

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

April 5, 1993

To: Board of Directors (Executive Committee--Information)
 (Organization and Personnel--Information)
 (Special Committee on Legislation--Information)
 From: General Manager
 Subject: Proposed Legislation on Minority, Women and Disabled
 Veterans Business Enterprises

Report

In September 1992, Metropolitan adopted a Minority and Women-Owned Business Enterprise ("MBE/WBE") Policy to aid, counsel and assist, insofar as is legally permissible, the participation of minority and women-owned business enterprises in contracts for Metropolitan properties, facilities and services. At the same time, your Board further directed the General Manager to establish, direct and monitor a detailed program implementing this policy.

Legislation has been introduced this year that would affect the development of Metropolitan's MBE/WBE program. These bills are: AB 1381 sponsored by Gwen Moore, AB 1163 sponsored by Debra Bowen and AB 2314 sponsored by Richard Polanco.

AB 1381 (Moore). This bill would require all contracts awarded by local agencies for construction, professional services, materials, supplies, equipment, alteration, repair or improvement to have participation goals of not less than 15 percent for minority business enterprises, not less than 5 percent for women business enterprises, and not less than 3 percent for disabled veteran business enterprises. Goals would apply to overall dollar amount expended each year by the awarding local agency. Penalties for failure to meet such goals have not been proposed under this bill.

Metropolitan's current targets are 12 percent for minority businesses and 3 percent for women-owned businesses. Currently, no targets have been considered for disabled veteran businesses. Passage of this bill would require Metropolitan to increase its participation targets.

While staff has made concerted efforts to increase minority and women participation in Metropolitan's contracts, the goals proposed under the Moore bill may be difficult to meet immediately since Metropolitan's program is still in its developmental stage. Staff supports the overall concept of the bill, but recommends an amendment that would allow a "phased" compliance or implementation period of three years to meet the bill's established goals.

AB 1163 (Bowen). This bill would provide definitions of minority and women-owned business enterprises for certification purposes under the Public Contracts Code.

Metropolitan has established definitions for minority and women-owned business enterprises. Certification is a major issue and component in the development in Metropolitan's MBE/WBE Program.

Staff recommends support of this bill since it would provide consistency among all agencies regarding the various definitions and would also assist vendors and others concerning proper certification requirements. Revision of Metropolitan's current definitions may be necessary upon passage of the bill.

AB 2314 (Polanco). Certification of minority, women and disadvantaged business enterprises is valid for a one-year period under existing law. This bill would extend the period of effective time for certification to two years.

Certification is a major issue and component of Metropolitan's MBE/WBE program. The type of certification which will be utilized has not yet been developed; however, a two-year certification period would be beneficial because it would save costs and reduce frequent updates of vendor and consultant status for both Metropolitan and prospective vendors and consultants. Staff recommends support of this bill.

Board Committee Assignments

This letter is referred for information to:

The Executive Committee pursuant to Section 2417(e) of Metropolitan's Administrative Code to study, advise and make recommendations with regard to policies and procedures to be considered by the Board;

The Organization and Personnel Committee pursuant to Section 2471(f) of Metropolitan's Administrative Code to study, advise and make recommendations with regard to the selection of management and personnel consultants; and

The Special Committee on Legislation pursuant to Section 2580(f) of Metropolitan's Administrative Code to review staff and Board members' recommendations for positions on various legislation.

Recommendation

For information only.


General Manager