

**San Diego Housing Commission
POLICY**

Subject: **MINORITY AND WOMEN BUSINESS ENTERPRISE UTILIZATION PROGRAM**

Number: **PO204.000**

Effective Date: 2/24/88

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1. POLICY, ...

The San Diego Housing Commission will conduct its MBE/WBE Program in accordance with the Program established by the San Diego City Council and filed with the City Clerk as Document RR-262633.

2. PURPOSE AND SCOPE

The purpose and objective of this program is to provide minority and women owned businesses with the opportunity to participate in the Commission's contracting and procurement process. This program is intended to fully comply with the Commission's purchasing policy which requires that the award of construction contracts, consultant contracts, and purchase orders for goods, services and materials, are awarded to the lowest responsible bidder.

It is the policy of the Commission to utilize minority and women business enterprises (MBE/WBE) to the fullest extent possible, or legally permissible, in all procurement activities. Further, the San Diego Housing Commission will not discriminate on the basis of race, color, religion, national origin, veteran status, sex, age, disability, marital status or sexual orientation.

3. DEFINITIONS

A "Minority Business Enterprise" (MBE) means a business which is at least fifty-one percent (51%) owned and operated by one or more minorities. In the case of a publicly owned business, at least fifty-one percent of the stock must be owned by minorities and those minorities must operate the business.

A "Women Business Enterprise" (WBE) means a business which is at least fifty-one (51%) owned and operated by one or more women. In the case of a publicly owned business, at least fifty-one percent of the stock must be owned by one or more women and those women must operate the business.

A "Minority" is defined as an individual belonging to the following racial and ethnic groups:

African-American
Hispanic-American
Asian/Pacific Islanders
Native American
Filipino

4. PROGRAM ACTION PLAN

The implementation and administration of the program shall be the responsibility of the Equal Opportunity Office. The Equal Opportunity Office staff will as part of their responsibilities:

- A. Assist MBE/WBE firms in overcoming barriers to participation in the Commission's procurement process. This could include assistance with certification, forms preparation and notification of sub-contracting opportunities.
- B. Coordinate with General Services the notification of all certified MBE/WBE firms of contracting opportunities so that they can be considered in the formal competitive process.
- C. Assist noncertified MBE/WBE firms in becoming certified with the City of San Diego Equal Opportunity Contract Program or the California Department of Transportation (Caltrans).
- D. Explain MBE/WBE goals and requirements of the program (as stated in this plan) to contractors,

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consultants and vendors.

- E. Participate in Request for Proposal (RFP) review panels.
- F. Review contract awards relative to the participation of MBE/WBE firms and make recommendations where appropriate.
- G. Assist contractors, consultants and vendors in meeting goals of the program by providing them access to certified MBE/WBE firms for subcontracting opportunities.
- H. Conduct outreach efforts with various business organizations that assist MBE/WBE firms in their contracting efforts with the goal of increasing the pool of qualified MBE/WBE bidders.

5. CERTIFICATION

Only firms that are certified by the City of San Diego, State Department of Transportation (Caltrans) or interim certified by a member organization of the San Diego Joint Contracting Opportunity Task Force may be counted toward the Housing Commission's MBE/WBE participation goals. Certification denotes that the firm is at least 51 percent owned and operated by a minority or woman.

Within the parameters of this program, a firm may participate as either a prime contractor or as a sub-contractor. A subcontractor is defined as an entity that performs or provides a specific segment of the goods, services or materials, for which the prime contractor is responsible.

An MBE/WBE subcontracting firm must perform a commercially useful function (i.e., must be responsible for the execution of a distinct element of the work and must carry out its responsibility by actually performing, managing or supervising the work).

The Equal Opportunity Office will:

- A. Make certification applications available at the Commission office and any events where the focus is MBE/WBEs.
- B. At seminars/workshops where MBE/WBEs attend, encourage participants to submit certification applications to the City.
- C. Assist City staff with follow-up to MBE/WBEs that have submitted incomplete certification packages.
- D. Follow up with firms that indicate that they are minority or woman owned to encourage them to be certified with the City or Caltrans.

6. GOALS

The San Diego Housing Commission will make every effort to attain the goals for MBE and WBE participation established by the San Diego City Council. The goals are reviewed annually by the Council and are established separately for Construction, Consultants and Vendors. The FY94 goals are:

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	<u>MBE</u>	<u>WBE</u>
Construction	20%	7%
Consultants	12%	3%
Vendors	10%	10%

A. Outreach - The San Diego Housing Commission will undertake the following steps to ensure that MBE/WBEs have every opportunity for full participation.

