



Consent

Agenda Item 4g

September 17, 2013

ITEM NAME: Small Business and Disabled Veteran Business Enterprise Contract Participation, Fiscal Year 2012-13 Annual Report

PROGRAM: Operations Support Services Division

ITEM TYPE: Consent Information

EXECUTIVE SUMMARY

The purpose of this agenda item is to present the annual Small Business (SB) and Disabled Veteran Business Enterprise (DVBE) participation for Fiscal Year (FY) 2012-13. CalPERS exceeded its DVBE participation goal for the second time in 10 years with 6.39 percent participation. Further, CalPERS achieved a combined SB/DVBE participation level of 22.05 percent in FY 2012-13, which is the highest combined level CalPERS has ever reached. This was a tremendous achievement for CalPERS and could not have been accomplished without the support of all CalPERS staff.

STRATEGIC PLAN

This item is not a specific part of the Strategic Plan, but is part of the regular and ongoing workload of the Operations Support Services Division.

BACKGROUND

CalPERS adopted the provisions of Public Contract Code §10115 et seq. in 1990 and accordingly established an overall SB contract participation level of twenty-five (25) percent and an overall DVBE contract participation level of three (3) percent. Information is submitted to the Department of General Services (DGS) by August 1st of each year, summarizing all DVBE and SB participation totals. If a participation goal is not achieved, an improvement plan must also be submitted. DGS combines the statistical information for all state agencies and prepares the Consolidated Annual Report for the Legislature and the Governor's Office.

ANALYSIS

Disabled Veteran Business Enterprise Participation

During FY 2012-13, CalPERS achieved its highest DVBE participation level of 6.39 percent, increasing its DVBE percentage by 1.06 percent from the 5.33 percent achieved in FY 2011-12. If the unique Health and Investment contracts were excluded from the report, CalPERS would have far exceeded its DVBE participation goal with 12.99 percent.

Highlights for FY 2012-13 DVBE participation include:

- 21.41 percent for the procurement of IT goods and services
- 26.44 percent for the procurement of non-IT goods

Small Business Participation

During FY 2012-13, CalPERS achieved a total SB participation level of 15.66 percent. CalPERS SB participation level has increased from last fiscal year 15.08 percent level by 0.58 percent. If the Health and Investment contracts were excluded from the report, CalPERS would have surpassed the SB/MB participation goal with 31.86 percent.

Highlights for FY 2012-13 SB participation include:

- 50.18 percent for the procurement of IT goods and services
- 37.86 percent for the procurement of non-IT goods

Accomplishments for FY 2012-13:

- Continued our initiative to purchase all office supplies from certified SB and DVBE vendors. CalPERS successfully purchased 95 percent of all office supplies from certified SB/DVBE vendors in FY 2012-13
- Participated in numerous outreach events and shared CalPERS message of supplier diversity with business representatives attending the events.
- Provided internal education to purchasing coordinators, contract managers, and all managers and supervisors at CalPERS; enhancing awareness and understanding of the SB/DVBE program.
- Provided assistance to uncertified businesses by encouraging and assisting them in getting certified through the Department of General Services State Small Business and Disabled Veteran Business Enterprise Certification program.
- Participated in contract and procurement fairs, workshops, panel discussions, and networking opportunities with SB/DVBE vendors.
- Created notification process to inform prime contractor and subcontractor of DVBE commitments for contracts awarded.

Future Plans for FY 2013-14:

- Further participation in DGS State Department Advocate Meetings by addressing the need for more certified SB/DVBE vendors providing investment and legal services.

- Continue to strengthen the internal campaign to further promote the program and encourage CalPERS staff to use certified SB and DVBE vendors for products and services, providing that products, services, pricing, distribution, and service levels are comparable.
- Attend bidder's conferences to provide networking opportunities.
- Host a SB/DVBE vendor fair.
- Enhance the SB/DVBE webpage for both internal and external customers to provide information on the SB/DVBE program.
- Encourage eligible SB/DVBE vendors to become certified via DGS and added to CalPERS internal database.
- Work with the program areas to identify SB/DVBE contract participation opportunities by providing internal education and serving as a resource to various CalPERS programs.
- Participate in business tradeshow, conventions and events to promote CalPERS contracting opportunities (often partnering with the Department of Veteran's Affairs and/or the Department of General Services).
- Working directly with certified businesses, including notifying them when their certification has expired and encouraging them to recertify.
- Continue to send notification letters to prime and subcontractor regarding SB/DVBE commitments.

BUDGET AND FISCAL IMPACTS

This item does not have any specific budget or fiscal impact, but is part of the regular and ongoing workload of the Operations Support Services Division.

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