



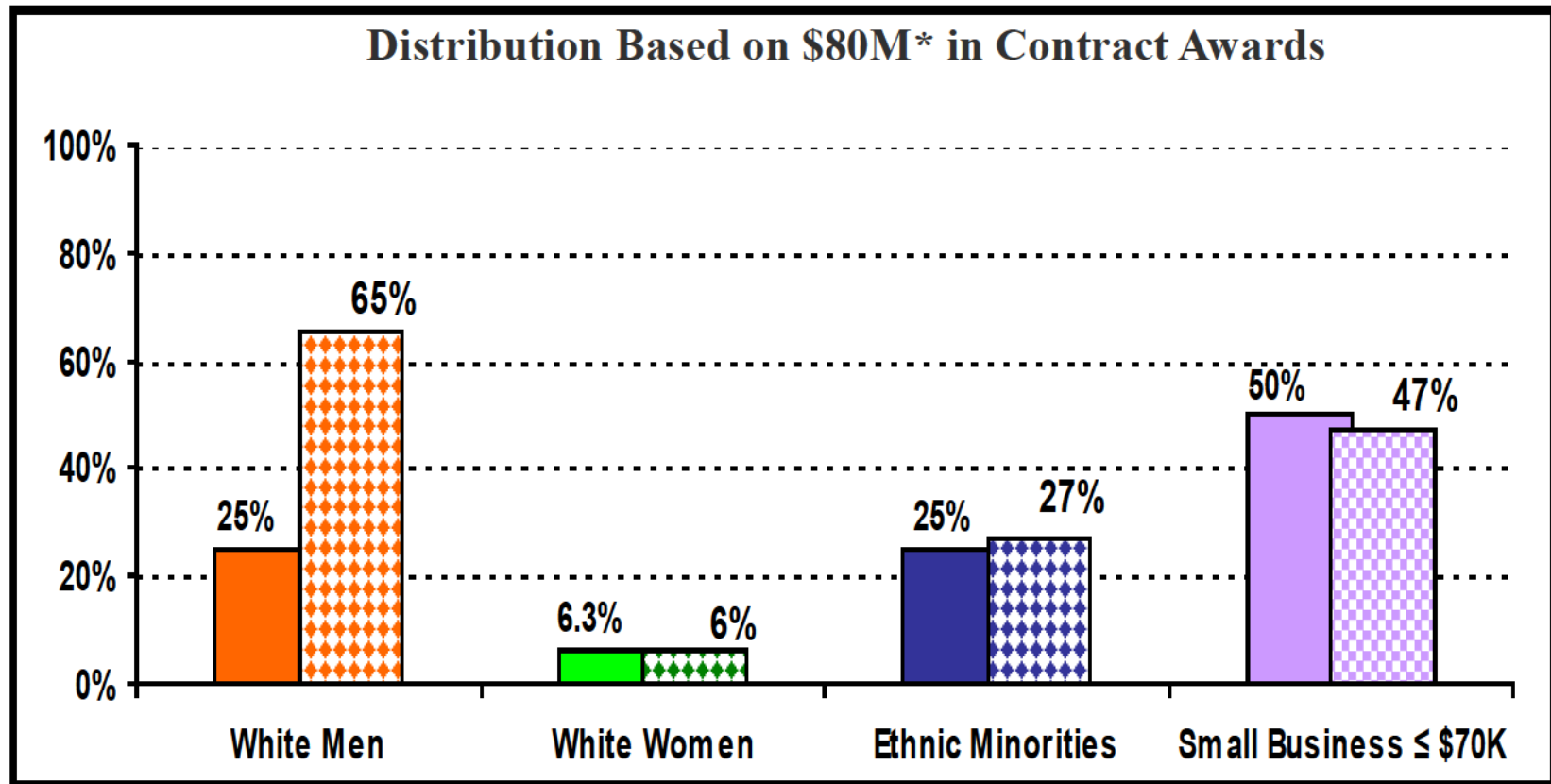
*EAST BAY MUNICIPAL UTILITY DISTRICT*

# **Contract Equity Program Small Business Enterprise Bid Discount**

*Presented to*

**Board of Directors  
November 26, 2013**

# FY13 Contract Participation

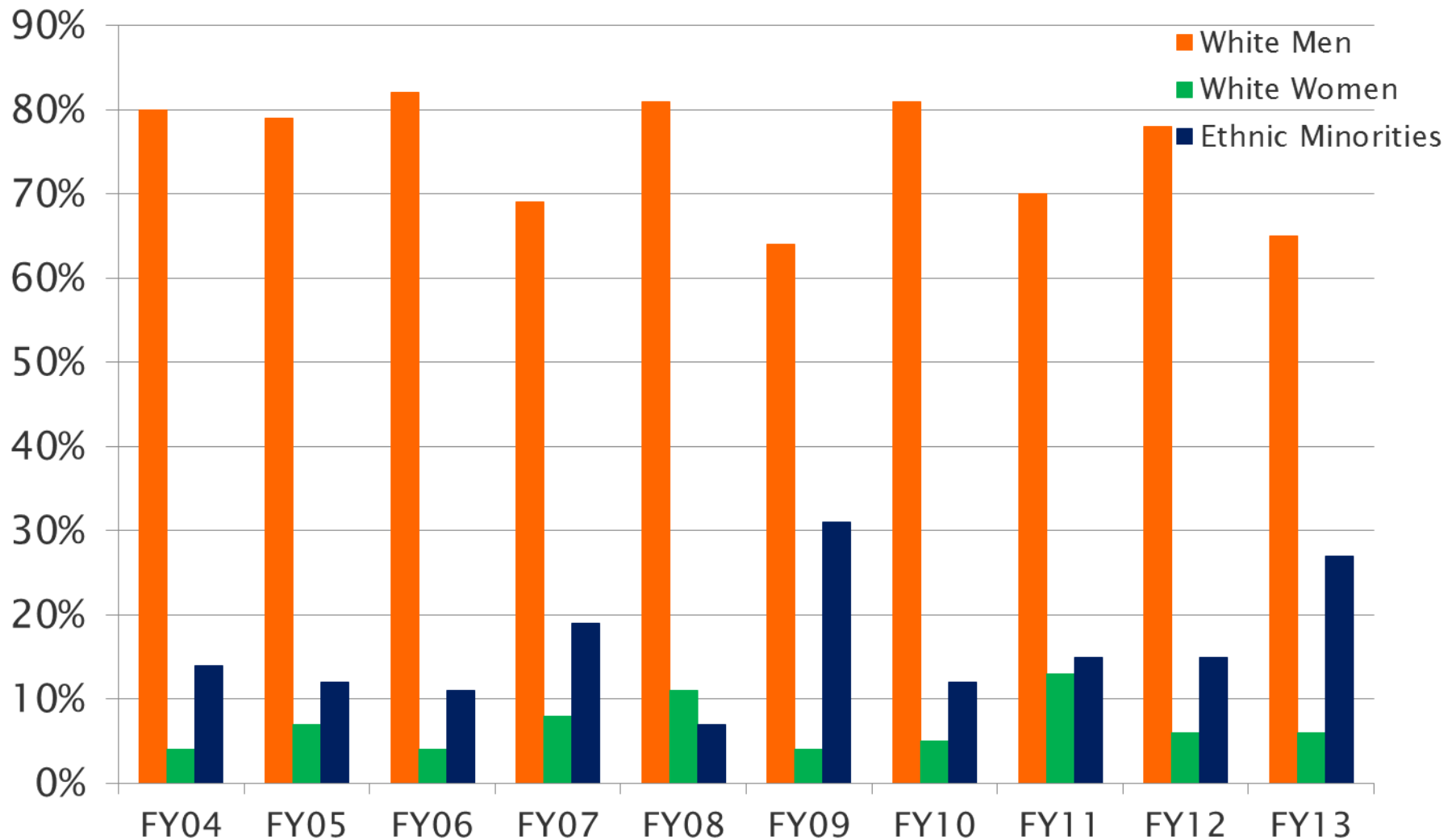


Solid Color = Contracting Objective/Goal  
Checkerboard Color = Actual Results

\*Total Contract Awards minus Exclusions

\*\*Contracts ≤ \$70,000

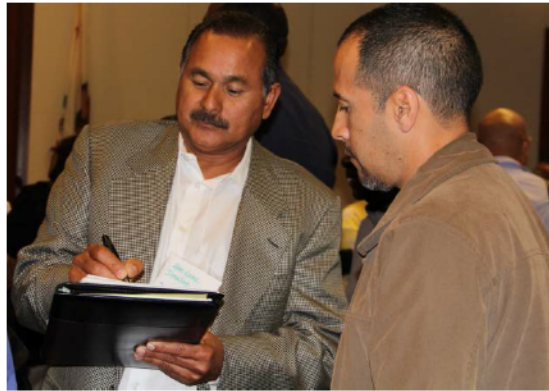
# Contract Participation FY04 thru FY13





# SBEs – Let's Do Business!

EB 1923  
EBMUD 2013



*Partner:* California Department of General Services

May 17, 2013



# FY14 Planned Activities



- Participate in AGC/Caltrans District 04 Mentor Protégé Program for Construction starting in January 2014.
- Implement new prime and subcontractor matchmaking session for targeted construction projects.
- Investigate “piggy-backing” on BART’s proposed SBE Bonding Assistance Program.
- Investigate the feasibility of providing a bid discount for non-SBE Prime Bidders who use SBE subcontractors.
- Consider investigating a regional approach for increasing the availability of loans and/or line of credit to SBEs.