- (1) Utilize data bases of certified MBE/WBEs provided by the City of San Diego Equal Opportunity Contracting Program and Caltrans to identify potential sources of goods and services.
- (2) Provide workshops and other opportunities where MBE/WBEs will:
 - a. Meet buyers and staff;
 - b. Learn the procedures and policies for submitting bids and proposals;
 - c. Learn what products and services are purchased.
- (3) Attend and participate in trade fairs directed to MBE/WBEs.
- (4) Have SDHC placed on mailing lists of minority and women business organizations.
- (5) Establish relationships with minority and women community leaders.
- (6) Sponsor and/or co-sponsor events directed to MBE/WBEs and minority and women groups.
- (7) Advertise and publicize Commission events in minority and women-focused newspapers and periodicals.
- (8) Distribute brochures on "How To Do Business With The San Diego Housing Commission" at events and meetings where minorities and women are targeted.
- (9) Have a periodic open house for MBE/WBEs where firms can become familiar with the office and staff.
- (10) Contact MBE/WBEs regarding future bid openings.
- (11) Provide and maintain a listing of goods and services required by the Commission. Make this list available to MBE/WBEs.
- (12) Provide MBE/WBEs with listings and phone numbers of resource organizations, such as:
 - Service Corps of Retired Executives
 - San Diego Small Business Development Center
 - Black Contractors Association
 - Latino Builders Association
 - Women Construction Contractor Owners/Executives
 - Black Economic Task Force
- (13) Maintain membership in the National Minority Supplier Development Council, San Diego Chapter.

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(14) Give MBE/WBEs a realistic assessment of the opportunities available at the Commission.

B. Internal Administration

(1) Establish an Equal Opportunity Advisory Committee, which will:

- ! Provide input into MBE/WBE Program planning;
- ! Provide feedback about Program effectiveness;
- ! Assist the Equal Opportunity Officer in eliciting support of the organization.

(2) Develop in-house training workshops to explain the MBE/WBE Program and objectives.

(3) Establish rewards or recognition for employees who perform beyond the norm in outreaching to MBE/WBE firms.

(4) Develop a plan to communicate to employees the:

- a. reasoning behind the MBE/WBE Program;
- b. the benefits of the Program; and
- c. the consequences and impact of not having such a Program.

(5) Address issues of unrealistic expectations and/or resentment of the MBE/WBE program.

(6) Generate articles which provides information regarding the progress of the Program and highlights new MBE/WBE firms. Encourage staff to reach goals.

(7) MBE/WBE policies and procedures will be published and distributed at orientation meetings for all levels of employees.

(8) The Equal Opportunity Officer will provide information and communications regarding available contract opportunities are accessible to all interested parties.

C. Procurement Techniques and Assistance - The San Diego Housing Commission will take the following affirmative steps:

(1) Vendors

a. Review all language in advertisements and specifications to ensure that language is not setting up unnecessary barriers.

b. Alert MBE/WBE vendors regarding upcoming procurement opportunities.

c. Introduce vendors to the San Diego Housing Commission Program at informal settings such as:

- ! Trade fairs
- ! Socials
- ! Seminars

d. Arrange site visits, if necessary, for vendors.

e. Review bids submitted by MBE/WBEs for completeness and accuracy. Provide

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constructive feedback to assist the MBE/WBEs in being more successful with future bids.

- f. Negotiate with vendors regarding price, quality, delivery times, etc.
- g. For services or products that can be purchased without competitive bidding, negotiate directly with MBE/WBEs.
- h. Establish good referral sources through professional organizations.
- i. Match large vendors with MBE/WBEs who may work together on other projects as joint ventures.
- j. Distribute a projected (seasonal) needs list. MBE/WBEs will be able to forecast future bid openings and needs of the organization.
- k. Refer MBE/WBEs to other agencies/organizations which purchase products in their line.
- l. Arrange for in-office demonstrations.
- m. Follow-up with MBE/WBE vendors who do not submit bids when expected.
- n. Follow-up with vendors who are unsuccessful bidders. Inform them:
 - (1) why they were unsuccessful,
 - (2) of techniques to be successful in the future.
- o. Encourage vendors to bid even when they feel the odds are against them.
- p. Encourage buyers to seek new sources and to expand competition through greater MBE/WBE utilization.
- q. When appropriate reduce insurance requirements. Reduce or eliminate exclusionary requirements when they are not absolutely necessary.
- r. Establish an open door policy where one-on-one meetings between procurement staff and MBE/WBE firms can be held.
- s. Segment or break down large contracts into smaller pieces to create manageable opportunities for minority vendors.
- t. Encourage MBE/WBE participation by "trial purchases". When an MBE/WBE is inexperienced in dealing with the buying organization on a trial purchase is useful in gaining confidence in the minority suppliers products and capabilities.
- u. Encourage MBE/WBE participation by providing a reasonable and adequate amount of time for suppliers to prepare quotations and to deliver the contracted goods and services.
- v. Encourage MBE/WBE participation by assuring that specifications for goods and services are not unnecessarily restrictive or slanted toward products or services not

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provided by MBE/WBE firms. Specifications should always be reasonable and consistent with the requirements of the program or project.

