



REPORT TO CITY COUNCIL

37

City of Sacramento

915 I Street, Sacramento, CA 95814-2671

www.CityofSacramento.org

CONSENT

June 27, 2006

Honorable Mayor and
Members of the City Council

Subject: SMALL BUSINESS ENTERPRISE PROGRAM STATUS REPORT

Location/Council District: Citywide

Recommendation: Staff is reporting on the status of the Small Business Enterprise Program (SBEP). This report is for your information and no specific action is required.

Contact: Mary Lyon, Program Manager - Program Operations, 440-1399 x1241
Larry Goins, Director of Program Operations, 440-1314

Presenters: Not applicable.

Department: Sacramento Housing and Redevelopment Agency

Summary: This report is the annual summary of Small Business and Very Small Business utilization for 2005.

Committee/Commission Action: Informational only

Background Information: 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 has committed to fostering the growth of the small business sector by strengthening the connection between small businesses and the Agency's contracting opportunities (defined as procurements handled by the Agency's Procurement Division). As a part of the program, to qualify as a small business or very small business, the Agency adopted a two-tiered classification that starts at one-half of the implemented standards set by the State of California's Office of Small Business Certification and Resources (OSBCR) in 2001. To restate, the definitions for those 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

This report will present program accomplishments, activities, and results for 2005 and program goals for 2006.

PROGRAM ACCOMPLISHMENTS AND ACTIVITIES FOR 2005

- Continued to provide list of SBEP certified sub-contractors to prime contractors, encouraging sub-contracting portions of their work to small business.
- Vendor-Participant in the Sacramento Metro Chamber/City of Sacramento Business Expo in May of 2005. Over 1,000 vendors and businesses participated in this event.
- Vendor-Participant in the State of California, Department of General Services, Resource Exchange series.
- Vendor/Exhibitor at the 2005 Black Expo.

PROGRAM RESULTS

- In 2005, 258 new vendors have been added to the Agency database.
- In 2005, the Agency did business with 314 vendors. Out of those, 41 were small business and 128 were very small businesses.
- Total utilization for the period of January 1, 2005 – December 31, 2005 is as follows:
 - 58 percent of procurement dollars were issued to small business and very small businesses
 - 69 percent of total number of purchase orders and contracts were issued to small business and very small businesses

In the area of construction procurements, the Agency's small business participation increased from 12.3 percent in 2004 to 32.3 percent in 2005. For very small businesses, the participation increased from 28.2 percent in 2004 to 30.9 percent in 2005. Much of the credit for this increase is due to the awards for the rehabilitation of the 5H Homes to prepare them for homeownership. All 5H related awards were made to either small or very small businesses. Through this program, \$1.3 million dollars were awarded to small businesses and \$1.2 million dollars were awarded to very small businesses.

As with past years, this year's results go beyond the program goals. The overall results for the past three years continue to exceed our original goal of 30 percent utilization for small businesses with a sub-set of 15 percent utilization for very small businesses.

Please see Attachment I - Small business and Very Small Business Enterprise Utilization Report for further detail.

PLANS FOR 2006

- Continue outreach to the community through business organizations, chambers, and other activities as they present themselves.
- Hold a "Contractor's Forum" in the fall of 2006 to provide an opportunity for all interested contractors to either learn the bidding process or discuss any obstacles they have regarding the bidding process.
- Meet on a quarterly basis with staff from the City of Sacramento, County of Sacramento, Regional Transit and SMUD to further our joint efforts.
- Conduct additional staff training as needed throughout the year.
- Continue to expand the vendor database and enhance the reporting capabilities.
- Continue to maintain utilization records of small business and very small businesses to match or exceed our current goals.

Overall, staff's goal for 2006 is to continue to increase the outreach to small businesses and very small businesses as well as provide training and assistance to further enhance the participation of these groups in ongoing procurement opportunities.

Financial Considerations: This report is informational only - there are no financial considerations.

