



## THE CITY OF SAN DIEGO

January 24, 2012

Honorable Mayor and Members of the City Council

At the January 18, 2012 Citizens' Equal Opportunity Commission special meeting, Public Works staff presented additional information regarding the City's CIP Streamlining Recommendations. The Commission acknowledges that the primary focus of the recommendations is to shorten the contract processing time of CIP projects. And, while the proposal might do that, we have concerns with the residual impact of the policy on other aspects of City policies.

The primary focus of the Commission was to review the recommendations through the lens of equal opportunity in contracting. Since the passage of Proposition 209, the performance of the City in the area of equal opportunity has been unsatisfactory, and while we acknowledge progress during the past year, there is still concern regarding the continuing progress towards acceptable results. Thus, any change that removes a level of scrutiny is cause for concern and re-examination.

On a basic level, the Commission is concerned about accountability. The elected officials of the City have direct responsibility to the citizenry through the electoral process. It appears that the elected officials could abdicate their responsibility to public employees and thus make it difficult for the citizens of San Diego to effect change and demand results. This is a major concern of the Commission.

Concerning the specific recommendations, we have the following concerns: The Equal Opportunity Contracting Program is currently listed as Signing Authority for PA 2625s, a document that authorizes projects to begin. The role of the EOCP should be strengthened to ensure all contract awards are reviewed and must be signed before execution. If the EOCP does not sign off on the bid and/or proposal, the contract cannot be signed and executed until all EOC issues are appropriately resolved.

The recommendation that the Commission should receive monthly reports from Public Works concerning contract awards on the surface is laudable. However, without a proper reporting format, this could simply become a rubber stamp and an ineffective tool. We recommend the Commission create a format for the reports that quickly address the salient issues concerning equal opportunity to allow us to be an effective watch dog of the results.

During our meeting, several concerns about MACC were raised by both Commissioners and the public. The details of how these contracts would ensure inclusion of smaller entities are not spelled out. It is possible we could be creating a few mega contracts that do not encourage and

**Citizens' Equal Opportunity Commission**  
202 C Street, MS 9A • San Diego, CA 92101  
619-533-6387 • Fax 619-236-7344



Page 2

Mayor Sander & Members of the City Council

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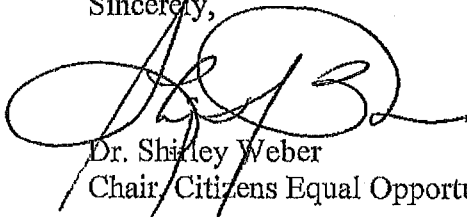
support diversity in contracting and therefore have 4 or 5 large primes avoiding diversity with "good faith efforts", which is what is seen on other City projects on a regular basis. The SLBE Program has shown some progress over the past year – going from 4 percent to 16 percent participation. Since MACC does not support the SLBE Program concept of sizing projects to create opportunities for small local businesses, there is a strong potential negative outcome - it could reverse the progress made to date. These very large projects do not create opportunities for small businesses as prime contractors, rather it creates "potential" opportunities for them as subcontractors.

The Commission is also concerned that this recommendation had not been properly shared among stakeholders in the City. At the meeting, several stakeholders addressed the Commission and wondered why the document was not more extensively noticed to the community and how difficult it was to locate on the City's website. Thus a task force with the major stakeholders to address these issues is essential to achieve the greatest participation and support.

Lastly, the Commission strongly recommends that this proposal not be rushed. First, as stated above, the major stakeholders need time to discuss the implications of this policy and make recommendations concerning its implementation. And, if the council decides to adopt this resolution to establish MAAC projects, it should include a sunset clause that allows for it to end unless voted upon by the council. This would, in essence, create a pilot project that could be evaluated for its effectiveness in streamlining the process AND its effect on diversity in the City.

With very little accountability and sanctions in the City in the area of contracting, the Commission believes that the City should take this opportunity to "think outside the box", and develop policies that might create greater opportunity for diversity in contracting. The current recommendations do nothing to address the issues of "good faith" efforts that yield no results. We have simply rearranged the chairs on the Titanic without acknowledging that there is a hole in the ship of diversity.

Sincerely,



Dr. Shirley Weber

Chair, Citizens Equal Opportunity Commission

cc: Debra Fischle-Faulk, Administration Department Director  
Tony Heinrichs, Department of Public Works Director

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