



**COUNTY OF
SAN MATEO**

SUPPLIER DIVERSITY STUDY

2024



Prepared For
COUNTY OF SAN MATEO

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EXECUTIVE SUMMARY

ES.1 Background

The County of San Mateo (County) retained GCAP Services, Inc. (GCAP) to conduct an inclusive procurement supplier diversity study (Study) to evaluate whether local, small, or micro business enterprises, and diverse businesses enterprises (collectively, LSMDBEs)¹ face any barriers in or are underutilized in the County's construction, professional services, and goods and services contracts and procurements. The County also required that the study team provide recommendations on how to address gaps to better enable the County in continuing to move towards more equitable procurement systems and shared prosperity.

The Study consisted of reviewing County contracts of \$5,000 or greater awarded from April 1, 2020, through March 31, 2023 (the Study period). As part of the Study, the study team examined the following:

- The makeup of the existing County vendors and the availability of LSMDBEs that could benefit from the economic opportunities generated by the County
- Barriers to inclusive procurement that LSMDBES may experience in County systems, practices, and policy
- The percentage of contract and procurement dollars the County awarded to LSMDBEs during the study period
- The percentage of contract and procurement dollars one might expect the County to award to LSMDBEs based on their availability to perform specific types of work and the size of County contracts

The Study is a key tool and first step for the County in moving towards shared prosperity for LSMDBE vendors. Information from the Study will help the County reduce and eliminate obstacles to contracting and procurement faced by LSMDBEs and is an opportunity to reverse historical inequities through inclusive procurement measures. The utilization and availability information will help the County address disparities between the availability of LSMDBEs and their participation on County contracts. The County can also rely on information from the Study to help ensure its use of race- and gender-neutral measures adhere to California Proposition 209 (§31, Article I of California Constitution).

ES.2 Overview of Findings and Recommendations

The study team collected information about approximately \$2.1 billion worth of contracts and procurements the County awarded during the Study period and categorized each purchase as

¹ The term local, small, micro, and diverse business enterprises (LSMDBEs) as used in the Study has been defined as businesses meeting specific conditions. LSMDBE has been defined in Chapter 1: Introduction and Appendix A: Glossary of Terms.



either in-scope or out-of-scope. Only in-scope contracts and procurements were included in the various analyses performed as part of the Study. GCAP analyzed approximately \$455 million worth of in-scope contracts and procurements the County awarded during the Study period to measure the participation and availability of LSMDBEs for County work to assess whether any disparities exist between those measures and to identify potential opportunities for LSMDBEs.

The study team identified fourteen (14) key findings based on evaluating, comparing, and synthesizing the results from the Study efforts. The study team has included key results from these analyses in the various chapters of the report that provide more details about the methodology and results of each analysis. Recommendations were developed for each finding with the aim to:

- Enhance County procurement policies and practices to increase participation of LSMDBEs doing business with the County
- Improve access to County procurement opportunities for LSMDBEs
- Enhance vendor and sub-vendor data and demographics collection and tracking

Recommendations are developed with Proposition 209 considerations in mind and information about supplier diversity measures that are allowed and disallowed under Proposition 209 can be found in Chapter 9: Remedies and Recommendations. While these recommendations were developed based on the scope of the study to review impacts of County procurement processes, programs, and policies for LSMDBEs, these recommendations may also be applicable and beneficial to nonprofits and other County vendors.

Recommendations fall into the following key supplier diversity areas:

- 1. Formalized Supplier Diversity Program Recommendations:** The study team recommends the County develop and implement a formal Inclusive Supplier Diversity program to establish, grow, and maintain a more diverse supplier base inclusive of LSMDBEs.
- 2. Program Support Measure Recommendations:** Since most County departments do not actively identify or seek out LSMDBEs when issuing solicitations, the County will need additional support to implement some or all recommended program measures for LSMDBE-focused efforts
- 3. Small, Local Small, and Local Micro Business Measure Recommendations:** The study team recommends implementing small and local business measures as applicable which may include aspirational goals, preference points, or small business set-asides. It is important to note that federally-funded contracts and grants may not allow local preference measures and that this provision may need to be modified for federally-funded contracts. The study team also recommends the County consider regional collaboration with other counties and public agencies to maximize the participation of small and micro businesses in procurement opportunities. Regional collaboration such as shared



certification programs, jointly planned LSMDBE events, and consortium-based procurements, may maximize County resources and expand outreach to LSMDBEs.

- 4. Race-Neutral and Gender-Neutral Measure Recommendations:** The County should implement race- and gender-neutral measures to encourage greater participation of LSMDBEs in procurement, as allowed under Proposition 209. Measures include various outreach, technical assistance efforts, and modifications to procurement practices that may be too stringent for LSMDBEs to meet. The study team recommends the County develop various processes and practices for communicating procurement opportunities to LSMDBEs, including increasing outreach efforts by participating in networking events and collaborating with other government agencies, non-profits, and private companies in the region.

ES.3 Key Findings Related to LSMDBE Disparities

The study team compared the percentage of contract and procurement dollars awarded by the County to LSMDBEs during the Study period (i.e., utilization or participation) with the percentage of contract and procurement dollars the County might be expected to award to these businesses based on their availability for that work. The analysis focused on construction, professional services, and goods and services contracts and procurements the County awarded during the Study period.

The study team measured disparities for local businesses, including local small and local micro businesses, in County contracts and procurements. Local businesses are those that are based or headquartered in San Mateo county. The study team assessed disparities for local businesses for all contracts and procurements included in the Study and separately for various subsets of County contracts and procurements. The study team found that overall, the County underutilizes local small and local micro businesses. The disparity analysis results show that the County substantially underutilizes local small and local micro businesses in professional services contracts and as prime contractors.

Figure ES-1 presents disparity indices for local businesses for all relevant contracts and procurements awarded by the County and for various subsets of contracts and procurements. A disparity index of 100 indicates parity between actual participation and availability. That is, the participation of a particular business group is in line with its availability. A disparity index of more than 100 indicates that a group was considered to be overutilized relative to its availability. A disparity index of less than 100 indicates disparity between participation and availability. That is, the group is considered to have been underutilized relative to its availability. Finally, a disparity index of less than 80 indicates a substantial disparity between participation and availability. That is, the group is considered to have been substantially underutilized relative to its availability.



Figure ES-1. Disparity Analysis Results for Local Businesses

Business Group	Overall	Work type			Contract Role	
		Construction	Professional Services	Goods and Services	Prime Contract	Subcontract
All local businesses	81	74	65	185	74	134
Local small	88	117	49	135	80	136
Local micro	90	117	52	171	79	152

Source: Disparity analysis

The study team measured disparities for diverse businesses in County contracts and procurements. The study team assessed disparities for diverse businesses for all contracts and procurements included in the Study and separately for various subsets of County contracts and procurements. The study team found that the County substantially underutilizes diverse businesses with very few exceptions.

Figure ES-2 presents disparity indices for diverse businesses in the RGMA for all relevant contracts and procurements awarded by the County.

Figure ES-2. Disparity Analysis Results for Diverse Businesses in the Relevant Geographic Market Area

Business Group	Overall	Industry			Contract Role	
		Construction	Professional Services	Goods and Services	Prime Contract	Subcontract
White woman-owned²	27	2	71	21	28	24
Minority-owned	28	8	49	19	29	26
Asian Pacific American-owned	30	25	55	1	22	139
Black American-owned	9	0	16	0	11	1
Hispanic American-owned	21	8	22	92	24	12
Native American-owned	0	0	100	100	0	0
Subcontinent Asian American-owned	58	0	88	5	61	12
Veteran-owned	6	27	0	0	6	1
Service-disabled veteran-owned	0	0	0	0	0	1
LGBT-owned	16	3	31	2	17	1

Source: Disparity analysis

² To avoid double counting, information and results for minority woman-owned businesses are included along with their corresponding racial/ethnic groups.



ES.4 Next Steps

When commissioning the supplier diversity study, the County acknowledged that historic and current bias create barriers to economic opportunities for many local, small, and diverse businesses as well as underserved communities within the County. While conducting the Study, GCAP observed the County's commitment to improving practices, creating systems, and reaching out to LSMDBEs to reduce and eliminate barriers, and to developing effective procurement and contracting measures to help LSMDBEs capture County contracts. After the start of the Study, the County began to capture vendor demographic data with the implementation of a new vendor management system, which further demonstrates its commitment to collect LSMDBE vendor and contractor data.

The completion of the Study represents an important step towards shared prosperity, economic vitality, and equity for County vendors, contractors, and suppliers. The County should examine the substantial information provided in the Study as it considers potential refinements and additions to policies, processes, and practices to reduce and remove barriers for LSMDBEs and strengthen their capacity to access County's procurement opportunities. The Study results are based on an extensive data analysis of County contracts and vendor information as well as substantial stakeholder and community input to develop informed recommendations to develop sustainable change for LSMDBEs, as detailed in the various chapters of the Study. Suggested next steps for the County are to have the Inclusive Procurement Committee of the Core Equity Team and the County's Procurement team review and assess which proposed recommendations to implement, identify adequate resources and budget for implementing selected recommendations, and develop an implementation action plan.



CHAPTER 1. Introduction

1.1 Background

The County of San Mateo (County) is made up of twenty (20) incorporated cities and covers most of the San Francisco Peninsula. The region encompasses 744 square miles and is home to nearly 800,000 residents.

The County is a mission-driven institution and one of the largest employers in San Mateo county with approximately 7,000 employees. During the COVID-19 pandemic, local, small, and micro businesses suffered significant losses and financial hardships, and their recovery is key to rebuilding a vibrant and inclusive local economy in the County.

The County is committed to its role as an Anchor Institution, a resolution that the Board of Supervisors adopted on March 8, 2022, to ensure that economic opportunities the County generates are intentionally aligned with priorities for equity, inclusion, and a broad-based recovery from the COVID-19 pandemic.

The County retained GCAP Services, Inc. (GCAP) to conduct a Supplier Diversity Study (Study) to understand existing contracts and local, small, micro, and diverse business enterprise (LSMDBE) vendors, understand the universe of LSMDBEs located in the county and the region that could be doing business with the County, improve data collection and tracking of LSMDBEs, and create new or enhance existing outreach and capacity building opportunities for LSMDBEs.

1.2 Study Business Categories

For purposes of the study, LSMDBE refers to any business that is a small business, micro business, local business, a diverse business, or any combination of these business categories. These categories are defined as follows:

Small Business: A business that, (A) together with all affiliates, has 100 or fewer employees, and annual gross receipts of sixteen million dollars (\$16,000,000) or less as averaged for the previous three (3) tax years, or (B) a manufacturer¹ that, together with all affiliates, has 100 or fewer employees.²

Microbusiness: A business that, (A) together with all affiliates, has annual gross receipts of five million dollars (\$5,000,000) or less as averaged for the previous three (3) tax years, or (B) the small business is a manufacturer with 25 or fewer employees.³

¹ For small business certification purposes, a manufacturer has been defined by the California Department of General Services (DGS). Manufacturer has also been defined in Appendix A.

² At the time of the study analyses, the California Department of General Services (DGS) defined small businesses as those with annual gross receipts of \$16 million or below, and this is the definition utilized in the study. The definition has since been updated to \$18 million or below in annual gross receipts.

³ At the time of the study analyses, the California Department of General Services (DGS) defined micro businesses as those with annual gross receipts of \$5 million or less, and this is the definition utilized in the study. The definition has since been updated to \$6 million or less in annual gross receipts.



Local Business: A business having its principal office with a street address in San Mateo County.

Minority Business Enterprise (MBE): A business that is: (A) at least 51 percent owned by one or more minorities, or in the case of a corporation, at least 51 percent of the stock of which is owned by one or more minorities, and (B) managed by, and the daily business operations are controlled by, one or more minorities.

Women Business Enterprise (WBE): A business that is: (A) At least 51 percent owned by a woman or, in the case of a corporation, at least 51 percent of the stock of which is owned by one or more women, and (B) managed by, and the daily business operations are controlled by, one or more women.

LGBTQ+ Business Enterprise (LGBTBE): A business enterprise that is at least 51 percent owned, managed, operated, and controlled by one or more lesbian, gay, bisexual, transgender (LGBTQ+) individuals.

Service-Disabled Veteran Owned Small Business (SDVOSB)⁴: A business enterprise that is owned by a veteran that has (A) a service-connected disability that has been determined by the Department of Veterans Affairs or Department of Defense; (B) is a small business under the North American Industry Classification System (NAICS) code assigned to the procurement; (C) is at least 51 percent unconditionally owned by a service-disabled veteran; (D) is managed by, and the daily operations controlled by the service-disabled veteran ; and (E) has the service-disabled veteran holding the highest officer position in the SDVOSB.

Veteran-Owned Small Business (VOSB) is a business that (A) meets the small business requirements established by the Small Business Administration (SBA), and (B) at least 51% owned, operated, and controlled by a veteran.

1.3 Study Scope and Objectives

GCAP conducted the Study based on the construction, professional services, and goods and services contracts and procurements the County awarded between April 1, 2020, and March 31, 2023.

Information from the study will help the County encourage the participation LSMDBEs in all of its contracts. It is important to note that the County's local- and state-funded contracts are subject to Proposition 209, and the County is therefore prohibited from including race- and gender-based measures in these contracts. However, County contracts that are federally-funded may allow race- and gender-based measures.

The primary goals for the study were to assess whether any disparities exist between the participation and availability of LSMDBEs for contracts and procurements the County awards, and

⁴ The California Department of General Services (DGS) uses the term disabled-veteran business enterprise (DVBE) for a service-disabled veteran owned business.



to determine whether contracting and procurement obstacles exist for LSMDBEs. A limited review was also performed for County nonprofit contracting and procurement practices.

1.4 Study Team Members

The study team is composed of five (5) firms that provided extensive supplier diversity and disparity study subject matter expertise. Collectively, the study team provided experts in all key areas of the study.

GCAP Services, Inc. (GCAP). GCAP is a southern California-based supplier diversity and contract compliance firm. As the Prime Consultant, GCAP had overall responsibility for the study and performed the procurement, market, and qualitative analysis and conducted the final analysis to develop the remedies and recommendations.

BBC Research and Consulting (BBC). BBC is a Denver-based disparity study and economics research firm. BBC conducted the quantitative analyses including the availability, utilization, and disparity analyses.

Davis Research (Davis). Davis is a Calabasas-based survey expert firm. Davis conducted telephone surveys with thousands of businesses to gather information for the availability and utilization analyses.

Rosales Business Partners (RBP). RBP is a San Francisco-based firm managed by Mara Rosales, a civil rights legal expert. RBP provided legal analysis related to Proposition 209 and applicability of race- and gender-based measures.

Renaissance Entrepreneurship Center (REN). REN is a non-profit organization based in East Palo Alto in San Mateo county. REN assisted with community engagement for the study.

1.5 Report Organization

The Supplier Diversity Study analyses are presented in the report as follows:

- 1. Procurement Analysis.** GCAP conducted an extensive procurement analysis of County procurement policies, practices, outreach, and capacity-building programs. Additionally, the study team developed and distributed a County departmental questionnaire, conducted interviews, and performed a best practice benchmarking analysis. The Procurement Analysis is presented in Chapter 2.
- 2. Market Analysis.** The study team conducted quantitative analyses of market conditions and potential barriers for LSMDBEs in the marketplace. Quantitative information about marketplace conditions is presented in *Chapter 3*.
- 3. Data Collection.** The study team examined contract, procurement, and vendor data from multiple sources to complete the utilization and availability analyses. The scope of the study team's contract, procurement, and vendor data collection is presented in *Chapter 4*.



- 4. Availability Analysis.** The study team analyzed the percentage of contract and procurement dollars one might expect the County to award to LSMDBEs based on their availability to perform specific types and sizes of County work. This analysis was based on County data and surveys conducted with more than 600 businesses in the relevant geographic market area (RGMA) that work in industries related to the types of contracts and procurements the County awards. Results from the availability analysis are presented in *Chapter 5*.
- 5. Utilization Analysis.** The study analyzed contract and procurement dollars the County awarded to LSMDBEs during the study period, including information about associated subcontracts. Results from the utilization analysis are presented in *Chapter 6*.
- 6. Disparity Analysis.** The study team examined whether any disparities existed between the utilization and availability of LSMDBEs on contracts and procurements the County awarded during the study period. We also assessed whether any observed disparities were statistically significant and explored potential explanations for those disparities. Results from the disparity analysis are presented in *Chapter 7*.
- 7. Qualitative Analysis.** The study team conducted qualitative analyses through various public input channels, including conducting in-depth business interviews, County departmental procurement interviews, and availability and utilization surveys. The in-depth business interviews are summarized in *Chapter 8*. Other qualitative analyses are located in their respective report sections.
- 8. Remedies and Recommendations.** GCAP developed potential remedies and recommendations based on the analyses and findings from the various study analyses. The recommendations also incorporate best practices and study team expertise on inclusive procurement practices, programs, and policies to address identified disparities in County procurements for LSMDBEs. The remedies and recommendations are presented in *Chapter 9*.



CHAPTER 2. Procurement Analysis

2.1 Background

The Procurement Analysis consisted of a review of County procurement policies, practices, templates, and outreach and capacity-building programs to determine key findings and provide strategic recommendations for improvements. The Procurement Analysis was comprised of a review of six (6) components:

- Key County Procurement Documents
- Department Procurement Questionnaires
- Department & Division Interviews
- Feedback Form Responses
- Best Practices Benchmarking of Similarity Situated Organizations
- Nonprofit Contracts

These six (6) components were evaluated to better understand County procurement processes and procedures for the various departments, divisions, and other County units to identify challenges and opportunities for local, small, micro, and diverse business enterprises (LSMDBEs). For the purposes of this study, LSMDBEs are as defined in Appendix A: Glossary of Terms.

The study team identified ten (10) key findings based on evaluating, comparing, and synthesizing the results from the assessment efforts. From these findings, preliminary recommendations were developed for each finding with the aim to:

- Enhance County procurement policies and practices to increase participation of LSMDBEs doing business with the County
- Improve access to County procurement opportunities for LSMDBEs
- Enhance vendor and sub-vendor data and demographics collection and tracking

A summary of the ten (10) key findings and preliminary recommendations are provided in Section 4: Recommendations. These key findings and preliminary recommendations have been further analyzed and synthesized with findings from the other study analyses to compose the final findings and recommendations that can be found in Chapter 9: Remedies and Recommendations.



2.2 Proposition 209 Considerations

In 1996, California voters passed Proposition 209, which added section 31 to Article I of the California Constitution. Section 31 provides:

*"The State shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education or public contracting."*¹

Among other exceptions and relevant to the County of San Mateo's contracting policies, Section 31 does not prohibit preferential treatment in the form of race- and gender-conscious programs if the action must be taken to establish or maintain eligibility for any federal program, where ineligibility would result in a loss of federal funds to the State (federal funding exception).² The courts have reasoned that the federal funding exception only applies when the challenged regulations unambiguously require race and gender-conscious programs to be eligible for federal funding.³

In addition to these exceptions, Section 31 does not bar race-or gender-conscious programs that are required by federal law or the federal Constitution.⁴ The California Supreme Court has noted that if a public entity intentionally discriminates, race-conscious remedies might be required to rectify the injury:

*"Where the state or a political subdivision has intentionally discriminated, use of a race-conscious or race-specific remedy necessarily follows as the only, or at least the most likely, means of rectifying the resulting injury."*⁵

The terms "race- and gender-conscious" and "race- and gender-based" are commonly used for similar programs. However, regardless of how the programs are labeled, the main distinction is that a program is not allowed under Prop 209 when they impose a preferential or discriminatory race- or gender-based measure.

The California Court of Appeal has upheld monitoring programs that collect and report data concerning the participation of women and minorities in government programs.⁶ The court noted that the government has a compelling need for such information in order to address "vestiges" of discrimination and to develop future actions such as "race-neutral and gender-neutral remedies."⁷

¹ Cal. Const., art I, § 31(a).

² Cal. Const., art. I, § 31(e).

³ *Coral Construction, Inc. v. City & County of San Francisco*, 50 Cal.4th 315, 322, 334-35 (2010); *C & C Construction, Inc. v. Sacramento Municipal Utility Dist.* (Ct. App. 2004) 122 Cal.App.4th 284, 305-09.

⁴ *Coral Construction*, 50 Cal.4th at 327. Section 31's savings clause provides: "If any part or parts of this section are found to be in conflict with federal law or the United States Constitution, the section shall be implemented to the maximum extent that federal law and the United States Constitution permit." (Cal. Const., art. I, § 31(h).)

⁵ *Hi Voltage Wire Works, Inc v. City of San Jose* 24 Cal.4th 537, 568 (2000). The California Supreme Court in *Coral Construction* set forth the elements for satisfying this standard: the public entity could prove that (1) it purposefully or intentionally discriminated against MBEs and WBEs; (2) the purpose of the race-or gender-conscious programs is to provide a remedy for such discrimination; (3) the program is narrowly tailored to achieve that purpose; and (4) a race-and gender-conscious remedy is necessary as the only, or at least the most likely, means to remedy the injury. The public entity would lose if it failed to prove all of these factors (*Id.* 50 Cal.4th at 337-338.)

⁶ *Connerly v. State Personnel Board* (2001) 92 Cal.App.4th 16, 46, 61, 62-63.

⁷ *Id.* at 46, 63.



Programs that collect and report such information do not implicate Section 31 “[s]o long as such a program does not discriminate against or grant a preference an individual or group.”⁸

Finally, citing *Hi-Voltage*, the Court of Appeal in *Connerly* explained that “outreach or recruitment efforts which are designed to broaden the pool of potential applicants without reliance on an impermissible race or gender classification are not constitutionally forbidden.”⁹

Although Proposition 209 prohibits the use of race and gender preferences in the contracting process, the County can conduct outreach efforts to LSMDBEs so long as it includes other business enterprises in those outreach efforts. Race- and gender-neutral programs, including goal setting, set-asides, and preference programs can be implemented for local and small businesses and other race- and gender-neutral groups. The following figure provides an overview of the programs and actions that are and are not allowed under Proposition 209.

Figure 2-1: Summary of Supplier Diversity Programs Allowed or Not Allowed Under Prop 209

Program/Action	Under Prop 209	
	Allowed	Not Allowed
Race- and gender-conscious programs which are preferential are allowed if they are implemented in compliance with eligibility requirements for any federal program, where ineligibility would result in a loss of federal funds to the State or County (federal funding exception).	✓	
Race- or gender-conscious programs used to remedy intentional discrimination by a public entity.	✓	
Monitoring programs that collect and report data concerning the participation of women and minorities in government programs.	✓	
Outreach or recruitment efforts [(i.e., to Disadvantaged Business Enterprises (DBEs), Minority Business Enterprises (MBEs), and Women Business Enterprises (WBEs)], designed to broaden the pool of potential applicants without reliance on an impermissible race or gender classification.	✓	
Race- and gender-neutral programs, including goal setting, set-asides, and preference programs, can be implemented for local and small businesses and other race- and gender-neutral classifications.	✓	

⁸ *Id.* at 46-47.

⁹ *Id.* at 46.



Program/Action	Under Prop 209	
	Allowed	Not Allowed
<p>The use of race and gender preferences in the contracting process including:</p> <ul style="list-style-type: none"> The use of bid preferences, discounts, or set-asides for Disadvantaged Business Enterprises (DBEs), Minority Business Enterprises (MBEs), and Women Business Enterprises (WBEs). A contract award system under which DBEs, MBEs, and WBEs are given exclusive preference in the award process, directly affecting award determination. 		✓
Requirements that prime contractors subcontract a certain percentage of work exclusively to DBEs, MBEs, and WBEs or show Good Faith Efforts to do so.		✓

The procurement analysis findings and preliminary recommendations listed in Section 2.5 of this chapter, have been developed with Proposition 209 considerations in mind.

2.3 Methodology

2.3.1 Document Review

The County provided approximately seventy-seven (77) documents, including solicitation templates, evaluation sheets, protest letters, amendment checklists, contract templates, and other related documents. The study team examined and assessed these documents to identify barriers and opportunities for LSMDBEs and determined that thirty-one (31) documents required detailed review. Of the thirty-one (31) documents, comments have been provided for twenty-eight (28) that revealed potential LSMDBE-related findings. The study team did not identify any LSMDBE-related findings for three (3) documents. After a detailed review of these procurement documents, the study team identified key findings organized into the following six (6) procurement lifecycle stages:

1. Procurement Planning
2. Scope and Requirements Development
3. Sourcing/RFP Process
4. Evaluation
5. Contract Award
6. Contract Management

The document review process is discussed in further detail in Section 2.4.1: Procurement Document Review.



2.3.2 Department Questionnaire

The procurement questionnaire was developed and emailed to forty-four (44) employees identified as being involved in the procurement process. The response was strong with thirty-six (36) questionnaires completed and submitted, resulting in an 82% response rate. The thirty-six (36) completed questionnaires include representation from twenty-one (21) departments. Multiple divisions of large departments completed their own questionnaire. This response rate provides a solid representation of County procurements, large and small, and in all work types, or industries, which includes construction, professional services, and goods and services.

The questionnaire contained a mix of question formats to gather both quantitative and qualitative information (see Appendix B: Procurement Questionnaire Form). The questions were organized around the six (6) major stages of the procurement cycle as well as general procurement questions and questions on staff training. Respondents had the opportunity to provide comments on any other topics they felt were important to share as well as suggestions on how to increase participation of LSMDBEs in County procurements.

Synthesized findings are presented in Section 2.4.2: Overall Questionnaire Themes of this chapter. A detailed analysis of the department questionnaire responses is provided in Appendix C: Department Procurement Questionnaire Summary.

2.3.3 Department Interview

Twelve (12) interviews were conducted with various representatives from the County of San Mateo departments between mid-August to the end of September 2023.

The purpose of these interviews was to better understand the challenges faced by the departments, assess outreach programs, and identify areas of improvement in the County's procurement process.

Departments were selected in two (2) ways:

1. The County identified eight (8) departments through an internal review process.
2. The remaining four (4) departments were narrowed down by the County from a list of seven (7) potential interview candidates that the GCAP Study team identified based on their responses to the procurement questionnaire sent to all departments.



The twelve (12) interviews were conducted with the following departments/divisions:

- Agriculture
- Chief Executive Office - Project Development Unit
- County Attorney's Office
- First 5
- Health System
- Housing
- Human Resources - Procurement Division
- Human Services Agency
- Office of Sustainability
- Parks
- Public Works
- Sheriff's Office

The key findings and interviewee-identified recommendations are summarized below in Section 2.4.3: Interview Response Learnings.

2.3.4 Feedback Form

A Feedback Form was developed as part of the study's introductory public meetings during the public engagement phase of the study and added to the County's Supplier Diversity Study webpages (see Appendix H: Feedback Form). This form was translated and distributed in English and Spanish and open for response from August 2, 2023, through November 3, 2023.

Included were thirteen (13) questions developed to better understand public and other stakeholder experiences working with the County. The responses were kept anonymous to allow respondents to provide uninhibited and honest feedback. The Feedback Form also allowed responders to inform the study team if they were interested in providing additional information through an in-depth interview. Over the course of the form period, forty-five (45) responses were received.

Feedback from the form, including those related to challenges and barriers for LSMDBEs and recommendations to improve access to County procurement opportunities for LSMDBEs, were analyzed and incorporated into the overall procurement findings and recommendations. These findings are summarized in detail in Section 2.4.4: Feedback Form Findings.

2.3.5 Best Practices Benchmarking

The study team conducted best practices research of similarly situated public organizations to review small, local, community and disadvantaged programs listed on their websites. The organizations benchmarked include the following entities:

- Los Angeles County
- The County & City of San Francisco
- Alameda County
- Santa Clara County
- Orange County
- Sacramento County
- Los Angeles County Metropolitan Transportation Authority (LA Metro)

The benchmarking analysis included a review of local, small, and diverse business programs and outreach practices that will be considered for the County. Programs reviewed include outreach



and communication; technical assistance; training; finance and bonding; data collection, monitoring, and reporting; and certification and preference programs. Utilizing the information found in the benchmarking effort, coupled with the study team's expertise in supplier diversity, compliance, and disparity studies, various programs and practices identified for each organization were reviewed for potential suitability for the County to use or emulate in its own procurement practices to enhance supplier diversity.

Findings and potential recommendations from the best practices benchmarking can be found in Section 2.4.5: Best Practices Benchmarking Findings.

2.3.6 Nonprofit Contract Review Considerations

In addition to reviewing the County's LSMDBEs and other for-profit procurements, the study team reviewed aspects of the nonprofit procurement process and received feedback from nonprofit organizations.

The study team found that approximately \$328 million or 17% of the total contract dollars identified for the 3-year study period (approximately \$1,879,809,000) was awarded to nonprofits. A portion of these nonprofit contracts are unlikely to be performed by local, smaller nonprofits (LSNPs) and have little or no subcontracting opportunities for LSNPs or LSMDBEs. However, given the large amount of County contracts awarded to nonprofit organizations, the study team considered nonprofit contracts and the obstacles faced by LSNPs when pursuing County nonprofit contracts.

The study team performed several analyses for nonprofit procurement considerations. These include the following:

- Review of procurement templates to determine if nonprofits, including LSNPs, are adversely impacted by County practices
- Review of nonprofit feedback form responses
- Review of responses from the department interviews for nonprofit related items
- Review of several County nonprofit contracts to determine if these contracts include subcontracting opportunities or can be organized to allow for future competition by LSNPs and LSMDBEs

The study team reviewed five (5) nonprofit contracts provided by the County. The review of these contracts included determining if contract clauses are consistent with for-profit contracts, identifying potential barriers to LSNPs, and determining if opportunities for unbundling exist. The study team also assessed if revising insurance requirements may assist LSNPs, the potential for adding incentives for utilizing LSNPs as subcontractors, and reviewed other administrative requirements that can be revised to allow LSNPs greater opportunities to participate in County nonprofit procurements. Findings from the nonprofit review can be found in Section 2.4.6: Nonprofit Contract Review & Findings.



2.4 Findings

The procurement analysis is a cumulative effort consisting of different analyses and input from internal and external stakeholders to better understand County procurement processes and procedures to identify challenges and opportunities for LSMDBEs. The study team identified ten (10) key findings based on evaluating, comparing, and synthesizing the results from the different assessment efforts, as shown in the following table. Figure 2-2 summarizes the key findings and indicates the source used to identify the finding and what phase of the procurement cycle the finding impacts.

These key findings were used to develop tailored preliminary recommendations to provide greater access for LSMDBEs to County procurement opportunities through improved outreach and capacity building. These recommendations are detailed in Section 2.5: Preliminary Recommendations of this chapter. A more detailed summary of findings by each assessment effort is provided in the following sections.



