



**Sacramento  
Housing &  
Redevelopment  
Agency**

**REPORT TO COUNCIL**  
**City of Sacramento**  
 915 I Street, Sacramento, CA 95814-2671  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

Consent  
**March 25, 2008**

**Honorable Mayor and Members of the City Council**

**Title: Small Business Enterprise Program (SBEP) Annual Status Report –  
 Sacramento Housing and Redevelopment Agency**

**Location/Council District:** Citywide

**Recommendation:** Receive and file.

**Contact:** Mary Lyon, Assistant Director, Real Estate and Construction Services, 440-1399 x 1241.

**Presenters:** Not applicable

**Department:** Sacramento Housing and Redevelopment Agency (SHRA)

**Description/Analysis**

**Issue:** SHRA is committed to fostering growth of the Sacramento's small business sector, and reporting progress to the City Council. Below is a summary of the accomplishments, activities, and results of the Sacramento Housing and Redevelopment Agency's Small Business Enterprise Program (SBEP) for 2007 as well as program goals for 2008. Refer to Attachment 1 for a brief outline of the program.

**PROGRAM ACCOMPLISHMENTS AND ACTIVITIES FOR 2007**

- Encouraged general contractors to utilize small businesses by providing them with lists of SBEP certified businesses for sub-contracting opportunities.
- Participated in outreach efforts of the Sacramento Regional Small Business Resource Partners group headed by the City of Sacramento's Office of Small Business Development (OSBD).
- Marketed program as a booth participant at the 2007 Black Expo, the 2007 Metro EXPO sponsored by the City of Sacramento and the Sacramento Metropolitan Chamber of Commerce, and at the Sacramento Regional Connecting Point hosted by the State of California, Department of General Services.

## Small Business Enterprise Program Annual Status Report

- Participated in panel discussions concerning contracting opportunities at the Sacramento Regional Connecting Point.
- Signed a Memorandum of Understanding (MOU) with the State of California, Department of General Services. The MOU creates a reciprocity partnership with the Agency for certification of Small Business Enterprises with other signers of the MOU. The goal is to make it easier for small business enterprises to contract with government entities.
- Developed and printed new brochure to assist in marketing program.
- Launched an online plan room which makes it easier for vendors to view Agency projects and submit proposals.

### **PROGRAM RESULTS**

- Added 353 new small business vendors to the Agency database.
- Conducted Agency business with 242 vendors. Of these, 26 were small businesses and 91 were very small businesses.
- Small Business Enterprise Program utilization results for program year:
  - 40 percent of procurement dollars were issued to small and very small businesses.
  - 56 percent of purchase transactions were conducted with small and very small businesses, exceeding the program goal of 30 percent participation in all Agency procurement contracts and awards to small and very small businesses.
  - 27 percent of purchase transactions were conducted with very small businesses, exceeding the program goal of 15 percent participation in all Agency procurement contracts and awards to very small businesses.
  - Of the Section 5(h)/32 contracts (\$2.2 million), 66 percent (\$1.45 million) of the funds were awarded to either small or very small businesses (\$214,000 to small businesses and \$1.24 million to very small businesses.)

Please see Attachment 2 – Small Business and Very Small Business Enterprise Utilization report for further details.

### **GOALS FOR 2008**

- Market the program and outreach to the community through business organizations, chambers of commerce and other activities in a continuing effort to increase the participation of qualified small and very small businesses in contracting opportunities with SHRA.
- Participate in coordination and outreach efforts of the Sacramento Regional Small Business Resource Partners group headed by the City of Sacramento's Office of Small Business Development.
- Conduct vendor training to help small businesses be successful in the procurement process and labor compliance requirements.

March 25, 2008

Small Business Enterprise Program Annual Status Report

**Policy Considerations:** This is an annual report to the governing bodies on the status and updated results of the Small Business Enterprise Program since its implementation on April 10, 2001.

**Environmental Considerations:** Not applicable.

**Committee/Commission Action:** Not applicable.

**Rationale for Recommendation:** Not applicable.

**Financial Considerations:** Not applicable.

**M/WBE Considerations:** The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully Submitted by:



LA SHELLE DOZIER  
Interim Executive Director

Recommendation Approved:



RAY KERRIDGE  
City Manager

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## Attachment 1 - Background

City Council approved the implementation of SHRA's Small Business Enterprise Program (SBEP) on April 10, 2001. The Agency continues to recognize the importance of small business to the local economy. The Agency is committed to fostering the growth of the small business sector by strengthening the connection between small business and the Agency's contracting opportunities (defined as procurements handled by the Agency's Procurement Services Department.)

