



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

June 21, 1994

To: Board of Directors (Executive Committee--Action)  
(Engineering & Operations Committee--Action)  
(Organization & Personnel Committee--Action)  
From: General Manager (Committee on Legislation--Information)  
Subject: Metropolitan's Proposed Revision to Business Outreach  
Program Goals

### Report

In September 1992, the Board adopted a policy to promote and increase the participation of minority and women in Metropolitan's contracts and authorized the General Manager to establish a detailed program implementing the policy for Metropolitan. The Board approved the establishment of participation goals of twelve percent (12%) for Minority Business Enterprises (MBE) and three percent (3%) for Women Business Enterprises (WBE). These goals fell within the range of those established by other public entities and utilities with similar programs.

In January 1994, the General Manager formalized the Business Outreach Program with the establishment of the Office of Diversity in the Executive Office and increased staff to manage and operate the program. A Business Outreach Program Policy and Procedures Manual was adopted on March 9, 1994, and a training program was initiated. Major components of the program consist of goal-setting on a project-specific basis, breaking up of large projects into small projects to maximize MBE and WBE participation where practical, providing assistance with insurance and bond requirements for the Domenigoni Valley Reservoir Project, targeted advertising, and solicitation and certification requirements.

On May 31, 1994 Assembly Bill 2210 (Polanco) was amended to mandate that Metropolitan meet participation goals of no less than fifteen percent (15%) for minorities, five percent (5%) for women and three percent for disabled veteran business enterprises. Section 21565.2 of A.B. 2210 would add to the Public Contract Code, the following:

*"Notwithstanding any other provision of law, contracts awarded by a metropolitan water district for construction, professional services, materials, supplies, equipment, alternation, repair, or improvement shall have statewide 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. These goals apply to the overall dollar amount expended each year by the awarding district."*

On June 14, 1994 the Board reviewed the bill and directed staff to meet with the author of the bill to discuss Metropolitan's existing business outreach program. On June 17, 1994 the General Manager met with Assemblyman Polanco expressing Metropolitan's commitment to increasing the participation of minority and women-owned business enterprises in Metropolitan's contracts, and indicated that a recommendation would be brought to the Board to incorporate the spirit of the bill. Mr. Polanco agreed to hold the bill until the next session based on a review in January of Metropolitan's progress in meeting the goals.

Based upon the above, the General Manager recommends that Metropolitan increase the present goals of twelve percent (12%) MBE and three percent (3%) WBE to fifteen percent (15%) for MBE, five percent (5%) for WBE and adding a goal of 3 percent (3%) for disabled veteran business enterprises. The recommended goals are consistent with the participation goals applicable to all State agencies and departments.

By adopting these target numbers, Metropolitan will remain within the range of other utility and governmental entities' programs. Attachment 1 is a survey of seven agencies.

The General Manager and General Counsel will continue to review Metropolitan's options with regard to a Disparity Study and return to the Board with a recommendation within the next 60 to 90 days.

#### Board Committee Assignments

This letter is referred for action 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 Engineering and Operations Committee pursuant to Section 2431 (a) of Metropolitan's Administrative Code to study, advise and make recommendations with regard to plans, specifications and bids; and

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.

This letter is referred for information to the Committee on Legislation pursuant to Section 2491 (d) of Metropolitan's Administrative Code to study, advise and make recommendations to the Board with regard to opportunities for members of the Board to assist in efforts to inform members of the Legislature or the Congress with regard to proposed legislation, in coordination with the General Manager.

Recommendations

**EXECUTIVE, ENGINEERING AND OPERATIONS, AND THE ORGANIZATION AND PERSONNEL COMMITTEES FOR ACTION.**

It is recommended that Metropolitan revise the existing minority and women participation goals to be consistent with the goals for State agencies from twelve percent (12%) minority business enterprises (MBE) and three percent (3%) women business enterprises (WBE), to fifteen percent (15%) MBE and five percent (5%) WBE and add an additional goal of 3 percent for disabled veteran business enterprises.

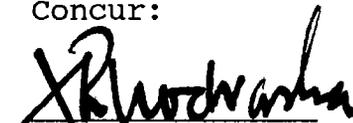
**COMMITTEE ON LEGISLATION FOR INFORMATION.**

For information only.

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General Manager

By   
Liz Rojas  
Executive Assistant for  
Strategic Policy Development

Concur:

  
John R. Wodraska  
General Manager

LRG/vb

Attachment

## Attachment 1

M/WBE Survey

The following is the updated findings of the Contract Review Committee on organizations who have established M/WBE programs.

	Minority Business <u>(Percentage)</u>	Women Business <u>(Percentage)</u>
Dept. of Water & Power (CLA)	15	7
City of Pasadena	*	*
East Bay Municipal Utilities District	18	7
Long Beach Water Department	10	3
Southern California Edison**	15	5
Department of Water Resources***	15	5
San Diego County Water Authority****	N/A	N/A

- \* The City of Pasadena does not distinguish between MBE's and WBE's. The overall target for all contracting activities is 26 percent DBE.
- \*\* Follows PUC General Order 156 which establishes MBE/WBE participation percentage at 15 and 5, respectively. The utility has set a 30 percent combined MBE/WBE participation goal to be reached by 1998.
- \*\*\* The California Department of Water Resources use the Statewide levels of 15 percent MBE, 5 percent WBE and 3 percent DVBE.
- \*\*\*\* The San Diego County Water Authority does not distinguish between MBEs and WBEs. Their program is labeled as Emerging Business Enterprises (EBE), which includes MBEs and WBEs. The EBE participation level is 10 percent.