- Continue to engage in aggressive outreach and education efforts.

# Contract Equity Program

## Key Components



- Good Faith Outreach Efforts
- Waiver Provision
- Contracting Objectives
  - White Men 25%
  - White Women 6.3%
  - Ethnic Minorities (Men & Women) 25%
- Small Business Component
  - **5% Bid Discount (max. \$50K/year)**
  - 50% SBE Participation Goal for Contracts  $\leq$  \$70,000
  - Set-Aside Goal of 25% for Contracts  $\leq$  \$70,000
- Encouragement of Local Business

# FY13 Fiscal Impact of SBE Bid Discount



SBE Awardee	Bid Amount		Additional Cost
	SBE	Apparent Low	
Frank A. Olsen	\$11,886	\$11,848	\$38
Starline Supply	\$675	\$669	\$7
WHCI	\$31,394	\$30,883	\$510
WHCI	\$32,521	\$31,805	\$716
Bearing Engineering	\$ 756	\$741	\$15
WHCI	\$28,924	\$28,475	\$449
WHCI	\$2,930	\$2,905	\$26
ABC Valve/Tool	\$17,447	\$17,400	\$47
<b>TOTAL ADDITIONAL COST</b>			<b>\$1,807 (1.5%)</b>



# Recommendation

Increase the maximum dollar cap for the 5% SBE bid discount from \$50,000 per year to \$100,000 per year on all competitive bid projects effective January 1, 2014 and applicable to all bid projects advertised on or after that date.