Figure 2-2: Procurement Analysis Preliminary Key Findings by Procurement Cycle and Source

Key Findings	Procurement Cycle	Source		
		Docs.	Q/A	Interview
1. Strong internal support exists for more inclusive procurement policies, programs, and practices.	<ul style="list-style-type: none"> All 		✓	✓
2. Admin B1 Memo encourages the use of local and small business suppliers and vendors; however, the County does not have small or local business programs to explicitly promote participation.	<ul style="list-style-type: none"> Procurement Planning 	✓		
3. County departments need additional support from central County procurement for general procurement and LSMDBE-targeted efforts.	<ul style="list-style-type: none"> Procurement Planning Scope & Requirements Development Sourcing/RFP Process Evaluation & Selection Contract Management 	✓	✓	✓
4. Most departments or divisions do not actively identify or seek out LSMDBEs or lack the resources (particularly staff time) to source LSMDBEs that can perform the work out for bid.	<ul style="list-style-type: none"> Procurement Planning Sourcing/RFP Process Scope & Requirements Development 		✓	✓
5. The County does not have a centralized database of LSMDBE firms which would be an important resource and requested by many County procurement groups.	<ul style="list-style-type: none"> Procurement Planning Scope & Requirements Development Sourcing/RFP Process Evaluation & Selection 		✓	✓
6. Departments do not currently collect or track LSMDBE and other demographics information and metrics.	<ul style="list-style-type: none"> Contract Management 		✓	✓
7. The County does limited outreach and training that targets LSMDBE suppliers and vendors.	<ul style="list-style-type: none"> Procurement Planning Contract Management 	✓	✓	✓
8. LSMDBEs have limited resources, capacity and/or experience to meet County procurement requirements. Some requirements, such as insurance requirements and invoicing and reporting requirements for certain funding sources are too stringent for LSMDBE firms.	<ul style="list-style-type: none"> Procurement Planning Contract Award Sourcing/RFP Process 	✓	✓	✓
9. Concern exists that requiring vendors to be certified as LSMDBEs as well as verifying certifications would be time consuming for County staff. It may also make the County less desirable for vendors who may see certification as burdensome.	<ul style="list-style-type: none"> All 		✓	✓
10. The County solicitation documents do not provide for opportunities for LSNPs to participate and County staff have some challenges reaching out to LSNPs.	<ul style="list-style-type: none"> All 	✓	✓	✓



2.4.1 Procurement Document Review

The County provided the study team with over seventy-seven (77) procurement-related documents, including the main County procurement handbook and Administrative Memorandum B-1 (Admin Memo B-1). Based on the review of provided procurement-related documents, the study team found that the County has developed checklists, standard contract and solicitation templates, evaluation criteria, confidentiality and conflict of interest statements, and other procurement process documents that provide guidance for both planned and emergency procurements.

In reviewing the documentation, the Study team identified thirty-one (31) documents for a more detailed examination because they offer potential opportunities to identify and encourage greater participation of LSMDBE vendors and suppliers in County procurements.

Summarized below are key findings from this detailed review regarding potential barriers to opportunities for LSMDBEs to participate in County procurements:

- County procurement documents do not capture LSMDBE prime contractor or subcontractor information.
- Contract and agreement templates, as well as amendment documents are not collecting subcontractor information including commitments to LSMDBEs.
- Evaluation criteria does not include factors for LSMDBE participation.
- County procurements do not include LSMDBE preference programs.
- Training presentation documents do not include references or language relating to LSMDBEs references nor do they consider the utilization of LSMDBEs in County procurements.

The study team provided the County with detailed recommendations for each procurement document that was reviewed to encourage more LSMDBE participation in County procurement opportunities.

2.4.2 Overall Questionnaire Themes

In examining both the qualitative and quantitative department responses to the Procurement Questionnaire, the GCAP study team identified seven (7) overall key themes:

1. Strong internal interest exists for the County to implement and conduct more inclusive procurement policies, programs, and practices.
2. County departments and divisions need support from a central County Procurement group in general procurement assistance, especially for LSMDBE efforts at all stages of the procurement cycle and with staff training.



3. A centralized database of LSMDBE firms with their capabilities and certifications would be an important resource for LSMDBE procurement and outreach efforts.
4. There is a lack of LSMDBE data collection, collection policies, and consistency in a collection database. There is a need for established County-wide LSMDBE metrics, collection requirements and protocols, and a centralized system to store and use the data.
5. There is a need and opportunity for the County to engage in more outreach to and training for LSMDBE suppliers and vendors.
6. There is a need for the County to develop resources and capacity building programs for LSMDBE suppliers and vendors.
7. Insurance requirements should be reviewed and revised with consideration to LSMDBE suppliers and vendors.

The questionnaire responses also suggest that the departments, divisions, and other County units seek to be more proactive in facilitating greater participation by LSMDBEs in County procurements but require additional direction and guidance from the County to do so.

While most of the departments and divisions do not use the County's Contract Management System (CMS), most do follow County guidelines and procedures as outlined in the Procurement Manual and Admin Memo B-1, which allows for more consistent application of contract administration. Most departments also look to the Procurement Division for general procurement process guidance and training for their staff.

A detailed summary and analysis of the department procurement questionnaire can be found in Appendix C: Department Procurement Questionnaire Summary.

2.4.3 Interview Response Learnings

Key learnings and interviewee-generated recommendations derived from department and division interview responses are listed below.

Key Learnings

1. Procurement Planning
 - a. Most departments and divisions do not actively identify or seek out LSMDBEs or lack the resources, particularly staff time, to source LSMDBEs that can perform the work they are bidding out.
 - b. Some departments use Public Purchase and work with the procurement division for posting bids and finding vendors/bidders.
 - i. When posting Request for Proposals (RFPs) on Public Purchase and other sites, there is difficulty in finding qualified vendors regardless of size.



- c. Staff are interested in increasing opportunities for LSMDBEs but are concerned about Proposition 209 limitations and would like to understand other methods to increase diversity during the bidding process.
 - i. Multiple respondents shared a sense of confusion about the legal limitations of providing preferential points to local and small business.
 - d. County staff expressed a lack the bandwidth and staff resources to conduct comprehensive outreach for LSMDBEs and to ensure LSMDBEs have the ability and capacity to fulfill the proposed scope.
 - e. RFPs are often developed without consideration for breaking down the scope of work to be more manageable for small, non-traditional businesses which may improve the likelihood of LSMDBEs winning bids. It is also difficult to break out scopes of work since County staff are unfamiliar with the services LSMDBEs are capable of providing.
 - f. There is an absence of an inclusive and comprehensive local procurement ecosystem where information can be easily shared and accessed between the County, local suppliers/vendors, and the general business community.
- 2. Contract Award**
- a. If departments offer debriefs, it is by request only and does not occur often.
 - b. LSMDBEs may generally be less competitive for solicitations and not selected for award for a variety of reasons including:
 - i. Facing difficulties navigating the County procurement system
 - ii. Lack of familiarity with the County's priorities or goals for the contract
 - iii. Lack of understanding of the overall procurement process
 - iv. administrative difficulties in creating strong proposals or meeting submittal timelines
 - v. Lack of responsiveness to RFP requirements
 - vi. Lack of work experience, requisite years of experience, or failure to meet minimum qualifications
 - vii. Proposed costs are not competitive
 - viii. Lack of capacity or inability to provide the full scope of work
- 3. Contract Management**
- a. The vast majority of departments do not track LSMDBE and other demographic data. Those that do track this data, collect the data within various systems resulting in overall data and collection efforts being fragmented.



- b. There is a concern that requiring vendors to be certified as LSMDBEs and verifying such certification would be time consuming for County staff and may also make working with the County less desirable for vendors who may see certification as burdensome.
- c. Staff expressed interest in collecting demographic data and understanding the makeup of their vendors but expressed concern for County staff resources to track this, how the information would be gathered, and where it would be tracked (ideally centralized).
- d. Due to various County funding sources, extensive invoicing and reporting requirements for some programs can be a challenge and burden to LSMDBEs.

4. Staff Training

- a. Staff training is usually managed individually by each department and done annually. The Procurement division offers the Procurement Handbook and Admin Memo B-1 as well as various contract templates and resources available for County employees, however, many employees are not well informed of these resources and how/where to access them.
- b. There is a lack of LSMDBE-related training for staff, particularly in how to classify LSMDBEs and understanding how to procure with LSMDBEs in mind.
- c. Departments would like to see an increase in general procurement training and equity-specific training as well as additional support and assistance in the procurement process.
- d. Staff need more training on how to review and analyze potential barriers to entry for LSMDBEs within the procurement process.

Interviewee-Generated Recommendations

1. Procurement Planning:

- a. Where possible, procurement documentation and requirements should be reviewed and simplified to remove unnecessary or overly burdensome requirements for vendors.
- b. Requests for Proposals (RFPs) and Scopes of Work (SOW) should be assessed to find ways to further break down work into smaller areas that may allow for more LSMDBE participation. This would require training to guide staff in how to assess their projects and make these decisions. There is a need to create a new platform or database of LSMDBE vendors and the services they can perform as staff find it difficult to locate qualified LSMDBEs. Staff suggestions for compiling this included releasing a Request for Information (RFI) or Request for Qualifications (RFQ) to solicit interested vendors and to perform outreach to local vendors for upcoming contracting opportunities.



- c. An LSMDBE system/database (or new procurement system, OpenGov) should have the capability to track vendor demographics and other information the County is interested in capturing. Ideally this information can be filled out within the system by the vendor to reduce workload from County staff. It would be beneficial if the database/system has the capability to search by services and NAICS codes and then send emails to those vendors directly from within the system for upcoming RFPs.
 - d. Vendor resources and training:
 - i. Vendors need more resources to better understand the procurement process and RFP requirements. It would be beneficial to have a specific individual or group whose job it is to provide more hands-on vendor assistance. A more inclusive, expansive, and easily accessible database is needed where information and resources can be easily shared between the County, local supplier/vendors, and the general business community.
 - ii. Provide training sessions to vendors that explain the procurement process, how to complete required documents. Additional training may include capacity building, business development, bonding and insurance requirements, doing business with the County, and more. Holding community events for vendors that focus on these areas are an option as well.
- 2. Contract Award**
- a. There is a need for a more transparent procurement and award process that keeps proposers updated, even if they are not awarded a contract.
 - b. Debriefs to vendors that were not awarded a contract should be encouraged as debriefs help businesses understand how to improve future proposal efforts. Additional staff resources may be needed to provide debriefing for departments with heavy workloads.
- 3. Contract Management**
- a. There is a need for a centralized system to track LSMDBE and other demographic data which will likely be done within the new contract management system (OpenGov). Staff stated a need for clear and consistent requirements for the demographic data that the County intends to track and a clear process in how this data is collected. Additional resources, including staffing and expansive training for each department to be able to fulfill this, was a concern and need.
- 4. Staff Training**
- a. Additional training for staff is needed to better understand the overall procurement process. This training should demonstrate utilization of Public Purchase, other County software, and the new procurement system, OpenGov.



- b. Equity and LSMDBE-specific trainings are needed. Training should emphasize the importance of LSMDBE participation, clarify LSMDBE definitions, and provide guidance to departments on locating LSMDBE vendors who can perform the services needed.
- c. Updates are needed for all manuals, documents, and policies to reflect the changes and areas the County would like departments to focus on, particularly tracking needs, LSMDBE participation and outreach, and defining small businesses and other business designations.

2.4.4 Feedback Form Findings

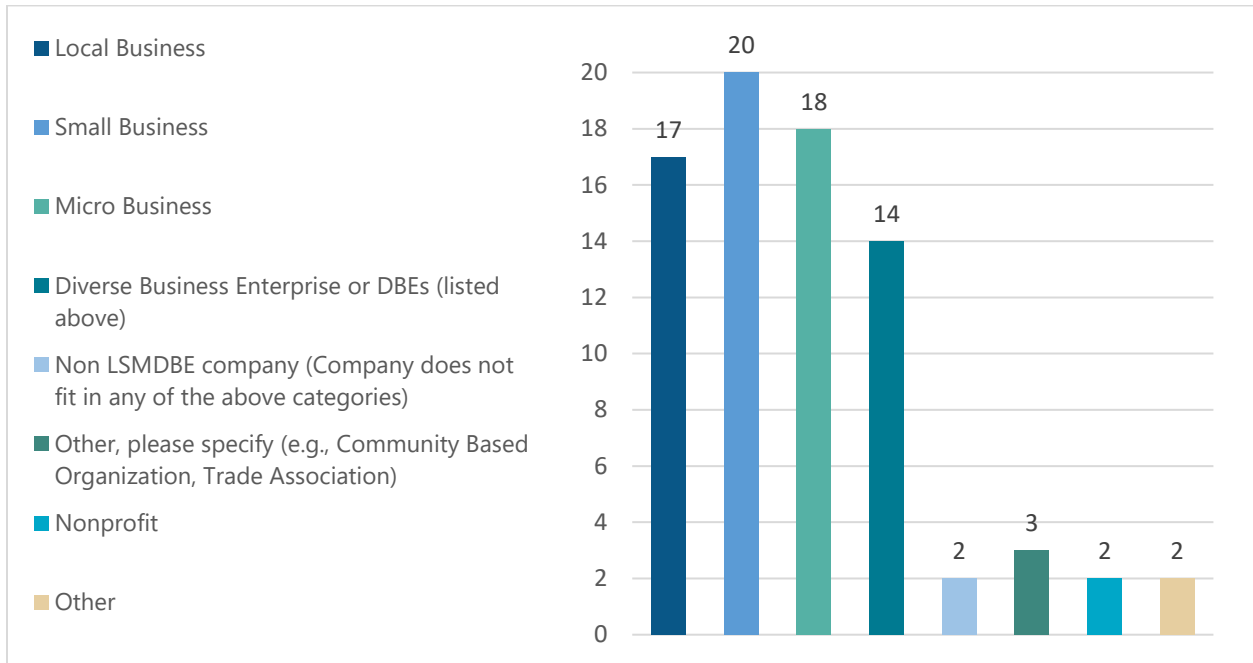
A feedback form was utilized to collect information about vendors to assist with various Study tasks. Forty-five (45) completed forms were received and these responses were used to supplement data collected through other channels as well as source potential interested respondents doing business in the county. For the procurement analysis, feedback form questions assisted the study team with the following areas:

- Understanding types of vendors participating or interested in participating in County procurements
- Level of vendors with business certifications
- Procurement challenges faced by LSMDBEs
- Recommendations to improve access to County procurement opportunities for LSMDBEs

Based on the responses received through the feedback form, the study team found that a significant number of respondents are LSMDBEs. Approximately 38% of respondents are local businesses, over 44% are small businesses, 40% are micro businesses, and 31% are diverse businesses, as shown in the Figure 2-3 below. The feedback form used the business type definitions included in Appendix A: Glossary of Terms.

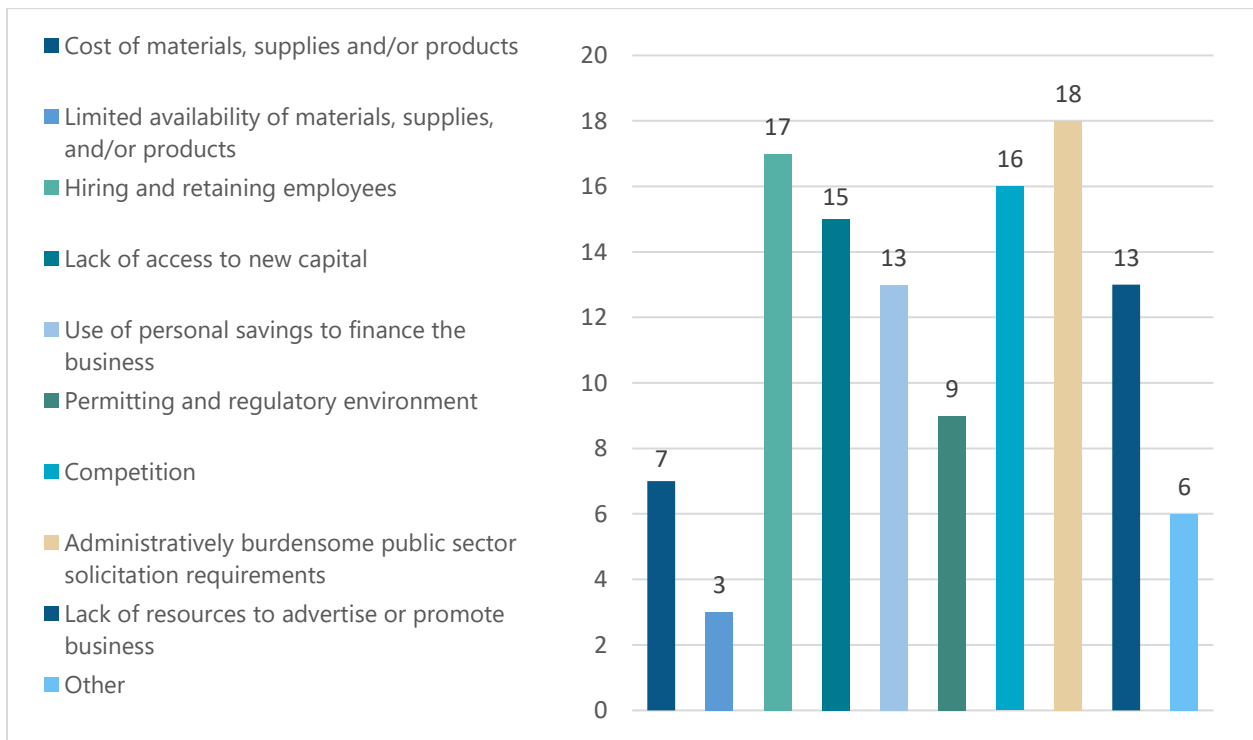


Figure 2-3: Feedback Form Respondent Business Types



When considering procurement challenges, responders identified the administrative burdens in public procurement as a key obstacle. Coming in a close second and third are hiring and retaining employees, and competition, respectively, as identified in Figure 2-4 below.

Figure 2-4: Respondent Procurement Challenges



Although the feedback form provided a limited number of responses, the responses received provided additional insight about the types of businesses and stakeholders interested in working with the County. The responses were anonymous, however, respondents that wished to be contacted for more information provided email addresses or phone numbers.

Additionally, three (3) nonprofit organizations responded. The feedback received from these nonprofit organizations focused on lack of access to capital, maintaining state licenses, access to grant/proposal writing consultants, and their challenge in hiring and retaining employees. One response mentioned that the County reached out and asked them to submit a proposal and found the County's procurement process to be well organized and thorough.

For a breakdown of question responses, see Appendix E: Feedback Form Response Charts.

2.4.5 Best Practices Benchmarking Findings

The study team conducted a best practice review focused on seven (7) similarly situated public agencies in California. This includes six (6) counties and one (1) county transportation agency as listed below:

- Los Angeles County
- The County and City of San Francisco
- Alameda County
- Santa Clara County
- Orange County
- Sacramento County
- Los Angeles County Metropolitan Transportation Authority (LA Metro)

In addition to reviewing websites for the counties and city noted above, the study team examined the website for Los Angeles County Metropolitan Transportation Authority (LA Metro) to identify supplier diversity programs offered by this agency. Due to substantial federal funding of projects, public transportation agencies tend to be industry leaders in providing effective programs and strategies to better serve small and disadvantaged businesses.

Considering the various areas of review, including the County's procurement documents, the study team found several effective supplier diversity measures that are not being utilized by the County. These measures are race- and gender-neutral and therefore do not violate Proposition 209 or other equal protection requirements.

The following best practice findings include potential race- and gender-neutral measures that may be most relevant to County LSMDBE procurement practices:

- *Small and local business webpages* – these pages provide a variety of support to small and local businesses, including assisting in successfully opening a business, training, access to references for business operations, and additional resources to support small and local businesses.



- *“Doing Business with the County” webpage* – similar to a small and local business webpage, this page includes various tools to help LSMDBEs do business with the County, including FAQs, forms, web tutorials, open solicitations, and more.
- *Small and local business preference programs* – certified local, small, and disabled veteran-owned businesses receive a price or point preference which helps level the playing field for certified small, local, and DVBE business in the County.
- *Bond assistance program* – these programs provide certified LSMDBEs secure sufficient bonding to work on County construction projects. Some of these programs assist LSMDBEs increase their bond capacity and guarantee all or a portion of the value of the contract.
- *LSMDBE certifications* – some counties offer certification services for vendors for LSMDBE owners. Other counties accept other agency certifications for their LSMDBE vendors, which reduce the cost of administering certification programs.
- *Small business loan programs* – these lending programs offer small and emerging businesses loans and are typically managed or in partnership with nonprofit organizations or Community Development Financing Institutions (CDFIs).
- *Office of Small Business* – providing a dedicated department or unit to advocate and support small businesses and act as a liaison to help small businesses overcome obstacles and guide them through the procurement process.
- *Find a supplier or small and local business database* – some county governments offer small and local businesses an opportunity to apply to be part of a database and will outreach to vendors in the database or provide access to prime contractors looking for small and local business subcontractors.
- *LSMDBE monitoring through web-based systems or contract forms* – these systems or forms require prime contractors to report awards and monthly payments to LSMDBEs.

In addition to LSMDBEs, the study team also identified the following community-based organization and nonprofit emerging practice:

- *Community-based organization database* – one (1) of the seven (7) agencies has developed a CBO database which allows nonprofits to register their services. This database serves as a network for County, CBOs, and other stakeholders to easily identify CBOs based on the services they provide for partnering and outreach.

To review the full benchmarking analysis, please see Appendix F: Best Practice Benchmarking Table.

2.4.6 Nonprofit Contract Review & Findings

The study team reviewed feedback provided by nonprofits and three (3) large County nonprofit contracts. We found that these contracts were structured similarly as for-profit contract templates with the exception of funding source reporting and special nonprofit requirements (i.e., fingerprinting requirements). The study team found that local small nonprofits (LSNPs) face similar barriers as LSMDBEs when responding to County solicitations for nonprofits. These contracts do



not provide any incentives for prime nonprofits to include LSNPs or encourage prime nonprofits to use LSNP subcontractors. In addition, general findings included:

- No requirements to report LSMDBE or LSNP participation
- Limited subcontracting opportunities but some services may have potential subcontracting for local, smaller nonprofits (LSNP) such as:
 - Various training services, on-site support, janitorial services, furniture, supplies, case management support, and assessment support, interpretation services, client assistance with program enrollment, food services and resources, site visits, and wellness checks, particularly for health, human service, and housing-related contracts.
 - Potential opportunity to utilize local farmers and food providers for meal services

Nonprofits that provided responses to the Feedback Form stated that technical assistance, including grant/proposal writing guidance, would be beneficial. Other responses included the lack of access to capital and difficulty with hiring and retaining employees.

As part of this process, the study team received feedback related to nonprofits, and found that LSNPs face similar barriers as LSMDBEs when contracting with the County. Responses received through the department interviewing process also indicates that larger nonprofits can help although the County uses the online solicitation system (formerly Public Purchase and presently OpenGov) to reach out to LSNPs, this has been difficult for some County staff to do because of County employee workloads and the lack of LSNPs registered in the County's online procurement system.

2.5 Preliminary Recommendations

Based on totality of the review, the study team developed preliminary recommendations based on key findings from the various aspects of the procurement analysis. While these recommendations were developed based on the scope of the study to review impacts of County procurement processes, programs, and policies for LSMDBEs, these recommendations may also be applicable and beneficial to nonprofits and other County vendors. These preliminary recommendations should be considered based on the County's priorities and resource availability. These preliminary findings and recommendations derived through the Procurement Analysis have been further refined with inclusion from all analyses of the study and can be viewed in Chapter 9: Remedies and Recommendations.

Finding 1: Strong internal support exists for more inclusive procurement policies, programs, and practices.

- **Recommendation 1a:** Formalize an Inclusive Supplier Diversity Program to develop, grow, and maintain a more diverse supplier base inclusive of LSMDBEs.



- **Recommendation 1b:** Communicate the County's support and commitment to conducting more inclusive procurements and the efforts being made to do so.

Finding 2: Admin B1 Memo encourages the use of local and small business suppliers and vendors; however, the County does not have small or local business programs to explicitly promote participation.

- **Recommendation 2a:** Implement small/local business measures.
 - Note: Federally-funded contracts and grants may not allow for local preference measures and this provision may need to be modified for these contracts.
- **Recommendation 2b:** Regularly publish local, small business participation reports for transparency.

Finding 3: County departments need additional support from central County procurement for general procurement and LSMDBE-targeted efforts.

- **Recommendation 3a:** Update existing County procurement-related documentation to assist County Staff in addressing the needs of LSMDBEs.
- **Recommendation 3b:** Provide County Staff (procurement and contract managers) LSMDBE-related training on a regular and ongoing basis.
- **Recommendation 3c:** Continue regular training and develop refresher courses for County staff on procurement policies and practices to foster greater consistency in the application of procurement practices.
- **Recommendation 3d:** Set performance metrics to increase the use of LSMDBEs.

Finding 4: Most departments or divisions do not actively identify or seek out LSMDBEs or lack the resources, particularly staff time, to source LSMDBEs that can perform the work out for bid.

- **Recommendation 4a:** Implement recommendations 1a, 3a, 3b, 3c, 3d, and 5a to facilitate County-wide active identification of LSMDBEs for County procurements.
- **Recommendation 4b:** Develop LSMDBE identification and outreach requirements and guidelines.

Finding 5: The County does not have a centralized database of LSMDBE firms which would be an important resource and was requested by many County procurement groups.

- **Recommendation 5a:** Implement a vendor database that allows vendors to identify their LSMDBE business certification, location, NAICS codes or other sub-industry classification codes, and average annual revenue.
- **Recommendation 5b:** Identify other certification programs for potential inclusion/leveraging in the County program.



Finding 6: Departments do not currently collect or track LSMDBE contractor or subcontractor demographic information and metrics.

- **Recommendation 6a:** Define LSMDBE demographic data to be tracked during key stages of the procurement cycle for formal and informal solicitations.
- **Recommendation 6b:** Develop forms to collect information from prime and subcontractor bidders that provided quotes to prime bidders.

Finding 7: The County does limited outreach, technical assistance, and training that targets LSMDBE suppliers and vendors.

- **Recommendation 7a:** Develop and implement outreach strategies to reach specific groups of LSMDBEs.
- **Recommendation 7b:** Formalize process to identify and outreach directly to LSMDBEs with relevant procurement opportunities as allowed under Proposition 209 (see Figure 2-1) contractors to help LSMDBEs gain subcontractor work.
- **Recommendation 7d:** Develop a dedicated LSMDBE webpage with links to useful resources to become a vendor and do business with the County.
- **Recommendation 7e:** Develop workshops, technical assistance, and reference documents to help LSMDBEs navigate County procurement processes and respond to requirements.

Finding 8: LSMDBEs have limited resources, capacity, and/or experience to meet County procurement requirements. Some requirements may be too stringent for LSMDBE firms such as insurance, invoicing, and reporting requirements from certain funding sources.

- **Recommendation 8a:** Develop a debriefing procedure that provides specific and useful feedback to vendors.
- **Recommendation 8b:** Reevaluate base insurance requirements with emphasis on degrees of risk rather than preset requirements for all contracts.
- **Recommendation 8c:** Encourage unbundling of project scope to develop “smaller dollar” solicitations that allow more opportunities for LSMDBEs/LSNPs to participate.

Finding 9: Concern exists that requiring vendors to be certified as LSMDBEs as well as verifying such certifications would be time consuming for County staff. It may also make the County less desirable for vendors who may see certification as burdensome.

- **Recommendation 9a:** Develop a certification policy that leverages external certifying agency certifications.
- **Recommendation 9b:** Consider implementing a local/small business preference program.
- **Recommendation 9c:** Consider implementing a local and small business overall County goal for certain identified procurements.



- **Recommendations 9d:** Identify and provide access to resources for LSMDBEs to obtain certification assistance.

Finding 10: The County solicitation documents are not conducive for LSNPs to participate, and County staff have some challenges reaching out to LSNPs.

- **Recommendations 10a:** Develop a local nonprofit database.
- **Recommendations 10b:** Consider implementing local, small nonprofit preference programs.
- **Recommendations 10c:** Review solicitations and determine if unbundling requirements is possible.



CHAPTER 3. Market Analysis

3.1 Background

The market analysis seeks to provide an understanding of conditions in the County of San Mateo's (the County's) local marketplace and the potential challenges and barriers local, small, micro, and diverse business enterprises (LSMDBEs) face in operating a business in the region. Understanding the County's market composition and the local business landscape will help to frame and provide context to the availability, utilization, and disparity analyses. The findings will help to inform the final recommendations to improve access to County procurement opportunities and enhance outreach efforts and capacity building for LSMDBEs.

In preparing the market analysis, the study team reviewed the following areas and present the results in this report in eight (8) components:

- Overview
- Relevant geographic market area (RGMA)
- Key marketplace indicators
- Demographic factors
- Small businesses in the marketplace
- Veteran-owned businesses and LGBTQ-owned Businesses
- Nonprofits in San Mateo county
- Marketplace key findings

The study team identified seven (7) key findings based on evaluating, comparing, and synthesizing the results from the assessment efforts.

3.2 Methodology

The study team conducted an analysis of several key marketplace indicators to provide context to the makeup of the County's market area. This information establishes a greater understanding of the local business landscape and potential opportunities and barriers for LSMDBEs in the construction, professional services, and goods and services industries.

The following key marketplace indicators were examined:

- **Population & Demographics** – This data can help to gauge the overall market size and potential owner and customer bases for small businesses.
- **Educational Attainment Rates** – Higher education rates generally correlate positively with increased business ownership in most industries.



- **Median Household Income** – Business owners or potential owners with a higher median household income are more likely to be able to afford the costs associated with business start-up and operation.
- **Homeownership Rates** – Homeownership allows homeowners to build equity over time. This equity can also serve as collateral for loans, providing entrepreneurs with access to capital for business ventures.
- **Self-Employment Rates** – Small businesses, including self-employed individuals, play a vital role in job creation and innovation providing insight into the dynamism of the local landscape.
- **Small Businesses Establishments** – This data provides a clear understanding of the presence of small businesses in the local marketplace.

The study team also evaluated and provided data on veteran-owned and LGBTQ-owned businesses in the region as well as nonprofits located in San Mateo county.

The information in this report was gathered from various primary research sources including the U.S. Census 2020 Decennial Survey, U.S. Census 2022 American Community Survey (ACS), U.S. Census Statistics of U.S. Businesses (SUSB) data, a 2022 study by the Silicon Valley Institute for Regional Studies, and the study team’s availability and utilization analyses. Where available, the study team gathered and reviewed the key indicators by race/ethnicity as well as sex and gender.

Through the evaluation of these key marketplace indicators, the study team identified seven (7) key findings that reveal how the County’s local marketplace and RGMA business landscape is composed and how this may affect small business development and success.