Environmental Considerations: This report is for information only regarding an existing program, so no environmental review is required.

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

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

Respectfully Submitted by:  _____
 ANNE M. MOORE
 Executive Director

Recommendation Approved:

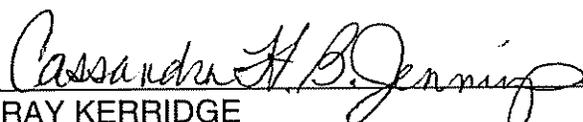

 for RAY KERRIDGE
 City Manager

Table of Contents

Pg 4

Attachment I – SHRA – Small and Very Small Business Enterprise Utilization - 2005

SHRA - Small and Very Small Business Enterprise Utilization - 2005**Construction**

<i>Type of Business</i>	<i>Total Dollars Issued</i>	<i>Percent of Dollars Issued</i>	<i>Number of Purchase Orders/Contracts Issued</i>	<i>Percent of Purchase Orders/Contracts Issued</i>
Very Small Business Enterprise	3,650,387.12	30.9	1,345	54.9
Small Business Enterprise	3,823,720.28	32.3	867	35.4
All other Business Enterprise	4,345,977.23	36.8	239	9.8
Totals	11,820,084.63	100.0	2,451	100.0

Professional Services

<i>Type of Business</i>	<i>Total Dollars Issued</i>	<i>Percent of Dollars Issued</i>	<i>Number of Purchase Orders/Contracts Issued</i>	<i>Percent of Purchase Orders/Contracts Issued</i>
Very Small Business Enterprise	1,586,841.84	37.4	461	50.2
Small Business Enterprise	437,483.33	10.3	61	6.6
All other Business Enterprise	2,219,086.98	52.3	396	43.1
Totals	4,243,412.15	100.0	918	100.0

Non-Professional Services

<i>Type of Business</i>	<i>Total Dollars Issued</i>	<i>Percent of Dollars Issued</i>	<i>Number of Purchase Orders/Contracts Issued</i>	<i>Percent of Purchase Orders/Contracts Issued</i>
Very Small Business Enterprise	932,686.09	50.8	750	60.6
Small Business Enterprise	58,541.42	3.2	11	0.9
All other Business Enterprise	846,459.42	46.1	476	38.5
Totals	1,837,686.93	100.0	1,237	100.0

Material and Supplies

<i>Type of Business</i>	<i>Total Dollars Issued</i>	<i>Percent of Dollars Issued</i>	<i>Number of Purchase Orders/Contracts Issued</i>	<i>Percent of Purchase Orders/Contracts Issued</i>
Very Small Business Enterprise	95,343.04	9.7	101	12.4
Small Business Enterprise	331,792.06	33.7	132	16.2
All other Business Enterprise	557,411.70	56.6	580	71.3
Totals	984,546.80	100.0	813	100.0

Multiple Classification Services

<i>Type of Business</i>	<i>Total Dollars Issued</i>	<i>Percent of Dollars Issued</i>	<i>Number of Purchase Orders/Contracts Issued</i>	<i>Percent of Purchase Orders/Contracts Issued</i>
Very Small Business Enterprise	-	-	-	0.0
Small Business Enterprise	8,209.50	26.6	4	44.4
All other Business Enterprise	22,688.67	73.4	5	55.6
Totals	30,898.17	100.0	9	100.0

TOTALS

<i>Totals</i>	<i>Total Dollars Issued FY2005</i>	<i>Total Percent of Dollars Issued</i>	<i>Total Number of Purchase Orders/Contracts Issued</i>	<i>Total Percent of Purchase Orders/Contracts Issued</i>
Very Small Business Enterprise	6,265,258.09	33.1	2,657	48.9
Small Business Enterprise	4,659,746.59	24.6	1,075	19.8
All other Business Enterprise	7,991,624.00	42.2	1,696	31.2
Totals	18,916,628.68	100.0	5,428	100.0