- **Authority:** Public Contract Code §2002 (no dollar limit on cap).
- **Review and Monitoring:** Quarterly.

Increase the maximum dollar cap for the 5% SBE bid discount from \$50,000 per year to \$250,000 per year with an annual budget limit of \$500,000 on all competitive bid projects effective January 1, 2014 and applicable to all bid projects advertised on or after that date.

- **Authority:** Public Contract Code §2002 (no dollar limit on cap).
- **Review and Monitoring:** Throughout the year; will report to the Board if 75% of the budget limit is reached.

# Hypothetical FY13 Fiscal Impact of SBE Bid Discount with Either Increased Maximum Dollar Cap



SBE AWARDEE	BID AMOUNT		ADDITIONAL COST
	SBE	Apparent Low	
Frank A. Olsen	\$11,886	\$11,848	\$38
Starline Supply	\$675	\$669	\$7
WHCI	\$31,394	\$30,883	\$510
WHCI	\$32,521	\$31,805	\$716
Bearing Engineering	\$ 756	\$741	\$15
WHCI	\$28,924	\$28,475	\$449
WHCI	\$2,930	\$2,905	\$26
ABC Valve/Tool	\$17,447	\$17,400	\$47
Efi Discount Computers	<b>\$1,795,252</b>	<b>\$1,732,277</b>	<b>\$62,975</b>
TOTAL ADDITIONAL COST			<b>\$64,782 (3.5%)</b>



# Questions?