3.3 Relevant Geographic Market Area (RGMA)

The study team first identified the geographic area in which the County spends the substantial majority of its contracting dollars (i.e., relevant geographic market area or RGMA). Our analyses showed that the County awarded approximately 75% of relevant, or in-scope, contracting dollars during the study period (April 1, 2020, through March 31, 2023) to businesses with locations in four (4) counties: San Mateo, Santa Clara, Alameda, and San Francisco. In-scope contracting dollars include those associated with construction, professional services, and goods and services contracts and procurements (for additional details, see Chapter 4: Data Collection and Analysis). The study team considered those four (4) counties as the RGMA for County contracting, and key analyses focused on those counties.

To be counted as “within the RGMA,” a business had to have an office location, either its headquarters or an affiliate office, within the RGMA. Figure 3-1 presents the percentage of relevant contracting dollars the County awarded to businesses with locations within the RGMA during the study period. The County awarded approximately 20% of in-scope contracting dollars during the study period to businesses with any office location in San Mateo county.



Figure 3-1 Study Period Relevant Geographic Market Area (RGMA)

County	Contract Total	Percent
San Mateo	\$89,800,741	20%
Santa Clara	\$97,240,173	21%
Alameda	\$80,070,178	18%
San Francisco	\$76,383,987	17%
Total in RGMA	\$343,495,079	75%
Total In-Scope Dollars	\$455,473,065	

Note: Percent of in-scope contracting dollar during study period (April 1, 2020 – March 31, 2023)

Note: Percentages do not sum due to rounding

Source: Utilization analysis

The study team also examined the percentage of contracting dollars the County spent with businesses headquartered or based in San Mateo county. The analysis showed that the County awarded approximately 10% of in-scope contracting dollars to businesses based in San Mateo county during the study period.

3.4 Key Marketplace Indicators

To understand LSMDBEs in the marketplace, it is important to first understand the overall composition and demographic distribution of the local region and understand the key indicators that can help to frame the marketplace and LSMDBE availability. The key indicators below examine and provide a comparison of San Mateo county to the overall RGMA as well as state and national data, where available.

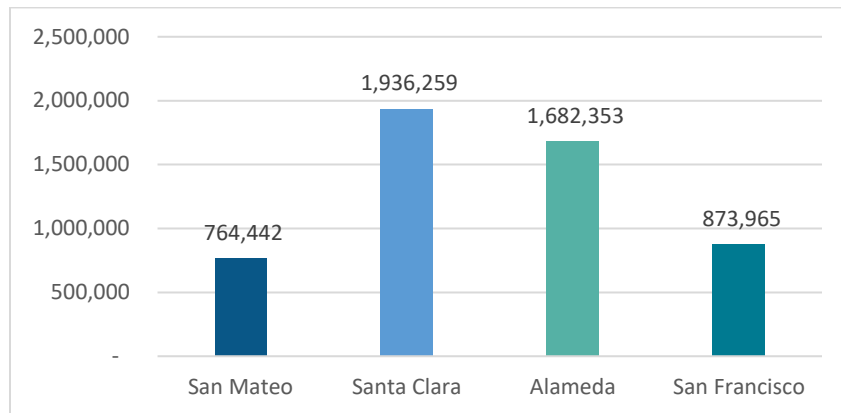
3.4.1 Market Area Population

A. Total Population in RGMA

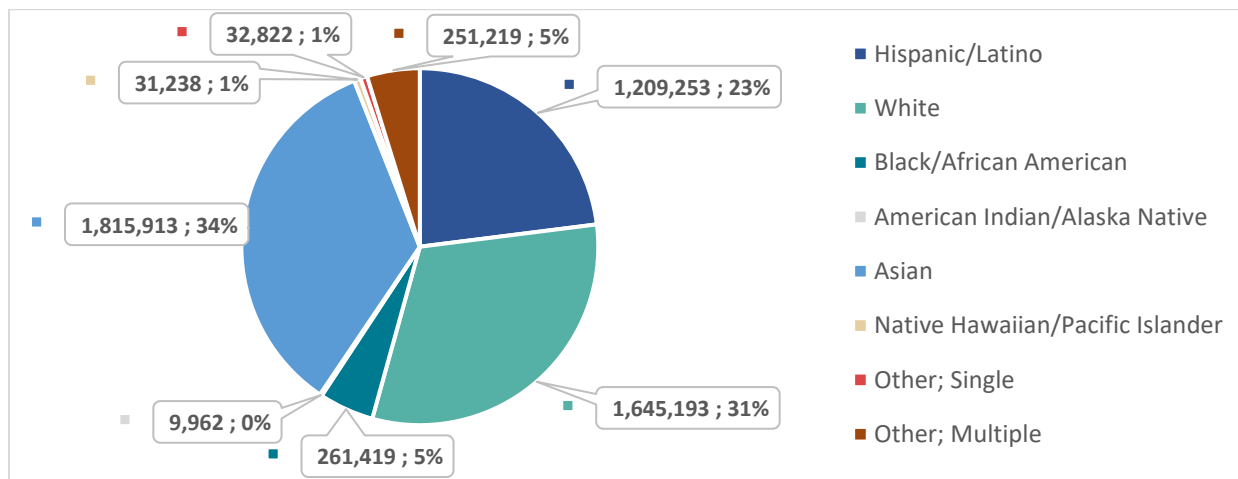
According to the 2020 U.S. Decennial Census, the total combined populations of the four (4) counties that compose the RGMA is 5,257,019¹. When compared to the counties within the RGMA, the county of San Mateo is the smallest in size, and has less than half of the population of the largest county (Santa Clara). As the smallest county in the RGMA, this can indicate a smaller overall local market size for San Mateo County as well as lower potential local and small business availability in comparison to the other counties.

¹ U.S. Census Bureau. (2020). RACE. Decennial Census, DEC Redistricting Data (PL 94-171), Table P1. Retrieved February 2024, from <https://data.census.gov/table/DECENNIALPL2020.P1?g=050XX00US06081>.



Figure 3-2: Total Population by RGMA

The top three (3) racial and ethnic population groups in the RGMA are those of Asian descent (1,815,913), White descent (1,645,193), and Hispanic/Latino descent (1,209,253).

Figure 3-2: Total Population by RGMA

The 2022 U.S. Census American Community Survey (ACS)² provides the population by sex for the four (4) counties of the RGMA as listed in Figure 3-4 below³.

Figure 3-4: Population by Sex in the RGMA

County	Male	Female
San Mateo	376,542	377,708
Santa Clara	956,477	914,468
Alameda	810,070	818,927
San Francisco	414,691	393,746

² U.S. Census Bureau. (2022). Age and Sex. American Community Survey, ACS 5-Year Estimates Subject Tables, Table S0101. Retrieved February 2024, from <https://data.census.gov/table/ACSST5Y2022.S0101?g=050XX00US06081>.

³ Overall population totals for the RGMA were gathered from the 2020 U.S. Census Decennial survey while the population breakdown by sex/gender was collected from the 2022 U.S. Census American Community Survey. For this reason, population totals may not match.



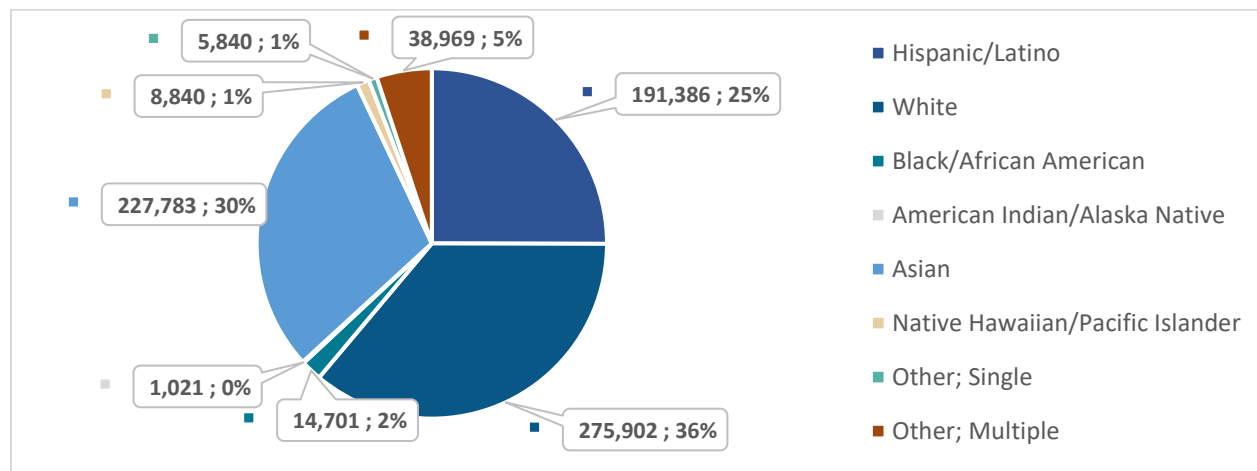
B. Total Population in the San Mateo County

Comparing the total population of the RGMA to the population of San Mateo County can provide perspective on the County's bearing within the broader regional economy.

Data from the 2020 U.S. Census survey shows that San Mateo county has a total population of 764,442 people⁴. Sixty-four percent (64%) of the population identifies as a person of color or other race and ethnicity groups. The most prevalent race/ethnic identity in the county is White at 36%, followed by Asian at 30%⁵.

Some additional population data to consider includes the median age of the county which is 41.4 years old⁶. Furthermore, nearly 36% of county population was not born in the United States⁷ and around 44% of the population does not speak English as their primary household language⁸.

Figure 3-5: Population in San Mateo County by Race/Ethnicity



⁴ U.S. Census Bureau. (2020). RACE. Decennial Census, DEC Redistricting Data (PL 94-171), Table P1. Retrieved February 2024, from <https://data.census.gov/table/DECENNIALPL2020.P1?g=050XX00US06081>.

⁵ U.S. Census Bureau. (2020). HISPANIC OR LATINO, AND NOT HISPANIC OR LATINO BY RACE. Decennial Census, DEC Demographic and Housing Characteristics, Table P9. Retrieved February 2024, from <https://data.census.gov/table/DECENNIALDHC2020.P9?q=Race and Ethnicity&g=050XX00US06081>.

⁶ U.S. Census Bureau. (2022). Age and Sex. American Community Survey, ACS 1-Year Estimates Subject Tables, Table S0101. Retrieved February 2024, from <https://data.census.gov/table/ACSST1Y2022.S0101?g=050XX00US06081>.

⁷ U.S. Census Bureau. (2022). Selected Social Characteristics in the United States. American Community Survey, ACS 1-Year Estimates Data Profiles, Table DP02. Retrieved February 2024, from <https://data.census.gov/table/ACSDP1Y2022.DP02?g=050XX00US06081>.

⁸ U.S. Census Bureau. (2022). Language Spoken at Home. American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1601. Retrieved February 2024, from <https://data.census.gov/table/ACSST1Y2022.S1601?g=050XX00US06081>.



Demographic factors can provide essential insights into the business marketplace by revealing how the underlying characteristics of the region and its population may impact LSMDBE availability and potential barriers to entry and success for these businesses. This section will explore demographic factors that shape the market landscape including:

- Educational attainment
- Household income
- Homeownership
- Self-employment
- Presence of small businesses

3.4.2 Educational Attainment

In most industries, education has a positive correlation with higher rates of business ownership. Regions with higher education levels often have more skilled workforces, which can attract entrepreneurs and businesses that rely on specialized knowledge or expertise. This can lend to greater concentrations of high-tech or knowledge-based industries in these areas. However, disparities in educational access and attainment levels may pose challenges for small businesses seeking to attract and retain qualified employees.

Additionally, areas with higher education levels may have residents with greater disposable income and a propensity for innovation and entrepreneurship, leading to a thriving ecosystem for small businesses, startups, and creative ventures. Higher education levels are often associated with a culture of entrepreneurship and risk-taking, fostering an environment conducive to small business growth. Furthermore, individuals with higher education levels may possess the necessary skills and knowledge to start and manage their own businesses successfully.

Overall, education levels serve as a significant determinant of the small business landscape, influencing factors such as workforce composition, entrepreneurial activity, small business availability, and the overall economic vitality within a region.

A. National and State Education Rates

According to the 2022 American Community Survey, the overall national education rate for a bachelor's degree and higher in the United States is 35.7% of the population⁹. The education rate for a bachelor's degree or higher in the State of California is 37%¹⁰.

As seen in Figures 3-6 and 3-7, both national & state education rates show disparities amongst diverse groups including Black, Hispanic, American Indian/Alaska Native, Native Hawaiian/Pacific

⁹ U.S. Census Bureau. (2022). Educational Attainment. American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1501. Retrieved March 2024, from <https://data.census.gov/table/ACSST1Y2022.S1501?g=010XX00US>.

¹⁰ U.S. Census Bureau. (2022). Educational Attainment. American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1501. Retrieved March 2024, from <https://data.census.gov/table/ACSST1Y2022.S1501?g=040XX00US06>.



Islander and other multiple race/ethnicity groups. White and Asian populations show the highest rates of education averaging over 50%.

Figure 3-6: National Education Rates by Race/Ethnicity (Bachelor's Degree & Higher)

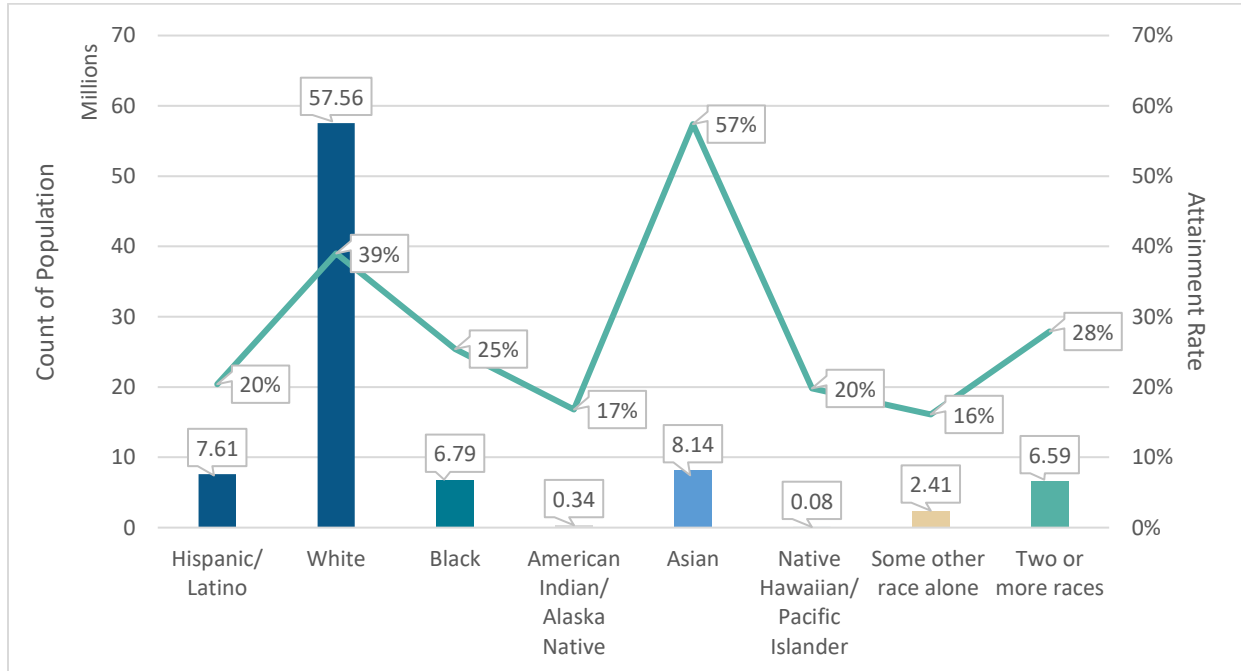
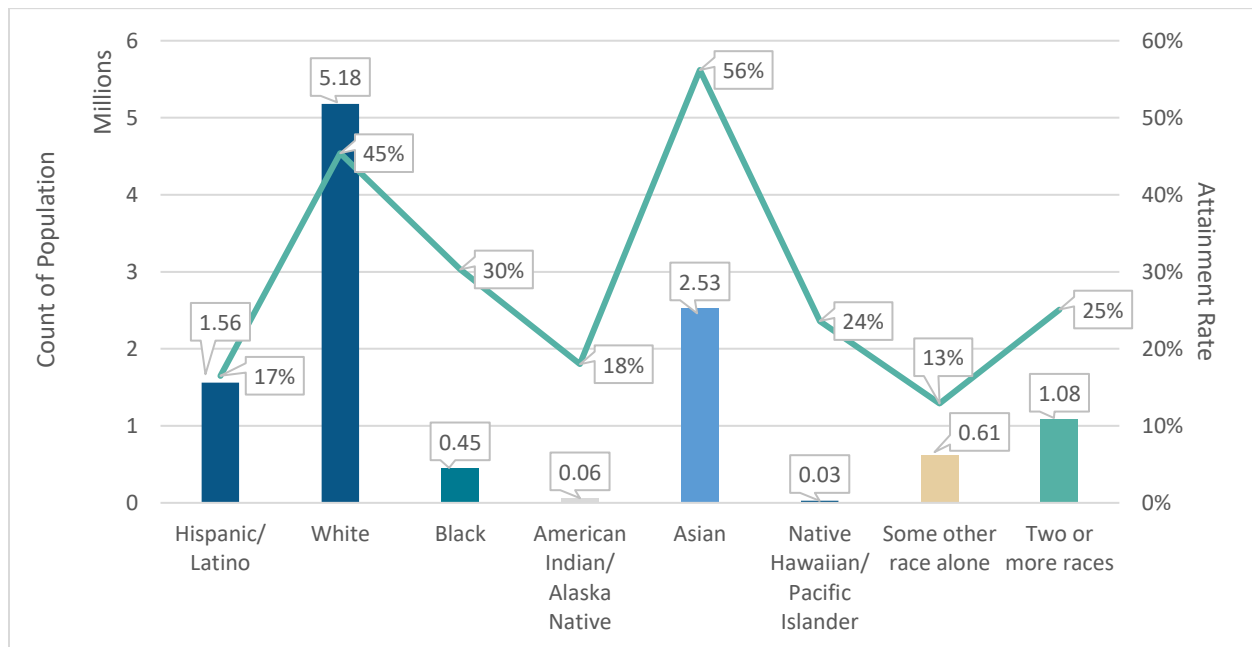


Figure 3-7: California Education Rates by Race/Ethnicity (Bachelor's Degree & Higher)



B. Education Rates in the RGMA

Within the overall RGMA, 42% of the population has obtained a 4-year bachelor's degree or higher as reported in the 2022 U.S. Census American Community Survey (ACS)¹¹. This compares favorably to state and national education rates of 37% and 35.7%, respectively. A high education rate is a favorable indicator for local residents to have the knowledge base to successfully start and build a business in the RGMA.

When examining education rates for 4-year bachelor's degrees and higher by race/ethnicity in Figures 3-8 and 3-9, several groups show similar disparities in education rates across the RGMA. These groups include Black, Hispanic/Latino, and American Indian, Native Hawaiian/Pacific Islander, Other (single race), and Other (multiple race), suggesting a less favorable indicator towards potential business ownership. In San Francisco county, the Hispanic group is the exception with 45% reporting a 4-year degree or above. In Santa Clara county, Native Hawaiian/Pacific Islanders are also an exception with 43% reporting a 4-year degree and above.

**Figure 3-8: Education Rates in RGMA by Race/Ethnicity
(Bachelor's Degree & Higher)**

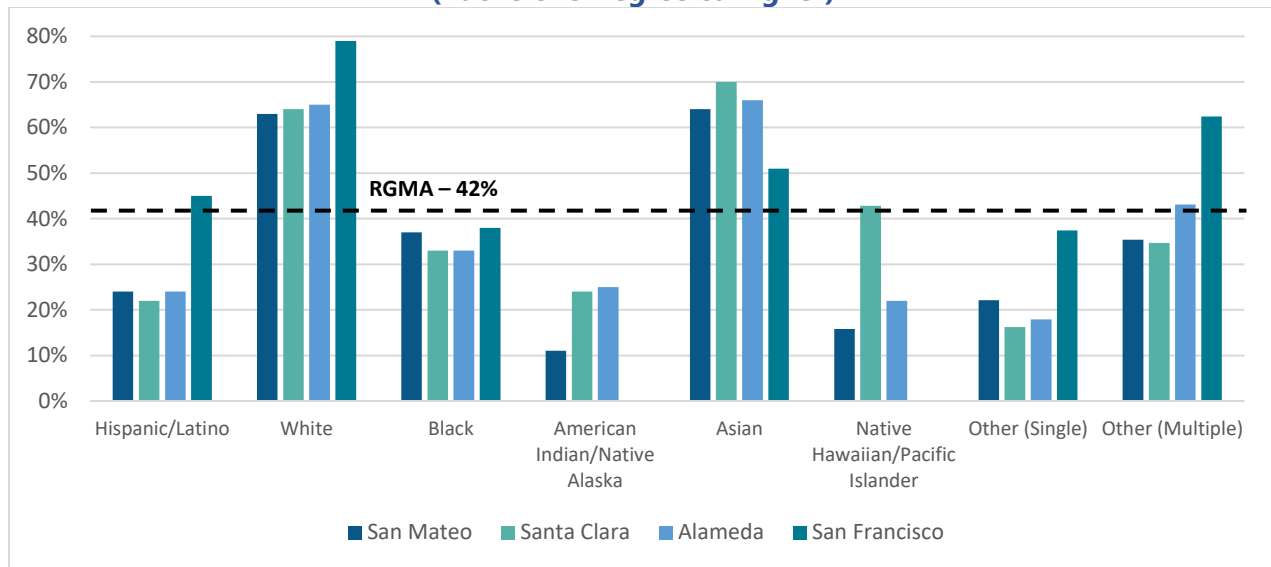
County	Hispanic/Latino	White	Black	American Indian/ Native Alaska	Asian	Native Hawaiian/ Pacific Islander	Other (Single)	Other (Multiple)
San Mateo	24%	63%	37%	11%	64%	16%	22%	35%
Santa Clara	22%	64%	33%	24%	70%	43%	16%	35%
Alameda	24%	65%	33%	25%	66%	22%	18%	43%
San Francisco	45%	79%	38%	N	51%	N	37%	62%

Note: N indicates that there were an insufficient number of sample cases in the selected geographic area.

¹¹ U.S. Census Bureau. (2022). Educational Attainment. American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1501. Retrieved February 2024, from <https://data.census.gov/table/ACSST1Y2022.S1501?g=050XX00US06081>.



**Figure 3-9: Education Rates in RGMA by Race/Ethnicity
(Bachelor's Degree & Higher)**



As seen in Figure 3-10 below, across the RGMA, overall education rates for a 4-year bachelor's degree and higher for each demographic group by sex also show disparities for Black, Hispanic/Latino, American Indian/Alaska Native, Native Hawaiian/Pacific Islander, and other single and multiple race groups, with both males and females having lower education rates than White and Asian ethnic groups¹².

In San Mateo county, Black and American Indian/Native Alaska females have much lower education rates compared to Black and American Indian/Native Alaska males, respectively. In Alameda County, Black males and females are an exception as both groups exhibit high rates of education that compare with the rates of White and Asian groups. In Santa Clara county, Native Hawaiian/Pacific Islanders are also an exception with a higher rate of education than their female counterparts and Native Hawaiian/Pacific Islanders in other RGMA counties.

¹² U.S. Census Bureau, "Educational Attainment," 2022. American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1501, 2022, accessed February 2024, <https://data.census.gov/table/ACSST1Y2022.S1501>



Figure 3-10: Education Rate in RGMA by Race/Ethnicity & Sex (Bachelor's Degree & Higher)

County	White		Black		Hispanic/Latino		American Indian/Native Alaska		Asian		Native Hawaiian/Pacific Islander		Other (Single)		Other (Multiple)	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
San Mateo	62%	61%	43%	32%	22%	26%	20%	5%	63%	65%	16%	15%	20%	25%	33%	38%
Santa Clara	64%	60%	36%	47%	20%	23%	18%	30%	74%	67%	52%	27%	15%	18%	35%	34%
Alameda	63%	65%	65%	66%	21%	27%	25%	25%	67%	64%	20%	25%	17%	19%	41%	45%
San Francisco	75%	81%	35%	41%	46%	45%	N	N	53%	50%	N	N	40%	34%	61%	64%

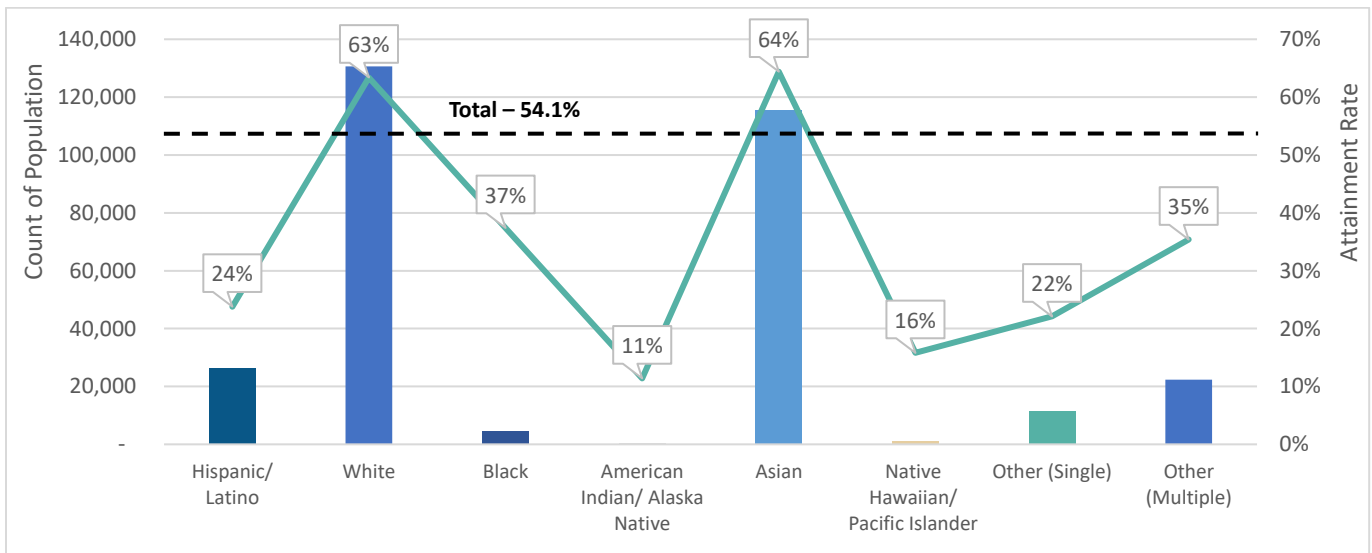
Note: N indicates that there were an insufficient number of sample cases in the selected geographic area.

C. Education Rates in San Mateo County

The educational attainment rate in San Mateo county exceeds both the overall RGMA and the state and national rates with 54.1% of the overall population holding a bachelor's degree or higher. This data is a positive indicator that there may be a greater potential for residents to have the relevant education to develop and operate small businesses within the County.

The breakdown of the education rates by race and ethnicity within the county is presented in Figure 3-11 below. This data shows that Asian and White groups lead in education rates with over 60% of the group populations having a bachelor's degree or higher, while American Indian/Native Alaska, Native Hawaiian/Pacific Islander, Hispanic/Latino, Black, and other single and multiple race/ethnicity groups are the lowest (11%, 16%, 24%, 37%, 22%, and 35% respectively).

Figure 3-11: San Mateo County Education Rate by Race/Ethnicity (Bachelor's Degree & Higher)



As seen in Figure 3-12 below, within San Mateo County, when analyzed by sex, education rates for a 4-year bachelor's degree and higher reveals disparities amongst certain race and ethnicity groups. Black and American Indian/Alaska Native women have significantly lower education rates compared to Black and American Indian/Alaska Native males, respectively. White and Native Hawaiian/Pacific Islander women have slightly lower education rates than their male counterpart. Conversely, women from Hispanic/Latino, Asian, and other race groups, both single and multiple races, exhibit higher education rates than their respective male counterparts. When examining women only, the data shows that White and Asian women have higher education rates for a bachelor's degree and higher while women from Black, Hispanic/Latino, American Indian/Alaska Native, Native Hawaiian/Pacific Islander, and other single and multiple race groups demonstrate significantly lower education rates.

Figure 3-12: San Mateo County Education Rate by Race/Ethnicity & Sex (Bachelor's Degree & Higher)

Race/Ethnicity	Male	Female
Hispanic or Latino Origin	21.6%	25.9%
White	62.4%	60.7%
Black	42.8%	32.1%
American Indian or Alaska Native	19.6%	5.1%
Asian	63.4%	65.2%
Native Hawaiian and Other Pacific Islander	16.3%	15.4%
Some other race alone (Other - single)	19.6%	24.7%
Two or more races (Other - multiple)	33.0%	38.1%

3.4.3 Median Household Income

Median household income serves as a key indicator of overall purchasing power and discretionary spending of both businesses and consumers. It may also represent a higher demand for goods and services and can correlate to greater business presence to meet demand or greater success rates for small businesses whose supply can meet demand.

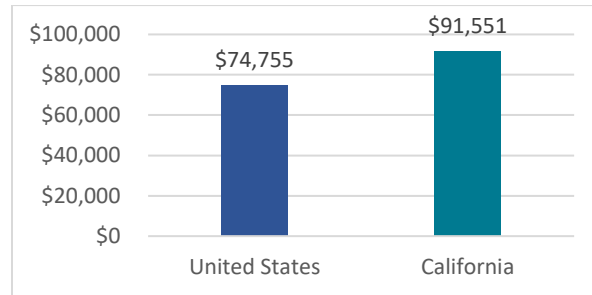
Additionally, business owners or potential owners with a higher median household income are more likely to be able to afford business start-up and operation costs which include obtaining loans, investments, and other financial support. These various elements show how median household income is a key factor in small business development and success within a region.



A. National and State Median Household Income

Based on the 2022 ACS Census, the median household income for the United States is \$74,755¹³. The State of California exceeds the national median household income at \$91,551¹⁴.

**Figure 3-13: Median Household Income
(National & State)**



B. Median Household Income in RGMA

The average median income of all four (4) counties of the RGMA exceeds both the national and state values at around \$138,770. Each of the four (4) counties far exceed the national and state median household income, with Santa Clara leading at \$150,839¹⁵ and San Mateo following at \$145,388¹⁶. San Francisco and Alameda counties have a household income of \$136,692¹⁷ and \$122,159 respectively¹⁸, as see in Figure 3-14 below.

¹³ U.S. Census Bureau. (2022). Income in the Past 12 Months (in 2022 Inflation-Adjusted Dollars). American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1901. Retrieved February 2024, from <https://data.census.gov/table/ACSST1Y2022.S1901?g=010XX00US>.

¹⁴ U.S. Census Bureau. (2022). Income in the Past 12 Months (in 2022 Inflation-Adjusted Dollars). American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1901. Retrieved February 2024, from <https://data.census.gov/table/ACSST1Y2022.S1901?g=040XX00US06>.

