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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

AUG 19 1994

[Signature]
EXECUTIVE SECRETARY

July 29, 1994

To: Board of Directors (Engineering & Operations Committee--Action)
(Organization & Personnel Committee--Action)
(Committee on Legislation--Information)

From: General Manager

Subject: Metropolitan's Review of the Disabled Veteran Business
Enterprise and Disabled Business Enterprise Program

Report

On July 12, 1994, the Board of Directors modified the Minority Business Enterprise (MBE) and the Women Business Enterprise (WBE) participation goals from twelve percent (12%) and three percent (3%) to fifteen percent (15%) and five percent (5%), respectively. The Board requested further information regarding the Disabled Veterans Business Enterprise (DVBE) and the Disabled Business Enterprise (Disabled) programs.

The disabled veteran is defined as a veteran of the military, naval or air force of the United States with a service-connected disability. A veteran is determined to be disabled if he or she is at least ten percent (10%) disabled, and eligible to receive disability benefits from the Veterans Administration.

The State of California participation goal for the State's DVBE is three percent (3%). The Office of Small and Minority Business is responsible for the DVBE certification program. A total of 417 firms are certified as DVBEs by this Office. Most agencies contacted do not have a DVBE program. Attachment A is a survey of eight agencies.

Metropolitan uses CALTRANS as one of the primary databases for eligible firms. Approximately 38,000 firms are listed in their database from Central California to the Mexican border. Of the 38,000 firms, approximately 2,175 are certified MBEs, 1,355 WBEs and no DVBEs are listed.

The State does not have a Disabled program. Staff was unable to find an agency that has a Disabled program. A possible definition of a Disabled could be a business controlled or owned by a disabled person. The

definition would be based on the Americans with Disabilities Act of 1990, which states that a disabled person is any person who (1) has a physical or mental impairment which substantially limits one or more such person's major life activities, (2) has a record of such impairment, or (3) is regarded as having such an impairment.

Since no Disabled program exists, Metropolitan would be required to establish its own certification program for the Disabled. Currently, Metropolitan does not certify the MBE and WBE but accepts the certification of other agencies. Additional staff and changes in procedures would be required for Metropolitan to implement a Disabled program.

While researching the DVBE and the Disabled program, information was received that Assembly members Lee and Polanco introduced Assembly Bill 2790. The bill requests a statewide disparity study of businesses owned and operated by minorities, women, disabled veterans, and other disabled persons. (See Attachment B)

Therefore, due to the pending legislation, unavailability of certification and databases on the disabled, and the difficulties in establishing a program all-inclusive of the disabled business enterprise with the disabled veterans, staff is recommending continued monitoring of the progress of AB 2790 for other State actions.

Board Committee Assignments

This letter is referred for action to:

The Engineering and Operations Committee pursuant to Section 2432 (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.

Recommendation

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


It is recommended that staff be directed to continue monitoring the progress of AB 2790 and other State actions regarding the Disabled Business Enterprise and the Disabled Veteran Business Enterprise legislation.

John R. Wodraska
General Manager

BY 
Liz Rojas

Executive Assistant for
Strategic Policy Development

Concur:


John R. Wodraska
General Manager

LRG/vb

Attachments

MBE/WBE/DBE/DVBE SURVEY

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

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

* The City of Pasadena does not distinguish between MBEs and WBES. 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.

AMENDED IN SENATE JUNE 23, 1994
AMENDED IN ASSEMBLY APRIL 6, 1994

CALIFORNIA LEGISLATURE—1993-94 REGULAR SESSION

ASSEMBLY BILL

No. 2790

Introduced by ~~Assembly Member Lee~~ *Assembly Members
Lee and Polanco*

February 10, 1994

An act to amend Sections 15339.27 and 15339.29 of the Government Code, relating to the state An act to add and repeal Section 10115.14 of the Public Contract Code, relating to the state economy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2790, as amended, Lee. ~~University of California~~ *Legislative Analyst: economic study.*

Existing law requests the University of California to conduct a study to review, analyze, and document information regarding the status of the state's minority, disabled person, and women-owned or operated businesses and their impact on the state's economy. Existing law also requests the university to solicit grants, contributions, and appropriations from public agencies, private foundations, and individuals to support the study.

This bill would request the university to solicit grants, contributions, and appropriations from federal and state, rather than public, agencies. In addition, the bill would request the university to solicit grants, contributions, and appropriations from the private sector.

Existing law also provides that it is the intent of the Legislature that the University of California's California Policy Seminar report the study's findings to the Governor, the Legislature, and the Small Business Development Board

within the Trade and Commerce Agency on or before March 30, 1993.

This bill would extend that date to on or before December 1, 1995.

This bill would require the Legislative Analyst, on or before February 1, 1995, to request bid proposals for a contract for a statewide study of businesses owned and operated in the state by minorities, women, disabled veterans, and other disabled persons, and to award the contract to a contractor that is an experienced disparity consultant and that meets certain requirements. It would require the Legislative Analyst, on or before April 1, 1995, and prior to the award of the contract, to submit, for review by the appropriate policy and fiscal committees of the Legislature, specified information regarding the award of the contract. The bill would require the study to be completed by October 1, 1995, and would require the Legislative Analyst to submit a final report of the study's findings to the Governor and the Legislature on or before January 1, 1996.

