



The City of San Diego

Staff Report

DATE ISSUED: January 19, 2024
TO: City Council
FROM: Purchasing & Contracting/Equal Opportunity Contracting Program
SUBJECT: Fiscal Year 2022 & 2023 Business Diversity Annual Report

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Council District(s): Citywide

OVERVIEW:

The Purchasing and Contracting (P&C) is pleased to provide this annual report, which provides construction, consultant, goods and services diversity participation statistics. This report also highlights programmatic activities, achievements, and goals for the future. Information provided in this report covers the period of July 1, 2021 through June 30, 2022 and July 1, 2022 through June 30, 2023.

PROPOSED ACTIONS:

This is an informational item. No action is required by the Committee or the City Council.

DISCUSSION OF ITEM:

Introduction

The Small Local Business Enterprise (SLBE) Program was adopted by the City of San Diego (City) in 2010, with the intent of providing a race and gender-neutral tool¹ to help stimulate and promote the utilization of the city's local business community. Over the last thirteen years, the program has allowed for opportunities within the City's procurement of goods and services, construction, and architectural and engineering (A&E) consultant contracts for small or emerging, local businesses. Benefits of being certified as an SLBE or Emerging Local Business Enterprise (ELBE) include sheltered bidding opportunities, bid discounts and/or preference points, as well as mandatory subcontracting

¹ In compliance with Prop 209, passed by the voters in 1996 adding Article 1 section 31 of the California Constitution.

participation goals specific to City certified firms in construction contracts. This report highlights information on programmatic changes, if any; contract award information based on SLBE program requirements; contract award information related to diversity; and compliance monitoring activities performed by staff during the fiscal year reporting period.

Programmatic Overview

Community Outreach and Involvement

EOCP continues to perform community outreach in order to bring awareness of the SLBE Program, which will ultimately lead to increase participation on City contracts. EOCP conducts outreach through various platforms. This includes:

1. Participation in the Public Agency Consortium² (PAC). The PAC is a partnership of regional agencies focused on increasing the participation of diverse and small businesses on public agency procurement contracts. PAC meets quarterly to discuss contracting trends, issues, and discuss how agencies can best serve their communities. Aside from participating in regular meetings, PAC members participate in various outreach events, hosted by participating agencies, to inform potential bidders of their agency's respective programs, how to bid, and resources available to them.
2. EOCP partners with both the North and South San Diego SBDC to increase participation of small or emerging local businesses and diverse businesses on City contracts.. San Diego SBDC delivers up-to-date counseling, training, and technical assistance in all aspects of small business management. SBDC services include, assisting small businesses with access to capital, marketing, production, organization, engineering and technical problems and feasibility studies. In partnership with SBDC, EOCP staff conducts trainings on SLBE program benefits, how to become certified within the program, and will provide step-by-step assistance on submitting an application for the SLBE program to interested businesses.
3. EOCP also attends outreach events throughout San Diego County , as evidenced in Attachment 1. These events help engage small businesses by providing them information on the benefits of the City's SLBE program and help identify potential bidding opportunities based on the goods or services a business provides. The intent is to help increase the number of willing and able firms within the SLBE program and subsequently increase the participation of SLBE firms on City contracts.

Mentor Involvement

EOCP staff is involved in the Calmentor³ Mentor-Protégé Program, sponsored by Caltrans District 11, as steering committee members and pairing facilitators. The year long program is designed to encourage and support small businesses in the Architectural and Engineering (A&E) sector, through voluntary partnerships with mid-size and larger firms participate in public transportation projects in the San Diego region. Calmentor partnerships include Caltrans, District 11 Small Business Council (D-11 SBC), SANDAG, City of San Diego, and American Council of Engineering Companies (ACEC) - San Diego Chapter. Over the last several cycles, City-certified SLBE and ELBE firms such as, La Salle Solutions, Reddy Engineering Services, San Dieguito Engineering, and STC Traffic; have participated in the program and have gained considerable insight not only on how to submit bids or proposals, but also on how to effectively run their overall business. Staff is proud to partner with Caltrans, and other regional agencies for this program.

² <https://www.sandiego.gov/eoc/boc/pac>

³ Additional information on the Calmentor program can be found here: <https://dot.ca.gov/caltrans-near-me/district-11/popular-links/calmentor>

EOCP staff participates in the Construction & Commodities (C&C) Mentor Protégé Program⁴ as steering committee members and pairing facilitators. Founded as a non-profit organization, the C&C Mentor Protégé Program is designed to foster relationships within the construction and building industry by bridging the gap between small businesses and larger firms. Some of the program benefits include enhancing growth potential, increasing small business participation in construction projects, building capacity, and fostering business relationships in the San Diego Region.

SLBE Program: By the Numbers

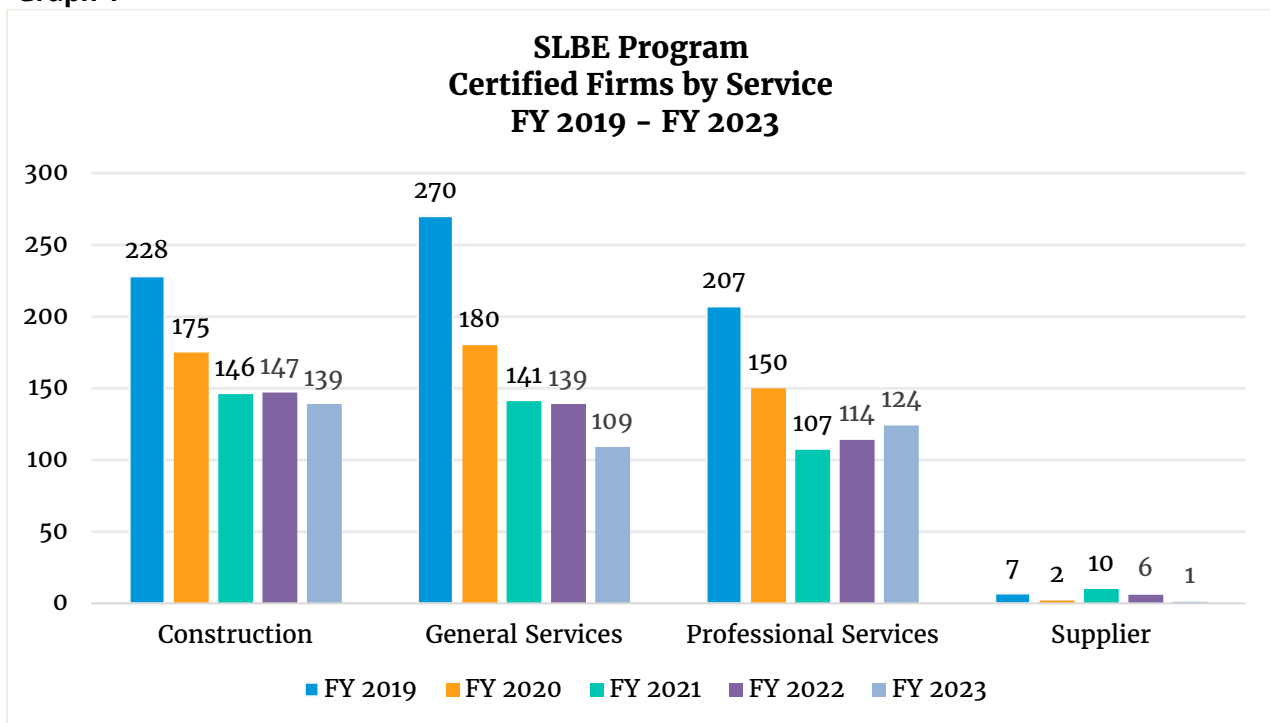
In FY22 the SLBE program had 406 certified firms, and 373 certified firms in FY23 across various service categories. The number of certified firms will vary at any given time due to any of the following reasons:

1. Firm fails to renew their certification (no longer wants to be in the SLBE Program);
2. Firm allows for a lapse in certification; and
3. Firm exceeds the 3-year average income cap established.