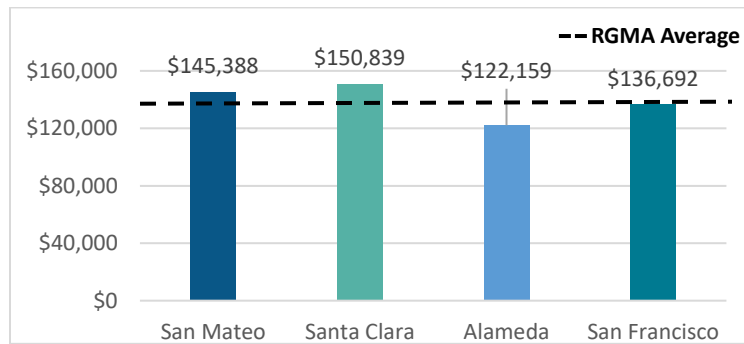
¹⁵ U.S. Census Bureau. (2022). Income in the Past 12 Months (in 2022 Inflation-Adjusted Dollars). American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1901. Retrieved February 2024, from <https://data.census.gov/table/ACSST1Y2022.S1901?g=050XX00US06085>.

¹⁶ U.S. Census Bureau. (2022). Income in the Past 12 Months (in 2022 Inflation-Adjusted Dollars). American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1901. Retrieved February 2024, from <https://data.census.gov/table/ACSST1Y2022.S1901?g=050XX00US06081>.

¹⁷ U.S. Census Bureau. (2022). Income in the Past 12 Months (in 2022 Inflation-Adjusted Dollars). American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1901. Retrieved February 2024, from <https://data.census.gov/table/ACSST1Y2022.S1901?g=050XX00US06075>.

¹⁸ U.S. Census Bureau. (2022). Income in the Past 12 Months (in 2022 Inflation-Adjusted Dollars). American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1901. Retrieved February 2024, from <https://data.census.gov/table/ACSST1Y2022.S1901?g=050XX00US06001>.



Figure 3-14: Household Income by County

While on the surface, this can be positive indicator that shows potential for San Mateo county residents to have the income to successfully develop and operate small businesses, it is also important to consider other important factors and barriers such as the high cost of living, lower disposable income, and the uneven distribution of wealth in San Mateo county.

According to a 2022 analysis conducted by the Silicon Valley Institute for Regional Studies that looks at wealth and the share of households by investable assets in Santa Clara and San Mateo counties, 50% of households have less than \$100,000 in investable assets¹⁹. Furthermore, 44% of these households have less than \$5,000 as investable assets, 24% have between \$5,000 to \$9,999, 11% have \$10,000 to \$24,000, 17% have \$25,000 to \$99,000, and 4% are unbanked. This demonstrates that despite a higher household income in the region, half of the households have less than \$100,000 in investable assets which indicates a significant barrier for individuals in the region to have the disposable income and assets to start and support small business development.

Other identified barriers can be found in Chapter 8: Qualitative Analysis. In this chapter, the study team discusses barriers to entry and success identified in interviews conducted with business owners, as well as other public input opportunities to gather feedback on their experiences doing business in and with the County, as applicable.

Figures 3-15 and 3-16 below detail the median household income by race/ethnicity for each county of the RGMA²⁰. The 2022 ACS Census data shows that in all counties, with the exception of San Francisco, the highest earning households are of Asian descent. In San Francisco County, the highest earners are White with American Indian/Native Alaskans following. In each county, with the exception of San Mateo, Black Americans have the lowest household income. In San Mateo county, American Indian/Native Alaskans are the lowest earners along with Native Hawaiian/Pacific Islanders and Black groups earning slightly higher, respectively.

¹⁹ Silicon Valley Institute for Regional Studies. (2022). Share of households, by investable assets. Silicon Valley Indicators. Retrieved May 2024 from <https://siliconvalleyindicators.org/data/economy/income/wealth/share-of-households-by-investable-assets/>.

²⁰ U.S. Census Bureau. (2022). Median Income in the Past 12 Months (in 2022 Inflation-Adjusted Dollars). American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1903. Retrieved February 2024, from <https://data.census.gov/table/ACSST1Y2022.S1903?g=050XX00US06001,06075,06081,06085>.



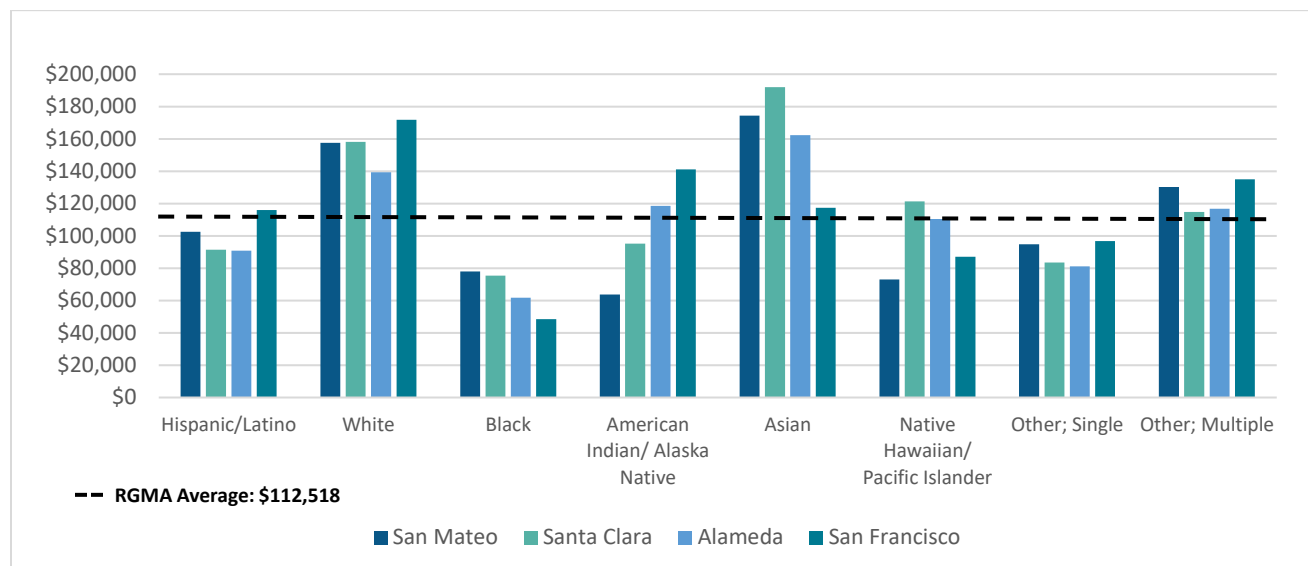
By taking the average of each group, we can see the highest household earners in the RGMA, on average, are Asian, followed by White, Other (multiple race/ethnicity), Hispanic/Latino, and American Indian/Native Alaskans. The lowest household earners are Black Americans, followed by Other (single race/ethnicity), and Native Hawaiian/ Pacific Islanders. Black Americans show the greatest gap between the next lowest earners with a difference of approximately \$23,000 on average.

Figure 3-15: Median Household Income in RGMA by Race/Ethnicity

County	Hispanic/Latino	White	Black	American Indian/Alaska Native	Asian	Native Hawaiian/Pacific Islander	Other (Single)	Other (Multiple)
San Mateo	\$102,568	\$157,565	\$78,017	\$63,799	\$174,457	\$72,995	\$94,723	\$130,251
Santa Clara	\$91,513	\$158,151	\$75,357	\$95,274	\$192,078	\$121,299	\$83,508	\$114,791
Alameda	\$90,761	\$139,306	\$61,655	\$118,619	\$162,266	\$110,510	\$81,178	\$116,828
San Francisco	\$115,885	\$171,763	\$48,440	\$141,031	\$117,312	\$86,985	\$96,810	\$134,882
Average	\$100,182	\$156,696	\$65,867	\$104,681	\$161,528	\$97,947	\$89,055	\$124,188
All Race/Ethnicity Average: \$112,518								

Note: Values in green indicate the highest income group in a county. Red values indicate the lowest income group in a county.

Figure 3-16: Median Household Income in RGMA by Race/Ethnicity



When breaking out median household income by sex, as seen in Figure 3-17 below, the disparities between males and females are more present. In each county, females have a significantly lower income than men. This disparity may represent a negative trend on female small business ownership across the RGMA.

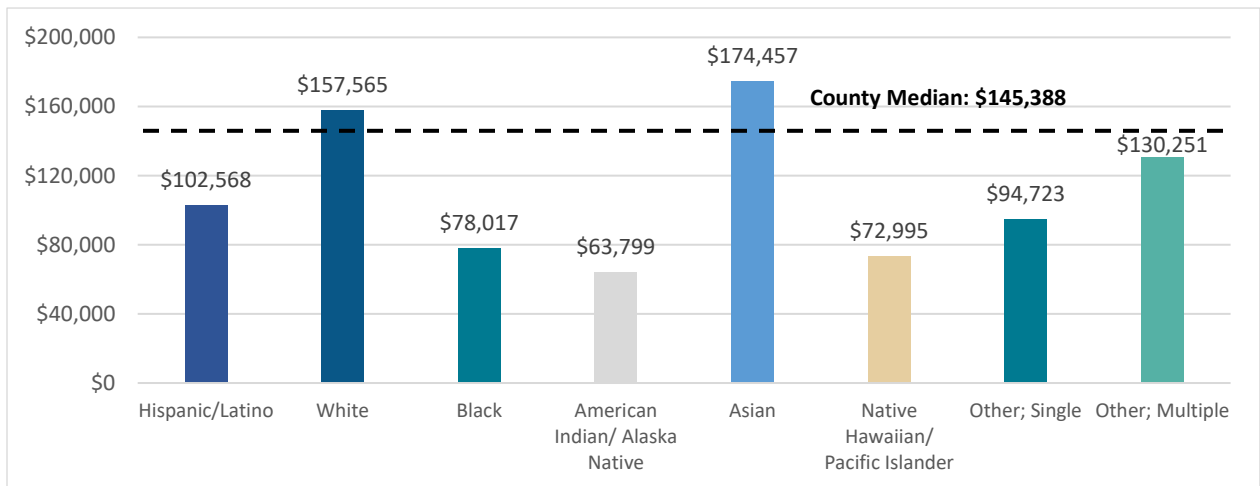
Figure 3-17: Median Household Income by Sex

County	Male Householder	Female Householder
San Mateo	\$104,518	\$80,821
Santa Clara	\$121,027	\$74,735
Alameda	\$87,466	\$67,957
San Francisco	\$111,656	\$93,760

C. Median Household Income in San Mateo County

The average median income level for San Mateo across all ethnic groups is \$145,388. The highest earners in San Mateo county are of Asian descent at \$174,457 while the lowest earners are American Indian/Alaska Natives at \$63,799. This shows a large disparity within the county and a potential barrier for local diverse entrepreneurs, in particular, to fund the development and operations of a small business in the county.

Figure 3-18: Median Household Income in San Mateo County by Race/Ethnicity



3.4.4 Homeownership Rates by Race/Ethnicity

Homeownership can be a positive indicator of small business development and success in a region. Higher rates of homeownership often correlate with higher small business ownership due to the stability and financial security that homeownership provides. This can empower individuals to take entrepreneurial risks and invest in starting their own businesses as well as the ability to leverage their homes as assets for collateral during the early stages of business development.



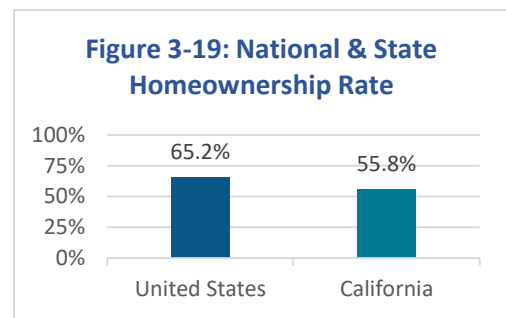
Disparities in homeownership rates across demographic groups can exacerbate economic inequalities within a region. Communities with lower homeownership rates, particularly among marginalized populations, may experience higher levels of poverty and unemployment, creating barriers to small business creation and success.

For the purpose of this study, the team reviewed the owner-occupied housing unit rate from the 2022 American Community Survey. The owner-occupied rate is defined as a housing unit where the “owner or co-owner lives in the unit, even if it is mortgaged or not fully paid for.” Homeownership rates are determined by “dividing the number of owner-occupied housing units by the number of occupied housing units or households.”

A. National and State Homeownership Rates

In the United States, there is a total of 129,870,928 occupied housing units. Of this, 84,649,084 are owner-occupied units. This results in a homeownership rate of 65.2%²¹.

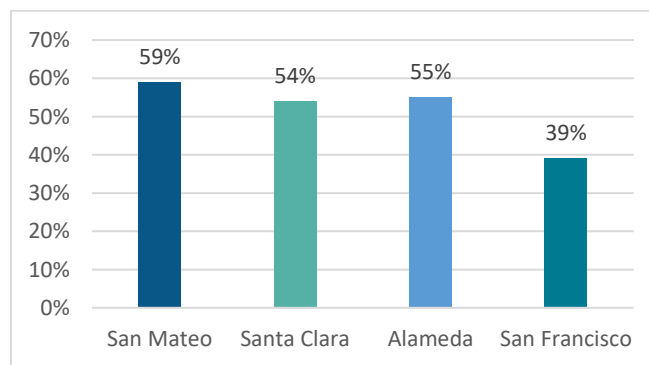
In California, there are 13,550,586 occupied housing units with 7,565,502 of these being owner-occupied, resulting in a homeownership rate of 55.8%²².



B. Homeownership Rate in the RGMA

The total number of occupied housing units within the RGMA is 1,877,125 units. Of this, 980,921 units are owner-occupied. This results in a homeownership rate for the RGMA of 52%. This rate falls just below the state rate and is over 10% lower than the national rate of homeownership.

Figure 3-20: Homeownership Rate by County



²¹ U.S. Census Bureau. (2022). Selected Housing Characteristics. American Community Survey, ACS 1-Year Estimates Data Profiles, Table DP04. Retrieved March 2024, from <https://data.census.gov/table/ACSDP1Y2022.DP04?g=010XX00US>.

²² U.S. Census Bureau. (2022). Selected Housing Characteristics. American Community Survey, ACS 1-Year Estimates Data Profiles, Table DP04. Retrieved March 2024, from <https://data.census.gov/table/ACSDP1Y2022.DP04?g=040XX00US06>.



In Figure 3-21, we examine homeownership rates in the RGMA by race and ethnicity from the 2020 Census Demographic and Housing Characteristics file data (DHC)²³. This data shows a significant disparity in homeownership rates for Black, Hispanic, American Indian/Native Alaska, Native Hawaiian/Pacific Islander, and other diverse race and ethnic groups (single and multiple) across all four (4) counties in the RGMA.

Figure 3-21: Homeownership Rate in RGMA by Race/Ethnicity

County	Hispanic/Latino	White	Black	American Indian/Native Alaska	Asian	Native Hawaiian/Pacific Islander	Other (Single)	Other (Multiple)
San Mateo	11.6%	52.2%	1.5%	0.1%	30.6%	0.6%	0.4%	3.0%
Alameda	12.7%	41.5%	6.6%	0.1%	34.6%	0.5%	0.5%	0.5%
San Francisco	8.0%	46.8%	2.9%	0.1%	38.4%	0.1%	0.5%	3.3%
Santa Clara	12.7%	42.5%	1.3%	0.1%	40.3%	0.1%	0.4%	2.6%

The U.S. Census does not survey and make a determination on homeownership by sex for all household types. For this reason, the study team is unable to provide a reliable count and percentage of homeownership rates by sex.

C. Homeownership Rate in San Mateo County

The 2022 American Community Survey shows that in San Mateo county, there is an estimated 262,122 occupied housing units, and of these, 153,348 are owner-occupied. This results in a homeownership rate of 58.5%²⁴ which comes just above the state rate of 55.8% and below the national rate of 65.2%.

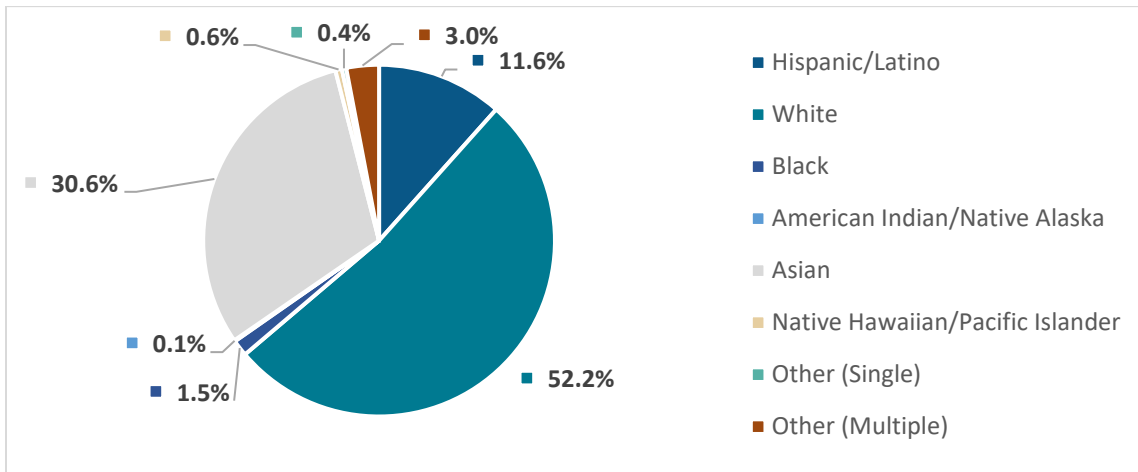
When assessing homeownership in the county by race and ethnicity, there is distinct disparity between diverse groups. White individuals show higher homeownership rates of 52.2% but fall just below the county, state, and national average. People of color exhibit significantly lower rates of homeownership with Asian populations at 30.6%, Hispanic/Latino groups at 11.6%, Other (multiple race) at 3%, Black homeowners at 1.5%, Other (single race) at 0.4%, and American Indian/Native Alaskans at 0.1%.

²³ U.S. Census Bureau. (2020). TENURE BY HISPANIC OR LATINO ORIGIN OF HOUSEHOLDER BY RACE OF HOUSEHOLDER. Decennial Census, DEC Demographic and Housing Characteristics, Table HCT1. Retrieved February 2024, from <https://data.census.gov/table/DECENNIALDHC2020.HCT1>

²⁴ U.S. Census Bureau. (2022). Selected Housing Characteristics. American Community Survey, ACS 1-Year Estimates Data Profiles, Table DP04. Retrieved February 2024, from <https://data.census.gov/table/ACSDP1Y2022.DP04?g=050XX00US06081>.



Figure 3-22: Homeownership Rate in San Mateo County by Race and Ethnicity

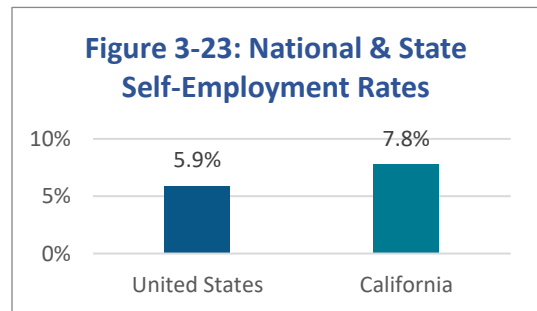


3.4.5 Self-Employment Rate

The prevalence of self-employment in a region can serve as a key indicator of the entrepreneurial ecosystem's strength and the potential for local small business development and success. Regions with a high rate of self-employment often have established support systems such as incubators, accelerators, and small business associations. These resources provide businesses with guidance, mentorship, and access to funding, nurturing the growth and success of small businesses. Overall, higher self-employment rates display a stronger small business ecosystem in a region.

A. National and State Self-Employment Rates

According to the 2022 American Community Survey and the 2020 Decennial Census, there are 9,243,835 individuals who are self-employed in the United States, making up 5.9% of the employed population²⁵. In California, there are 1,460,146 self-employed individuals, making up 7.8% of the employed population²⁶.



B. Self-Employment in the RGMA

In the RGMA, there are an estimated 242,769 self-employed individuals, making up 9.0% of the employed population. This exceeds both the national and state self-employment rates and may indicate a concentration of small business owners within the region.

²⁵ U.S. Census Bureau. (2020). SELECTED ECONOMIC CHARACTERISTICS. American Community Survey, ACS 5-Year Estimates Data Profiles, Table DP03. Retrieved March 2024, from <https://data.census.gov/table/ACSDP5Y2020.DP03?q=DP03>.

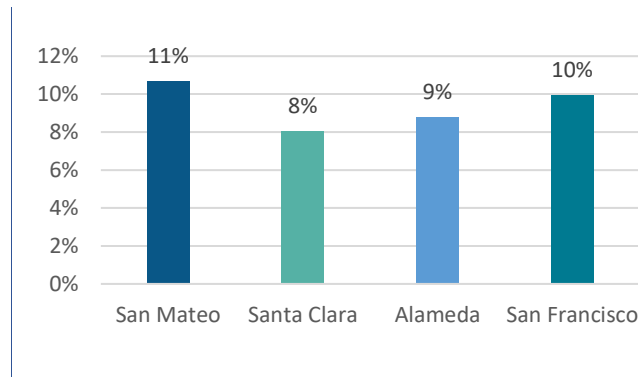
²⁶ U.S. Census Bureau. (2020). SELECTED ECONOMIC CHARACTERISTICS. American Community Survey, ACS 5-Year Estimates Data Profiles, Table DP03. Retrieved March 2024, from <https://data.census.gov/table/ACSDP5Y2020.DP03?q=DP03&g=040XX00US06>.



Figure 3-24: Self-Employment in the Relevant Geographic Market Area

County	Self-Employed (Incorporated & Unincorporated)	Self-Employment Rate
San Mateo ²⁷	41,147	10.7%
Santa Clara ²⁸	79,875	8.0%
Alameda ²⁹	75,019	8.8%
San Francisco ³⁰	46,728	9.9%
Total	242,769	9.0%

Figure 3-25: Self-Employment Rate by County



²⁷ U.S. Census Bureau. (2022). Occupation by Class of Worker for the Civilian Employed Population 16 Years and Over. American Community Survey, ACS 1-Year Estimates Subject Tables, Table S2406. Retrieved March 2024, from <https://data.census.gov/table/ACSST1Y2022.S2406?g=050XX00US06081&moe=false>.

²⁸ U.S. Census Bureau. (2022). Occupation by Class of Worker for the Civilian Employed Population 16 Years and Over. American Community Survey, ACS 1-Year Estimates Subject Tables, Table S2406. Retrieved March 2024, from <https://data.census.gov/table/ACSST1Y2022.S2406?g=050XX00US06085>.

²⁹ U.S. Census Bureau. (2022). Occupation by Class of Worker for the Civilian Employed Population 16 Years and Over. American Community Survey, ACS 1-Year Estimates Subject Tables, Table S2406. Retrieved March 2024, from <https://data.census.gov/table/ACSST1Y2022.S2406?g=050XX00US06001>.

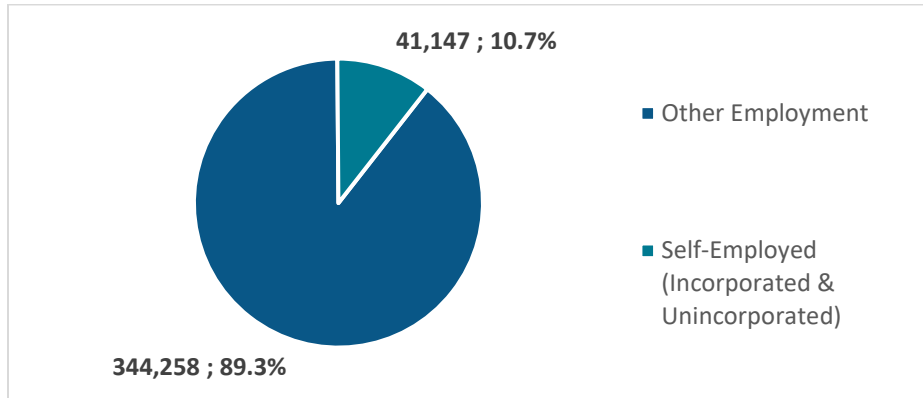
³⁰ U.S. Census Bureau. (2022). Occupation by Class of Worker for the Civilian Employed Population 16 Years and Over. American Community Survey, ACS 1-Year Estimates Subject Tables, Table S2406. Retrieved March 2024, from <https://data.census.gov/table/ACSST1Y2022.S2406?g=050XX00US06075>.



C. Self-Employment in San Mateo County

In San Mateo County, there are approximately 41,147 self-employed individuals of incorporated and unincorporated businesses. Out of the total employed population, this makes up 10.7% of the workforce.

Figure 3-26: Self-Employment Rate in San Mateo County



3.4.6 Small Business Establishments

The study team also conducted an analysis of small businesses located in the RGMA based on the 2020 U.S. Census Statistics of U.S. Businesses (SUSB)³¹. For the purposes of the study analyses, the study team utilizes the California Department of General Services (DGS) definition for small businesses which is a business with 100 or fewer employees and average annual gross receipts of \$16 million or less, over the last three (3) tax years³². However, available data from the 2020 Census SUSB does not provide annual gross receipts or employee size grouped by 100 or below. In order to provide a close approximation, the study team estimated the number of “small” and “micro” businesses based on the available SUSB data solely on employee count of businesses with 99 or fewer employees (“small”) and with less than 20 employees (“micro”) in the industries of construction, professional services, and goods and services. This is listed in Figure 3-27 below.

³¹ U.S. Census Bureau. (2020). 2020 SUSB annual data tables by Establishment Industry. 2020 County Business Patterns (CBP). Retrieved February 2024, from <https://www.census.gov/data/tables/2020/econ/susb/2020-susb-annual.html>

³² At the time of the study analyses, the California Department of General Services defined small businesses as those with annual gross receipts of \$16 million or less, and this is the definition utilized in the study. The definition has since been updated to \$18 million or less in annual gross receipts.



Figure 3-27: Local & “Small” Businesses in the Relevant Geographic Market Area

County	Construction		Professional Services		Goods and Services	
	All Local	Local “Small” ³³	All Local	Local “Small”	All Local	Local “Small”
San Mateo	1,955	1,924	4,184	3,925	1,462	1,292
Alameda	3,038	2,866	7,604	7,186	2,778	2,307
San Francisco	1,811	1,749	8,296	7,614	1,666	1,423
Santa Clara	3,712	3,591	10,205	9,580	3,371	2,890
Total	10,516	10,130	30,289	28,305	9,277	7,912

For the purposes of the study analyses, the study team also utilizes the California DGS definition of a microbusiness as a small business with gross annual receipts of \$5,000,000 or less; or a small business manufacturer with 25 or fewer employees. However, the SUSB again does not provide data on annual gross receipts or group by employee size of 25 or fewer employees. In order to provide an estimation of potential micro-businesses, Figure 3-28 looks at the number of businesses with less than 20 employees based on available SUSB data. From these data points, we can make a general assumption that most local businesses in the RGMA are “small” businesses with 99 employees or less, and that most “small” businesses have less than 20 employees which indicates they may be potential “micro-businesses”.

Figure 3-28: “Small” & “Micro” Businesses in the Relevant Geographic Market Area

County	Construction		Professional Services		Goods and Services	
	Local “Small”	Local “Micro” ³⁴	Local “Small”	Local “Micro”	Local “Small”	Local “Micro”
San Mateo	1,924	1,777	3,925	3,668	1,292	1,119
Santa Clara	3,591	3,264	9,580	8,899	2,890	2,505
Alameda	2,866	2,542	7,186	6,647	2,307	1,917
San Francisco	1,749	1,605	7,614	6,877	1,423	1,223
Total	10,130	9,188	28,305	26,091	7,912	6,764

Figure 3-29 shows the breakdown for San Mateo county. From this information, we can conclude that in all three (3) industries, the majority of local businesses in the County are small businesses.

³³ “Small Business” as listed here is an approximation of potential businesses based solely on available SUSB data of 99 employees or fewer and does not include an assessment of annual gross receipts, as this is not provided in the utilized SUSB dataset.

³⁴ “Microbusiness” as listed here is an approximation of potential businesses based solely on available SUSB data of less than 20 employees and does not include an assessment of annual gross receipts, as this is not provided in the utilized SUSB dataset.



Figure 3-29: Local and “Small” Businesses in San Mateo County

Industries	All Local Businesses	Local “Small” Businesses	Percentage of Local “Small” Businesses
Construction	1,955	1,924	98%
Professional Services	4,184	3,925	94%
Goods and Services	1,462	1,292	88%

In addition, the study team collected information about business size as part of the availability and utilization surveys conducted with businesses throughout the RGMA. Based on those surveys, the study team identified 471 businesses potentially available to perform on County contracts and procurements. Of those 471 businesses, 84% identified as small businesses as defined by the California Department of General Services’ (California DGS’) small businesses certification requirements.

The information presented in this section reflects simple counts of businesses with no analysis of their availability for specific County contracts or procurements. This information represents only a first step toward analyzing the availability of LSMDBEs for County work, and additional information about measuring business availability for County work is presented in Chapter 5: Availability Analysis.

3.4.7 Veteran-owned and LGBTQ-owned Businesses

Veteran- and LGBTQ-owned businesses are also amongst the diverse businesses of interest in the Study. According to the 2022 Census American Community Survey (ACS)³⁵, there are an estimated 19,037 veterans located in San Mateo county which makes up about 3.2% of the population aged 18 and over. The ACS also provides an estimate of veterans with a disability status based on a count of the civilian veteran population eighteen (18) years and over for whom poverty status is determined. In San Mateo county, an estimated 18,408 veterans have a determined poverty status and of this, approximately 5,256 have a disability, which accounts for 28.6% of these veterans. See Figure 3-30 below for the breakdown of the veteran population throughout the RGMA.

Figure 3-30: Veteran Population in the Relevant Geographic Market Area

County	Estimated Veteran Population	Percent of Civilian Population (18+)	With Any Disability
San Mateo	19,037	3.2%	5,256
Santa Clara	38,559	2.6%	10,593
Alameda	39,033	3.0%	10,164
San Francisco	16,184	2.3%	4,505
RGMA Total	112,813	2.8%	30,518

³⁵ U.S. Census Bureau. (2022). Veteran Status. American Community Survey, ACS 1-Year Estimates Subject Tables, Table S2101. Retrieved May 2024, from <https://data.census.gov/table/ACSST1Y2022.S2101>



The Department of General Services (DGS) certifies Disabled Veteran Business Enterprises (DVBEs), and their database allows the study team to take a snapshot of certified DVBEs with a primary location in the region and their general industry category. This data was pulled by the study team on May 1, 2024, and is subject to change. The count can be seen in Figure 3-31 below and is presented as a general representation of DVBEs in the region.

All counties have minimal DGS-certified DVBEs and San Mateo county, as the smallest county, has the least of the four (4) counties at a total of ten (10) DVBEs. In the total RGMA, there are eighty-two (82) certified DVBEs as of May 1, 2024³⁶.

