
- Creation of space for public computer use;
- Creation of digital displays for curated historic and educational presentations and interactive children's furniture;
- Sprinkler replacement;

- Development of up to two Bridge Branch Libraries on City-owned and School District land; and
- A building assessment study to plan for and identify mid-term and long-term maintenance, repairs and infrastructure replacements to the City's Branch Library Building.

**Parks and Community Facilities Development Program (P&CFD).** For Fiscal Year 2018 through Fiscal Year 2022, the P&CFD Capital Program provides \$304.9 million in funding for the acquisition, development and rehabilitation of parks, recreational facilities, trails and open spaces. Most of the work includes one-time construction projects at various locations throughout the City. Most of these projects are scheduled for expenditure in Fiscal Year 2018. One-time construction projects mostly occur at park locations or on trails. Work associated with one-time construction projects may include:

- Agronomic services;
- Basketball court improvements;
- Concrete repair;
- Conversion of sand pit play surface to wood fiber;
- Drainage system installation and improvements;
- Drinking fountain installation;
- Electrical and other utility improvements;
- Exterior repairs to recreation buildings;
- Fencing improvements;
- General pavement improvements;
- Installation of shade structures;
- Installation of various lightening structures;
- Installation of water efficient irrigation system upgrades;
- Landscape improvements;
- Mural renovations;
- Park bench installation;
- Parking lot renovations;
- Paving of trails;
- Picnic facilities enhancements;
- Renovations to restroom buildings;
- Repair of existing play structures, sidewalks and pathways;
- Replacement and/or rehabilitation of park furniture;
- Replacement of dog park surfacing and other renovations;
- Replacement of resilient rubber surfacing and other surfacing;
- Signage;
- Skate-park improvements;

- Striping;
- Tree services;
- Turf renovations and/or replacement; and
- Weed abatement.

A limited number of one-time construction projects are related to community center improvements and include:

- Renovations (e.g., repair and replacement of air conditioning and heating controls, installation of double pane windows, painting, roofing and improvement of structural elements);
- Replacement of wood trim and rain gutters; and
- Installation of Americans with Disability Act (ADA) improvements.

Non-construction projects mostly consist of professional services opportunities that may include:

- Evaluations for improvements;
- Feasibility studies;
- Strategic planning;
- Masterplanning; and
- Environmental reviews.

**Public Safety.** For Fiscal Year 2018 through Fiscal Year 2022, the Public Safety Capital Program funds \$55.4 million in improvements and repairs at fire stations for the City Fire Department. Repairs may include:

- Abatement;
- Roofing, kitchen and bathroom repairs;
- Preventive maintenance of the Fire Department's turnout equipment, vintage apparatus and other equipment; and
- Generator repair and replacement.

Other projects identified by City Fire Department locations include the evaluation and replacement of an underground fuel tank, upgrades identified by Pacific Gas and Electric energy audits and training facility updates.

**Transportation and Aviation Services.** The Transportation and Aviation Services CSA funds the Airport Capital Program, Traffic Capital Program and Parking Capital Program. The Airport Capital Program provides improvements to the City's airport facility. The Traffic Capital Program provides funding for safety and efficiency projects, local multimodal projects, regional system expansion projects, and maintenance and rehabilitation projects. The Parking Capital Program provides monies for minor parking facility improvements, revenue control, meter upgrades, development of a multimodal environment in the downtown area and streetscape improvements.

**Airport.** For Fiscal Year 2018 through Fiscal Year 2022, the Airport Capital Program provides \$313.5 million for:

- Baggage carousel construction;
- Cargo ramp reconstruction;
- Construction of additional burrowing owl habitat;
- Construction of upgrades to fire station to add additional livable space and restroom and locker room renovation;
- Consultant services required to develop a Safety Management Systems;
- Design and construction of new international flags;
- Design and construction of potential improvements to airfield geometry;
- Design and renovation of a transportation island;
- Fabrication and installation of terminal and roadway signs;
- Fencing and gating installation;
- Interior office space construction (e.g., walls, ceilings, architectural finishes, electrical work, data, telephone, HVAC, plumbing services and any other activities required to complete a build out of rentable space);
- Minor land improvements including fencing repairs, land surveys and sanitary line improvements;
- Planning study to determine airport redevelopment;
- Preventative maintenance program to assess and maintain airfield pavement;
- Redesign and restoration of the fuel containment system trench drain;
- Rehabilitation of the existing terminal apron;
- Replacement of airfield lighting cables and associated improvements to circuiting routes, manholes/handholes and duct bank systems;
- Replacement of the skylight joint sealant for skylights in the terminals, concourse and baggage claim areas;
- Signage installation;
- Terminal carpet replacement;
- Upgrades to Building Management System hardware and software;
- Upgrades to electrical switching equipment; and
- Upgrades to the card reader, equipment and software of the Compressed Natural Gas fueling system.

**Traffic.** For Fiscal Year 2018 through Fiscal Year 2022, \$621.6 million is allocated for the Traffic Capital Program. A substantial amount of this funding is used for pavement and transportation infrastructure maintenance and repair projects. Pavement infrastructure and maintenance projects include:

- ADA compliant ramp construction;
- Curb, gutter and sidewalk maintenance and repair;
- Sidewalk construction;
- Pavement surface treatments; and
- Sealing and resurfacing of streets and pothole repair.

Infrastructure maintenance and repair activities may include:

- Bridge maintenance and projects;
- Street name sign replacement;
- Light-emitting diode (LED) traffic signal lamp replacement; and
- Traffic signal preventative maintenance.