Firms seeking to become certified as a SLBE or ELBE firm must meet program eligibility requirements including income documentation⁵ and proof that the business is local.

The graph below shows the average number of certified firms in the SLBE program over the last five fiscal years.

Graph 1



⁴ Additional information on the C&C Program can be found here: <https://www.candcmentorprotege.com/>

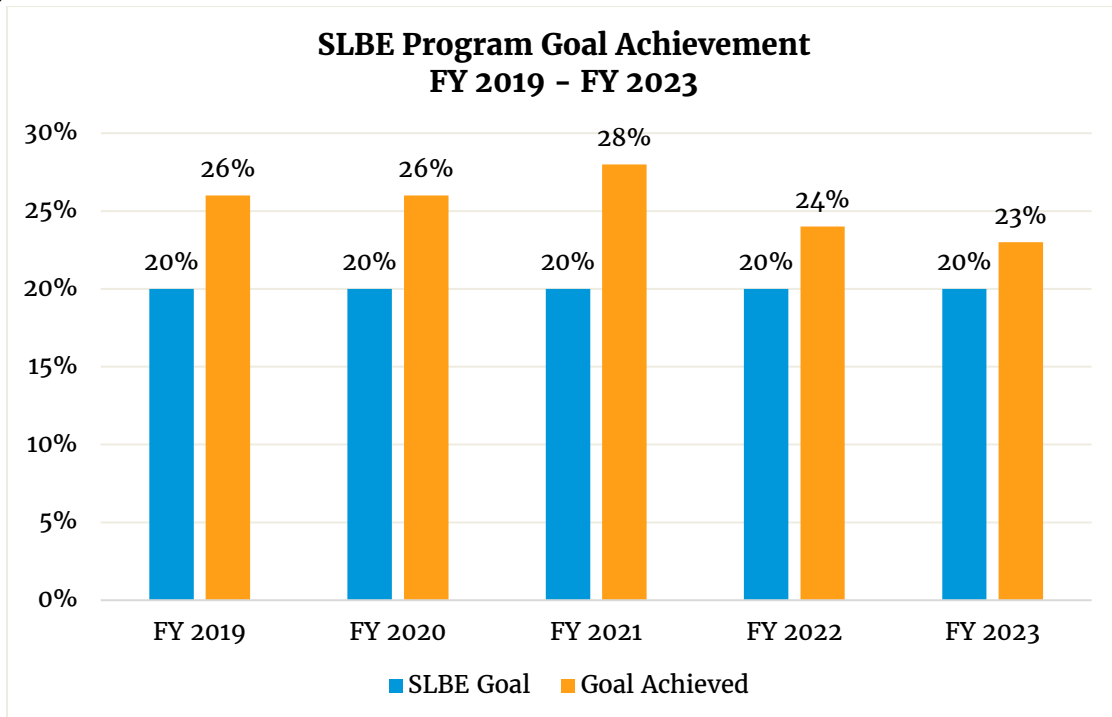
⁵ Income documentation requirements may be automatically waived for firms certified as a Micro Business or Disabled Veteran Business Enterprise (DVBE) by the California Department of General Services (DGS).

SLBE Participation Rate Exceeds Annual CIP Goal

The Capital Improvement Program (CIP) establishes an annual aspirational goal for participation of SLBE firms on construction and A&E contracts. For FY22 and FY23, the overall goal established for SLBE/ELBE participation on CIP Construction and A&E Consultant contracts was 20 percent. EOCP will continue to work with the E&CP Department to ensure efforts are made to generate as many eligible CIP construction projects as possible for sheltering and creating prime contracting opportunities for the City's certified small and emerging local businesses.

By engaging internal and external stakeholders, the construction and consultant industries, and with the continued support of the City's Executive Team and Mayor, participation by SLBE/ELBE firms on CIP projects with SLBE requirements was 24 percent⁶ for FY22 and 23 percent for FY23. Graph 2 below shows SLBE participation compared to the established aspirational goal over the last five fiscal years.