Figure 3-31: Disabled Veteran Business Enterprises (DVBE) in the RGMA

County	DVBEs	Construction	Professional Services	Goods and Services
San Mateo	10	4	3	3
Santa Clara	19	8	7	4
Alameda	21	10	5	6
San Francisco	32	15	13	4
RGMA Total	82	37	28	17

Lesbian, Gay, Bisexual, Transgender, and Queer+ (LGBTQ+) businesses have fewer systems and agencies that track and provide a reliable count of available certified businesses. In the United States, the National LGBT Chamber of Commerce (NGLCC) certifies LGBT Business Enterprises (LGBTBEs) nationally and as of May 31, 2024, states that there are 2,006 certified LGBTBE suppliers in their database³⁷.

In the state of California, the Supplier Clearinghouse certifies LGBT Business Enterprises (LGBTBE). As of May 31, 2024, there were 258 LGBTBE certified firms located in the State of California³⁸. As seen in Figure 3-32 below, there are few registered LGBTBEs in the relevant geographic market area, and only one (1) registered in San Mateo county as of May 31, 2024. San Francisco county has the highest concentration of Supplier Clearinghouse-certified LGBTBEs at eighteen (18) firms.

Figure 3-32: Certified LGBT Business Enterprises in the Relevant Geographic Market Area

County	LGBTBE	Construction	Professional Services	Goods and Services
San Mateo	1	0	1	0
Santa Clara	6	0	2	4
Alameda	10	0	10	0
San Francisco	18	1	11	6
RGMA Total	35	1	24	10

³⁶ California Department of General Services. The State of California Certifications. California eProcurement Portal. Retrieved on May 31, 2024, from <https://caleprocure.ca.gov/pages/PublicSearch/supplier-search.aspx>

³⁷ National LGBT Chamber of Commerce. NGLCC. Retrieved on May 31, 2024, from <https://nglcc.org/>

³⁸ The Supplier Clearinghouse. Supplier Diversity Program. Retrieved on May 31, 2024, from <https://sch.thesupplierclearinghouse.com/>



3.4.8 Nonprofits in San Mateo County

Nonprofits are non-governmental or charitable organizations that represent various community needs or specific segments of the community and work to help constituents address their areas of concern. Nonprofits are an important component of the County’s vendor base in that approximately \$306 million (14.6%) of the total contract dollars identified (approximately \$2.1 billion) for the 3-year study period (April 1, 2020, through March 31, 2023) was awarded to nonprofits. However, a portion of these nonprofit contracts are unlikely to be performed by smaller nonprofits and they have little or no subcontracting opportunities for small nonprofits or LSMDBEs.

The study team identified several recommendations for encouraging more participation by nonprofit organizations in County procurement opportunities as outlined in Chapter 2: Procurement Analysis.

To help improve county outreach to nonprofits, a list of nonprofit organizations located in San Mateo County was provided by the study team. This list was developed using Dun & Bradstreet data and identified 473 non-profits that may potentially perform the same or similar services that have been historically procured by the County through nonprofits.

Figure 3-33: Nonprofits in San Mateo County by Type of Service

Service Description	Count
Membership Organizations, Not Elsewhere Classified	176
Individual and Family Social Services	99
Social Services, Not Elsewhere Classified	87
Health and Allied Services, Not Elsewhere Classified	36
Civic, Social, and Fraternal Associations	21
Child Day Care Services	13
Specialty Outpatient Facilities, Not Elsewhere Classified	12
Job Training and Vocational Rehabilitation Services	5
Residential Care	5
Animal Specialty Services, Except Veterinary	4
Specialty Hospitals, Except Psychiatric	3
Schools and Educational Services, Not Elsewhere Classified	3
Employment Agencies	2
Skilled Nursing Care Facilities	2
Temporary Help Services	1
Translation Services	1
Home Health Care Services	1
Intermediate Care Facilities	1
Real Estate Agents and Managers	1
Total	473



As Figure 3-34 below shows, the majority of these nonprofit organizations are concentrated in the cities of San Mateo (70 nonprofits or 14.5%), Redwood City (69 nonprofits 14.3%), and Menlo Park (58 nonprofits or 12%).

Figure 3-34: Nonprofits in San Mateo County by City

City	Count
Atherton	15
Belmont	16
Brisbane	4
Burlingame	30
Daly City	25
East Palo Alto	17
El Granada	1
Emerald Hills	3
Foster City	20
Half Moon Bay	22
Hillsborough	1
La Honda	2
Menlo Park	58
Millbrae	6
Montara	1
Moss Beach	3
Pacifica	24
Pescadero	2
Portola Valley	10
Redwood City	69
San Bruno	12
San Carlos	26
San Mateo	70
South San Francisco	22
Woodside	14
Total	473

Based on the D&B data, there appears to be an adequate number of nonprofits located in San Mateo county that may be able to perform work for the County; however, further analysis and outreach are needed to determine whether these nonprofits are ready, willing, and able to perform the work the County procures.



3.5 Findings

Based on the review of the key marketplace indicators in the San Mateo County and the Relevant Geographic Market Area (RGMA), the study team has identified the following seven (7) findings of the market analysis.

1. The marketplace of San Mateo County extends to the four (4) counties of the RGMA who share similar disparities and challenges across many of the key marketplace indicators.
2. In relation to its neighboring counties in the RGMA, San Mateo county is relatively small in terms of population and number of business establishments. This indicates a smaller overall local market size within San Mateo county.
3. The County spends a substantial amount of money with businesses located in neighboring counties. This demonstrates that the County is an important part of a broader, regional economic marketplace and how this regional marketplace supplements the County's smaller local marketplace.
4. In relation to its population size, San Mateo county shows high rates of several key indicators (education rates, median household income, homeownership, and self-employment rates) that may signal the potential for a stronger local and small business environment. However, factors such as high cost of living, unequal wealth distribution, and limited disposable income in the county should be taken into consideration and will greatly impact residents' ability to develop and operate local small businesses in the region.
5. In general, people of color, particularly Black, Hispanic/Latino, American Indian/Native Alaskan, and Native Hawaiian/Pacific Islanders, exhibit lower educational attainment, homeownership rates, and median household income than whites and Asians in the RGMA and San Mateo county. This indicates that Black, Hispanic/Latino, American Indian/Native Alaskan, and Native Hawaiian/Pacific Islanders may face substantial barriers throughout the region accumulating the human and financial capital required to start and successfully grow a business.
6. Most businesses in the RGMA and San Mateo county are "small" businesses with fewer than 99 employees. Most "small" businesses are "microbusinesses" with fewer than twenty (20) employees.
7. There are limited certified Disabled Veteran Business Enterprises (DVBES) and LGBTQ+ Businesses located in San Mateo county and the RGMA as a whole.



CHAPTER 4. Data Collection

4.1 Background

Chapter 4 provides an overview of the contracts and procurements the study team analyzed as part of the 2024 San Mateo County Supplier Diversity Study and the processes used to collect relevant prime contract, subcontract, and vendor data from San Mateo County (County). Chapter 4 is organized into eight (8) components:

- Contract and procurement data
- Vendor data
- Contract classifications
- Relevant geographic market area (RGMA)
- Review process
- Identifying LSMBEs
- Analysis of local businesses
- Analysis of diverse businesses

4.2 Contract and Procurement Data

The study team collected data related to the construction, professional services, and goods and services contracts and procurements the County awarded from April 1, 2020, through March 31, 2023 (the study period) from its Financial Accounting System (OFAS), contract management software, and individual County departments. This data served as the basis for the quantitative analyses, including the utilization, availability, and disparity analyses. The study team collected the most comprehensive data available on the prime contracts and subcontracts the County awarded during the study period. The study team sought this data regardless of the size or race/ethnicity and gender of the owners of the businesses that performed the work or their statuses as small businesses or minority-; woman-; veteran-; service-disabled veteran-; or lesbian, gay, bisexual, transgender, queer, and other sexual or gender orientations (LGBTQ+)-owned businesses.

4.2.1 Prime Contract Data

The study team collected information about all prime contracts and procurements worth \$5,000 or more awarded by the County during the study period. The County provided the study team with the following information about each relevant prime contract awarded during the study period:

- Contract or purchase order number
- Prime contractor name
- Vendor identification number



- Description of work
- Award date
- Award amount (including change orders and amendments)
- Amount paid-to-date
- The department from which it was requested or made
- Funding source (i.e., whether the procurement involved federal or emergency funding)

The County advised the study team on how to interpret the data it provided, including how to best identify unique bid opportunities and how to aggregate related award or payment amounts, where appropriate.

4.2.2 Subcontract Data

The County does not collect comprehensive data on the subcontracts associated with most of the contracts and procurements it awards. To gather information on subcontracts, the study team conducted surveys with prime contractors to collect data on the subcontracts associated with the contracts and procurements the County awarded during the study period and that were deemed to likely have included subcontracting opportunities. This determination was made based on the size of, and work types involved in each contract and procurement. The study team requested the following information from prime contractors about each subcontract associated with each relevant contract the County awarded to primes:

- Associated prime contract number
- Award amount for the project
- Commitment amount for each subcontract
- Amount they paid on each subcontract
- Description of work
- Subcontractor name
- Subcontractor contact information

The study team requested subcontract data from 176 prime contractors to which the County awarded a relevant contract or procurement during the study period. Those 176 prime contractors accounted for approximately \$289 million of contracting during the study period. Through our survey and numerous follow-up efforts, the study team collected information from fifty-five (55) of the 176 prime contractors that accounted for \$59 million worth of relevant contracting, or 20% of the \$289 million total contracting dollars.

Although many businesses did not respond to requests for subcontract information—even after numerous attempts—the study team collected an adequate sample of subcontracts to conduct the analyses. Based on that sample of subcontract data, the study team weighted the prime contract and



subcontract dollars the County awarded during the study period to more accurately reflect total estimated subcontracting opportunities. The study team based those weights on the proportion of known subcontracting for the prime construction, professional services, and goods and services contracts and procurements awarded by the County during the study period.

4.2.3 Prime Contract and Subcontract Amounts

For each contract element included in our analyses, the study team examined the dollars the County awarded to each prime contractor and the dollars prime contractors committed to any subcontractors. If a contract did not include any subcontracts, the study team attributed the contract or procurement's entire award amount to the prime contractor. If a contract or procurement did include subcontracts, the study team calculated the prime contract amount as the total award amount less the sum of dollars committed to all subcontractors.

4.3 Vendor Data

The study team also compiled information on the businesses that participated in relevant prime contracts and subcontracts the County awarded during the study period, including:

- Business name
- Physical addresses and phone numbers
- Location of principal office
- Primary lines of work
- Business size
- Ownership status (i.e., whether each business was minority-, woman-, veteran-, service-disabled veteran-, or LGBTQ-owned)
- Ethnicity of ownership (if minority-owned)
- Status as a certified minority-owned business, woman-owned business, veteran-owned business, service-disabled veteran-owned business, or LGBTQ+-owned business; and
- Status as a certified Small Business Enterprise or Micro Business Enterprise

The study team relied on a variety of sources for the above vendor information, including:

- County contract and vendor data
- Surveys the study team conducted with business owners and managers
- The California Department of General Services (DGS) certification directory
- The California Unified Certification Program (CUCP) Disadvantaged Business Enterprise (DBE) directory
- The California Public Utilities Commission (CPUC) Supplier Clearinghouse (SCH)



- The Alameda County Transportation Commission (Alameda CTC) Local Business Contract Equity (LBCE) Program directory
- The City of Oakland Local and Small Local Business Enterprise (LBE/SLBE) Program directory
- The Small Business Administration (SBA) certification and ownership lists, including 8(a), HUBZone, and self-certification lists
- Dun & Bradstreet (D&B) business listings and other business information sources
- Business websites and other secondary research

4.4 Contract Classifications

The study team collected information about approximately \$2.1 billion worth of contracts and procurements the County awarded during the study period and categorized each purchase as either in-scope or out of scope. Only in-scope contracts and procurements were included in the quantitative analyses, including the utilization, availability, and disparity analyses.

4.4.1 Contracts and Procurements Included in Quantitative Analyses (In-Scope)

The study team included contracts and procurements that for-profit businesses within the relevant geographic market area (RGMA), including local, small, micro, and diverse business enterprises (LSMDBEs), could potentially compete for (i.e., in-scope contracts and procurements) in the quantitative analyses. The study team categorized in-scope contracts and procurements into one (1) of three (3) industries: construction, professional services, or goods and services. Of the total \$2.1 billion of County spend the study team assessed, in-scope dollars accounted for approximately \$455 million, or 21 percent. Figure 4-1 presents the volume of in-scope contract and procurement dollars included in the quantitative analyses.

Figure 4-1: Contract and Procurement Dollars Included in the Quantitative Analyses

Industry	Total
Construction	\$206,976,460
Professional Services	\$153,927,141
Goods and Services	\$94,569,464
Total In-Scope Dollars	\$455,473,065

Note: Numbers rounded to nearest dollar and thus may not sum exactly to totals.

Source: San Mateo County contract data

For each prime contract and subcontract included in our analyses, the study team determined the subindustry that best characterized the vendor's primary line of work (e.g., concrete work). Subindustries were determined based on County contract and vendor data, surveys conducted with prime contractors and subcontractors, business certification lists, D&B business listings, and



other sources. Figure 4-2 presents subindustry classifications for the construction, professional services, and goods and services contracts and procurements included in the analyses as well as the dollars the County awarded to each subindustry during the study period.

The study combined related subindustries that accounted for relatively small percentages of total contract and procurement dollars into five (5) "other" subindustries. For example, the dollars the County awarded to contractors for fence construction represented less than 1% of the total dollars examined as part of the study. So, the study team combined fence construction with construction services that also accounted for relatively small percentages of total dollars into the "Other Construction Services" subindustry. These "other" subindustries are as follows:

- Other Construction Services
- Other Construction Materials
- Other Professional Services
- Other Goods
- Other Services



Figure 4-2. Contract and Procurement Dollars by Subindustry

Subindustry	Total
Construction	
Building construction	\$116,974,963
Highway, street, and bridge construction	\$17,694,381
Plumbing and HVAC	\$15,427,586
Commercial painting	\$12,328,818
Electrical work	\$9,230,826
Water, sewer, and utility lines	\$6,410,565
Landscape services	\$6,176,285
Excavation, drilling, wrecking, and demolition	\$5,357,802
Trucking, hauling, and storage	\$1,547,510
Concrete work	\$1,509,686
Other construction services	\$7,115,759
Other construction materials	\$7,202,281
Total Construction:	\$206,976,460
Professional services	
Engineering	\$22,896,311
IT and data services	\$21,483,905
Business services and consulting	\$20,905,126
Architectural and design services	\$16,083,382
Staffing services	\$14,156,072
Environmental services	\$12,757,404
Construction management	\$9,812,850
Medical testing laboratories	\$9,216,064
Accounting and auditing	\$6,091,766
Advertising, marketing, and public relations	\$6,051,845
Transportation planning services	\$4,558,735
Research consulting	\$3,176,271
Testing and inspection	\$3,033,857
Surveying and mapmaking	\$2,122,567
Other professional services	\$1,580,985
Total Professional Services:	\$153,927,141



Figure 4-2. Contract and procurement dollars by subindustry, continued.

Goods and Services	
Office equipment, supplies, and furniture	\$13,274,876
Communications equipment	\$12,295,053
Automobiles and vehicle parts	\$12,294,068
Janitorial services and laundry	\$10,411,581
Waste and recycling services	\$8,648,068
Safety and law enforcement equipment	\$8,813,595
Shuttle services	\$6,483,510
Printing, copying, and mailing	\$5,892,235
Elevator goods and services	\$3,280,353
Other goods	\$4,065,149
Other services	\$9,110,976
Total Goods and Services	\$94,569,464
TOTAL IN-SCOPE	\$455,473,065

Note: Numbers rounded to nearest dollar and thus may not sum exactly to totals.

Source: San Mateo County contract data

4.4.2 Contracts and Procurements Not Included in Quantitative Analyses (Out-of-Scope)

The study team also classified various contracts and procurements into subindustries that were ultimately not included in the analyses (i.e., out-of-scope contracts and procurements). The study team considered those contracts and procurements out-of-scope, because, for various reasons, they do not reflect typical contracting opportunities for for-profit businesses throughout the market area. For example, computer manufacturing is dominated by large national and international companies, and the purchase of computers would not represent a realistic opportunity for businesses in the market area. As another example, the County spent a substantial amount of money on personal protection equipment and other supplies and services related to the COVID-19 pandemic during the study period. Those purchases do not reflect typical County contracts and procurements, and the County does not expect to make those purchases in the future. The study team considered the following types of contracts and purchases as out-of-scope:

- Purchases and transactions the County made with or awarded to nonprofit organizations (\$306 million)
- Purchases and transactions the County made with or awarded to government agencies, educational institutions, utility providers, and medical providers (\$520 million)



- Contracts and procurements that reflected “national markets”—that is, subindustries dominated by large national or international businesses (\$383 million)¹
- Emergency purchases related to the COVID-19 pandemic (\$286 million)
- Purchases associated with insurance, legal services, or real estate transactions (\$178 million)²
- Types of work typically not included in disparity studies and that account for relatively small percentages of the County’s contract and procurement dollars (\$8 million)³

4.5 Relevant Geographic Market Area (RGMA)

The study team used County data to determine the RGMA—the geographical area in which the County spends the substantial majority of its in-scope contract and procurement dollars—for the supplier diversity study. To determine the RGMA, the study team considered the locations of any office a business had. That is, to be counted as “in the RGMA,” a business had to have an office location, either its headquarters or an affiliate office, in the RGMA. The County awarded approximately 75% of relevant, or in-scope, contract, and procurement dollars to businesses with locations in one (1) of four (4) California counties: San Mateo, Santa Clara, Alameda, and San Francisco. The study team considered these four (4) counties as the RGMA for County contracting, and therefore the key analyses focused on these counties. Figure 4-3 presents the percentage of in-scope contracting dollars the County awarded to businesses with locations within the RGMA during the study period. As shown in Figure 4-3, the County awarded approximately 20% of in-scope contracting dollars during the study period to businesses with any office location in San Mateo County.

For key analyses related to local businesses—including the utilization, availability, and disparity analyses—the study team considered where businesses are headquartered or based. The study team examined the percentage of contracting dollars the County spent with businesses based in San Mateo County, and the analysis showed that the County awarded approximately 10% of in-scope contracting dollars to businesses based in San Mateo County during the study period.

¹ Examples of such work include computer manufacturing, proprietary software, and national healthcare staffing services.

² Legal services included payments made to the San Mateo County Bar Association.

³ Examples of industries not typically included in disparity studies include lodging and publishing.



Figure 4-3. Relevant Geographic Market Area

County	Contract Total	Percent
San Mateo	\$89,800,741	20%
Santa Clara	\$97,240,173	21%
Alameda	\$80,070,178	18%
San Francisco	\$76,383,987	17%
Total in RGMA:	\$343,495,079	75%
Total in-scope dollars:	\$455,473,065	

Note: Numbers rounded to nearest dollar and thus may not sum exactly to totals.

Source: San Mateo County contract data

4.6 Review Process

The County reviewed contract, procurement, and vendor data throughout the study process. The study team consulted with the County to discuss the data collection process, review information the study team gathered, and present summary results. As part of the study, the County established an Internal Advisory Committee. That committee, as well as other County departments, reviewed contract, procurement, and vendor data at various points throughout the study. The study team incorporated feedback from the County in the final contract, procurement, and vendor data used for the analyses.

4.7 Identifying Local, Small, Micro and Diverse Business Enterprises (LSMDBEs)

The study team identified and included in the quantitative analyses, LSMDBEs, as businesses that are certified as such or appear that they could be certified based on information the study team collected. Several sources were used to identify LSMDBEs include:

- Certification directories from the California Department of General Services (DGS)
- The California Unified Certification Program (CUCP) Disadvantaged Business Enterprise (DBE) directory
- The California Public Utilities Commission (CPUC) Supplier Clearinghouse (SCH) directory
- The Alameda County Transportation Commission (Alameda CTC) Local Business Contract Equity (LBCE) Program directory
- The City of Oakland Local and Small Local Business Enterprise (LBE/LSBE) Program directory
- The Small Business Administration (SBA) certification and ownership lists, including 8(a), HUBZone, and self-certification lists
- Information from the Veteran Owned Business Project
- Directories from local chapters of the National LGBT Chamber of Commerce



- Surveys the study team conducted with business owners and managers
- Business websites and other secondary research
- County feedback

For the quantitative analyses, including the utilization, availability, and disparity analyses, the study team considered a business to be an LSMDBE if they were identified as such through one of those sources regardless of their certification status.

4.8 Analysis of Local Businesses

The study team assessed the utilization, availability, and disparities of local businesses, including local small and local micro businesses, in County contracts and procurements. For those analyses, local businesses were defined as those that are based or headquartered in San Mateo county. The study team identified each business's headquarters by conducting surveys with business owners and managers, examining County vendor information, and reviewing business websites and other secondary research.

4.9 Analysis of Diverse Businesses

The study team assessed the utilization of all diverse businesses the County utilized during the study period regardless of where they were located (but, as described in Chapter 6: Utilization Analysis, did so separately for those located anywhere, those located in the RGMA, and those based in San Mateo county). However, the availability and disparity analyses of diverse businesses focused on diverse businesses located in the RGMA—that is, they were headquartered or had an affiliate office in the RGMA—rather than just those based in San Mateo county. The study team assessed the availability and disparities of diverse businesses located in the RGMA for County work to account for several considerations:

- Compared to its neighboring counties, San Mateo county is relatively small in terms of population and the number of businesses that could potentially provide the types of construction, professional services, and goods and services the County purchases
- Sample sizes for diverse businesses based in the county were relatively small and may not produce statistically reliable results
- The County purchases goods and services from businesses throughout the RGMA, and likewise, businesses frequently work throughout the RGMA, often crossing county boundaries. As such, assessing the availability of diverse businesses within the RGMA for County work reflects the way companies do business and how the marketplace functions
- The challenges diverse businesses face, including those related to accumulating the human and financial capital to start and successfully operate a business, are not unique to San Mateo county. Many of those challenges are faced by individuals and businesses throughout the RGMA.



4.10 Minority- and Woman-owned Businesses

The study team analyzed business outcomes for minority- and woman-owned businesses, which were defined as businesses owned and controlled by Asian Pacific Americans, Black Americans, Hispanic Americans, Native Americans, Subcontinent Asian Americans, or non-Hispanic white women. To avoid double-counting, the study team classified minority woman-owned businesses with their corresponding minority groups. For example, Black American woman-owned businesses were classified with businesses owned by Black American men as Black American-owned businesses. Thus, woman-owned businesses in the study analyses refers specifically to non-Hispanic, white woman-owned businesses.



CHAPTER 5. Availability Analysis

5.1 Background

The study team analyzed the availability of local, small, micro, and diverse business enterprises (LSMDBEs) ready, willing, and able to perform work on the construction, professional services, and goods and services contracts and procurements San Mateo County (County) awarded. The availability analysis includes five (5) components:

- Purpose of the Availability Analysis
- Potentially Available Businesses
- Availability Database
- Availability Calculations
- Availability Results

5.2 Purpose of the Availability Analysis

The study examined the availability of LSMDBEs for County prime contracts and subcontracts to use as benchmarks against which to compare the actual participation of those businesses in County work (i.e., assessing disparities). Assessing disparities for LSMDBEs allowed us to determine whether certain business groups were underutilized during the study period—that is, April 1, 2020, through March 31, 2023 (for details, see Chapter 7: Disparity Analysis). Additionally, estimating availability is useful to the County in developing program and contracting policies to further encourage the participation of LSMDBEs in the County's work.

5.3 Potentially Available Businesses

The availability analysis focuses on specific areas of work, or subindustries, associated with the contracts and procurements the County awarded during the study period (for details, see Chapter 4: Data Collection). The study team began the analysis by identifying the specific subindustries in which the County spends the majority of relevant contract and procurement dollars as well as the geographic area in which the majority of the businesses with which the County spends those dollars are located (i.e., the *relevant geographic market area*, or *RGMA*). Based on that information, the study team identified the RGMA for the study as the San Mateo, San Francisco, Alameda, and Santa Clara counties in California (for details, see Chapter 4: Data Collection). The study team then conducted extensive surveys with businesses in the marketplace to develop a representative and unbiased database of potentially available businesses located in the RGMA that perform types of work relevant to County contracting and procurement. The objective of the surveys was not to collect information from every relevant business operating in the local marketplace but rather to collect information from an unbiased subset of the relevant business population that



appropriately represents the entire relevant business population. That approach allowed us to estimate the availability of LSMDBEs for County work in a statistically valid manner.

5.3.1 Survey Execution

Davis Research conducted telephone surveys with business owners, managers, and officers to identify businesses potentially available for County contracts and procurements. These surveys were conducted in English and live translation was available to conduct the call in Spanish, Mandarin, and Vietnamese. The study team began the process by compiling a phone book of all types of businesses, regardless of ownership characteristics, that perform relevant work and are located in the RGMA, based on information from the Dun & Bradstreet (D&B) Marketplace. The study team compiled information about business establishments based on 8-digit work specialization codes, Standard Industrial Classification (SIC), that were most related to the contracts and procurements the County awarded during the study period. In total, the study team attempted to contact 6,723 businesses that perform work relevant to the County's contracting and procurement, 622 of which completed availability surveys.

A. Businesses Contacted by the Study Team

The study team attempted to contact the 6,723 businesses via phone and those that could not be contacted were due to a duplicate phone number, non-working phone number, or wrong phone number. Below is a breakdown of duplicate, non-working, and wrong phone numbers that BBC purchased from D&B and that Davis Research attempted to contact:

- Duplicate phone numbers – 37 listings
- Non-working phone numbers – 1,078 listings
- Wrong numbers for the desired businesses – 534 listings

Figure 5-1 presents the distribution of the 6,723 businesses the study team attempted to contact for availability surveys and how that number resulted in the 622 businesses that completed surveys.



Figure 5-1: Distribution of Attempts to Contact Businesses for Availability Surveys

	Number of Businesses
Beginning list	6,723
Less duplicate phone numbers	37
Less non-working phone numbers/out of business	1,078
Less wrong number/business	534
Unique business listings with working phone numbers	5,074
Less no answer	3,088
Less could not reach responsible staff member	937
Less language barrier	7
Less businesses not interested in discussing availability for work	420
Businesses that completed surveys	622

Source: Availability analysis

As shown above in Figure 5-1, there were 5,074 businesses with working phone numbers that Davis Research attempted to contact. Many of these businesses did not complete an availability survey for several reasons including:

- Davis Research could not reach anyone after multiple attempts – 3,088 businesses
- Davis Research could not reach a responsible staff member after multiple attempts – 937 businesses
- Davis Research could not conduct the availability survey due to language barriers – seven (7) businesses
- The businesses were not interested in discussing their availability for County work with Davis Research – 420 businesses

In total, Davis Research was able to successfully complete surveys with 622 businesses.

B. Businesses Included in the Availability Database

Figure 5-2 presents the disposition of the 622 businesses Davis Research successfully completed availability surveys with and how that number resulted in the 471 businesses the study team deemed potentially available for County work.

The study team deemed only a portion of the businesses that completed availability surveys as potentially available for the prime contracts and subcontracts the County awarded during the



study period. Of the 622 businesses completed surveys, 151 businesses were excluded from consideration as potentially available for County work for various reasons including:

- Businesses that indicated they were nonprofit organizations – nineteen (19) businesses (see Chapter 4: Data Collection for details)
- Businesses that reported primary lines of work outside the study scope – seventy (70) businesses
- Businesses that reported they were not interested in contracting opportunities with government organizations – fifty-seven (57) businesses
- Businesses that represented different locations of the same business – five (5) businesses
 - Prior to analyzing results, the study team combined responses from multiple locations of the same business into a single data record according to several rules:
 - i. If any of the participants reported bidding or working on a contract or procurement within a particular subindustry, the study team considered the business to be interested in participating in contracts and procurements in that subindustry.
 - ii. The study team combined the different roles of work (i.e., prime contractor or subcontractor) that different participants representing the same business reported into a single response. For example, if one (1) participant reported that the business works as a prime contractor and another participant reported that the business works as a subcontractor, then the business was considered as available for both prime contracts and subcontracts.
 - iii. The study team considered the largest project any participants representing the same business reported being able to perform as the business' capacity (i.e., the largest project for which the business could be considered available).

After those exclusions, the study team compiled a database of 471 businesses considered potentially available for County work.



Figure 5-2: Disposition of Businesses that Completed Availability Surveys

	Number of Businesses
Businesses that completed surveys	622
Less nonprofit organizations	19
Less line of work outside of study scope	70
Less no interest in future work	57
Less multiple locations of same business	5
Businesses potentially available for County work	471

Source: Availability analysis

C. Survey Information

The study team conducted availability surveys with businesses listed in our phone book to collect various pieces of information about each, including:

- Status as a private sector business (as opposed to a public agency or nonprofit organization)
- Status as a subsidiary or branch of another company
- Principal location of business
- Primary lines of work
- Interest in performing work for government organizations
- Interest in performing work as a prime contractor or subcontractor
- Largest prime contract or subcontract the business is able to perform
- Whether the business can perform work or serve customers in San Mateo County
- Business size in terms of revenue and number of employees
- Race/ethnicity and gender of the owner(s)
- Veteran; service-disabled veteran (SDV); and lesbian, gay, bisexual, transgender, queer, intersex, or asexual (LGBTQ+) status of the owner(s)

5.4 Availability Database

After conducting availability surveys, the study team compiled an availability database that included information about businesses potentially available for relevant County contracts and procurements. Businesses were included in the availability database if they reported possessing all of the following characteristics:

- Being a for-profit business



- Having a location in the RGMA
- Providing primary lines of work in industries and subindustries directly relevant to County contracts and procurements
- Being able to perform work in San Mateo county

5.4.1 Businesses in the Database

Based on survey responses, the study team identified the ownership status, location, and size of each business in the availability database.

A. Local Businesses The study team identified local business enterprises including those that are small and micro businesses. The study team defined local business enterprises as those that are based, or headquartered, in San Mateo County. Of the 471 businesses in the availability database, eighty (80) businesses, or approximately 17%, were local businesses. Seventy-five (75) of the local businesses were small businesses, and sixty-eight (68) were microbusinesses.

B. Diverse Business Enterprises The study team also identified the ownership of each business in the availability database. Figure 5-3 presents the percentage of businesses in the availability database that were owned by minorities, women, veterans, service-disabled veterans, and members of the LGBTQ+ community. The database included information on 471 businesses in the RGMA that completed an availability survey for specific construction, professional services, and goods and services contracts and procurements the County awards. As shown in Figure 5-3, 8.3% of businesses in the database were white woman-owned and 39.7% were minority-owned.¹ Additionally, 5.3% of the businesses were veteran-owned, 1.9% were service-disabled veteran-owned, and 1.7% were LGBTQ-owned.