The Agency adopted a two-tiered classification for qualifying businesses as either a small business or very small business. The implementation standards for a small business are more rigid than the implemented standards set by the California Office of Small Business Certification and Resources (OSBCR) and the City of Sacramento.

The implementation standards for a very small business enterprise are less than the implemented standards set by the city for the Emerging Business Enterprise. The definitions for the standards are as follows:

### Small Business

- A 'business' with 50 or fewer employees and an average annual gross receipts of \$5 million or less over the previous three tax years, or
- A 'manufacturer' with 50 or fewer employees.

### Very Small Business

- A 'business' with 25 or fewer employees and an average annual gross receipts of \$2.5 million or less over the previous three tax years, or
- A 'manufacturer' with 25 or fewer employees.

<b>SHRA - Small and Very Small Business Enterprise Utilization - 2007</b>				
<b>Construction</b>				
<i>Type of Business</i>	<i>Total Dollars Issued</i>	<i>Percent of Dollars Issued</i>	<i>Number of Purchase Transactions</i>	<i>Percent of Purchase Transactions</i>
Very Small Business Enterprise	3,212,327.24	29.7	653	32.3
Small Business Enterprise	1,427,086.15	13.2	1,057	52.3
All other Business Enterprise	6,165,200.48	57.1	311	15.4
Totals	10,804,613.87	100.0	2,021	100.0
<b>Professional Services</b>				
<i>Type of Business</i>	<i>Total Dollars Issued</i>	<i>Percent of Dollars Issued</i>	<i>Number of Purchase Transactions</i>	<i>Percent of Purchase Transactions</i>
Very Small Business Enterprise	936,829.60	28.1	522	58.9
Small Business Enterprise	74,987.24	2.3	17	1.9
All other Business Enterprise	2,318,470.12	69.6	347	39.2
Totals	3,330,286.96	100.0	886	100.0
<b>Non-Professional Services</b>				
<i>Type of Business</i>	<i>Total Dollars Issued</i>	<i>Percent of Dollars Issued</i>	<i>Number of Purchase Transactions</i>	<i>Percent of Purchase Transactions</i>
Very Small Business Enterprise	240,317.34	18.7	153	16.3
Small Business Enterprise	156,494.28	12.2	130	13.9
All other Business Enterprise	887,901.10	69.1	655	69.8
Totals	1,284,712.72	100.0	938	100.0
<b>Material and Supplies</b>				
<i>Type of Business</i>	<i>Total Dollars Issued</i>	<i>Percent of Dollars Issued</i>	<i>Number of Purchase Transactions</i>	<i>Percent of Purchase Transactions</i>
Very Small Business Enterprise	51,920.34	7.3	41	3.3
Small Business Enterprise	386,272.05	54.3	255	20.5
All other Business Enterprise	272,861.06	38.4	945	76.1
Totals	711,053.45	100.0	1,241	100.0
<b>Multiple Classification Services</b>				
<i>Type of Business</i>	<i>Total Dollars Issued</i>	<i>Percent of Dollars Issued</i>	<i>Number of Purchase Transactions</i>	<i>Percent of Purchase Transactions</i>
Very Small Business Enterprise	-	-	-	0.0
Small Business Enterprise	-	-	-	0.0
All other Business Enterprise	31,239.00	100.0	6	100.0
Totals	31,239.00	100.0	6	100.0
<b>TOTALS</b>				
<i>Totals</i>	<i>Total Dollars Issued FY2005</i>	<i>Total Percent of Dollars Issued</i>	<i>Number of Purchase Transactions</i>	<i>Percent of Purchase Transactions</i>
Very Small Business Enterprise	4,441,394.52	27.5	1,369	26.9
Small Business Enterprise	2,044,839.72	12.7	1,459	28.7
All other Business Enterprise	9,675,671.76	59.9	2,264	44.5
Totals	16,161,906.00	100.0	5,092	100.0