

January 12, 2021

To the City Council, City of San Jose CA.
Fr: Minority Business Consortium L.L.C.
Re: Disparity Study

The Minority Business Consortium (MBC), Silicon Valley's foremost "Diversity and Inclusion in Contracting" firm, writes this letter in support of the City of San Jose engaging in a "Disparity Study".

In California, disparity studies generally focus on economic issues involving M/WBEs competing for local and state government agency contracts. An economic disparity study will provide government agencies analysis and insight to help determine if access to government contracts is unfairly being denied to minority and women owned businesses. The results and outcome of the study will help these local or state governments assess the need for change in procurement, contracting and purchasing policies and practices and allow them to develop procedural changes or new programs to create greater equity. MBC is proud to have worked on the most recent local disparity study in the County of Santa Clara and strengthened the development and implementation of race/gender neutral diversity and inclusion construction contracting programs.

Background:

Proposition 209, which prohibits preferential treatment in public employment, education, or contracting, on the basis of race, gender, or national origin, was adopted by California voters in November 1996. Since then, government entities in California have eliminated or modified their contracting affirmative action programs, in response to real or perceived limitations imposed by the new law. However, there have been surprisingly few legal decisions regarding the parameters of Proposition 209, leaving some uncertainty about the range of measures available to government entities to ensure diversity, promote competitiveness, and avoid discrimination in public contracting.

With the defeat of Proposition 16 in California, a proposition to overturn Prop 209, the accepted legal remedy is to begin with a Disparity Study to assess whether there are implicit or explicit barriers in contracting opportunities for minority and women owned businesses. This tool assists in determining, through extensive research, whether there is discrimination in government procurement and contracting processes.

Given the fragility of small businesses impacted by COVID-19, the importance of an economic disparity study for the City of San Jose is more important than ever. It would assess the need, identify barriers and provide a strategy to address any potential inequities in the city's contracting procedures and processes.

Walter Wilson,
Reginald Swilley,
Minority Business Consortium

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Honorable Mayor Sam Liccardo and Members of the City Council
City of San José
200 East Santa Clara Street, 18th Floor
San José, CA 95113

Agenda Item 3.5: Procurement Programs for Minority-Owned and Other Businesses
- SUPPORT Implementation of Disparity Study

To Mayor Liccardo, Vice Mayor Jones, and Honorable Councilmembers Jimenez, Peralez, Cohen, Carrasco, Davis, Esparza, Arenas, Foley, and Mahan:

On behalf of the member companies of the Silicon Valley Leadership Group, we would like to express our support for the implementation of a Disparity Study in contracting practices for the City of San José.

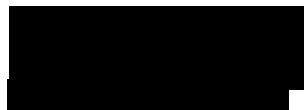
In summer 2020, the Silicon Valley Leadership Group formed a Racial Justice and Equity policy vertical. One of our first actions was to take a position in support of ACA 5 and Prop 16, which would have allowed public agencies to collect data on public employment practices and expand procurement opportunities for minority owned businesses.

The Silicon Valley Leadership Group recognizes the urgency to enact policy and program solutions that ensure an inclusive economic future for all. We applaud the City's efforts to bring more transparency to contractor procurement data, recognizing that Prop 209 previously dissolved state agencies that track contractor data and ended disadvantaged contracting programs.

The Silicon Valley Leadership Group promotes ideals of diversity, equity and inclusion, which we aim to see reflected at all levels of our member professional organizations the way we want to see our rich diversity represented in our small business ecosystem.

We support the recommendation to conduct a Disparity Study to gain a fuller picture of the City's contractor data, needs, and gaps, a promising practice demonstrated by the cities of Richmond, VA and San Diego, CA. We stand with the City of San José in identifying actionable solutions and inclusive opportunities to promote Minority, Women, and Other-Owned businesses.

Sincerely,



Angelica Cortez
VP, Racial Justice and Equity
Silicon Valley Leadership Group



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Item 3.5 Procurement -Programs for Minority-Owned Businesses

I am writing as the executive director of Prosperity Lab- Business Circle LatinX, my name is **Mimi Hernandez**, our **CBO** currently **works with** small businesses in the City of San Jose.

Most of the businesses we work with receive training and assistance to help them survive the closures and lost revenues caused by the effects of Covid19. For a good number of them a long-term strategy, that could help them become more resilient, is engaging in government contracting.

We urge City Council to approve Vice-Mayor Jones and Councilmember Arenas' memo because our small, local, and minority-owned businesses need your support now, more than ever.

- Due to COVID-19, many of our local and small businesses had to shut down to comply with health regulations – which resulted in many of our minority-owned businesses to close, face bankruptcy or go into debt.
- By approving Vice Mayor Jones and Councilmember Arenas' memo – we are ensuring and reinstating equitable opportunities for our small contractors and businesses.
- Disadvantaged groups and minority-owned businesses deserve to receive equal opportunities to thrive in the City of San Jose and create jobs.

You have the opportunity to create opportunities for our small business community, I urge you to vote yes on Vice Mayor Jones and Councilmember Arenas' memo to support all minority-owned businesses during these pressing times! I thank you for your time!

Saludos,

Mimi M Hernandez

Executive Director, Prosperity Lab- Business Circle LatinX