¹ To avoid double counting, information and results for minority woman-owned businesses are included along with their corresponding racial/ethnic groups.



Figure 5-3: Percent of Regional Businesses in the Availability Database that were Diverse Businesses

Business Type	Percent
White woman-owned	8.3%
Minority-owned	
Asian Pacific American-owned	10.2%
Black American-owned	6.6%
Hispanic American-owned	17.6%
Native American-owned	0.4%
Subcontinent Asian American-owned	4.9%
Total minority-owned	39.7%
Veteran-owned	5.3%
Service-disabled veteran-owned	1.9%
LGBTQ-owned	1.7%

Source: Availability analysis

The information above reflects simple counts of businesses and their ownership demographics with no analysis of their availability for specific County contracts or procurements and represents only a first step toward analyzing the availability of LSMDBEs for County work.

5.5 Availability Calculations

The study team used a custom census approach, which accounts for specific business, contract, and procurement characteristics such as work type, role, size, capacity, and interest, to estimate the availability of LSMDBEs for County work. The study team analyzed information from the availability database to develop dollar-weighted estimates of the degree to which LSMDBEs are ready, willing, and able to perform County work. Those estimates represent the percentage of contracting and procurement dollars the County may be expected to award to LSMDBEs based on their availability for the specific types and sizes of relevant County contracts and procurements.

The study team only considered a portion of the businesses in the availability database as potentially available for any given County prime contract or subcontract. The study team first identified the characteristics of each prime contract or subcontract (referred to generally as a contract element), including type of work, contract size, and contract role and then took the following steps to estimate the availability of LSMDBEs for each:

1. The study team identified businesses in the availability database that reported they met all of the following criteria:
 - a. Are interested in performing construction, professional services, or goods and services
 - b. Can perform work or serve customers in San Mateo County



- c. Have the ability to perform work of the indicated size or larger
2. The study team then counted the number of LSMDBEs and non-LSMDBEs in the availability database that met the criteria in step 1.
3. The study team translated the counts of businesses in step 2 into percentages.

The study team repeated the above steps for each contract element included in the study and then multiplied the percentages of available businesses for each contract element by the dollars associated with it. Results were then added across all contract elements and divided by the total dollars for all contract elements. The result was dollar-weighted estimates of the percentage of relevant contract and procurement dollars expected to be awarded to LSMDBEs by the County based on LSMDBE availability for specific types and sizes of that work.

5.6 Availability Analysis Results

The study estimated the overall availability of LSMDBEs for the construction, professional services, and goods and services work the County awards. The study team also estimated the availability of LSMDBEs for various subsets of contracts and procurements the County awards. For each set of projects, the study team presents availability estimates separately for each relevant business group.

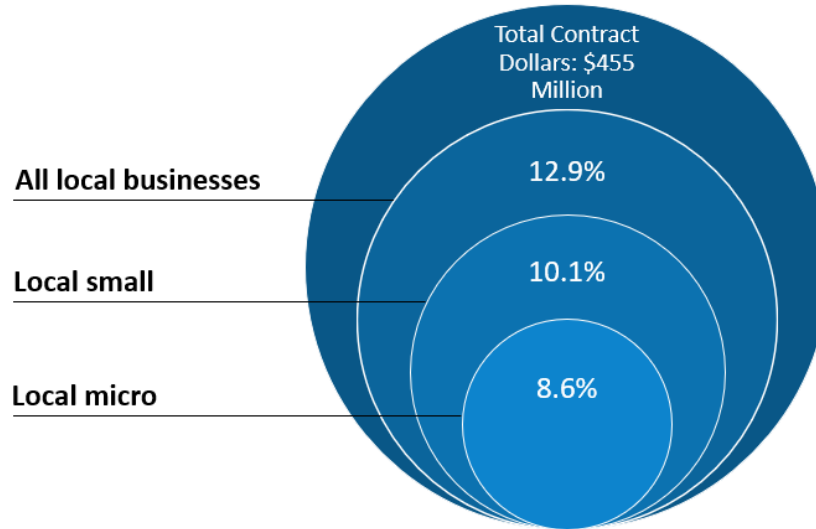
5.6.1 Local Business Availability

The study team assessed the availability of local businesses, which includes local small businesses and local micro businesses, in County contracts and procurements. Local businesses are those that are based, or headquartered, in San Mateo County. The study team assessed overall local business availability for all contracts and procurements included in the study and separately for various subsets of County contracts and procurements.

A. Overall Availability

Figure 5-4 presents dollar-weighted estimates of the overall availability of local businesses for all relevant County contract and procurements combined. Overall, the availability of local businesses for that work is 12.9%, indicating that one might expect the County to award approximately 12.9% of its contract and procurement dollars to local businesses based on their availability for County work. The overall availability of local small businesses for County work is 10.1%, and the availability for local micro businesses for County work is 8.6%. Local micro businesses are a subset of local small businesses—that is, local micro businesses are also considered local small businesses. Thus, the availability of local small businesses (10.1%) is inclusive of the availability of local micro businesses (8.6%).



Figure 5-4. Availability Estimates for Local Businesses

Note: Percentages do not sum.

Figure is for illustrative purposes and does not represent percentages to scale.

Source: Availability analysis

B. Availability by Industry

The study team also examined the availability of local businesses separately for County construction, professional services, and goods and services contracts and procurements to assess whether the availability of those businesses differed by industry. As shown in Figure 5-5, local businesses, which includes local small and local micro businesses, exhibit less availability for the County's goods and services work (5.9%) than for its construction (15.2%) or professional services work (14.0%).

Figure 5-5. Availability Estimates for Local Businesses by Industry

Business Group	Industry		
	Construction	Professional Services	Goods and Services
All local businesses	15.2%	14.0%	5.9%
Local small	9.4%	13.6%	5.9%
Local micro	7.2%	12.9%	4.6%

Note: Percentages do not sum.

Source: Availability analysis

C. Availability by Contract Role

Many small and micro businesses often work as subcontractors, so it is instructive to examine availability estimates separately for County prime contracts and subcontracts. As shown in Figure 5-6, the availability of all local businesses, regardless of size, is slightly higher for the County's

prime contracts (13.1%) than for its subcontracts (11.1%). The availability of local small and local micro businesses for the County's prime contracts was slightly lower than for its subcontracts.

Figure 5-6. Availability Estimates for Local Businesses by Role

Business Group	Contract Role	
	Prime Contract	Subcontract
All local businesses	13.1%	11.1%
Local small	10.0%	10.7%
Local micro	8.4%	9.6%

Note: Percentages do not sum.

Source: Availability analysis

D. Availability by Contract Size

To help inform the County's programs to encourage the participation of local small and local micro businesses, the study team also examined the availability of businesses separately for contracts of various sizes. As shown in Figure 5-7, the availability of all local businesses was greatest in County contracts and procurements worth less than \$100,000 (18.8%), and local business availability decreased as contract size increased. Based on the results presented in Figure 5-7, one would expect the County to award 18.8% of dollars associated with contracts and procurements worth less than \$100,000 to all local businesses. As presented in Figure 5-7, the availability analysis showed that same inverse relationship between availability and contract size for local small and local micro businesses.

Figure 5-7. Availability Estimates for Local Businesses by Contract Size

Business Group	Contract Size			
	Less than \$100,000	\$100,000 to less than \$500,000	\$500,000 to less than \$1,000,000	\$1,000,000 or more
All local businesses	18.8%	16.5%	11.5%	10.4%
Local small	18.2%	15.9%	11.0%	5.8%
Local micro	17.5%	14.8%	8.7%	4.2%

Note: Percentages do not sum to 100%, because each group of contracts by size category was treated as mutually exclusive, and availability estimates for each size category are based on just those contracts. Some businesses could be available for contracts and procurements within multiple size categories.

Source: San Mateo county data

5.6.2 Diverse Business Participation

The study team assessed the availability of diverse businesses for County contracts and procurements. The availability analysis of diverse businesses focused on diverse businesses located in the RGMA—that is, they were headquartered or had an affiliate office in the RGMA—rather than just those based in San Mateo County. The study team assessed the availability of



diverse businesses in the RGMA for County work to account for marketplace and data sample considerations (for details, see Chapter 4: Data Collection).

A. Overall Availability

Figure 5-8 presents dollar-weighted estimates of the overall availability of diverse businesses for all relevant County contracts and procurements combined. The availability analysis showed that white woman-owned businesses are available for approximately 9.2% of County work, indicating that based on their availability, white woman-owned businesses would be expected to receive 9.2% of relevant County contract and procurement dollars. The availability analysis indicated that minority-owned businesses are available for 30.2% of County work; veteran-owned businesses are available for 4.0% of County work; service-disabled veteran-owned businesses are available for 2.3% of County work; and LGBTQ-owned businesses are available for 1.1% of County work.

Figure 5-8. Availability Estimates for Diverse Businesses in the RGMA

Business Type	Percent
White woman-owned	9.2%
Minority-owned	
Asian Pacific American-owned	8.6%
Black American-owned	4.7%
Hispanic American-owned	10.9%
Native American-owned	0.5%
Subcontinent Asian American-owned	5.4%
Total minority-owned	30.2%
Veteran-owned	4.0%
Service-disabled veteran-owned	2.3%
LGBTQ-owned	1.1%

Note: Percentages do not sum.

Source: Availability analysis

B. Availability by Industry

The study team also examined the availability of diverse businesses separately for County construction, professional services, and goods and services work to determine whether the availability of these businesses differed by industry. Figure 5-9 presents these results. The availability percentages indicate what percentage of relevant County contract and procurement dollars each businesses group would have been expected to receive based on their availability for that work. For example, Figure 5-9 shows that white woman-owned businesses are available for 12.0% of County construction work, indicating that one would expect them to receive 12.0% of construction contracting dollars awarded by the County. Key findings include:



- The availability of white woman-owned businesses is greatest in the County's construction work and least in the County's goods and services work.
- The availability of minority-owned businesses is greatest in the County's professional services work and least in the County's construction.
- The availability of veteran- and service-disabled veteran-owned businesses is greatest in the County's goods and services work and least in the County's construction work.
- The availability of LGBTQ-owned businesses is greatest in the County's professional services work and least in the County's goods and services work.

Figure 5-9. Availability Estimates for Diverse Businesses in the Relevant Geographic Market Area (RGMA) by Industry

Business Type	Industry		
	Construction	Professional Services	Goods and Services
White woman-owned	12.0%	9.7%	2.3%
Minority-owned			
Asian Pacific American-owned	2.0%	12.8%	16.4%
Black American-owned	2.8%	7.8%	4.1%
Hispanic American-owned	15.2%	8.0%	6.3%
Native American-owned	1.1%	0.0%	0.0%
Subcontinent Asian American-owned	1.1%	10.4%	6.9%
Total minority-owned	22.1%	39.1%	33.7%
Veteran-owned	1.9%	4.4%	8.1%
Service-disabled veteran-owned	1.1%	2.8%	4.2%
LGBTQ-owned	1.1%	1.5%	0.4%

Note: Percentages do not sum.

Source: Availability analysis

C. Availability by Contract Role

Subcontracts are typically smaller in size than prime contracts and more accessible to diverse businesses, which tend to be small businesses. For that reason, it is useful to examine the availability of diverse businesses separately for the prime contracts and subcontracts the County awards. Figure 5-10 presents these results. The availability of white woman-owned businesses and minority-owned businesses is slightly higher for the County's subcontracts than its prime contracts. The availability of veteran-, service-disabled veteran-, and LGBTQ-owned businesses is higher for the County's prime contracts than its subcontracts.



Figure 5-10. Availability Estimates for Diverse Businesses by Contract Role

Business Type	Contract role	
	Prime Contracts	Subcontracts
White woman-owned	8.9%	10.8%
Minority-owned		
Asian Pacific American-owned	9.3%	4.4%
Black American-owned	4.5%	6.1%
Hispanic American-owned	9.6%	19.4%
Native American-owned	0.4%	1.3%
Subcontinent Asian American-owned	5.9%	2.5%
Total minority-owned	29.6%	33.7%
Veteran-owned	4.2%	2.9%
Service-disabled veteran-owned	2.5%	1.2%
LGBTQ-owned	1.2%	0.5%

Note: Percentages do not sum.

Source: Availability analysis



CHAPTER 6. Utilization Analysis

6.1 Background

The study team measured the participation of local, small, micro, and diverse business enterprises (LSMDBEs) in the construction, professional services, and goods and services contracts and procurements that San Mateo County (County) awarded from April 1, 2020, through March 31, 2023 (the study period). The study team measured participation in terms of utilization—the percentage of relevant, in-scope, contract and procurement dollars awarded by the County to those businesses during the study period. We measured the overall participation of LSMDBEs in all relevant contracts and procurements awarded by the County during the study period as well as in various subsets of County contracts and procurements. Chapter 6 is organized into four (4) components:

- Purpose of the utilization analysis
- Utilization analysis methodology
- Utilization analysis results
- Concentration of dollars

6.2 Purpose of the Utilization Analysis

Calculating the percentage of relevant, or in-scope, contract dollars the County awarded to LSMDBEs during the study period is useful in determining whether certain business groups face barriers as it relates to the County's contracting and procurement processes. Assessing whether any business groups are substantially underutilized relative to their availability for County work (see Chapter 7: Disparity Analysis for details) also allows the County to determine what measures might be appropriate for addressing such barriers and effectively focusing organizational resources to those measures.

6.3 Methodology

The study team reviewed the industries for San Mateo's utilized vendors and after review, the determined that 1,341 vendors were in an in-scope industry for the utilization and disparity analyses. Of the 1,341 utilized vendors, thirty-three (33) had already completed an availability survey (vendors that can be utilized and are part of the availability sample). Most vendors had a phone number in San Mateo's data sources, but some vendors did not. For vendors without phone numbers, the study team attempted to find a phone number using the internet to locate the business's website or searching for contact information within the business's Secretary of State database. The study team was unable to find phone numbers for 103 vendors. Most of these were sole proprietorships, in which a person performs work for the County under their first and last name.



After removing vendors without a phone number and those that had already completed an availability survey, there were 1,205 vendors remaining. The study team then attempted to survey these 1,205 vendors for the utilization survey. A total of 322 companies completed a utilization survey, resulting in a response rate of 27% which is typical or slightly above average for a utilization survey.

The response rate for vendors located within San Mateo county was also 27% which was similar to all other regions' vendors. Construction companies exhibited the highest response rate with a rate of 31%, followed by professional services companies at 27%, and goods and services companies at 22%.

6.4 Utilization Analysis Results

The study team calculated the overall participation of local businesses (which includes local small and local micro businesses) and diverse businesses separately for the contracts and procurements awarded by the County during the study period.

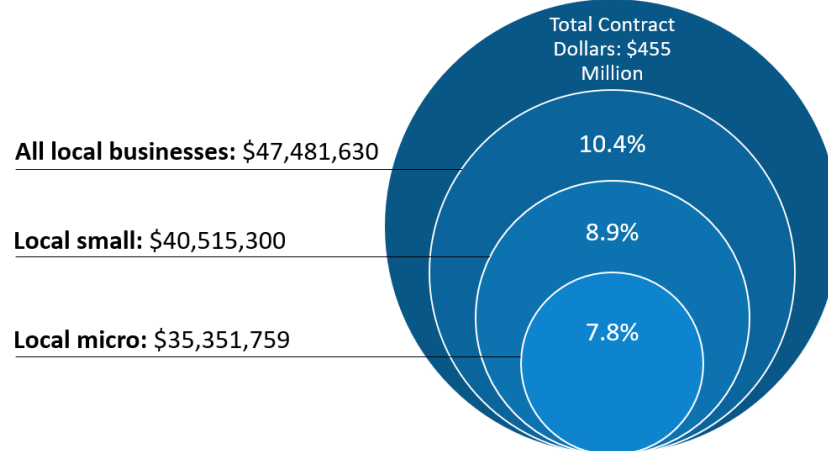
6.4.1 Local Business Participation

The study team assessed the participation of local businesses, including local small and local micro businesses, in County contracts and procurements. Local businesses are those that are based, or headquartered, in San Mateo County. We assessed local business participation overall for all contracts and procurements included in the study and separately for various subsets of County contracts and procurements.

A. Overall Participation

Figure 6-1 presents the overall participation of local businesses on all relevant, or in-scope construction, professional services, and goods and services contracts and procurements awarded by the County during the study period. As shown in Figure 6-1, the County awarded 10.4% of relevant contract and procurement dollars to local businesses, the majority of which were awarded to local micro businesses (7.8%). In general, most local businesses tend to be small, if not micro, businesses. Of the 187 local businesses utilized on County contracts and procurements during the study period, about 67% were small businesses, and all but one (1) of those small businesses were also micro businesses.



Figure 6-1. Local Business Utilization in County Work

Note: Dollars and percentages are based on total in-scope contract and procurement dollars (approximately \$455 million) and do not sum.

Figure is for illustrative purposes and does not represent percentages to scale.

Source: Utilization analysis

The study team also assessed the participation of businesses with any office location in San Mateo County regardless of where the business is headquartered. A business was considered to be located in San Mateo County if they had any office location, including its headquarters and any affiliate offices, in the county. Based on that assessment, the study team found that the County awarded approximately 20% (approximately \$90 million) of relevant contract and procurement dollars to businesses with a location in San Mateo County during the study period. However, further analyses indicated that the vast majority of contract and procurement dollars awarded by the County to small and micro businesses with locations in the county were awarded to small and micro businesses based, or headquartered, in the county. That is, small and micro businesses with a location in San Mateo county tended to be based, or headquartered, in the county. Utilized businesses located but not headquartered in the county tended to be relatively large businesses.

B. Participation by Industry

The study team also examined the participation of local businesses separately for the construction, professional services, and goods and services contracts and procurements awarded by the County during the study period to determine whether the participation of those businesses differed by industry. As shown in Figure 6-2, the participation of all local businesses was greatest in the County's construction work (11.2%) and lowest for professional services (9.1%). The participation of local small and local micro businesses was also greatest in the County's construction work (10.9% and 8.5%, respectively) and lowest for professional services (both 6.7%). Similar to overall utilization results for local businesses, the vast majority of County contracting dollars awarded to local businesses across industries were awarded to local micro businesses, because most local businesses are micro businesses.



Figure 6-2. Utilization Analysis Results for Local Businesses by Industry

Business Group	Industry		
	Construction	Professional Services	Goods and Services
All local businesses	11.2%	9.1%	10.8%
Local small	10.9%	6.7%	7.9%
Local micro	8.5%	6.7%	7.9%

Note: Percentages are based on total in-scope contract and procurement dollars (approximately \$455 million) and do not sum.

Source: Utilization analysis

C. Participation by Contract Role

Subcontracts are typically smaller in size than prime contracts and more accessible to small and micro-businesses. For that reason, it is useful to examine the participation of local businesses separately for the prime contracts and subcontracts the County awarded during the study period. As shown in Figure 6-3, the participation of all local businesses was greater in the County's subcontracts than in its prime contracts (14.9% and 9.7%, respectively). Local small and local micro business participation was also greater in subcontracts (each being 14.6%) than prime contracts (8.0% and 6.7%, respectively). Similar to overall utilization results for local businesses, the vast majority of County contracting dollars awarded to local businesses for both prime contracts and subcontracts were awarded to local micro businesses, because most local businesses are micro businesses. As indicated in Figure 6-3, all local small businesses that were awarded subcontracts during the study period were also micro businesses.

Figure 6-3. Utilization Analysis Results for Local Businesses by Contractor Role

Business Group	Contract Role	
	Prime Contract	Subcontract
All local businesses	9.7%	14.9%
Local small	8.0%	14.6%
Local micro	6.7%	14.6%

Note: Percentages are based on total in-scope contract and procurement dollars (approximately \$455 million) and do not sum.

Source: Utilization analysis

6.4.2 Diverse Business Participation

The study team assessed the participation of diverse businesses in relevant, or in-scope, contracts and procurements, which represents approximately \$455 million in contracting, that the County awarded during the study period for the following three (3) groups of businesses based on business location:



- Diverse businesses located within or outside the county to help the County understand its overall spend with all diverse businesses
- Diverse businesses with a location, either its headquarters or an affiliate office, in the RGMA to help the County understand its spend with regional diverse businesses; and
- Businesses based, or headquartered, in San Mateo County to help the County understand its spend with local diverse businesses

The availability and disparity analyses for diverse businesses (Chapter 5: Availability Analysis and Chapter 7: Disparity Analysis, respectively) focused on regional diverse businesses.

A. Overall Participation

Figure 6-4 presents the participation of diverse businesses in all relevant, or in-scope, construction, professional services, and goods and services contracts and procurements awarded by the County during the study period. As shown in Figure 6-4, the County awarded:

- Approximately 4.3% of relevant contract and procurement dollars to white woman-owned businesses located within or outside of the County, 2.5% of contract and procurement dollars to white woman-owned businesses located in the RGMA, and 0.9% of contract and procurement dollars to white woman-owned businesses based, or headquartered, in San Mateo County.¹
- Approximately 10.2% of relevant contract and procurement dollars to minority-owned businesses located within in or outside of the County, 8.6% of contract and procurement dollars to minority-owned businesses located in the RGMA, and 1.8% of contract and procurement dollars to minority-owned businesses based, or headquartered, in San Mateo County.
- Approximately 1.2% of relevant contract and procurement dollars to veteran-owned businesses located within or outside of the County, 0.2% of contract and procurement dollars to veteran-owned businesses located in the RGMA, and 0.2% of contract and procurement dollars to veteran-owned businesses based, or headquartered, in San Mateo County.
- Approximately 0.7% of relevant contract and procurement dollars to service-disabled veteran-owned businesses located within or outside of the County, 0.0% of contract and procurement dollars to service-disabled veteran-owned businesses located in the RGMA, and 0.0% of contract and procurement dollars to service-disabled veteran-owned businesses based, or headquartered, in San Mateo County.
- Approximately 0.2% of relevant contract and procurement dollars to LGBTQ-owned businesses located within or outside of the County, 0.2% of contract and procurement

¹ To avoid double counting, information and results for minority woman-owned businesses are included along with their corresponding racial/ethnic groups.



dollars to LGBTQ-owned businesses located in the RGMA, and 0.1% of contract and procurement dollars to LGBT-owned businesses based, or headquartered, in San Mateo County.



Figure 6-5. Diverse Business Utilization in Relevant County Contracts and Procurements

Business Type	All Diverse Businesses		Regional Diverse Businesses		Local Diverse Businesses	
	Dollars	Percentage	Dollars	Percentage	Dollars	Percentage
White woman-owned	\$19,482,522	4.3%	\$11,561,759	2.5%	\$4,246,322	0.9%
Minority-owned						
Asian Pacific American-owned	\$14,218,514	3.1%	\$11,948,207	2.6%	\$3,331,472	0.7%
Black American-owned	\$2,180,460	0.5%	\$1,977,683	0.4%	\$20,139	0.0%
Hispanic American-owned	\$13,704,219	3.0%	\$10,688,922	2.3%	\$4,704,330	1.0%
Native American-owned	\$7,529	0.0%	\$0	0.0%	\$0	0.0%
Subcontinent Asian American-owned	\$16,273,796	3.6%	\$14,343,717	3.1%	\$252,447	0.1%
Total minority-owned	\$46,384,517	10.2%	\$38,958,528	8.6%	\$8,308,389	1.8%
Veteran-owned	\$5,458,941	1.2%	\$1,096,510	0.2%	\$690,145	0.2%
Service-disabled veteran-owned	\$3,093,693	0.7%	\$4,382	0.0%	\$0	0.0%
LGBTQ-owned	\$845,336	0.2%	\$792,015	0.2%	\$627,403	0.1%

Note: Dollars and percentages are based on total in-scope contract and procurement dollars (approximately \$455 million) and do not sum.

Source: Utilization analysis



B. Participation by Industry

The study team also examined the participation of diverse businesses separately for the construction, professional services, and goods and services contracts and procurements awarded by the County during the study period to determine whether the participation of those businesses differed by industry. Figure 6-5 presents those results. Key findings include:

- The participation of white woman-owned businesses was greatest in the County's professional services contracts and least in the County's construction contracts.
- The participation of minority-owned businesses was greatest in the County's professional services contracts and least in the County's construction contracts.
- The participation of veteran-owned businesses was greatest in the County's construction contracts and least in the County's goods and services contracts.
- The participation of service-disabled veteran-owned businesses and LGBT-owned businesses was less than 1% across all industries.



Figure 6-5. Utilization Analysis Results for Diverse Businesses by Industry

Business Type	Construction			Professional Services			Goods and Services		
	All Diverse Businesses	Regional Diverse Businesses	Local Diverse Businesses	All Diverse Businesses	Regional Diverse Businesses	Local Diverse Businesses	All Diverse Businesses	Regional Diverse Businesses	Local Diverse Businesses
White woman-owned	0.5%	0.2%	0.2%	11.5%	6.9%	2.4%	0.9%	0.5%	0.2%
Minority-owned									
Asian Pacific American-owned	1.3%	0.5%	0.1%	7.2%	7.0%	2.0%	0.5%	0.2%	0.0%
Black American-owned	0.0%	0.0%	0.0%	1.4%	1.3%	0.0%	0.0%	0.0%	0.0%
Hispanic American-owned	2.1%	1.2%	0.4%	2.3%	1.8%	0.7%	6.0%	5.8%	3.1%
Native American-owned	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subcontinent Asian American-owned	0.1%	0.0%	0.0%	10.3%	9.2%	0.0%	0.3%	0.3%	0.3%
Total minority-owned	3.6%	1.7%	0.5%	21.2%	19.2%	2.7%	6.9%	6.4%	3.4%
Veteran-owned	1.5%	0.5%	0.3%	1.2%	0.0%	0.0%	0.4%	0.0%	0.0%
Service-disabled veteran-owned	0.8%	0.0%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
LGBTQ-owned	0.0%	0.0%	0.0%	0.5%	0.5%	0.4%	0.0%	0.0%	0.0%

Note: Percentages are based on total in-scope construction dollars (approximately \$207 million), total in-scope professional services dollars (approximately \$154 million), and total in-scope goods and services dollars (approximately \$95 million), respectively, and do not sum.

Source: Utilization analysis



C. Participation by Contract Role

Subcontracts are typically smaller in size than prime contracts and more accessible to diverse businesses, which tend to be small businesses. For that reason, it is useful to examine the participation of diverse businesses separately for the prime contracts and subcontracts awarded by the County during the Study period. Figure 6-6 presents these results. Key findings include:

- The participation of white woman-owned businesses was about the same in the prime contracts and subcontracts awarded by the County.
- The participation of minority-owned businesses was greater in the subcontracts than prime contracts awarded by the County.
- The participation of veteran-owned businesses and service-disabled veteran-owned businesses was also greater in the subcontracts than prime contracts awarded by the County.
- The participation of LGBTQ-owned businesses was about the same in the prime contracts and subcontracts awarded by the County.

Figure 6-6. Utilization Analysis Results for Diverse Businesses by Contract Role

Business Type	Prime Contracts			Subcontracts		
	All Diverse Businesses	Regional Diverse Businesses	Local Diverse Businesses	All Diverse Businesses	Regional Diverse Businesses	Local Diverse Businesses
White woman-owned	4.3%	2.5%	1.0%	4.1%	2.6%	0.3%
Minority-owned						
Asian Pacific American-owned	2.3%	2.1%	0.3%	8.6%	6.2%	3.5%
Black American-owned	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%
Hispanic American-owned	2.7%	2.3%	1.0%	5.3%	2.4%	1.1%
Native American-owned	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subcontinent Asian American-owned	4.1%	3.6%	0.1%	0.3%	0.3%	0.0%
Total minority-owned	9.5%	8.5%	1.4%	14.2%	8.9%	4.7%
Veteran-owned	0.6%	0.3%	0.2%	4.7%	0.0%	0.0%
Service-disabled veteran-owned	0.1%	0.0%	0.0%	4.7%	0.0%	0.0%
LGBTQ+-owned	0.2%	0.2%	0.2%	0.0%	0.0%	0.0%

Note: Percentages are based on total estimated in-scope prime contract dollars (approximately \$393 million) and total estimated subcontract dollars (approximately \$62 million) and do not sum. Prime contract and subcontract dollars were estimated based on a sample of subcontract data the study team collected associated with prime contracts and procurements awarded by the County during the study period. For more details, see Chapter 4: Data Collection.

Source: Utilization analysis.



6.5 Concentration of Dollars

The study team analyzed the degree to which relevant, in-scope, contract and procurement dollars awarded to LSMDBEs by the County during the study period were spread across different businesses. This analysis was used as an indication of whether many businesses share in the collective success of their respective groups, or alternatively, whether only a few businesses account for each group's aggregate participation in County work. The study team addressed that question by calculating the concentration of dollars which is comprised of:

- The number of different businesses within each group to which the County awarded contract and procurement dollars during the study period
- The number of different businesses within each group that accounted for 75% of the group's total contracting dollars during the study period after ordering them from most to least dollars.

Figure 6-7 presents these results for each relevant group of LSMDBEs:

- In total, the County awarded approximately \$47 million to 187 different local businesses during the study period. Twenty-four (24) of these businesses (13%) accounted for 75% of these dollars.
- In total, the County awarded approximately \$41 million to 125 different local small businesses during the study period. Fourteen (14) of these businesses (11%) accounted for 75% of these dollars.
- In total, the County awarded approximately \$19 million to 102 different white woman-owned businesses during the study period. Twenty-nine (29) of these businesses (28%) accounted for 75% of these dollars.
- In total, the County awarded approximately \$46 million to 129 different minority-owned businesses during the study period. Twenty-four (24) of these businesses (14%) accounted for 75% of these dollars.
- In total, the County awarded approximately \$5 million to twenty-one (21) different veteran-owned businesses during the study period. Five (5) of these businesses (24%) accounted for 75% of these dollars.
- In total, the County awarded approximately \$3 million to nine (9) different service-disabled veteran-owned businesses during the study period. Two (2) of these businesses (22%) accounted for 75% of these dollars.
- In total, the County awarded approximately \$845,000 to nine (9) different LGBTQ-owned businesses during the study period. Two (2) of these businesses (22%) accounted for 75% of these dollars.



These results indicate that although the County utilized many LSMDBEs during the study period, the contract and procurement dollars the County awarded to LSMDBEs were concentrated to a relatively small number of businesses.