The Traffic Capital Program also funds:

- Bus stop relocation;
- Debris/litter removal;
- Design and construction of pedestrian safety improvements (e.g., flashing beacons and speed radar sign);
- Fiber optic cable repair, splicing and testing;
- Improvements to the bikeway network, including the installation of new bikeways, traffic calming features, public bike racks, bike-friendly signal detection and pavement markings;
- Intersection signalization;
- Landscaping;
- Median construction and improvements;
- Street light installation and upgrades;
- Street widening and rehabilitation;
- Traffic signal installation; and
- Utilities undergrounding.

Non-construction Traffic Capital Program projects provide opportunities for professional services such as data collection, traffic development review, environmental analysis and studies, and evaluation of traffic safety. There is also funding for network monitoring and maintenance services, community-based social marketing and other traffic related studies.

**Parking.** For Fiscal Year 2018 through Fiscal Year 2022, \$34.7 million is allocated to the Parking Capital Program that primarily funds:

- Repair and upgrading of electronic message signs;
- Installation of LED lighting, rooftop solar arrays, solar powered electric vehicle charging stations and dynamic signage and displays;
- Enhancements to bicycle and pedestrian facilities; and
- Minor parking facility improvements including minor repair work that is not part of the annual cleaning and maintenance of downtown parking facilities.

**Strategic Support.** The Strategic Support CSA includes the Communications Capital Program, Municipal Improvements Capital Program and City Service Yards Capital Program.

**Communications Capital Program.** For Fiscal Year 2018 through Fiscal Year 2022, the City allocated \$13.4 million for the Communications Capital Program that funds contractual services to maintain, monitor and support regional communications assets.

**Municipal Improvements Capital Program.** For Fiscal Year 2018 through Fiscal Year 2022, the City allocated \$47.9 million to the Municipal Improvements Capital Program for improvements to specific facilities as well as general improvements. At the Animal Care and Services Center, funding is allocated for renovations to the animal intake area, replacement and installation of a washer and dryer and water system, and waterproofing. The Municipal Improvements Capital Program funds a skylight replacement, sidewalk improvements, construction of a new outdoor bathroom, a public-address system and expanded security at the Children’s Discovery Museum. There is also money for electrical work, analysis, engineering and final design to reconfigure the Network Operations Center, LED lighting upgrades and waterproofing at City Hall. Other general improvements include:

- Boiler heat exchangers replacement;
- Carpet replacement;
- Ceiling and lighting upgrades;
- Elevator upgrades;
- Excavation and installation of a new storm drain system and related pavement repairs;
- Installation of HVAC system and related electrical infrastructure;
- Internet network build out and installation;
- Modernization of the restrooms;
- Wall repairs; and
- Window replacement.

**Service Yards Capital Program.** For Fiscal Year 2018 through Fiscal Year 2022, the City provided \$20.4 million for the Service Yards Capital Program, which primarily funds repair of roof overhangs, restroom renovations and retrofitting, kitchen remodeling, electrical system updates and design and construction of a shower and locker room.

## **APPENDIX F.**

### **Recommendations for Future Outreach and Communications**

To provide direction for next steps, Keen Independent researched best practices for communications and outreach to small and underutilized businesses. The study team reviewed others' communications and outreach strategies to provide framework for the development of a short- and long-term communications plan in the next phase. A list of recommendations follows as a starting point for next phase discussions.

#### **Short-term Outreach**

- Years ago, but not recently, Public Works participated in AGC and other industry association meetings to give an overview of upcoming projects. They have also participated in A&E trade group meetings in the past. The City could collectively reinstitute those meetings to discuss upcoming work with business owners at trade associations, chambers and other groups, and encourage dissemination of information by those organizations.
- Identify small procurement opportunities and unbundle additional contracts, and then promote awareness of them to the local business community (i.e., identify procurement opportunities that could be leveraged for small and underutilized business opportunity and inclusion). The City could use its existing database of firms with local business licenses to push these communications.
- Leverage current relationships with prime contractors. For example, solicit prime contractors with current City contracting engagements to participate in a pilot mentoring program for small and underutilized businesses. If successful, roll out as part of long-term outreach.
- Leverage existing and build new relationships with local industry associations as partner communications channels (e.g., AGC, women and minority contracting associations).

#### **Long-term Communications and Outreach Plan**

- Become user friendly, through barrier research, identify challenges to small and underutilized business participation.
- Develop, test and implement research-based messaging and branding to encourage small and underutilized business participation (this can be conducted through survey or focus group research or other means).
- Evaluate successes and failures in messaging, communications and outreach, and tweak for long-term branding and implementation (use multiple channels for dissemination).
- Identify ways to streamline procurement procedures and get the message out.

- Provide hands-on training for navigating the City-assigned bid portal (e.g., BidSync or other if changes).
- Consider one-stop “user friendly” virtual access to advance notice of upcoming opportunities and other updateable information through a joint-department contractor opportunity and inclusion website. The website could include:
  - Video segments highlighting upcoming projects and successes in small business participation, for example; and
  - A platform for two-way communications, where interested business owners could ask questions and receive timely answers.
- Develop and maintain a list of updateable interested vendors and an “opt-in” email/social media distribution list to implement a long-term social media platform for direct outreach. This platform could be designed to:
  - Encourage small business participation by improving overall transparency;
  - Provide an added channel for dissemination of timely information; and
  - Highlight time sensitive City procurements, “meet and greets” or training opportunities.