- w. Encourage MBE/WBE participation by assuring that the quantities of goods required are not over-stated. It may be possible to set aside portions of very large quantity requirements for acquisition from MBE/WBE sources, providing that the resulting prices are reasonable.
- x. Assist MBE/WBEs as much as possible to obtain prompt payment when due. Usually, MBE/WBE's have small cash reserves and cannot tolerate the long wait payment - this is often experienced when dealing with large institutions.

2. Consultants

- a. Advertise not only in general population newspapers but also minority and women focused newspapers/periodicals.
- b. Review advertisements and Request for Proposals for language that may set up barriers for MBE/WBEs.
- c. Conduct pre-proposal meetings to discuss expectations and provide a networking opportunity for prime consultants and potential MBE/WBE sub-consultants.
- d. Develop a database of MBE/WBE consultants to provide to prime consultants so information regarding available opportunities can be dispensed in a timely manner.
- e. Be adamant about the Commission's expectations that primes provide sub-consulting opportunities to MBE/WBEs.
- f. Review selection criteria for objectivity, fairness. Give credit to proposers demonstrating MBE/WBE participation.
- g. Appoint ethnic and gender balanced selection committees. Brief committee members on the goals and objectives of MBE/WBE Program and the Commission's expectations of primes to provide opportunities.
- h. Negotiate terms and price.
- i. Debrief - use this opportunity after award has been made to offer constructive proposal training which will allow the MBE/WBE to be more competitive on the next proposal.
- j. Use the Commission's technical and management resources to assure a MBE/WBE firm's performance.

3. Construction Contractors

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- a. Review language in bid documents regarding Equal Opportunity language. Requirements should be clear and concise.
- b. Establish and maintain MBE/WBE Construction Contractors lists for distribution to primes.
- c. Schedule prebid and preconstruction meetings to explain program objectives and requirements.
- d. Eliminate or reduce bonding requirements where possible.
- e. Eliminate unnecessary prequalification requirements or irrelevant performance standards.
- f. Package procurement requests in sizes more manageable by MBE/WBEs.
- g. Develop sample bid specifications to use as an educational tool.
- h. Develop manuals and other informational materials on the contracting process through contract payment.
- i. Negotiate when possible on contracts that need not go out to bid. Avoid head-to-head competition between minority contractors and others.
- j. Review advertisements and bid documents for language that might create barriers to MBE/WBE participation.
- k. Debrief unsuccessful MBE/WBE bidders.
- l. Be adamant about the Housing Commission's expectations that primes will provide subcontracting opportunities to MBE/WBEs.

D. POST AWARD CONTRACT COMPLIANCE MONITORING

The Commission will monitor contracts after award to ensure that MBE/WBEs are participating in the delivery of goods and services in accordance with contract award. The Commission may:

1. Request verification of payment to MBE/WBEs;
2. Visit job sites;
3. Send letters of inquiry or ask for certification from primes or subs;
4. Investigate complaints of non-utilization or underpayment.

In addition, the Commission will from time to time request and evaluate work force reports to assure that

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Commission contractors are attempting to meet City employment goals. Where the goals are not met, the Commission may require the development and submission of Employment Plans to address areas of under-representation.

E. REPORTING

The Commission will report quarterly to the Public Services and Safety Committee of the San Diego City Council through the Citizens' Equal Opportunity Commission. Quarterly and annual reports will reflect the progress made toward the Council established MBE/WBE participation goals and will be presented in the format approved by the Council.

1. Develop systems for data compilation, monitoring, and reporting period and to-date statistics by ethnicity and gender of business ownership.
2. Compile and present quarterly and annual reports from Corporation payment data. Reports will include payments to vendors, consultants, construction contractors and developers including those to subcontractors. All expenditures for goods and services must be reported, with the following approved exclusions:
 - a. Payments to employees, including payroll and reimbursements
 - b. Expenditures for employee benefits
 - c. Refunds
 - d. Legal settlements
 - e. Rents
 - f. Payments for utilities and telephone service
 - g. Interagency payments, and payments to governmental entities.
 - h. Memberships, seminars
 - i. Payments to nonprofit organizations.
 - j. Agreements with developers (reported separately)
3. Reports will include a narrative summarizing which goals were met and which were not, outreach activities, and special circumstances contributing to goal achievement or failure.

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Steve Mikelman
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Date

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