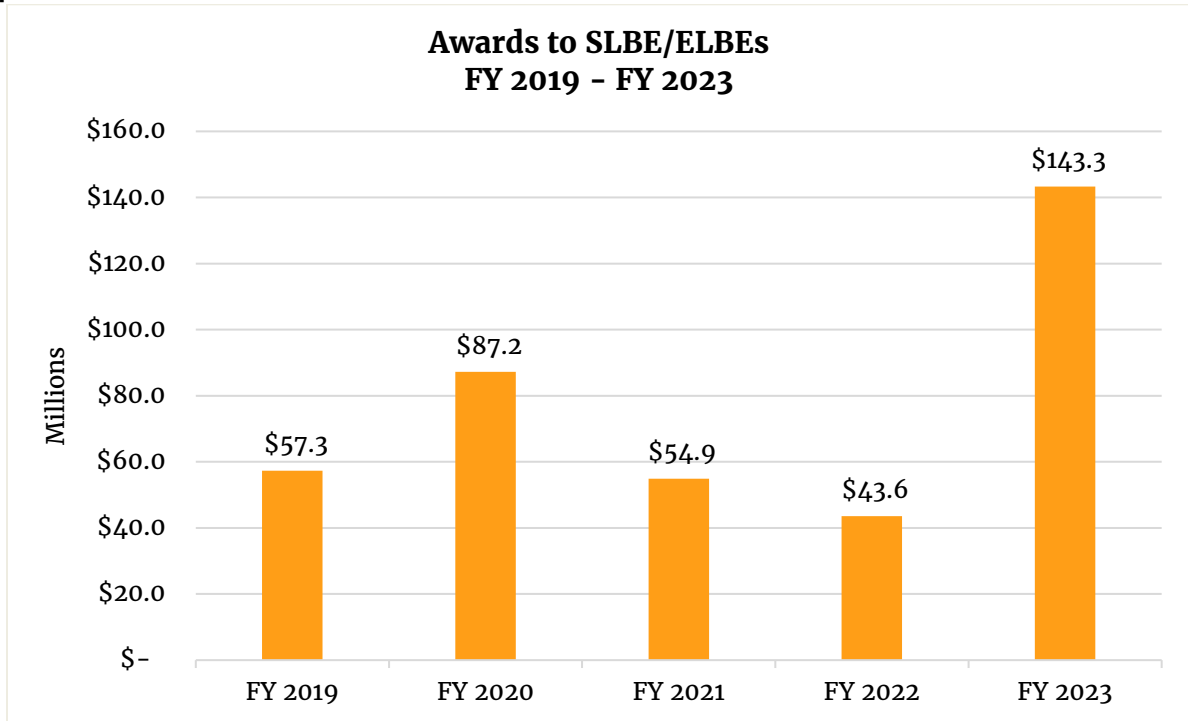
Graph 2



Graph 3 shows the total value of contracts awarded to SLBE or ELBE firms on construction and A&E consultant contracts (combined) over the last five fiscal years. There was a \$99.7 million dollar increase in overall dollar value awarded to SLBE or ELBE firms from FY22 to FY23. Reasons for varying amounts can be attributed to project sizing, complexity, and volume of projects based on asset type. A detailed list identifying the SLBE/ELBE firms who were awarded contracts during FY22 is provided in Attachment 2, while information for FY23 can be found in Attachment 3.

⁶ Percentage is based on cumulative totals for Construction and A&E Consultant contracts that contained SLBE subcontracting program requirements.

Graph 3

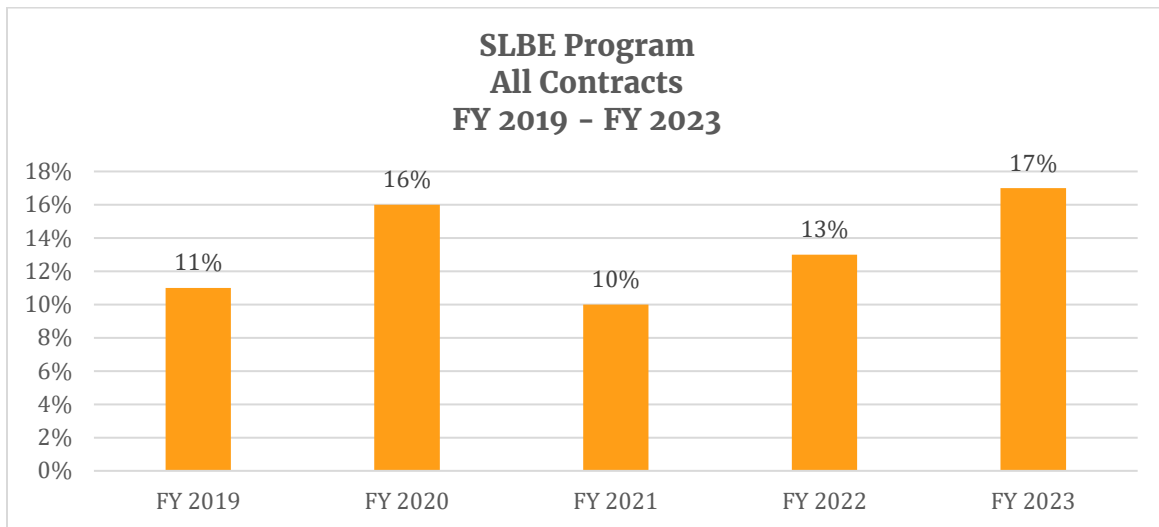


Participation by SLBE/ELBE Firms on City Funded Contracts

All Contracts

During FY22, the City awarded a total of \$336.2 million in construction, A&E, and goods and services contracts, of which \$44.5 million went to certified SLBE or ELBE firms⁷. In FY23, the City awarded a total of \$843.4 million in construction, A&E, and goods and services contracts, of which \$145.3 million went to certified SLBE or ELBE firms. Graph 4 shows SLBE/ELBE participation across all contracts over the last five fiscal years.

Graph 4



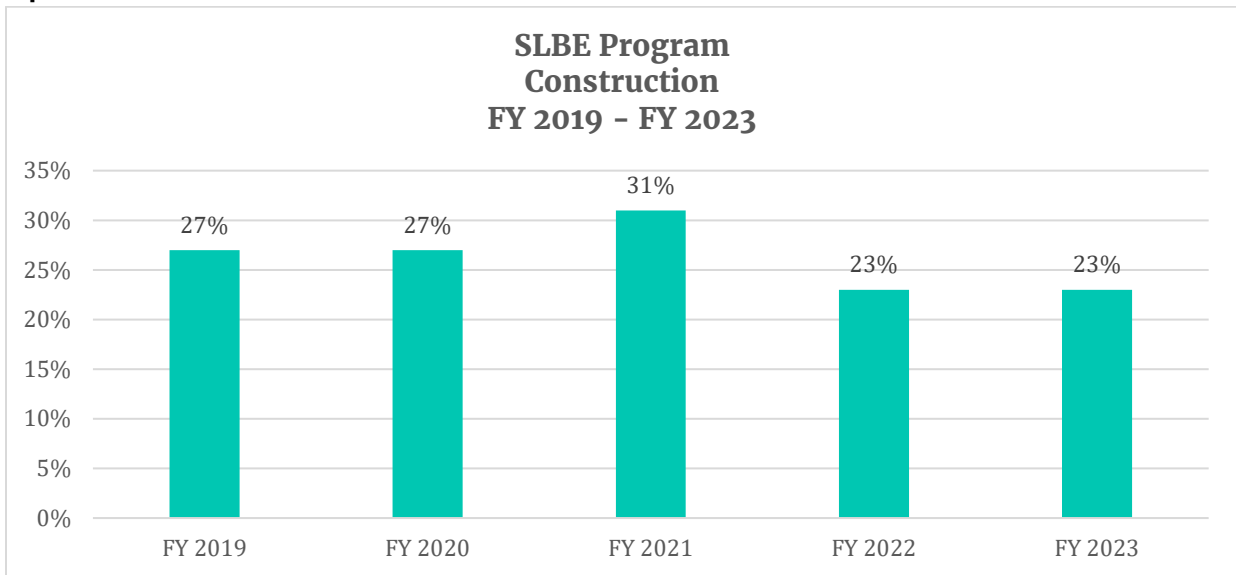
⁷ Detailed information on diversity of awards based on race/ethnic group to firms within the SLBE program is available in table format in Attachment 4.

Construction Contracts

Construction contracts awarded with SLBE program⁸ requirements during FY22 included 48 major⁹ contracts totaling \$146.1 million and 3 minor contracts totaling \$341 thousand. The 48 major construction contracts identified contained mandatory SLBE subcontractor participation requirements, while the 3 minor contracts were restricted to SLBE/ELBE bidders only. The total SLBE/ELBE participation awarded in FY22 was \$34.1 million.

