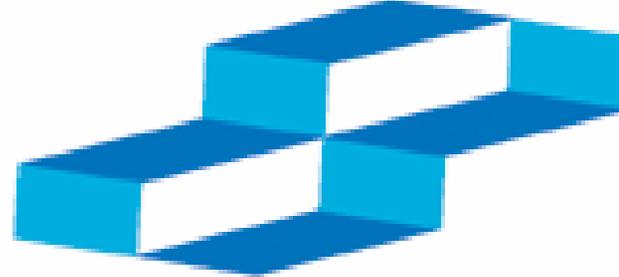




METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA



# Regional/Small Business Program

*Tap into the right source*

## **DGS Advisory Council Meeting**

### **March 22, 2006**

# Metropolitan Water District

- The Team
- Who is Metropolitan
- History of the Program
- SBE Benefits
- Year-to-Date Figures
- DVBE/Micro Business Certification
- Success Stories

# The Team

- **John Arena – Interim Business Outreach Program Manager**
- **Nicole Meggerson de Martinez – Procurement, Professional Service and Construction Business Analyst**
- **Wigs Mendoza – Principal Analyst, Training and Compliance**
- **Ken Ashford – External Outreach**
- **Albert Napoli – Senior Government Affairs Representative/External Outreach**



# Where Does Metropolitan Get It's Water From?



# Original Program

- MBE/WBE program established in 1992
- Organizational Goals for MBE/WBE included a Good Faith Effort
- Focused on Construction Contracting/ Procurement
- Proposition 209 resulted in the end of MBE/WBE Program

# Current Program

- Established Goal of 18 percent
- Regional/Small Business Program
- Incentives for Regional/Small Businesses
- Contract Evaluation/Project Structuring
- Database(s) Reflective of the Region
  - Approximately 4,000 small businesses
- Self Certification

# **Metropolitan Water District of Southern California**

## **Regional Small Business Program (RSBP)**

**The mission of the MWD Regional and Small Business Program is to sustain the core mission of Metropolitan and to empower the small business community to participate in the district's business of procuring goods and services thereby strengthening the community's role in local economic development.**

# The 4 Winds

Guiding principles of the Regional Small Business Program (RSBP)

- **Mission** – Support the core mission of Metropolitan Water District of Southern California
- **Public Service** – Responsive to the small business community
- **Leadership** – Setting industry trends and initiatives that can assist SBEs
- **Economic Development** – Links government to Southern California Economy

# Regional/Small Business Program

- Incentives for Regional/Small Businesses
- The “Network”
- Education
  - Strategies for Public Sector Contracting
  - Mentoring and Coaching
- Outreach
  - Member Agencies
  - MOU Partners
  - Business Advocacy Groups

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# Certification Made Easy

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# Certification

- Online at [www.mwdh2o.com](http://www.mwdh2o.com)
- Registration and certification combined
- Simple
- Vendor-maintained
- 24-hour access
- 24-hour turnaround

# Qualifications for Regional/Small Business

- Office in MWD six-county service area
- SBA guidelines based upon industry
  - < \$31 million - General contractor
  - < \$13 million - Specialty trade
  - < \$4.5 million - Engineering services
  - < \$23 million - IT Services
  - < 500 employees - Supplier

# Certification – The Key to Metropolitan

- Vendor Introduction
- Training
- Non-Advertised Opportunities
- Incentives for Advertised Opportunities
- Access to our MOU Partners

# The Network

- **Public Sector Collaboration**
  - Outreach
  - Cooperative Procurement
  - Standardized Program Components
  - SBE Certification
- **Increased SBE Utilization**
- **Reduction in Public Sector Costs**

# **Vendor Introductions**

## **Your Opportunity for Quality Time**

- **One-on-One meeting with decision maker**
- **Build on successes - Open doors by discussing experience.**
- **Opportunity for non-advertised contracts**
- **Show how your service or product fits in the organization's mission**

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# **Contracting at Metropolitan**

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# **Local/Small Business Incentives**

- ✓ **RFP Point Incentive Program – 5% Scoring Preference on proposals for local and small**
- ✓ **RFB Point Incentive Program – 5% Discount on bids for local and small**
- ✓ **Construction Contracts – Small Business Requirement in stead of good faith effort**

**Must be certified as SBE/Local to qualify  
for these incentives**

# Non-Advertised Opportunities

- All contracts under \$25K are presented to small businesses first.
- Buyers utilize SBE database
- *Easy contracting* both internally and for small businesses

# Regional / Small Business Program

## Construction Component

- SBR set on contracts > \$100,000
- Benchmark of 20 % SBR
- Pass or Fail \*
- SBE primes, subs, suppliers, services
- Simple 24-hour SBE self-certification

\* No firm has been rejected since program implementation

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# **Training**

## **You Can Never Know Too Much**

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# Training

- **Professional Services**
  - 2 Day Program
  - Strategies on forming teams and submitting proposals
- **Procurement**
  - 4 Hour Program
  - Pricing Strategies
- **Construction**
  - 4 Hour Program
  - Laws regarding construction
  - Strategies on forming teams and submitting proposals
- **Small Group Training**
- **Mentor/Protégé Program**

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# Facts and Figures

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# Year-To-Date Payments

	<u>1<sup>st</sup> Qtr</u> <u>2005-06</u>	<u>Semi-</u> <u>Ann'l</u> <u>%</u>	<u>SBE \$</u>	<u>Total \$</u>
<b>Overall SBE Utilization</b>	<b>36%</b>	<b>36%</b>		
Professional Services	24%	23%	\$14,686,247	\$63,377,933
Procurement	27%	32%	\$5,688,196	\$17,679,416
Construction	65%	53%	\$27,270,570	\$51,522,516
<b>Regional Utilization</b>		<b>85%</b>		<b>\$112,692,884</b>
<b>MBE Utilization</b>	<b>7%</b>	<b>10%</b>	<b>\$13,664,340</b>	<b>\$132,579,864</b>
<b>WBE Utilization</b>	<b>3%</b>	<b>3%</b>	<b>\$3,648,819</b>	<b>\$132,579,864</b>

# Compliance and Monitoring

## Completed Projects

Total Contract Amount	SBR %	SBR \$ Value	Final SBR \$	Final SBR
\$ 111,220,918	27%	\$ 29,698,384	\$ 37,471,709	34%

Summary: 11 out of 13 contracts finished at or above the SBR level. The two contracts that did not meet the levels were less than 1% of the SBR.

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# **The DVBE and Micro Business Program**

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# DVBE Program

- **Adopted in March 2006**
- **No good faith effort**
- **5% contracting utilization**
- **Added to the current SBE program**
- **Accept both State and Federal Certification**
- **Perform random audits**
- **Utilize State's Database**
- **Preferential treatment for contracts under \$25,000**

# Micro Business Program

- **Adopted in March 2006**
- **5% contracting utilization**
- **Added to the current SBE program**
- **Perform random audits**
- **Utilize State's Database**
- **Preferential treatment for contracts under \$25,000**

# Success Stories

# Questions?

**Business Outreach Program**

**Metropolitan Water District**

**700 North Alameda Street**

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**[www.mwdh2o.com](http://www.mwdh2o.com)**