The bill would declare that its provisions would not become operative unless and until sufficient funds from federal and private sector sources for this purpose become available, and these provisions would be repealed on January 1, 1996.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares the following:

(a) California is the most ethnically diverse state in the nation. Given current demographic trends, state government must take proactive steps to ensure that all Californians participate to their fullest potential in the state's economy.

(b) California's small and emerging companies owned by minorities, women, and disabled veterans rely on business opportunities made available through public contracting. Statutes enacted in 1988 and 1990 require

awarding departments and agencies to make a good faith effort to achieve specified annual participation goals in state contracting for those business entities.

SEC. 2. (a) It is the intent of the Legislature to conduct a study of businesses owned and operated in the state by minorities and women for the following purposes:

(1) To collect data to assist state government in enacting appropriate programs and policies designed to encourage full incorporation of those businesses into the California economy.

(2) To meet the requirements of the 1989 United States Supreme Court decision in Richmond v. Croson Co., 102 L. Ed. 2d 854.

(b) It is further the intent of the Legislature that the proposed study also include disabled persons, in accordance with the intent of Chapter 1056 of the Statutes of 1993, as well as the Americans with Disabilities Act of 1990 (Public Law 101-336).

SEC. 3. Section 10115.14 is added to the Public Contract Code, to read:

10115.14. (a) Notwithstanding any other provision of law, on or before February 1, 1995, the Legislative Analyst shall request bid proposals for a contract for a statewide study of businesses owned and operated in the state by minorities, women, disabled veterans, and other disabled persons.

(b) The Legislative Analyst shall award the contract for this study to a contractor that is an experienced disparity consultant and that demonstrates prior experience in conducting completed disparity studies. Preference shall be given to consultants demonstrating experience in conducting disparity studies with multiple agencies, and consultants shall also provide evidence that these studies have been completed on time and within the specified budgetary limitations.

(c) On or before April 1, 1995, and prior to the award of the contract, the Legislative Analyst shall submit, for review by the appropriate policy and fiscal committees of the Legislature, the following information:

1 (1) The proposed scope of work planned by the
2 contractor selected by the Legislative Analyst to perform
3 the study.

4 (2) Verification of direct expertise and experience of
5 the contractor in conducting similar disparity studies, as
6 well as demonstrated knowledge of related technical and
7 legal requirements of these studies.

8 (3) The proposed strategy for involvement in the
9 study, in an advisory capacity, by California minority,
10 women, disabled veteran, and other disabled-owned
11 businesses.

12 (d) To accomplish the purposes of this section, the
13 Legislative Analyst shall collaborate with major public
14 contracting agencies, including the Department of
15 Corrections, the Department of Transportation, and the
16 Department of General Services.

17 (e) Upon request of the Legislative Analyst, all state
18 agencies shall make data available for the study.

19 (f) The study shall be completed by October 1, 1995,
20 and the Legislative Analyst shall submit a final report of
21 the study's findings to the Governor and the Legislature
22 on or before January 1, 1996.

23 (g) This section shall not become operative unless and
24 until sufficient funds from federal and private sector
25 sources for this purpose become available.

26 (h) This section shall remain in effect only until
27 January 1, 1996, and as of that date is repealed, unless a
28 later enacted statute, which is enacted before January 1,
29 1996, deletes or extends that date.

30 following:

31 (a) California's small and emerging companies owned
32 by women, minorities, and disabled persons rely on
33 business opportunities made available through public
34 contracting. Procurement at the state level represents
35 more than four billion dollars (\$4,000,000,000) in business
36 opportunities for California companies each year.

37 (b) In 1991, legislation was enacted requesting the
38 University of California, with the guidance of the
39 California Policy Seminar, to conduct a study on
40 businesses owned and operated in the state by minorities

1 and women in order to collect data to assist state
2 government in enacting programs and policies designed
3 to encourage full incorporation of those businesses into
4 the California economy.

5 (c) In 1993, the scope of the study was expanded by
6 subsequent legislation to also encompass businesses
7 owned by disabled persons.

8 (d) The California Policy Seminar has identified
9 university resources such as individual faculty expertise
10 and archival data, including state data centers, in support
11 of the study.

12 SEC. 2. Section 15339.27 of the Government Code is
13 amended to read:

14 15339.27. The university is requested to solicit grants,
15 contributions, and appropriations from federal and state
16 agencies, private foundations, the private sector, and
17 individuals to support the study.

18 SEC. 3. Section 15339.29 of the Government Code is
19 amended to read:

20 15339.29. It is the intent of the Legislature that the
21 University of California's California Policy Seminar
22 report the study's findings to the Governor, the
23 Legislature, and the Small Business Development Board
24 under the agency on or before December 1, 1995.