In FY23, 69 major construction contracts were awarded totaling \$542.8 million and 2 minor contracts totaling \$720 thousand were awarded. The total SLBE/ELBE participation awarded in FY23 was \$127.2 million. Graph 5 contains a breakdown of the percent of dollars awarded to City-certified SLBE or ELBE firms on construction contracts for the last five fiscal years.

Graph 5



Architectural & Engineering Contracts

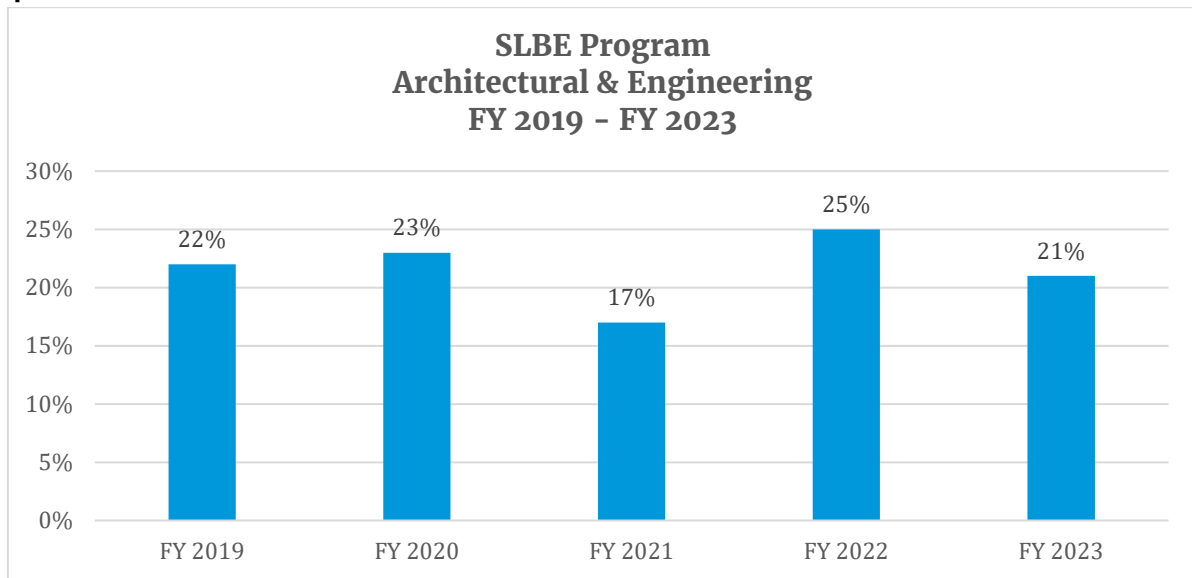
During FY22, the City awarded 131 A&E consultant contracts totaling \$38 million. Of this, \$9.5 million was awarded to certified SLBE or ELBE firms. In FY23, the City awarded a total of 184 A&E consultant contracts, amounting to \$80.4 million, with \$16.7 million going to certified SLBE or ELBE firms.

This was a \$7.2 million dollar increase awarded to SLBE or ELBE firms from FY22 to FY23. Graph 6 shows the percent of dollars awarded to SLBE/ELBE firms over the last five fiscal years.

⁸ Information on construction contract awards is available in table format in Attachment 5.

⁹ Major public works contracts are contracts valued at \$1M or more. Minor public works contracts are contracts valued under \$1M. For additional information: <https://docs.sandiego.gov/municode/MuniCodeChapter02/Ch02Art02Division36.pdf>

Graph 6



Goods & Services Contracts

During FY22, the City awarded a total of \$166.1 million in goods and services contracts, of which \$1 million was awarded to certified SLBE/ELBE firms. In FY23, goods and services contracts awarded totaled \$219.4 million, of which \$1.3 million went to certified SLBE/ELBE firms.

In previous reports, the Diversity Report included information on total spend amount for POs issued through P&C. To remain consistent with the reporting of CIP contracts, the information will reflect contract awards on formally solicited contracts. Only contracts in which the Purchasing Agent is required to advertise for sealed bids or proposals in the City's official newspaper shall incorporate a 20 percent voluntary SLBE/ELBE goal and 5 percent bid discount for bids or up to an additional 12 percent of the total possible evaluation points for proposals based on SLBE/ELBE participation. During FY23 P&C updated municipal code to incorporate mandatory goals for good and services contracts, however staff has noted that the SLBE program does not have a robust number of certified firms to be able to incorporate a mandatory subcontracting requirement. EOCP will look incorporate mandatory SLBE goals on contracts for goods and services where an established pool of firms exist. Refer to SDMC Division 36: Small and Local Business Program Administration for SLBE Program applicability.

Table 1 provides the distribution of formally solicited goods & services contracts awarded to SLBE/ELBE firms for the past three fiscal years.

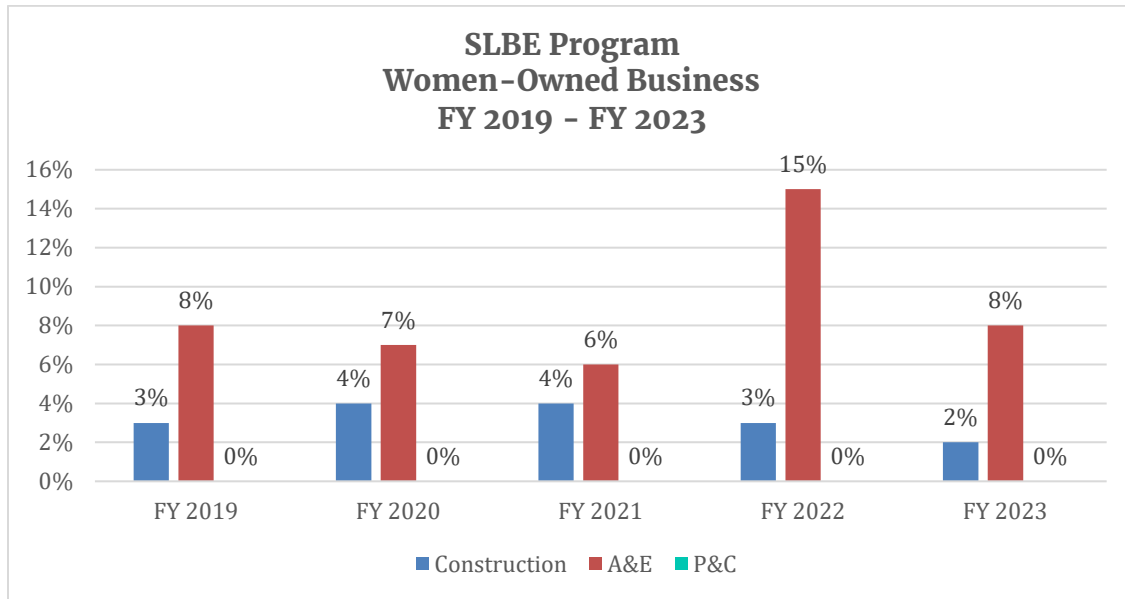
Table 1

Certification	FY 2021			FY 2022			FY 2023		
	# Awarded	Dollar Amount	% of Dollars Awarded	# Awarded	Dollar Amount	% of Dollars Awarded	# Awarded	Dollar Amount	% of Dollars Awarded
ELBE	3	\$2,504,875	1%	0	\$0	0%	1	\$350,000	0.5%
SLBE	3	\$957,394	0%	1	\$927,175	1%	1	\$973,220	0.5%
Non-SLBE-ELBE	93	\$396,341,881	99%	55	\$150,476,397	99%	65	\$218,119,495	99%
Total	99	\$399,804,150	100%	56	\$151,403,572	100%	67	\$219,442,715	100%

