

# Memorandum

**TO:** COMMUNITY AND ECONOMIC  
DEVELOPMENT COMMITTEE

**SUBJECT:** DISADVANTAGED BUSINESS  
ENTERPRISE PROGRAM

**FROM:** Barry Ng

**DATE:** June 12, 2017

Approved



Date

*June 19, 2017*

## RECOMMENDATION

Accept this progress report on Disadvantaged Business Enterprise Program which is part of the Council Priority#7: Citywide Contracting Program.

## BACKGROUND

At the June 23, 2015 City Council Priority Setting Session, Mayor Liccardo and Councilmembers Karla, Peralez and Matthews' March 20, 2015 memorandum and recommendation (Council Agenda 3/24/15, Item 6.1) to return to the Community and Economic Development Committee (CED) with a strategy to implement a Disadvantaged Business Enterprise (DBE) Program throughout the City organization was deemed Council's tenth highest priority. At the December 15, 2015 Council Priority Setting Session, it was renumbered to the Council's fourteenth highest priority. At the March 7, 2017 Council Priority Setting Session, it was renumbered to the Council's seventh highest priority.

Public Works staff presented a progress report on the topic at the June 27, 2016 CED Committee meeting. The report provided an overview of the legal issues and history and recommended next steps. The link to the progress report can be found at [http://sanjose.granicus.com/MetaViewer.php?meta\\_id=582016](http://sanjose.granicus.com/MetaViewer.php?meta_id=582016). The Committee approved the approach to develop a Citywide contracting program that is race and gender-neutral.

The Public Works Department released a Request for Qualifications (RFQ) on March 4, 2016 to seek qualified firms to assist the City in two service areas related to inclusive contracting and outreach: (1) assistance with outreach to contractors, consultants and vendors to encourage and coordinate participation with City construction and consultant contracts; and (2) provide research and recommendations to develop an inclusive race and gender-neutral contracting program to encourage greater availability, capacity, development and competition on City contracts.

At the May 23, 2017 City Council meeting (Item 2.16), Council approved Master Agreements with Silvy Group and Keen Independent Research LLC and Milagro Marketing LCC, a Joint Venture, for consulting services for the Citywide Contracting Program.

## **ANALYSIS**

The following provides a brief background on the consultants who will be working on this subject.

### **Silvy Group**

Bob Silvas, owner of the Silvy Group, retired with close to 25 years of service from the San Diego International Airport as the Director of Small Business, a position he held since 2003. Mr. Silvas emphasizes building capacity and maximizing participation through collaboration. By expanding partnerships with local agencies, trade associations, chambers of commerce, and special interest groups, he creates the opportunity to build bridges and for stakeholders to become part of the solution. Silvy Group will focus on discovering and addressing common challenges and barriers that all small businesses face when working with public agencies, the pool of qualified vendors begins to reflect the local business demographics.

### **Keen Independent Research LLC and Milagro Marketing LLC**

Keen Independent Research and Milagro Marketing, a Joint Venture, have extensive experience in research and development of minority business enterprises, women's business enterprises and other small business programs. David Keen and Annette Keen, owners of Keen Independent Research, have conducted over 90 studies of minority business enterprises and small business enterprises since the 1980s. David Ocampo, owner of Milagro Marketing, has substantial marketing and outreach experience in San José. Keen Independent/Milagro will focus on research and analysis of the City's existing program, and the demographics of firms in Santa Clara County available for City contracts to provide recommendations on improvements to remove barriers and build capacity.

The experience, expertise, and differing approaches provided by the consultants will ensure the City has taken all available steps for the development of a Citywide Contracting Program.

At the Committee meeting on June 26, 2017, these consultants will present themselves, briefly discuss their approaches, and answer any general questions the Committee may have.

## **CONCLUSION AND NEXT STEPS**

A service order is in development with the consultants and will include, but is not limited to the following:

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- Identify current practices, constraints, and opportunities for the City's procurement and small business inclusion
- Perform preliminary scan of external business environment
- Identify external and internal stakeholders
- Identify perceived barriers to procurement opportunities

Updates and recommendations will be presented to the Community and Economic Development Committee in Spring 2018.

### **COORDINATION**

This memo has been coordinated with the Office of Economic Development and the City Attorney's Office.

/s/

BARRY NG

Director of Public Works

For questions, please contact Christopher Hickey, Division Manager, Public Works Department at (408) 535-8481.