Figure 6-7. Concentration of Relevant Contract and Procurement Dollars the County Awarded to LSMDBEs

Business Type	Count of Utilized Businesses	Businesses Accounting for 75% of Contract Dollars	
		Number of Businesses	Percent
All local businesses	187	24	13%
Local small businesses	125	14	11%
Local micro	124	17	14%
White woman-owned	102	29	28%
Minority-owned			
Asian Pacific American-owned	52	10	19%
Black American-owned	11	2	18%
Hispanic American-owned	48	8	17%
Native American-owned	1	1	100%
Subcontinent Asian American-owned	17	3	18%
Total minority-owned	129	24	14%
Veteran-owned	21	5	24%
Service-disabled veteran-owned	9	2	22%
LGBTQ-owned	9	2	22%

Source: San Mateo County contract data



CHAPTER 7. Disparity Analysis

7.1 Background

The study team compared the percentage of contract and procurement dollars that San Mateo County (County) awarded to local, small, micro, and diverse business enterprises (LSMDBEs) during the study period (i.e. utilization or participation) with the percentage of contract and procurement dollars the County may be expected to award to those businesses based on their availability for that work. The analysis focused on construction, professional services, and goods and services contracts and procurements the County awarded from April 1, 2020, through March 31, 2023 (the study period).

7.2 Overview

The study team expressed utilization and availability as percentages of the total dollars associated with a particular set of projects and then used the following formula to calculate a disparity index to help compare utilization and availability for relevant business groups and different sets of projects:

$$\frac{\% \text{ Participation}}{\% \text{ Availability}} \times 100$$

A disparity index of 100 indicates parity between actual participation and availability. That is, the participation of a particular business group is in line with its availability. A disparity index of more than 100 indicates that a group was considered to be overutilized relative to its availability. A disparity index of less than 100 indicates disparity between participation and availability. That is, the group is considered to have been underutilized relative to its availability. Finally, a disparity index of less than 80 indicates a substantial disparity between participation and availability. That is, the group is considered to have been substantially underutilized relative to its availability.

Many courts have considered substantial disparities as inferences of discrimination against particular business groups, and substantial disparities often serve as justification for organizations to use relatively aggressive measures (such as race- and gender-conscious measures) to address corresponding barriers. However, Proposition 209 prohibits public agencies in California from administering race- and gender-conscious measures except for exceptions when federal funding is involved (see Chapter 2: Procurement Analysis for details).

7.3 Disparity Analysis Results

The study team measured overall disparities between the participation and availability of local businesses (which includes local small and local micro businesses) and diverse businesses separately for the contracts and procurements the County awarded during the study period.



7.3.1 Local Business Participation

The study team measured disparities for local businesses, including local small and local micro businesses, in County contracts and procurements. Local businesses are those that are based, or headquartered, in San Mateo County. The study team assessed disparities for local businesses for all contracts and procurements included in the study and separately for various subsets of County contracts and procurements.

Figure 7-1 presents disparity indices for local businesses for all relevant contracts and procurements awarded by the County and for various subsets of contracts and procurements.

Figure 7-1. Disparity Analysis Results for Local Businesses

Business Group	Overall	Industry			Contract Role	
		Construction	Professional Services	Goods and Services	Prime Contract	Subcontract
All local businesses	81	74	65	185	74	134
Local small	88	117	49	135	80	136
Local micro	90	117	52	171	79	152

Source: Disparity analysis

A. Overall Disparity

As shown in Figure 7-1, all local businesses, regardless of size, exhibited a disparity of 81 for all relevant contracts and procurements the County awarded during the study period, indicating the County awarded local businesses \$0.81 for every dollar the County may be expected to award to local businesses based on their availability for County work. Local small businesses exhibited a disparity index of 88 and local micro businesses exhibited a disparity index of 90 for all County contracts and procurements which includes construction, professional services, and goods and services contracts and procurements.

B. Disparity by Industry

The County can develop programs to encourage the participation of local businesses, which includes local small and local micro businesses, in its work that are tailored specifically to different industries. To help inform potential programs, the study team examined disparity analysis results separately for the construction, professional services, and goods and services contracts and procurements awarded by the County during the study period to determine whether outcomes for local businesses differed by industry. As shown in Figure 7-1, all local businesses, which includes local small and local micro businesses, exhibited substantial disparities on the professional services contracts and procurement the County, exhibiting disparity indices of 65, 49, and 52, respectively. All local businesses considered together also exhibited a substantial disparity for County construction contracts and procurements with a disparity index of 74.



C. Disparity by Contract Role

The County can also develop programs to encourage the participation of local businesses, including local small and local micro businesses, in the prime contracts and subcontracts it awards. For that reason, it is useful to examine disparity analysis results separately for the prime contracts and subcontracts awarded by the County during the study period. As shown in Figure 7-1, all local businesses, including local small and local micro businesses, exhibited substantial disparities on the prime contracts and procurements awarded by the County with disparity indices of 74, 80, and 79, respectively. Local businesses, including local small and local micro businesses, did not exhibit disparities for County subcontracts.

7.3.2 Diverse Business Participation

The study team measured disparities for diverse businesses in County contracts and procurements. As described in Chapter 4: Data Collection, the study team examined disparities of diverse businesses located in the relevant geographic market area (RGMA), not just those based in San Mateo county. The study team assessed disparities for diverse businesses in all contracts and procurements included in the study and separately for various subsets of County contracts and procurements.

Figure 7-2 presents disparity indices for diverse businesses in the RGMA for all relevant contracts and procurements awarded by the County for various subsets of contracts and procurements.



Figure 7-2. Disparity Analysis Results for Diverse Businesses in the RGMA

Business Group	Overall	Industry			Contract Role	
		Construction	Professional Services	Goods and Services	Prime Contract	Subcontract
White woman-owned¹	27	2	71	21	28	24
Minority-owned	28	8	49	19	29	26
Asian Pacific American-owned	30	25	55	1	22	139
Black American-owned	9	0	16	0	11	1
Hispanic American-owned	21	8	22	92	24	12
Native American-owned	0	0	100	100	0	0
Subcontinent Asian American-owned	58	0	88	5	61	12
Veteran-owned	6	27	0	0	6	1
Service-disabled veteran-owned	0	0	0	0	0	1
LGBTQ-owned	16	3	31	2	17	1

Source: Disparity analysis

A. Overall Disparity

As shown in Figure 7-2, each individual group within the diverse business groups exhibited substantial disparities for all relevant contracts and procurements awarded by the County during the study period. White woman-owned businesses, for example, exhibited a disparity index of 27, indicating the County awarded white woman-owned businesses \$0.27 for every dollar the County may be expected to award to white woman-owned businesses based on their availability for County work.

B. Disparity by Industry

The study team examined disparity analysis results separately for the construction, professional services, and goods and services contracts and procurements the County awarded during the study period to determine whether outcomes for diverse businesses differed by industry. As shown in Figure 7-2, all individual diverse business groups exhibited substantial disparities on the construction contracts and procurement the County awards. With the exception of Native American-owned businesses, each individual diverse business group exhibited disparities on the County's professional services and goods and services contracts and procurements awarded by the County during the study period.

¹ To avoid double counting, information and results for minority woman-owned businesses are included along with their corresponding racial/ethnic groups.



C. Disparity by Contract Role

The study team also examined disparity analysis results separately for the prime contracts and subcontracts awarded by the County during the study period. As shown in Figure 7-2, all individual diverse business groups exhibited substantial disparities on the prime contracts and procurements the County awards. With the exception of Asian Pacific American-owned businesses, all individual diverse business groups exhibited substantial disparities on the subcontracts awarded by the County during the study period.



CHAPTER 8. Qualitative Analysis

8.1 Background

The study team conducted a qualitative analysis of various public engagement efforts that were conducted as part of the supplier diversity study, which includes facilitating public meetings, circulating a feedback form, and conducting in-depth business interviews. The goal of these efforts was to gain a better understanding of local, small, micro, and diverse business enterprises (LSMDBEs) and other stakeholder experiences working with the County of San Mateo (County). The results from the public meetings and feedback form were incorporated into the procurement analysis (see Chapter 2: Procurement Analysis) and used to help form the final study findings and recommendations (see Chapter 9: Remedies and Recommendations).

Below is a summary of the public meetings and feedback form efforts:

- **Public Meetings:** The study team conducted six (6) public meetings. Four (4) were at the beginning of the study to provide stakeholders with information about the study and to solicit input from the public about their experiences working with the County. The input received from these initial meetings was incorporated into our procurement analysis and helped form our findings and recommendations. Two (2) additional public meetings were held near the end of the study to share preliminary study findings and recommendations with the public and to solicit feedback from meeting participants. Feedback received from the last two (2) public meetings corroborated findings from the in-depth business interviews.
- **Feedback Form:** A feedback form was developed as part of the study to learn more about public and other stakeholder experiences working with the County. This form was translated and distributed in English and Spanish and was available on the County's Supplier Diversity Study webpage from August 2, 2023, through November 3, 2023. Feedback from the form, including those related to challenges and barriers for LSMDBEs as well as recommendations to improve access to County procurement opportunities for LSMDBEs were analyzed and incorporated into the overall procurement findings and preliminary recommendations (see Chapter 2: Procurement Analysis).

This chapter focuses on the **in-depth business interviews** that were conducted to capture the anecdotal experiences of business owners and leaders of nonprofit organizations in the local marketplace. The purpose of the interviews was to learn about their experiences in starting or growing a business in the county, any challenges and barriers businesses encounter, and specific experiences, if relevant, in working with or attempting to work with the County. Findings from the interviews also helped form and validate the study team's final recommendations.

The findings and key themes from the in-depth business interviews are detailed in this chapter.



8.2 Overview of In-Depth Business Interviews

The study team identified interview candidates through various sources including the utilization and availability surveys, public meetings, and the feedback form on the Supplier Diversity Study webpage. After contacting 155 businesses either by email or telephone call, the study team successfully scheduled forty-nine (49) interviews, conducting thirty (30) of these in-depth business interviews with nineteen (19) interviewees failing to appear for previously scheduled interviews. All thirty (30) successful interviews were conducted between October 2023, and March 2024.

The completed in-depth interviews consisted of twenty-five (25) for-profit businesses and five (5) nonprofit businesses. The figure below provides a demographic breakdown for the thirty (30) businesses as self-identified by the interviewees. The interview guide is provided in Appendix I: In-Depth Business Interview Guide.

Figure 8-1: In-Depth Interview Business Profile

For Profit Sub-Industry	Total	Demographic Profile					Diversity Profile			
		Local*	Small	Micro	Diverse	RGMA Only	Minority	Woman	Service Disabled	Veteran
Construction	3	0	1	1	0	1	0	0	0	0
Professional Services	11	1	6	5	8	0	7	2	1	0
Goods & Services	11	2	5	8	5	1	5	2	0	1
Subtotal	25	3	12	14	13	2	12	5	1	1
Nonprofit	5	2	--	--	--	3	--	--	--	--
Total	30	5	12	14	13	5	12	5	1	1

*Local – with principal office located in San Mateo county

Note 1: Business size and diversity status information based on the self-identification of the interviewed representative

Note 2: Demographic Profile totals equal more than 30 due to businesses falling into more than one category.

Note 3: The Study team was unable to secure an interview with a LGBTQ-owned business.



8.3 Interview Topics

The discussion topics for the interviews were organized into the following areas:

- General marketplace conditions
- Public versus private sector
- County of San Mateo specific experience
- Prime and subcontractor work
- Barriers to doing business
- Certification
- Business support programs
- Recommendations

The anecdotal information gathered through the interviews is summarized below. This information reflects the experiences, opinions, and perceptions of the interviewees.

8.3.1 General Marketplace Conditions

The high costs of doing business and living in the market area (e.g., interest rates, bonding, insurance, personnel, and equipment costs) have impacted the businesses interviewed to varying degrees. The high cost of living in the market area makes it difficult to find and retain quality personnel. Interviewees also reported industry fluctuations, project postponements, and loss of funding have also impacted business.

Four (4) of the interviewees specifically noted the difficulties of competing with large firms for several reasons:

- Large companies can offer lower prices
- Agencies often want to hire larger firms because they offer “perceived security”
- Difficult for smaller companies to get their foot in the door
- Bigger companies have a stronger online presence

Additionally, the Covid-19 pandemic negatively impacted most businesses in various ways including:

- Materials became significantly more expensive and are just starting to level out post-Covid
- One (1) firm lost about half of its revenue and is still recovering
- The number of available projects decreased since the pandemic
- Firms had to reduce staff as a result of obtaining less work
- Firms’ ability to provide services was negatively impacted by Covid-19



- Firms' ability to build relationships and provide services to clients was negatively impacted

However, five (5) for-profit businesses and one (1) nonprofit business reported an increase in size. This growth was primarily driven by the groups that they serve or work with needing more assistance due to pandemic-related issues.

8.3.2 Public Versus Private Sector

The businesses interviewed operate in the public sector, private sector, or both. The public sector is owned and controlled by the government, while the private sector is owned and managed by private individuals or corporations. The public sector provides services to the general public, while the private sector provides services to corporations and individuals. The public sector is funded by government revenues, while the private sector is funded by its own profits or investors. The public sector may have less autonomy and more regulation than the private sector.

The vast majority (27 out of 30 or 90%) of the businesses interviewed work in the public sector to varying degrees. However, more than two-thirds (13 out of 27 or 77%) of these businesses indicated that only a small portion of their work comes from public sector clients. The three (3) businesses that do not work in the public sector are exploring this market to grow their businesses.

Figure 8-2: Sectors that Interviewee Businesses Serve

Sector(s) Served	Number of Interviewed Businesses
Only Public Sector Clients	3
Public Sector is Largest Percent of Business	6
Public Sector is Smallest Percent of Business	13
Varying Mix of Public vs Private Sector Client	5
Only Private Sector Now – Interest in Public Sector	3
Total	30

Interviewees had a range of responses regarding working in either sector. Some stated that one (1) sector was easier to get work in and more profitable, while others stated that the other market embodied these same qualities. Comments regarding these two (2) markets are summarized if below.



Public Sector Themes	Private Sector Themes
<ul style="list-style-type: none"> • More paperwork, not standardized <ul style="list-style-type: none"> ▪ Language can be overwhelming ▪ Intensive procurement process • Too many requirements (insurance, bonding, forms, etc.), too much red tape, and too many people and departments involved (sometimes more than necessary) • Networking and relationship-based <ul style="list-style-type: none"> ▪ Harder as a small business to get your foot in the door • Overall slower process • It's easier to get work in the public sector, but it's easier to close out a project in the private sector. • More profitable <ul style="list-style-type: none"> ▪ Two (2) businesses commented on this. One (1) because they can re-purpose prior work such as blueprints. Others felt the public sector is more profitable because of benchmarks. With benchmarks, firms don't have to go below the value of the work to compete as it is in the private sector. 	<ul style="list-style-type: none"> • Better chance of landing a contract • Fewer restrictions • More profitable • More relationship-based and "who you know" • Riskier than public sector work • Easier to subcontract because less paperwork and quicker payment (especially final payment) than public sector

8.3.3 County of San Mateo Specific Experience

More than half (18 out of 30 or 61%) of the businesses interviewed reported having specific work experience with the County by either having been awarded a project (15 out of 18 or 83%) or having gone through the bidding process and were not awarded a contract (3 out of 18 or 17%). A majority (11 out of 18 or 61%) of the businesses that have some level of experience working with the County expressed frustration with the process. Common issues for these businesses include:

- Lack of communication and feedback throughout the procurement process
- Lengthy contracting process
- Difficulty in finding bid opportunities

In general, businesses that expressed some level of dissatisfaction working with the County felt that the procurement process could be simpler. A minority, woman-owned professional services firm, described working with the County as "slow and quiet." The interviewee stated regular catch-up meetings to discuss needs and requirements would be beneficial and would help her firm be more effective for the County. The interviewee expressed the need for feedback to allow her firm



to make adjustments and improvements if needed. At the time, if something were cancelled or changed, her firm was given no prior notice.

A nonprofit that has worked with the County also expressed feeling a lack of support from the County, which is frustrating because their community needs the healthcare-related services the nonprofit provides. The stop and go of grant funding also impedes their ability to consistently provide their services.

The two (2) microbusinesses that have tried to pursue opportunities with the County indicated that it was difficult for them to find and learn about bid opportunities because it is challenging to find the right people to talk to for more information.

Three (3) businesses (17%) reported positive experiences working with the County. For example, a micro, minority women-owned business commented:

"I've done a lot of bids for the county of San Mateo. Some of them, I get, some of them, I don't, but if I don't get a bid one time, they might try me again. So, I've always had a really pleasant time with the County of San Mateo".

8.3.4 Prime and Subcontractor Work

The thirty (30) interviewees were also asked about their work as a prime or subcontractor. Twelve (12) interviewees (40%) indicated they work primarily as a prime contractor, three (3) interviewees (10%) indicated they work primarily as a subcontractor, eleven (11) interviewees (37%) indicated both, and four (4) interviewees (13%) did not specify.

For businesses that did public contracts, it was mentioned that primes must do more to vet the subcontractors. Some also mentioned that it can be challenging to build relationships with prime contractors. One (1) business gave an example of a prime including them as a subcontractor in a proposal and felt that the prime won the contract in part based on his firm's reputation. However, the prime never gave them any work for this contract.

One (1) small construction firm that performs work as both a prime and subcontractor, stated that when bidding for public contracts, they will often work as a subcontractor to "work with a prime that does have the required insurance limits and bonding capabilities in addition to the capacity to perform a lot the paperwork that is required by the County".

8.3.5 Barriers to Doing Business

In discussing barriers to doing business, interviewees were given three (3) opportunities to share their experiences. First, they were asked an open-ended question to share what they considered their biggest barrier or challenge in starting or growing a business in the local market. Next, they were given a list of eleven (11) potential barriers and asked if they had any personal experience with such barriers or were aware of others in their line of business who may have encountered such barriers. Lastly, they were asked if there were any other barriers not previously discussed.



A. Responses to Open-Ended Questions

Responses to the open-ended question fell into one (1) of four (4) categories:

- Financing
- County Relationships
- Administration
- Education

Comments are summarized below.

1. Financing

More than one-third (11 of the 30 or 37%) of businesses named finances as their main barrier which includes the following factors:

- Availability of credit
- Expensive insurance policies are expensive
- Need to purchase equipment
- Projects become very “stop and go” when funding runs out and it can be difficult to make progress
- Overall ability to obtain funding
- High interest rates
- Cost of living (or rent) in the area puts a higher burden on employees and makes it difficult to find/retain personnel
- Materials and goods can be expensive to procure, especially if you aren’t outsourcing overseas
- Difficulty meeting eligibility for grant requirements
- Newer companies must pay insurance premiums and might be unable to cover costs and stay competitive or you might have to pay for certain insurance requirements for a project when there is no guarantee that of winning the bid

2. County Relationships

- Difficulty finding one (1) point of contact
- Feeling that if the business does not have a County contact, there is a lower chance of winning a bid
- Feeling that the County may have preconceived preferences on who they want to work with, or “go-to” people, so a business might waste time going through the whole process of submitting a bid just for the County to choose someone they had in mind all along
- Lack of sufficient communication and feedback from the County

3. Administration

- Extensive paperwork is required to be certified as a Small Business (SB), Disadvantaged Business Enterprise (DBE), or other certification



- Time spent finding quality opportunities and creating/preparing proposals is a barrier
- There are too many portals to filter through and businesses often get notifications about bids irrelevant to their business
- Time spent on administrative areas is extensive & burdensome

4. Education

- There's a learning curve when it comes to the office work/business side of things
- Too much research on the business side of things is required when starting a business, especially when it comes to taxes and compliance. The process can be confusing and there is a lack of resources to help navigate this process resulting mostly in a trial-and-error approach.

B. Responses to the List of Eleven (11) Potential Business Barriers Question

The responses to the list of eleven (11) potential business barriers are shown in Figure 8-3.

Figure 8-3: Potential Barriers to Doing Business by Number of Responses

Potential Barrier	Yes	No	No Response
Finding, retaining, and/or training personnel/labor?	17	12	1
Timely payment or release of retainage by the customer or prime?	17	8	5
Working with institutions to obtain financing, bonding, or insurance?	14	16	0
Learning about work/bidding opportunities, finding potential project partners, or marketing your firm?	14	13	3
Bidding or contracting process?	13	13	4
Bookkeeping, estimating, bidding, or other technical skills?	12	11	7
Obtaining inventory, equipment, or other materials and supplies?	10	17	3
Gaining necessary skills, expertise, or experience to meet agency requirements?	10	12	8
Size of contracts? Different in the public and private sectors?	10	6	14
Reporting requirements/contract management?	8	7	15
Bid shopping or bid manipulation?	4	14	12



Based on the interviewee responses, the top five (5) barriers are:

1. Finding, retaining, and/or training personnel/labor
2. Timely payment or release of retainage by the customer or prime
3. Working with institutions to obtain financing, bonding, or insurance
4. Learning about work/bidding opportunities, finding potential project partners, and/or marketing your firm
5. Bidding or contracting process (as shown in Figure 8-4)

Figure 8-4: Top 5 Barriers to Doing Business



C. Additional Barriers and Comments According to Interviewees

The following additional barriers and comments were mentioned by interviewees:

- Bidding:
 - Extremely lengthy process
 - Extensive and repetitive requirements
 - Excessive time and paperwork required but no guarantees of winning the bid
 - Difficulty finding viable bid opportunities
 - Some bids require businesses to “upgrade your account” or pay a fee to view
 - Lack of ability to filter out bid opportunities based on what kind of work the company performs
- High cost of living in the area makes it difficult to find and retain quality personnel
- Difficulty building relationships and reputation



- Educational barrier when it comes to grants, loans, and general “know-how” of being compliant
 - One (1) interviewee commented that “the rules are constantly evolving, and you might not know about the changes until you receive a [state or federal] fines”.

8.3.6 Certification

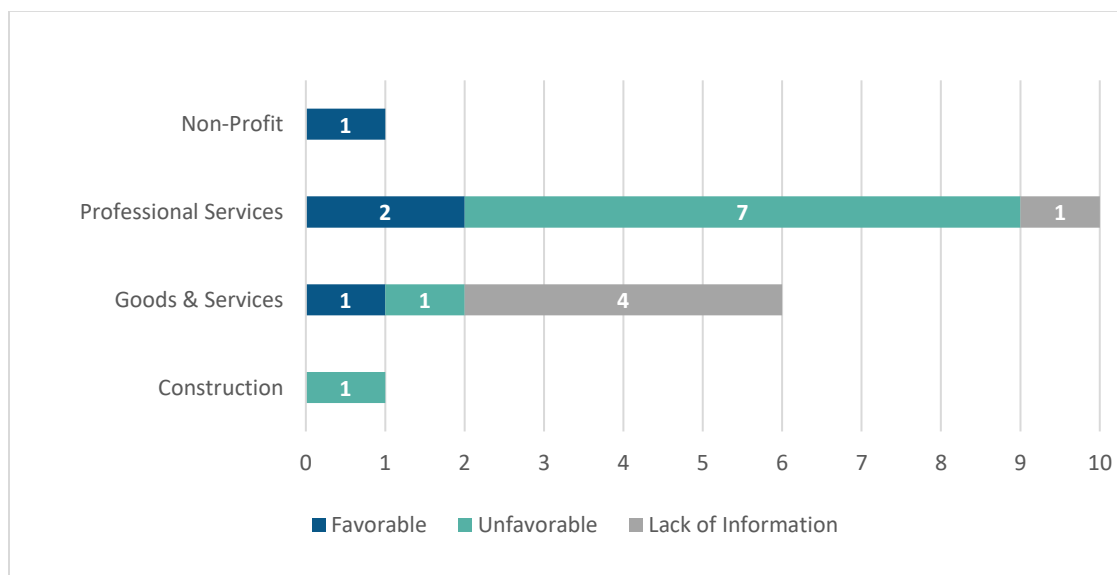
Perspectives on the benefits of certification (e.g., MBE, WBE, DBE, and additional certifications) were mixed among the interviewees as shown in Figure 8-5. Most interviewees (30%) reported dissatisfaction with the benefits of getting certified. These businesses indicated the process was long and drawn out, complicated, paperwork-heavy, and without clear benefit, particularly if there were any related fees. Professional services had the most businesses indicating unfavorable sentiments regarding certification. Four (4) out of five (5) businesses indicating a lack of knowledge or information regarding the certification process (80%) were goods & services firms with two (2) of these firms expressing interest in becoming certified.

Regarding the disadvantages of certification, a local, micro, minority women-owned professional services firm said the following:

“It took about a month to get everything together for the certification process through Supplier Clearinghouse. It took almost a year to get the certification and it just seemed like a lot of effort for something we didn't get much use out of”.

Regarding the benefits of being certified, a micro, minority-owned professional services firm indicated that their business has been invited to certain bids because of their minority certification status. They indicated finding the procurement process straightforward but still overwhelming because they were competing against large billion-dollar companies.

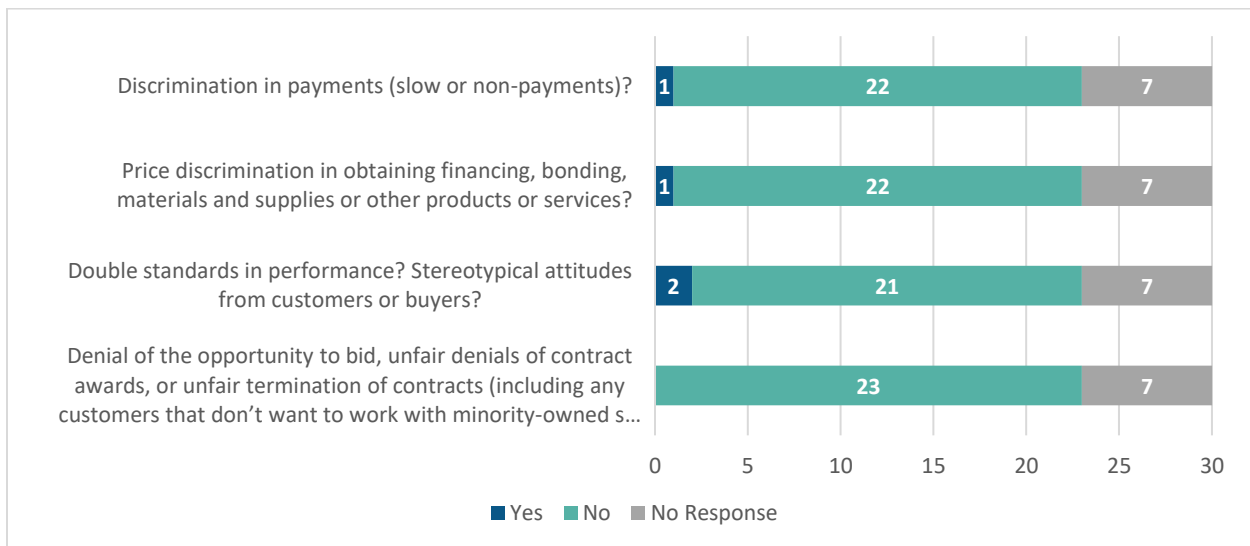
Figure 8-5: Perspectives on Benefits of Certification



8.3.7 Discrimination

Interviewees from diverse business enterprises were asked questions regarding potential discrimination based on race/ethnicity/gender in conducting business in the local market area. Based on these in-depth interviews, only three (3) businesses reported facing some type of discrimination. It is unclear whether discrimination was primarily due to size, race, ethnicity, or gender, as only one (1) of the three (3) that responded “yes” to discrimination related questions was a minority business and none were women-owned businesses. No business reported any discrimination regarding opportunity to bid, denial of contract awards, or unfair termination of contract, as shown below in Figure 8-6.

Figure 8-6: Potential Race/Ethnicity/Gender Discrimination



8.3.8 Business Support Programs

The interviewees were asked about their knowledge of preference programs (e.g., small, micro, and local small business initiatives) or remedy programs (e.g., minority-, woman-, disabled veteran-, or LGBTQ-owned business initiatives). For both types of programs, a majority (17 out of 30 or 57%) of the interviewees were not aware of any such programs.

8.4 Key Findings

The key findings that emerged from the interview responses corroborate the preliminary findings documented in the procurement analysis (see Chapter 2: Procurement Analysis). They also support the key barriers identified during the in-depth interviews. The key interview findings are grouped into the following four (4) areas:

- County Relationships
- Financing
- Business Development
- Education/Business Knowledge



The following table summarizes these findings and maps them to the top-ranked barriers identified in the in-depth interviews and the findings from the procurement analysis that corroborate them. Supporting quotes are also listed to provide further anecdotal evidence.