SLBE Participation, Woman-Owned

Participation by certified SLBE or ELBE woman-owned firms for construction, A&E, and goods and services contracts during FY22 totaled \$10.4 million and \$17.2 million in FY23. Although the percent of awards to Women-Owned Business declined in FY23 from the previous year, the total dollars awarded increased by \$6.8 million. The graph below shows participation for certified SLBE or ELBE women-owned firms across all contracts over the last five fiscal years.

Graph 7



Costs Associated with Oversight of SLBE Program

In FY21, the Office of the City Auditor’s conducted a performance audit of the SLBE Program. The overall objective of the audit was to review the efficiency and effectiveness of the program. As recommended by the Office of the City Auditor’s, EOC tracks the amount of time spent by staff who are involved with the SLBE Program, as well as information on how much more the City may pay contractors who are complying with SLBE Program requirements. During FY22 EOC staff spent a total of 264 hours reviewing SLBE program applications and performing site visits to ensure firms meet the eligibility requirements of the program and 241 in FY 2023. The Engineering & Capital Projects Department spent a total of 180 hours updating database of available SLBE/ELBE firms and creating mandatory SLBE/ELBE subcontracting goals for City funded construction contracts in FY 2022 and 232 hours in FY 2023.

Table 2 below shows the distribution of staff time to administer the SLBE program over the last three fiscal year.

Table 2

		FY 2021	FY 2022	FY 2023
Role	Position	# of Hours	# of Hours	# of Hours
EOCP				
Application Review	Management Analyst	413	258	241
Site Visit		6	6	0
	Total	419	264	241
E&CP				

Goal Calculations	Engineer Civil	73	128	180
Update Firm Availability		52	52	52
	Total	125	180	232
	Grand Total	544	444	473

During FY22, 3 construction projects were awarded to bidders who were not the apparent low bidder, while in FY23 there were 6. Awards to non-apparent low bidders were based on the apparent low bidders' failure to meet SLBE Program requirements. The difference in award dollars of these contracts including alternate bid items totaled \$1,528,219 in additional cost to the City for FY22 and \$4,925,482 in FY23.

Table 3 below provides detailed information on the difference between the bid of the initially identified low bidder to that of the actual bidder awarded.

Table 3

Bid No.	Project Name	Bidder Rank	Firm Name	Bid Amount	Variance in Price
FY 2022					
K-22-2025-DBB-3-A	Clairemont Mesa East Pipeline Improvements 1	1	Palm Engineering Construction Co., Inc.	\$7,899,597.30	\$336,036.70
		2	Ortiz Corporation	\$8,235,634.00	
K-22-2054-DBB-3	Otay WTP Basin Restoration	1	Slater Waterproofing, Inc.	\$1,712,711.00	\$266,759.00
		2	Tharsos, Inc.	\$1,884,100.00	
		3	ABHE & Svoboda, Inc.	\$1,979,470.00	
K-22-2063-DBB-3	Sewer & AC Water Group 793	1	S.C. Valley Engineering, Inc.	\$6,969,434.10	\$925,423.90
		2	KTA Construction, Inc.	\$7,894,858.00	
FY 2023					
K-23-2080-DBB-3	PQPS Oxygenation System	1	Caliagua, Inc.	\$3,890,767.00	\$501,000.00
		2	Steve P. Rados, Inc.	\$4,224,500.00	
		3	Blue Pacific Engineering & Construction	\$4,391,767.00	
K-23-2064-DBB-3-A	Storm Water Diversion at the South Bay Water Reclamation Plant	1	Ortiz Corporation, Inc.	\$2,175,170.00	\$665,480.00
		2	Burtech Pipeline, Inc.	\$2,840,650.00	

K-23-2122-DBB-3	MYF Electrical System Upgrades	1	Baker Electric & Renewables LLC	\$739,937.00	\$16,563.00
		2	Ace Electric, Inc.	\$756,500.00	
K-23-2061-DBB-3	Scripps Miramar Ranch Library Parking Expansion	1	Marcon Engineering, Inc.	\$6,908,308.45	\$169,469.32
		2	Dick Miller, Inc.	\$7,077,777.77	
K-23-2117-DBB-3	Ocean Air CP Comfort Station and Park Improvements, and the Carmel Valley CP-Turf Upgrades and Park Improvements	1	Marcon Engineering, Inc.	\$5,797,493.00	\$292,049.00
		2	De La Fuente Construction, Inc.	\$6,089,542.00	
K-23-2165-DBB-3	Encanto Improv 1	1	S.C. Valley Engineering, Inc.	\$18,199,079.25	\$3,280,920.75
		2	Burtech Pipeline, Inc.	\$21,480,000.00	

