

September 5, 2019

Christopher Hickey
Division Manager, Office of Equality Assurance
Department of Public Works
200 E Santa Clara Street
San Jose, CA 95113

SUBJECT: Disadvantaged Business Enterprise

Dear Christopher,

On behalf of the Small Business Advisory Task Force (SBATF), I submit this letter and set of recommendations in correlation with the Public Works Department’s memo addressing Council Priority Goal #3, Disadvantaged Business Enterprise (DBE). The SBATF is made up of small business representatives and leaders of local chambers of commerce and currently facilitated and supported by the District 1 Council Office.

First and foremost, we commend and strongly support the two new programs that have recently been undertaken by the Department of Public Works: Minor Public Works Contract Prequalification Program and Public Works Academy, to increase knowledge and experience in the local contractor community and to streamline the process of contracting with the City for small and disadvantaged businesses. The SBATF appreciates these two programs and has been instrumental in providing feedback to the Public Works Department through its initial implementation.

We commend the Public Works Department’s support, effort, and due diligence in attending our monthly meetings and considering and implementing some of the suggestions provided by the Task Force thus far. We support your recommendations and kindly request consideration of the following recommendations and suggestions to improve programmatic features and ensure continued success.

- 1. Strengthen Education Outreach & Support** – The Public Works (PW) Academy and multiple outreach sessions have been implemented, including in Vietnamese and Spanish; attendance was strong at the first public academy and fair at the most recent one. Much of this attendance has been dependent on the diligent work and outreach from local minority chambers of commerce, e.g. Black, Hispanic and Vietnamese Chambers, whom are members of the SBATF. Our members recognize the invaluable opportunity of the PW Academy and exert extensive effort to bring contractors to the PW Academy as participants. The Task Force recommends targeted outreach that considers not only language barriers but cultural barriers as well. Most immigrant-

owned businesses are not members of chambers of commerce and often require personalized communication to ease potential mistrust, a common sentiment often projected towards government agencies. A stronger marketing campaign focused on strengthening relationships with small business leaders could include or lead to collaboration between Council District Offices, business neighborhood associations, and ethnic chambers of commerce.

- 2. Continue Cultivation of Local Chamber Relationships** – The City’s efforts are appreciated and key in ensuring continuous communication with small businesses, especially considering that in San Jose 95% of businesses are small, 60% are immigrant-owned, and 30% self-define themselves as deficient in English. To enhance and continue to cultivate relationships with local chambers of commerce, the Task Force recommends capturing success stories and experiences that have resulted from collaborations as part of its outreach and marketing to small businesses. For example, per the Task Force’s prior recommendation, grant agreements and funding allocation of \$50,000 for local ethnic and minority Chambers of Commerce have been executed for the purpose of providing services and resources to small businesses. The City should evaluate and highlight these type of successes as an effort to strengthen its relationships with small businesses and to build trust.
- 3. Expand Accessibility to Bidding Help & Support** – Users are looking forward to the potential benefits of the City’s new e-procurement portal Biddingo and complete migration for improved communication, user-friendly interface, and targeted notice of opportunities. The SBATF heard a presentation and received a training from city staff on using the new e-procurement portal. Based on that presentation members were then able to disseminate notice to their memberships encouraging enrollment and use of the new system. Users thus far have observed that the help and support service is available per Eastern Time Zone hours and via a non-toll free number. This can be limiting for small local businesses in California who do business per the Pacific Time Zone and often struggle with the basic costs of doing business. Should an issue occur that cannot be resolved in time for bid submission, this may cause a significant hindrance and prevent a small business from a potential opportunity with the City.
- 4. Offer Compliance Education & Resources for Small Businesses** – In addition to considering aiding contractors with obtaining bonding/insurance, also consider providing small businesses with resources for outsourcing. For example, several small businesses often find it challenging to implement payroll services, especially when it is necessary to track hours and process prevailing wage and any other city payroll requirements. This and possibly other resources may address any potential compliance issues that small businesses might encounter and enable them to do business with the City.

5. **Increase Access to Data across Departments** - Adjust the City’s privacy policy to allow the contact information of registered businesses available within the City, creating an email database network for all businesses operating within the City that is accessible to Council Districts and Departments to further enhance communication and outreach to small businesses.
6. **Promote or create a Matchmaking/Mentorship Program for Small and Underrepresented Businesses** – Develop a Matchmaking Program in which small businesses can meet and establish relationships with prime contractors and representatives of the City; at the same time, businesses can answer questions that could serve as a screening or qualification for a Mentorship Program that could lead to doing business with the City. A proactive matchmaking program could serve as a complement to the proposed consideration of Minority-owned Business Enterprise (MBE), Women-owned Business Enterprise (WBE), and Other Business Enterprise (OBE) contract goals.
7. **Utilize SBATF as a Forum of Communication** – SBATF Members include small business representatives, associations, and local chambers of commerce. The Members have direct contact and trustful relationships with their own members and the communities they serve and can thus serve as an invaluable resource for distribution and communication of City services and opportunities available for the growth and support of small businesses. Attendance and communication by staff from various City Departments, including Economic Development, Public Works, and Finance at our meetings are greatly appreciated. In addition, we recommended consideration of an annual report from the SBATF be included in the Community and Economic Development Committee’s work plan.

Thank you for your consideration. We look forward to continuing to work with you and the Public Works Department to further develop opportunities for small business growth.

Sincerely,



Charles “Chappie” Jones
Vice Mayor, District 1
Chair, Small Business Advisory Task Force