



Memorandum

TO: COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE

FROM: Matt Cano

SUBJECT: SEE BELOW

DATE: January 25, 2019

Approved

Date

1/25/19

SUPPLEMENTAL

SUBJECT: SMALL BUSINESS ADVISORY TASK FORCE/CITYWIDE
CONTRACTING PROGRAM

REASON FOR SUPPLEMENTAL

The purpose of this memorandum is to inform the Committee of the direct relationship between the City-wide Contracting Program and the Small Business Advisory Task Force.

BACKGROUND

The Small Business Advisory Task Force (SBATF) is administered by the office of Vice Mayor Chappie Jones in order to facilitate a space in which members of the small business community can provide feedback and policy recommendations to the City. On August 22, 2018 Rules and Open Government Committee approved the referral of the SBATF legislative priorities and policy recommendations to the Community and Economic Development (CED) Committee for consideration in development of the CED Committee's workplan.

The work performed by Public Works under the City-wide Contracting Program and other procurement changes directly address the following SBATF legislative priorities goals and recommendations as follows:

- Contracting/Procurement
 - Increasing accessibility of City contracts to small businesses.
 - The Task Force supports the Charter Amendments as approved by the City Council on June 26, 2018 (3.8) for updating the City's procurement process.

- Bonding & Insurance Relief
 - Increasing accessibility of bonding and insurance programs to small businesses.
 - The Task Force supports the Charter Amendments as approved by the City Council on June 26, 2018 (Item 3.8) for decreasing the design build limit from \$5 million to \$1 million in alignment with State law, thus decreasing the proportional amount needed for an applicant to meet bonding and insurance criteria for this contract.
- Outreach and Engagement
 - Increasing public awareness on both City contracts and the City's procurement processes.
 - The Task Force asks that the City send announcements of projects to the Chamber of Commerce and Small Business Advocacy organizations based in the City to help advertise opportunities.
 - Strengthening the small business community network through partnership with the City and increased access to data.
 - Evaluate the outreach plan of the City with regards to small and disadvantaged business enterprises (DBE) and solicit, on an annual basis, recommendations from this Task Force.

Measure S, approved in November 2018, increased the threshold for minor public works projects from \$100k to \$600k making a wider portfolio of projects available in a simplified bidding process, therefore increasing the ability for small and local small business participation. In addition, Public Works has developed a prequalification process to "pre-approve" contractors to work on minor public works project, reducing the time and effort required by small and local small businesses to bid on City work. Furthermore, the bonding requirement for contractors on the prequalification list has been lowered to a declaration from a bonding company stating the company has the ability to bond and bonding would only be required at time of award.

The Public Works Academy focuses on outreach engagement, and education to the contracting community. Under the Public Works Academy, staff mailed over 2,300 flyers to small businesses in the San Jose Business License database and partners at the Hispanic Chamber of Commerce/ Small Business Development Center, Black Chamber of Commerce Silicon Valley, and SCORE Association e-mailed the information to their members. Staff has also had representatives of these partners at the Opportunity Awareness Events.

Included in the Public Works Academy is a set of seminars tailored to construction companies who have not previously worked with the City of San Jose. The four (4) seminar courses will cover topics such as procurement, bidding requirements, bonding/ insurance, and prevailing wages.

As Public Works continues to develop and expand the Public Works Academy, staff will update and solicit feedback from the SBATF.

COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

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/s/

MATT CANO

Director of Public Works

For questions, please contact Christopher Hickey, Division Manager/Director of Office of Equality Assurance, at (408) 535-8481.