Diversity of Contract Awards

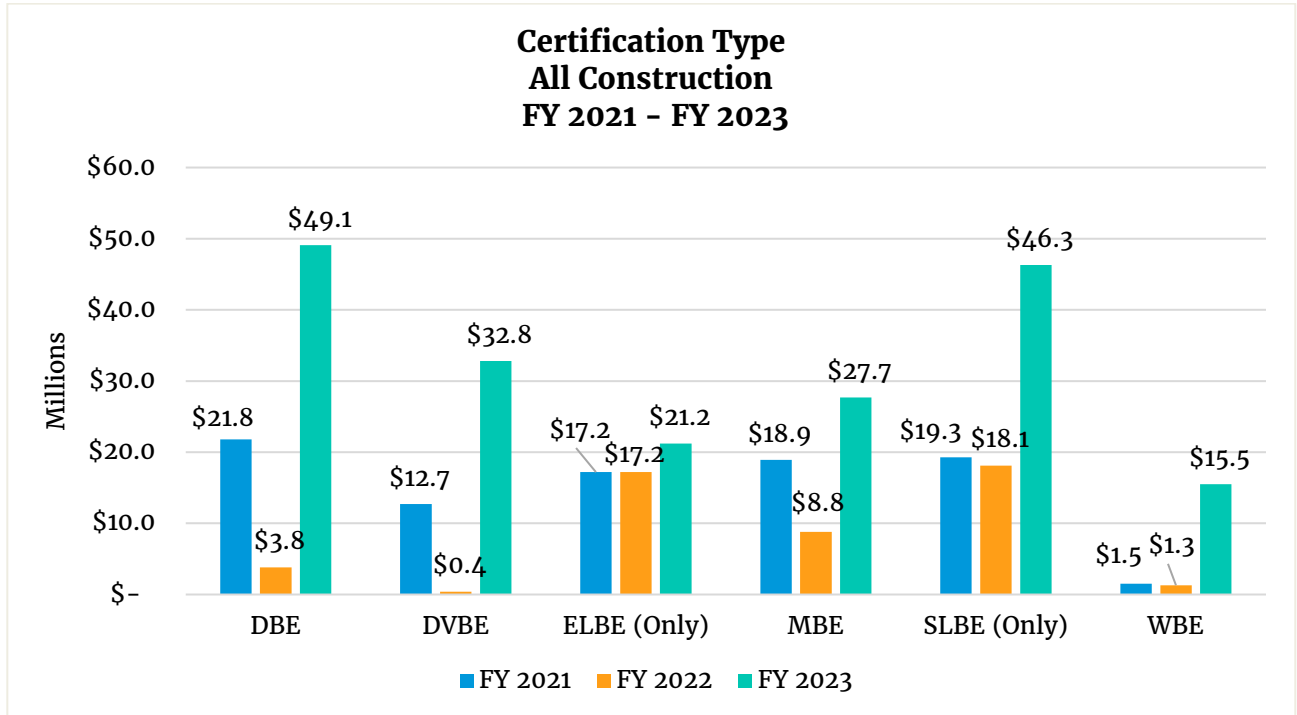
Contracts by Certification Type

The City encourages participation by other types of certified firms on City contracts, outside of those designated in the SLBE program. The certifications recognized by the City include: Disadvantaged Business Enterprise (DBE); Disabled Veteran Business Enterprise (DVBE); Minority Business Enterprise (MBE); and Woman Business Enterprise (WBE). EOCP not only monitors participation for contracts subject to SLBE requirements, but also for all certified firms across all funding sources and subcontracting requirements.

In FY22, the City awarded 80 construction contracts totaling \$230.8 million, of which \$49.6 million went to City-recognized certified firms, regardless of funding source, which including Federal, State, and emergency sole source contracts. In FY23, 97 construction contracts totaling \$735.9 million were awarded, of which \$93.5 million was awarded to certified firms.

Graph 8 shows the dollar value of construction contracts awarded to the various City recognized certified firms over a 3-year fiscal period.¹⁰

Graph 8

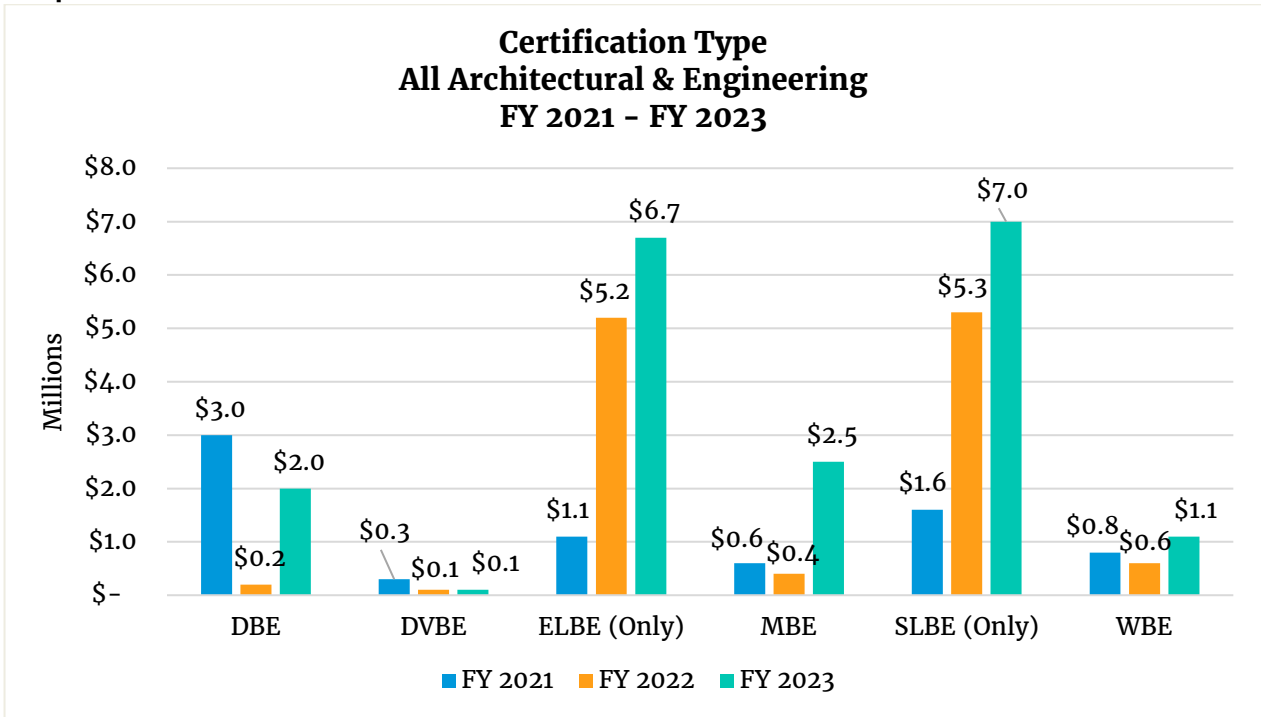


The City awarded 148 A&E contracts totaling \$85.3 million during FY22, of which \$11.9 million went to certified firms for all contracts regardless of funding source, including Federal and State contracts. In FY23, 211 A&E contracts were awarded totaling \$123.4 million, of which \$27.7 million went to certified firms.

Graph 9 shows the distribution of A&E Consultant contract awards based on certification type for the last three fiscal years.

¹⁰ Information on Construction contract awards is available in table format in Attachment 4.

Graph 9



The City awarded a total of \$2.8 million to certified DBE/DVBE/ELBE/MBE/SLBE/WBE firms in FY22 and \$14 million in FY23. Table 4 below shows the distribution of goods and services contract awards based on certification type for the last three fiscal years.

Table 4

Certification	FY 2021			FY 2022			FY 2023		
	# Awarded	Dollar Amount	% of Dollars Awarded	# Awarded	Dollar Amount	% of Dollars Awarded	# Awarded	Dollar Amount	% of Dollars Awarded
DBE	0	\$0	0%	0	\$0	0%	0	\$0	0%
DVBE	0	\$0	0%	2	\$1,630,744	1%	1	\$3,000,000	1%
ELBE	3	\$2,250,000	1%	0	\$0	0%	1	\$350,000	0%
MBE	0	\$0	0%	1	\$169,000	0%	2	\$3,720,000	2%
SLBE	3	\$957,394	0%	1	\$927,175	1%	1	\$973,220	0%
WBE	2	\$3,093,200	1%	0	\$0	0%	2	\$6,000,000	3%
Non-Certified	72	\$367,355,601	98%	52	\$148,676,653	98%	60	\$205,399,495	94%
Total	80	\$373,656,195	100%	56	\$151,403,572	100%	67	\$219,442,715	100%

Contracts by Race/Ethnic Group

Construction awards based on race/ethnic group, other than Caucasian, for FY22 was \$28.9 million and \$93.5 million in FY23. Table 5 shows the diversity of contract awards for the last three fiscal years for all projects regardless of funding source (City, State, Federal).

Table 5

Ethnicity	FY 2021			FY 2022			FY 2023		
	# Awarded	Dollar Amount	% of Dollars Awarded	# Awarded	Dollar Amount	% of Dollars Awarded	# Awarded	Dollar Amount	% of Dollars Awarded
African American	6	\$852,418	0%	4	\$5,370,457	2%	4	\$4,648,650	1%
Asian	12	\$2,438,000	0%	17	\$4,368,506	2%	17	\$7,376,718	1%
Asian Subcontinent	0	\$0	0%	0	\$0	0%	18	\$8,261,570	1%
Caucasian	372	\$1,079,462,910	96%	308	\$201,845,873	87%	426	\$642,467,927	87%
Latino	70	\$39,878,982	4%	48	\$19,062,545	8%	122	\$65,991,360	9%
Native American	6	\$3,395,098	0%	3	\$144,692	0%	15	\$7,224,789	1%
Total	466	\$1,126,027,408	100%	380	\$230,792,074	100%	602	\$735,971,014	100%

A&E Consultant awards based on race/ethnic group, other than Caucasian, for FY22 was \$5.5 million and \$11.1 million in FY23. Table 6 below shows the diversity of A&E Consultant contract awards based on race/ethnic group over the last three fiscal years.

Table 6

Ethnicity	FY 2021			FY 2022			FY 2023		
	# Awarded	Dollar Amount	% of Dollars Awarded	# Awarded	Dollar Amount	% of Dollars Awarded	# Awarded	Dollar Amount	% of Dollars Awarded
African American	3	\$147,110	0%	0	\$0	0%	0	\$0	0%
Asian	34	\$1,564,548	4%	42	\$2,563,428	5%	79	\$5,305,988	4%
Asian Subcontinent	1	\$24,500	0%	0	\$0	0%	0	\$0	0%
Caucasian	389	\$34,495,506	91%	309	\$45,775,405	89%	566	\$112,328,947	91%
Latino	33	\$1,342,912	4%	39	\$2,634,915	5%	56	\$3,879,792	3%
Native American	16	\$484,354	1%	7	\$300,936	1%	11	\$1,884,565	2%
Total	476	\$38,058,930	100%	397	\$51,274,684	100%	712	\$123,399,292	100%

General Contract Information - CIP

While the report shows information over five fiscal years, these numbers are for informational purposes only. A true year-after-year comparison of the awarded dollars during each fiscal year is difficult due to several factors, including:

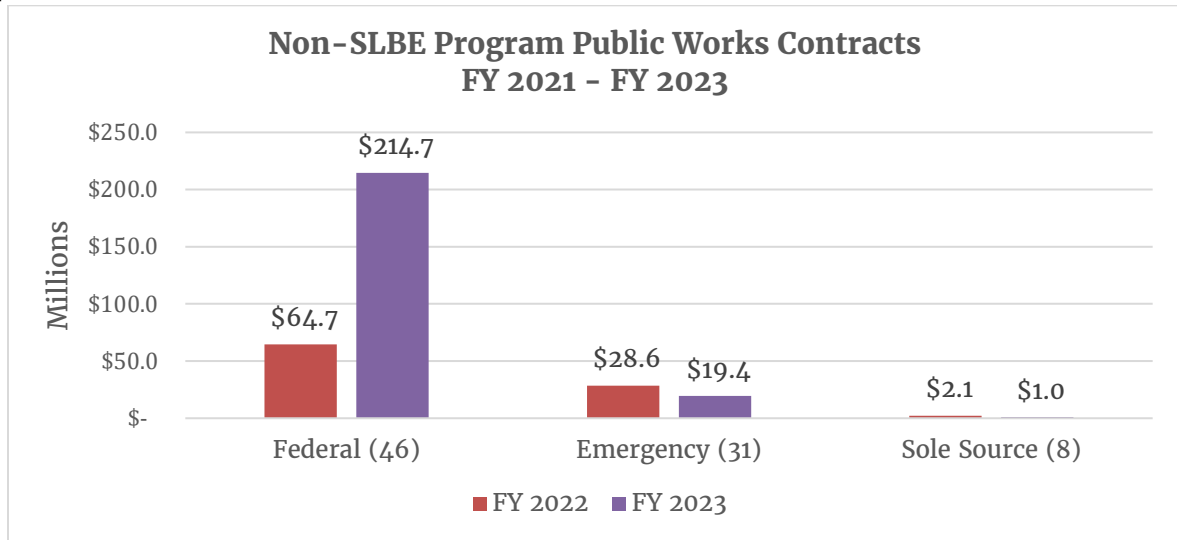
1. Asset Type – The City does not issue the same number of contracts each year for the same type of asset (e.g. surface improvements, water/sewer pipelines, paving, etc.), which impacts the number of available certified firms eligible to participate on City contracts due to the scope of work;
2. Contract Sizing – To protect City interest, larger projects require contractors to have a larger bonding capacity. The larger the contract and bonding requirement, the less likely

a smaller firm or qualified disadvantaged business will be able to participate on the contract as a prime contractor; and

3. Funding Source – The City applies for grants and loans from various State and Federal agencies each year to be utilized for various projects. Each agency may have its own subcontracting program requirements and may impact the type of bidder that will submit a bid for the project and the utilization of the required certified firms. The State and/or Federal agency funds utilized on projects during this fiscal year is discussed later in this report.

During FY22, 33 public works contracts totaling \$95.4 million were awarded without SLBE program requirements and 52 public works contracts total. Contracts may be exempt from SLBE requirements if there is an additional funding source (State and/or Federal) or if the contract is considered an Emergency or Sole Source. The breakdown of the 33 projects that were not subject to SLBE program requirements is shown in Graph 10 below.

Graph 10



The 46 projects noted in the graph above were subject to funding sources other than that of the City. The Federal and/or State funding agencies utilized for public works projects during this fiscal year include:

1. California State Water Resource Control Board (SWRCB) – Clean Water State Revolving Fund (CWSRF);
2. Department of Transportation (DOT) - Federal Highway Administration (FHWA);
3. Water Infrastructure Finance and Innovation Act (WIFIA) Program; and
4. Cal OES Governor’s Office of Emergency Services – Federal Emergency Management Agency (FEMA); and
5. Department of Housing & Urban Development (HUD) – Community Development Block Grant (CDBG).

Each of the agencies above require their own subcontractor participation program, which precludes the City's ability to incorporate the SLBE Program and mandatory SLBE subcontracting goals. The subcontracting requirements for each of the agencies is as follows:

1. Clean Water State Revolving Fund (CWSRF) – 2 percent MBE; 1 percent WBE subcontracting fair share goal established by Environmental Protection Agency (EPA) for Region 9¹¹. Bidder is required to submit good faith effort documentation (GFE) documentation regardless if subcontracting goal has been met;
2. Federal Highway Administration (FHWA) – Mandatory DBE goal established based on availability by work category code. Bidder is required to meet the goal or submit GFE;
3. Water Infrastructure Finance and Innovation Act (WIFIA) Program – 2 percent MBE; 1 percent WBE subcontracting fair share goal established by Environmental Protection Agency (EPA) for Region 9. Bidder is required to submit good faith effort documentation (GFE) documentation regardless if subcontracting goal has been met;
4. Federal Emergency Management Agency (FEMA) – Fair share goals established by FEMA require the bidder to submit GFE documentation regardless if subcontracting goal has been met. The U.S. Small Business Administration (SBA) as follows:
 - 5 percent Small Disadvantaged Business (SDB);
 - 5 percent Women-Owned Small Business (WoSB);
 - 3 percent HUBZone Small Business (HubZone);
 - 3 percent Service-Disabled Veteran-Owned Small Business (SDVoSB); and
5. Community Development Block Grant (CDBG) – Fair share goals established by HUD and bidder is required to submit GFE documentation regardless if subcontracting goal has been met. The U.S. Small Business Administration (SBA) as follows:
 - 5 percent Small Disadvantaged Business (SDB);
 - 5 percent Women-Owned Small Business (WoSB);
 - 3 percent HUBZone Small Business (HubZone);
 - 3 percent Service-Disabled Veteran-Owned Small Business (SDVoSB).

Contract Compliance: Pre-Award Activities

Staff ensures vendors that are awarded contracts are compliant with various Municipal Code and Council Policy requirements that EOCP is tasked with overseeing. EOCP tasks can be broken up into pre-award and post-award duties. Pre-Award duties include: the review of all Mayoral and Council-driven actions by analyzing work force reports, equal employment opportunity (EEO) plans, and verifying nondiscrimination in contracting. During the advertisement phase of procurement, staff may participate in pre-bid or pre-proposal meetings as indicated in solicitation documents, addressing questions related to EOCP and/or subcontracting requirements and after bid opening or proposal submittal dates, and conducting bid evaluations to ensure compliance with required subcontractor participation requirements based on funding agency.

¹¹ EPA Region 9 consists of the following states: California, Nevada, Arizona, and Hawaii.

Table 7 shows the number of pre-award compliance related activities staff engaged in during the last three fiscal years.

Table 7

Compliance Activity	FY 2021	FY 2022	FY 2023
Bid Evaluations	92	66	149
City Good Faith Effort (GFE) Reviews	15	11	10
Federal GFE Reviews	11	12	25
Pre-Bid/Pre-Proposal Meetings	16	24	24
Proposal Evaluations	51	68	79
Proposal Interview Panels	0	0	4
Action Documents Processed			
<i>Mayoral Actions</i>	328	301	284
<i>Council Action</i>	154	176	244
Total Actions	482	477	528
Equal Employment Opportunity (EEO) Plan ¹²	64	40	23

Contract Compliance: Post-Award Activities

Post-Award contract compliance monitoring is conducted after the award of a contract. Duties include monitoring subcontractor participation levels via monthly invoicing reports, approving subcontractor substitution request and final summary reports. Table 8 below depicts the compliance related activities conducted for post-award.

Table 8

Compliance Activity	FY 2021	FY 2022	FY 2023
Monthly Invoicing Reports Reviewed	267	81	56
Final Summary Report (FSR)			
Number of FSRs Received	76	85	46
Number of Verifications Sent	220	36	60
Subcontractor Substitution Requests	5	23	25
Public Contract Code Violations	0	0	0

Citizen's Equal Opportunity Commission (CEOC)

EOCP continues to facilitate the monthly meetings of the CEOC on the first Wednesday of each month at 6:00 p.m. The Commission is active in the promotion and support of equal opportunity in contracting and continue to provide valuable input with regards to critical policy decisions that impact equal opportunity. Duties of the Commission include:

1. Monitor and/or evaluate the City's Equal Opportunity Program;
2. Advise the Mayor, City Council, Civil Service Commission and other appropriate agencies of City government on a continuous basis;
3. Submit written reports to the Rules Committee and City Council for review;

¹² Compliance activity for EEO plan includes request, review, and approval or denial of plan submitted.

4. Assist in the recruitment of competent historically underrepresented individuals and/or businesses, women and persons with disabilities; and
5. Promote the City as an Equal Opportunity Employer to individuals and firms desiring to contract with the City.

During this fiscal year, CEOC had eight commissioners serving the commission. Currently, two advocacy positions remain unfilled: Native-American and Disabled. Staff continues to work with the Office of Boards and Commissions to fill all vacant positions.

Future Initiatives

EOCP continues to find areas for potential improvements, the following areas are items EOCP has targeted for implementation in FY24:

1. Disparity study committee. P&C established a committee to provide oversight on the recommendation implementation process and future initiatives. The committee will meet yearly and is established from both internal and external stakeholders such as: P&C, Mayor's Office, Office of Race & Equity, Engineering & Capital Projects Department, Council District 4, Council District 7, Citizens Equal Opportunity Commission, American Indian Chamber of Commerce, Associated General Contractors San Diego, Hispanic Chamber of Commerce, NAACP San Diego, National Black Contractors Association, San Diego Asian Business Association, San Diego Equality Business Association, and the Veterans in Business Network.
2. Aspirational goal. Staff will work with Committee to establish minority and women owned businesses. Additionally, staff will look to update SLBE Program aspirational goal to include goods and services contracts.
3. Revising the City's instructions for bidders completing the good faith effort (GFE) submittal requirements. EOCP staff has worked with various stakeholders and industry groups to revise GFE requirements for City funded contracts.
4. Fill vacancies. EOCP has experienced high turnover and vacancies over the past five years. A new job series was created and adopted in March 2023 and positions were advertised through the month of September 2023. EOCP is currently working on interviewing for the new classifications and is hoping to fill vacancies in FY24.

Conclusion

EOCP continues to be proud of the progress the team has made during the last two fiscal year. Staff will continue to work closely with all vendors (construction, consultant, and goods & services) to promote and ensure equal opportunity, economic development, and inclusionary practices through outreach and education.

City of San Diego Strategic Plan:

Goal 5: Foster Regional Prosperity.

Objective: San Diego businesses benefit from programs and funding opportunities that are accessible and equitably distributed.

Fiscal Considerations:

N/A

Charter Section 225 Disclosure of Business Interests:

N/A

Environmental Impact:

N/A

Climate Action Plan Implementation:

N/A

Equal Opportunity Contracting Information (if applicable):

N/A

Previous Council and/or Committee Actions:

N/A

Planning Commission Action:

N/A

Key Stakeholders and Community Outreach Efforts:

Key Stakeholders include City of San Diego Businesses and Residents.

Claudia C. Abarca

Alia Khouri

Director, Purchasing & Contracting

Deputy Chief Operating Officer