Figure 8-7: Findings Based on In-Depth Business Interviews

Category	In-Depth Interview (IDI) Findings	IDI Quotes
County Relationships	<p>County relationships are difficult to navigate</p> <ul style="list-style-type: none"> • Poor communication with contractors and vendors • Projects tend to move slow • Hard to find proper contact within the County • Difficulty in learning about bidding opportunities <p><u>Corroborates:</u> IDI Top 5 Barriers:</p> <ul style="list-style-type: none"> • Learning about work/bidding opportunities, finding potential partners, or marketing firm • Bidding or contracting process • Timely payment or release by the customer or prime <p><u>Procurement Finding:</u></p> <ul style="list-style-type: none"> • #3: County departments need additional support from central procurement for general procurement and LSMDBE-focused efforts. 	<p>“Slow and quiet. It’s quite silent from San Mateo and it would be very beneficial for us to schedule more regular catch-ups or meetings to discuss upcoming roles and also understanding what exactly is required by that certain department or the hiring manager because the information that we generally get is not expanded upon which is very, very crucial for us when we try to go out in the market and find candidates for San Mateo”. ~<i>Minority woman-owned professional services firm</i></p> <p>“Tend to get payment a month or longer after you do the work. You just have to trust that you’ll get paid”. ~<i>Micro, minority woman-owned professional services firm.</i></p>
Financing	<p>Financing is problematic in several areas:</p> <ul style="list-style-type: none"> • Availability of credit • Insurance policies are expensive • Overall ability to obtain funding • High interest rates • The cost of rent/living in the area makes it difficult to find and retain personnel • Materials and goods can be expensive to procure, especially if you aren’t outsourcing overseas. • Meeting eligibility for grant requirements (nonprofits) 	<p>“Financing is the largest barrier. Insurance policies are very expensive. They start with a minimum earned premium from most companies at \$200,000. And then in addition to that, to make money on public works jobs, the real way you do that is by owning your own equipment and paying down those loans with the income from that project instead of paying it to rental companies. So, it really depends on how much financing you have available to you.” - Small construction company</p>



Category	In-Depth Interview (IDI) Findings	IDI Quotes
	<p><u>Corroborates:</u> IDI Top 5 Barriers:</p> <ul style="list-style-type: none"> • Working with institutions to obtain financing, bonding, and insurance • Timely payment or release of retainage from the customer or prime. <p><u>Procurement Finding:</u></p> <ul style="list-style-type: none"> • #8: LSMDBEs have limited resources, capacity, and/or experience to meet County procurement requirements. Some requirements are too stringent for LSMDBE firms such as insurance requirements and invoicing and reporting requirements for certain funding sources. 	<p>“For inventory, it’s more about the cash flow to get the inventory that is an issue than getting the inventory itself.” - Micro professional services firm</p> <p>“(In reference to a project with a neighboring county. One of the things that’s a big issue with me is the funding. They would fund us because somebody might have a project and all the money that’s distributed would go to what they wanted to do, and then there’s a little bit of money that’s left over and that’s what we get. But this does not really help us because you cannot have a project such as important as this to be on a stop-and-go way of moving because every time you stop you have to start all over again. And this time a little bit more difficult.” - Local nonprofit</p>
Business Development	<p>Business development activities are challenging</p> <ul style="list-style-type: none"> • Difficult to find viable bid opportunities • Difficult to find teaming partners • Bidding is an extremely lengthy process • Reputation and who you know is important <p><u>Corroborates:</u> IDI Top 5 Barriers:</p> <ul style="list-style-type: none"> • Learning about work/bidding opportunities, finding potential partners, or marketing firm • Bidding or contracting process <p><u>Procurement Findings:</u></p> <ul style="list-style-type: none"> • # 4: Most departments or divisions do not actively identify or seek out LSMDBEs or lack the resources, particularly staff time, to source LSMDBEs that can perform the work out for bid. 	<p>“It’s who you know. So, it’s hard for a minority business [...] I don’t have the ability to go to the person in charge and say, “Hey, I’m a small minority business, will you keep me in mind?” No, they have their own people that they grew up with or they know of. You know what I’m saying? It’s not that I have an opportunity for San Mateo County because I’m a small person, but who do you talk to and is there any benefits for them to hire a small minority business and how do they find me”? <i>Micro minority-owned professional services firm</i></p> <p>“If San Mateo doesn’t want to make it easy for us to look at what’s coming up and what proposals are going to be doing, then I just move on. And that’s what we’ve done. We haven’t really looked at San Mateo County in a while.” ~ <i>Minority</i></p>



Category	In-Depth Interview (IDI) Findings	IDI Quotes
	<ul style="list-style-type: none"> # 7: The County does limited outreach that targets LSMDE suppliers and vendors. # 10: The County solicitation documents do not provide opportunities for local, smaller nonprofits (LSNPs) to participate, and County staff have some challenges reaching out to LSNPs. 	<p><i>woman-owned professional services firm</i></p>
<p>Education / Business Knowledge</p>	<p>Need exists for guidance and education on starting and managing a business</p> <ul style="list-style-type: none"> There is a learning curve when it comes to managing an office and the various business functions Starting a business is complicated. Lots to learn including loans, grants, taxes, and compliance. The process is confusing and there aren't many resources to help navigate it. LSMDBEs need assistance with the process of and education on the benefits of certification. <p><u>Corroborates:</u> IDI Top Barriers:</p> <ul style="list-style-type: none"> Bookkeeping, estimating, bidding, or other technical skills (Top 6th ranked barrier) <p><u>Procurement Finding:</u></p> <ul style="list-style-type: none"> #8: LSMDBEs have limited resources, capacity, and/or experience to meet County procurement requirements. Some requirements are too stringent for LSMDBE firms such as insurance requirements and invoicing and reporting requirements for certain funding sources. #9: Concern exists that requiring vendors to be certified as LSMDBE as well as verifying, would be time consuming for County staff. It may also make the County less desirable for vendors who may see certification as burdensome. 	<p>"I don't even know how to get certified. I wish I knew how." - Micro minority-owned goods & services firm</p> <p>"...you need to figure out about taxes and being in compliance with the state and federal and I didn't find any place that could teach me those things. I learned it from different places and so I wish there were kind of guidance." - Micro minority woman-owned professional services firm</p>



8.5 Suggested Recommendations by Interviewees

The interviewees were asked for their thoughts or recommendations to potentially enhance the participation of LSMDBEs and nonprofit organizations in public sector procurement opportunities in general and for the County in particular. Their suggestions are provided below and have been used to help inform the study team's final recommendations.

1. Small Business Quotas

- Unbundling larger contracts into smaller contracts so more companies have opportunities to work on a project
- Promote hiring small local businesses
- Set-aside opportunities for small businesses
- Setting subcontracting minimum percentages for certain solicitations
- Establish a certain number of small businesses primes are required to reach out to give them an opportunity to set themselves apart from competing businesses
- Allow small businesses advance access to bids so they have more time to prepare against the bigger companies

2. Streamline Communication

- One (1) point of contact for County procurements
- Develop a website that provides information and updates on the status of a proposal
- Streamline payment process

3. Education

- Provide proactive education for businesses on processes, permits, and regulations, in lieu of penalizing or finding businesses unresponsive or in violation
- Training classes on requirements, bookkeeping, invoicing, reporting, and additional assistance areas
- Training on how to submit a successful bid, how to market your small business to primes, and how to build relationships with County officials

4. Networking & Marketing

- Create and publicize a registry/vendor list of small, local, and diverse businesses to network with and support. This could also help contractors to find these businesses and work with them.
- Host vendor fairs and business networking events
- Create a mentorship program
- Publish newsletter that highlights different diverse businesses that agencies can use
- Develop grassroots marketing efforts with opportunities for small businesses



5. Bid Process

- Establish centralized posting location
- Provide advance notice of opportunities to businesses (Fiscal Year project planning and solicitation look-ahead for upcoming calendar year or by project)
- Provide ability to filter out projects that aren't a good fit for the company
- Provide consistent County solicitation requirements
- Create mailing lists and circulate marketing emails about bid opportunities
- Eliminate paywalls

6. County Engagement

- If a business has been previously awarded a bid or project with the County, they should keep them on file for future projects
- Consistent County outreach to see what support businesses need
- Create networking opportunities to build relationships with staff
- Improve coordination with cities on projects that cross city lines
- Allow for community discussions on things that are or aren't working
- For nonprofits: encourage more understanding from the County regarding issues faced by people in the community

7. Time/Requirements

- Establish more time to prepare proposals
- Eliminate some of the more intensive requirements
- Deadline flexibility when it comes to applying for funds (allow application for funding at multiple times during the year)
- Limit the amount of paperwork
- Adjust requirements such as insurance thresholds, minimum years of experience, etc., for small and diverse businesses

8. Funding & Financing

- Provide government-bonded funding and competitive interest rates for small businesses
- Provide County-funded workforce development program
- Continued grant funding
- Create apprenticeship fund to help small businesses cover the cost of training employees
- Implement low Annual Percentage Rate (APR) loans



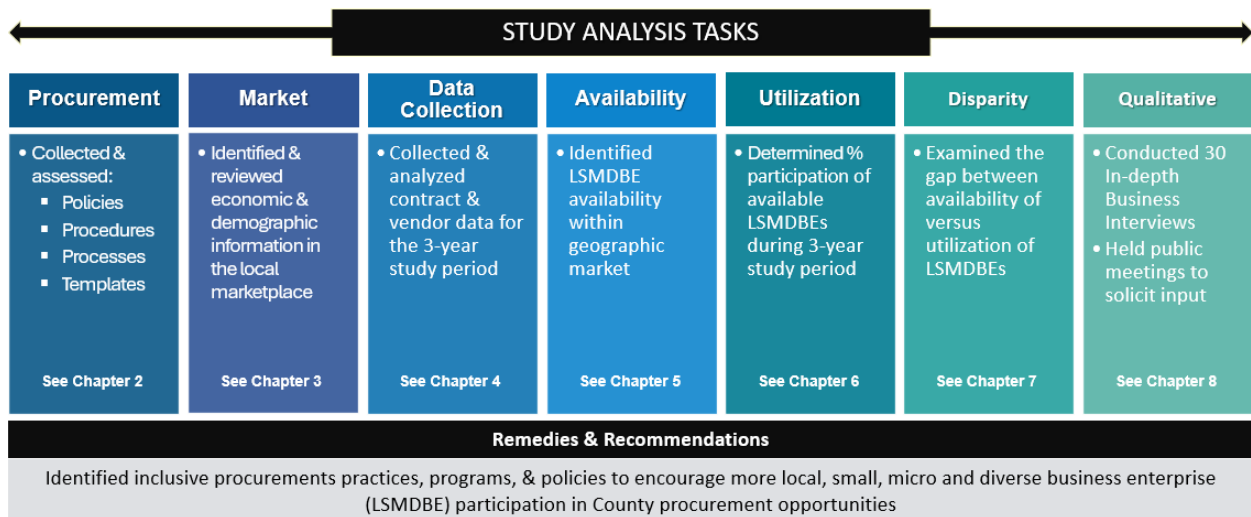
CHAPTER 9. Remedies and Recommendations

9.1 Background

The Remedies and Recommendations chapter presents key recommendations identified as a result of the various analyses conducted for the Supplier Diversity Study. The proposed recommendations were developed with Proposition 209 considerations in mind. They also incorporate best practices for inclusive procurement programs, policies, and practices to address identified disparities in County procurements for local, small, micro, and diverse business enterprises (LSMDBEs. The County of San Mateo (County) should review and evaluate these recommendations based on its priorities and resource availability.

The study team’s findings and recommendations are based on the seven (7) tasks and analyses of the Supplier Diversity Study, as shown in the figure below and discussed in their respective chapters.

Figure 9-1: Supplier Diversity Study Tasks & Analyses



The study team identified fourteen (14) key findings based on evaluating, comparing, and synthesizing the results from all assessment efforts. Preliminary findings were initially identified during the Procurement Analysis and have been expanded, refined, and vetted by the other analyses performed. Recommendations for each finding are developed with the aim to:

- Enhance County procurement policies and practices to increase participation of LSMDBEs doing business with the County
- Improve access to County procurement opportunities for LSMDBEs
- Enhance vendor and sub-vendor data and demographics collection and tracking



A summary table of the key findings and recommendations are provided in Section 4, Figure 9-4 of this chapter. To help with integration and implementation, the recommendations are further synthesized and grouped into one (1) of the following categories:

1. Formalized Supplier Diversity Program
2. Program Support Measures
3. Local and Small and Micro Business Measures
4. Race- and Gender- Neutral Measures

9.2 Proposition 209 Considerations

As introduced in Chapter 2: Procurement Analysis, Proposition 209 prohibits the use of race and gender preferences in the contracting process. California voters passed Proposition 209 in 1996, which added section 31 to Article I of the California Constitution. Section 31 provides:

"The State shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education or public contracting."

Under Prop 209, the County can conduct outreach efforts to LSMDBEs so long as it includes other business enterprises in its outreach efforts. Additionally, race- and gender-neutral programs, including goal setting, set-asides, and preference programs can be implemented for local, small, and micro businesses as well as other race- and gender-neutral groups. The following table provides an overview of the programs and actions that are allowed and not allowed under Proposition 209.

Figure 9-2: Summary of Supplier Diversity Programs Allowed or Not Allowed Under Prop 209

Program/Action	Under Prop 209	
	Allowed	Not Allowed
Race- and gender-conscious programs which are preferential are allowed if they are implemented in compliance with eligibility requirements for any federal program, where ineligibility would result in a loss of federal funds to the State or County (federal funding exception).	✓	
Race- or gender-conscious programs used to remedy intentional discrimination by a public entity.	✓	
Monitoring programs that collect and report data concerning the participation of women and minorities in government programs.	✓	



Program/Action	Under Prop 209	
	Allowed	Not Allowed
Outreach or recruitment efforts designed to broaden the pool of potential applicants, including Disadvantaged Business Enterprises (DBE), Minority Business Enterprises (MBEs), and Women Business Enterprises (WBEs), without reliance on an impermissible race or gender classification.	✓	
Race- and gender-neutral programs, including goal setting, set-asides, and preference programs can be implemented for local and small businesses and other race- and gender-neutral classifications.	✓	
The use of race and gender preferences in the contracting process including: <ul style="list-style-type: none"> The use of bid preferences, discounts, or set-asides for Disadvantaged Business Enterprises (DBEs), Minority Business Enterprises (MBEs), and Women Business Enterprises (WBEs). A contract award system under which DBEs, MBEs, and WBEs are given exclusive preference in the award process, directly affecting award determination. 		✗
Requirements that prime contractors subcontract a certain percentage of work exclusively to DBEs, MBEs, and WBEs or show Good Faith Efforts to do so.		✗

9.3 Recommendations

The study team has developed recommendations based on key findings from the various analyses performed as part of the Study and with Proposition 209 considerations in mind. While these recommendations were developed based on the scope of the study to review impacts of County procurement processes, programs, and policies on LSMDBEs, these recommendations may also be applicable and beneficial to non-profit organizations and other County vendors. The sections below provide a summary of the recommendations in each of the following categories:

1. Formalized Supplier Diversity Program
2. Program Support Measures
3. Local and Small and Micro Business Measures
4. Race- and Gender- Neutral Measures

A summary table of all key findings and recommendations including potential action steps, relevant phase of the procurement cycle, recommendation source, and supported study goals is provided in Section 9.5: Summary of Key Findings and Recommendation of this chapter.



9.3.1 Formalized Supplier Diversity Program

The study team recommends the County develop and implement a formal inclusive supplier diversity program to establish, grow, and maintain a more diverse supplier base inclusive of LSMDBEs. On March 8, 2022, the Board of Supervisors adopted an [Anchor Institution Resolution](#) to align its business operations with equity values and goals. The Anchor Institution Framework provides the County with a structure to develop and support more inclusive business practices including investments, workforce, and procurement. A formal inclusive supplier diversity program is in alignment with the County's resolution and would enhance the County's efforts as an Anchor Institution.

In formalizing an inclusive supplier diversity program, the County should consider:

- Adopting definitions and size standards for LSMDBEs
- Developing a communication plan for internal and external stakeholders that participate in procurement activities or interface with LSMDBEs
- Defining staffing needs through creating a Supplier Diversity Manager function and a new group within Procurement focused on working with LSMDBEs
- Communicating and demonstrating executive support for inclusive supplier diversity programs and alignment with the County's Anchor Institution resolution
- Identifying ways to share efforts internally and encourage discussion and suggestions from staff on inclusive procurement practices, departmental challenges, and potential solutions.
- Developing an Implementation Plan and Policy Statement

9.3.2 Program Support Measures

Currently, County departments and divisions rely on central County procurement staff for general procurement support. If the County elects to implement as supplier diversity program, staff will need additional support to implement LSMDBE-focused efforts since many departments may lack the resources to fully implement these program measures. In particular, they may lack the knowledge and staff time to identify LSMDBEs that are available to perform the work out for bid. At the time of the study, few County departments reported actively identifying or seeking out LSMDBEs when issuing solicitations. The following are LSMDBE-focused measures the County could consider implementing:

- Update existing County procurement-related documentation to address the needs of LSMDBEs
- Provide County staff (procurement and contract managers) LSMDBE-related training on a regular and ongoing basis
- Continue regular training and develop refresher courses for County staff



- Set performance metrics to increase the use of LSMDBEs
- Refine the OpenGov vendor portal to build a vendor database that allows vendors to identify their LSMDBE business certifications, location, NIGP codes or other sub-industry classification codes and average annual revenue
- Continue to refine the local non-profit database started through this study
- Define LSMDBE demographic data to be tracked during key stages of the procurement cycle for informal and formal solicitations such as business certifications, ownership, average annual revenue, and sub-industry classification codes
- Develop forms to collect prime and subcontractor bidder information for all firms submitting bids
- Coordinating regionally with public agencies and anchor institutions to maximize the participation of small and micro business in public procurement opportunities

9.3.3 Small, Local Small, and Local Micro Business Measures

While the County's Administrative Memorandum Number: B-1, approved on September 1, 2020, encourages the use of small and local small business suppliers and vendors, the County does not have small or local small business programs to explicitly promote participation. The study team recommends implementing small and local small business measures, as applicable, which may include aspirational goals, preference points, or small business set-asides. It is important to note that federally funded contracts and grants may not allow for local preference measures and this provision may need to be modified for these contracts.

A set-aside program is an effective measure and provides greater opportunities to improve the participation of local and local small businesses as prime contractors. Set-aside programs, sometimes called "sheltered" or "restrictive competition" programs, allow small and local small businesses to compete against other similar businesses and exclude large businesses as well as non-local small businesses from bidding as prime contractors. Based on the study team's quantitative analysis, local small businesses have a low utilization rate as prime contractors on County procurements (see Chapter 6: Utilization Analysis).

Other potential local, local small, and local micro business measures to consider include developing programs and updating solicitation documents to encourage the inclusion of LSMDBE subcontractors, developing and implementing metrics for tracking local and small business performance and program effectiveness, and developing and regularly publishing local, small business participation reports for transparency. Initially, these reports would be made available internally to County staff, Board of Directors and Board of Supervisors with the goal of then sharing these reports with external stakeholders through the County's website.

Aspirational Goal Plan

The study team recommends developing a local, small and micro business goal plan and procedures to include:



- Determining aspirational goal(s)
- Defining the size and types of procurements
- Defining exceptions
- Good Faith Efforts
- Termination of LSMDBE subcontracts by prime contractor

An aspirational goal is a predetermined, suggested, and nonbinding benchmark percentage of spending by an agency with a particular group over a period of time. The County may consider following a two-step process to develop overall aspirational goals for the participation of local, small and micro businesses in its contracts and procurements, consisting of establishing a base figure and considering an adjustment to the base figure based on conditions in the local marketplace and other factors. The study team presents an example of a two-step process for setting an overall aspirational goal for local small businesses based on disparity study results (see Chapter 7: Disparity Analysis).

1. **Establishing a base figure.** The availability analysis provides information that the County can use for establishing a base figure for its overall aspirational goal (see Chapter 5: Availability Analysis). The analysis indicates that local small businesses are potentially available to participate in 10.1% of the County's contracting and procurement dollars, which the County may consider as its base figure for its overall aspirational goal.
2. **Considering an adjustment.** In setting overall aspirational goals, organizations often examine various information to determine whether adjustments to their base figures are necessary to account for current conditions in the local marketplace for small businesses such as information related to employment, education, training, and unions.

Preference Program

The County may consider implementing local small and local micro business preference program designed to encourage small and local small and micro businesses to compete for contracting opportunities. These programs often include a bid preference where the eligible enterprise will receive a certain bid price reduction or preference points when bidding on certain goods and services solicited.

The County may consider the following potential actions for developing a small and local small business preference program:

- Determine procurement parameters (evaluation factors, contract types, etc.) where the program will apply
- Determine the preference program dollar threshold for construction and professional services contracts
- Determine preference percentage and points for small and local small and micro business participation



- Develop a preference program plan detailing eligibility requirements, including prime contractors may receive preference points when subcontracting a certain percentage of dollars to local small and/or local micro businesses.

The County may also consider implementing a local small non-profit (LSNP) preference program similar to a small and local small preference program. Solicitation documents should be revised to include LSNP preferences, and the evaluation criteria revised to include factors for LSNPs.

Regional Collaboration

As discussed in Chapter 3: Market Analysis, within the County's relevant geographic market area (RGMA), San Mateo county is the smallest county in terms of population, number of self-employed individuals, and business availability. The RGMA is also an integrated market with small and micro business facing similar challenges and barriers in public sector procurements across the region. To successfully implement an inclusive supplier diversity program, the County should consider coordinating its efforts regionally with other public agencies and Anchor Institutions to maximize the participation of small and micro businesses in its procurement opportunities.

The study team recommends the County develop a certification policy that leverages external certifying agencies certifications versus developing a County of San Mateo certification process. This recommendation is a form of regional collaboration and addresses a shared concern between County staff and interviewed businesses that requiring LSMDBEs to be certified through a County specific certification could be perceived as burdensome. County staff also expressed concern that this may make County procurements less desirable to vendors and would be administratively burdensome for County staff to verify inhouse certifications.

The County may consider the following potential actions for developing a certification policy that leverages other external certifying agency certifications:

- Identify regional certifying agencies with comparative LSMDBE standards to County needs
- Develop certification eligibility and other policies
- Revise solicitation documents to include certification of local small and micro business program measures such as goals, preferential points, or set-asides

A local small business set-aside is a government contract that the agency in question will only offer to small or local small business contractors. Sometimes set-asides are called a sheltered market solicitation.

Additionally, the County could identify and provide access to resources for LSMDBEs to obtain certification assistance by developing a list of organizations that provide LSMDBE certification support and developing partnerships with these organizations. The County's Economic Advancement Centers can serve as a one-stop shop for these types of services.



9.3.4 Race-Neutral & Gender-Neutral Measures

The County should implement race- and gender-neutral measures to encourage greater participation of LSMDBEs in procurement opportunities, as allowed under Proposition 209. Measures include various outreach, technical assistance efforts, as well as modification to procurement practices that may be too stringent for LSMDBEs to meet. Measures for the County to consider are summarized below:

- Develop methods to identify LSMDBEs and outreach guidelines
- Develop and implement outreach strategies to reach various groups of LSMDBEs
- Develop process for communicating formal and informal procurement opportunities to LSMDBEs
- Facilitate networking events with prime contractors to help LSMDBEs gain subcontractor work
- Develop an LSMDBE webpage within the County's Procurement website
- Develop resources to help LSMDBEs navigate County procurement processes and respond to requirements
- Develop a debriefing procedure for bidders in all types of solicitations
- Reevaluate base insurance requirements
- Encourage unbundling of project scope to develop smaller dollar solicitations (i.e., security, laundry, janitorial, and other similar services)
- Review solicitations to determine if unbundling of requirements is feasible to allow for local, small non-profit (LSNP) participation

9.4 Supplier Diversity Program Next Steps

As an Anchor Institution, the completion of the Supplier Diversity Study represents an important step towards shared prosperity, economic vitality, and equity for County vendors, contractors, and suppliers. The entirety of the Supplier Diversity study provides substantial information for the County to examine as it considers potential procurement-related enhancements to better encourage the participation of local, small, micro, and diverse business enterprises (LSMDBEs). Suggested next steps for the County is to have the Inclusive Procurement Committee of the Core Equity Team, and the County's Procurement team review and assess the proposed recommendations to implement, identify adequate resources and budget for implementing selected recommendations, and develop an implementation action plan.



9.5 Summary of Key Findings and Recommendations

Figure 9-4: Key Findings and Recommendations

Finding & Recommendation(s)	Potential Actions	Procurement Cycle(s)	Recommendation Source ¹	Supports Study Goal
<p>Finding 1: The four-county relevant geographic market area (RGMA) is an integrated market with small and micro businesses facing similar challenges and barriers in public sector procurements. Within the RGMA, San Mateo County is the smallest in terms of population, number of self-employed individuals, and business availability.</p>				
<p>Recommendations 1: Coordinate regionally with public agencies and anchor institutions to maximize the participation of small and micro business in public procurement opportunities</p>	<ul style="list-style-type: none"> • Develop a certification policy that leverages external certifying agency certifications (see recommendation 9a). • Participate in existing or help develop collaborative regional forums and conferences with other public agencies and anchor institutions. 	<ul style="list-style-type: none"> • Procurement Planning 	<ul style="list-style-type: none"> • Market Analysis • Utilization Analysis • Qualitative Analysis 	<p>Improve Outreach & Capacity Building</p>
<p>Finding 2: All diverse business groups are underutilized in County prime contracts and subcontracts and local, small, and micro businesses are underutilized in County prime contracts.</p>				
<p>Finding 3: The vast majority of County spend with local businesses is with small and micro businesses which are more likely to be diverse business enterprises. However, only 10.4% of in-scope County contracts & procurements were spent with local businesses.</p>				
<p>Recommendation 2/3: Formalize an Inclusive Supplier Diversity Program to develop, grow and maintain a more diverse supplier base including local, small, micro, and diverse businesses (LSMDBEs)</p>	<ul style="list-style-type: none"> • Develop an Implementation Plan and Policy Statement • Create a Supplier Diversity Manager function • Create new group within Procurement focused on working with LSMDBEs • Adopt definitions & size standards for LSMDBEs 	<ul style="list-style-type: none"> • All 	<ul style="list-style-type: none"> • Industry Expertise • Procurement Analysis • Disparity Analysis • Qualitative Analysis 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Data Collection & Tracking</p> <p>Improve Outreach & Capacity Building</p>

¹ "Industry Expertise" refers the study team's public sector procurement expertise. "Benchmarking" refers to the public agency best practice benchmarking conducted.



Finding & Recommendation(s)	Potential Actions	Procurement Cycle(s)	Recommendation Source ¹	Supports Study Goal
Finding 4: The availability of all local businesses was greatest in County contracts and procurements worth less than \$100,000 and local business availability decreased as contract size increased.				
<p>Recommendation 4: Encourage unbundling of project scope to develop smaller dollar solicitations that allow more opportunities for LSMDBEs and local small non-profits (LSNPs) to participate</p>	<ul style="list-style-type: none"> Analyze standard contracts for opportunities to break out scope of work to be more accessible to LSMDBE vendors Utilize LSMDBE database recommended in findings 9 and 10 to better understand LSMDBE capabilities and availability Train staff on reviewing scope for LSMDBE/LSNPs opportunities Market or survey LSMDBE/LSNPs vendors to determine capabilities and availability for specific scopes of work 	<ul style="list-style-type: none"> Procurement Planning Scope and Requirements Development 	<ul style="list-style-type: none"> Procurement Analysis Qualitative Analysis Utilization Analysis Disparity Analysis 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Outreach & Capacity Building</p>
Finding 5: Strong internal support exists for more inclusive procurement policies, programs, and practices.				
<p>Recommendation 5: Communicate the County's support and commitment to conducting more inclusive procurements and the efforts being made to do so</p>	<ul style="list-style-type: none"> Develop communication plan for internal and external stakeholders that participate in procurement activities or interface with LSMDBEs Communicate and demonstrate executive support of programs/effort Share efforts internally and encourage discussion and suggestions from staff on inclusive procurement, practices, departmental challenges, and proposed solutions. 	<ul style="list-style-type: none"> Procurement Planning 	<ul style="list-style-type: none"> Procurement Analysis Industry Expertise 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Outreach & Capacity Building</p>



Finding & Recommendation(s)	Potential Actions	Procurement Cycle(s)	Recommendation Source ¹	Supports Study Goal
Finding 6: Although the County administrative policies encourage the use of local and small business suppliers and vendors, the County does not have small or local business programs to explicitly promote participation.				
<p>Recommendation 6a: Implement small/local business measures</p> <p>Note: Federally funded contracts and grants may not allow for local preference measures and this provision may need to be modified for these contracts.</p>	<ul style="list-style-type: none"> • Define goals and measures, as applicable, which may include: <ul style="list-style-type: none"> ▪ Local and small goals ▪ Local and small preference points (see recommendation 9b) ▪ Small business set-aside ▪ Mentor-Protégé program for larger projects (i.e., construction contracts) • Develop programs and update solicitation documents as needed • Develop and implement metrics for tracking local and small business performance and program effectiveness 	<ul style="list-style-type: none"> • Procurement Planning • Contract Award 	<ul style="list-style-type: none"> • Procurement Analysis • Qualitative Analysis • Industry Expertise 	<p>Refine Documents, Policies, & Programs</p> <p>Improve Outreach & Capacity Building</p>
<p>Recommendation 6b: Publish regular local, small business participation reports for transparency</p>	<ul style="list-style-type: none"> • Initially create reports that are available internally and aim to share externally on County website 	<ul style="list-style-type: none"> • Contract Award • Contract Management 	<ul style="list-style-type: none"> • Procurement Analysis • Industry Expertise 	<p>Improve Data Collection & Tracking</p> <p>Improve Outreach & Capacity Building</p>
Finding 7: County departments need additional support from central County procurement for general procurement and LSMDBE-targeted efforts.				
<p>Recommendation 7a: Update existing County procurement-related documentation to assist County Staff in addressing the needs of LSMDBEs</p>	<ul style="list-style-type: none"> • Revise procurement documentation to reduce barriers and encourage greater participation of LSMDBE vendors and suppliers in County procurements • Add language and procedures to improve LSMDBEs access to procurement opportunities • Remove unnecessary or overly burdensome requirements to create better access and bid on procurement opportunities 	<ul style="list-style-type: none"> • All 	<ul style="list-style-type: none"> • Procurement Analysis • Qualitative Analysis • Industry Expertise 	<p>Refine Procurement Documents, Policies, & Programs</p>



Finding & Recommendation(s)	Potential Actions	Procurement Cycle(s)	Recommendation Source ¹	Supports Study Goal
<p>Recommendation 7b: Provide County Staff (procurement and contract managers) LSMDBE-related training on a regular and ongoing basis</p>	<ul style="list-style-type: none"> Identify number of courses and develop curriculum to cover LSMDBE topics including but not limited to: <ul style="list-style-type: none"> The importance of Supplier Diversity LSMDBE definition Conducting LSMDBE Outreach Identifying opportunities to unbundle project scope to allow LSMDBE participation Parameters of Proposition 209 	<ul style="list-style-type: none"> All 	<ul style="list-style-type: none"> Procurement Analysis Industry Expertise 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Data Collection & Tracking</p>
<p>Recommendation 7c: Continue regular training, and develop refresher courses, for County staff on procurement policies and practices to foster greater consistency in the application of procurement practices</p>	<ul style="list-style-type: none"> Review existing procurement training courses and curriculum to develop refresher courses 	<ul style="list-style-type: none"> All 	<ul style="list-style-type: none"> Procurement Analysis 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Data Collection & Tracking</p>
<p>Finding 8: Most departments or divisions do not actively identify or seek out LSMDBEs or lack the resources, particularly staff time, to source LSMDBEs that can perform the work out for bid.</p>				
<p>Recommendation 8a: Implement recommendations 2/3, 7a, 7b, 7c, 9 and 10b to facilitate County-wide active identification of LSMDBEs for procurements</p>	<ul style="list-style-type: none"> See recommendations for 2/3, 7a, 7b, 7c, 9 and 10b 	<ul style="list-style-type: none"> Procurement Planning Sourcing/RFP Process Scope & Requirements Development 	<ul style="list-style-type: none"> Procurement Analysis Utilization Analysis Disparity Analysis Qualitative Analysis Industry Expertise 	<p>Refine Documents, Policies, & Programs</p> <p>Improve Data Collection & Tracking</p> <p>Improve Outreach & Capacity Building</p>



Finding & Recommendation(s)	Potential Actions	Procurement Cycle(s)	Recommendation Source ¹	Supports Study Goal
<p>Recommendation 8b: Develop LS MDBE identification and outreach requirements and guidelines</p>	<ul style="list-style-type: none"> • Assign general outreach responsibilities to a centralized procurement office/department • Develop outreach plan to establish level of outreach depending on procurement requirements • Identify, research, and develop a list of professional groups and other organizations for small businesses or minority-; woman-; veteran-; service-disabled veteran-; or LGBTQ+-owned businesses for inclusion in the outreach plan • Coordinate with non-profits, CBOs, and other supportive service organizations to identify LS MDBEs and support outreach efforts 	<ul style="list-style-type: none"> • Procurement Planning • Sourcing/RFP Process 	<ul style="list-style-type: none"> • Procurement Analysis • Utilization Analysis • Disparity Analysis • Qualitative Analysis • Industry Expertise 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Outreach & Capacity Building</p>
<p>Recommendation 8c: Identify top sub-industries for County procurements and develop outreach requirements and guidelines for industry trade associations</p>	<ul style="list-style-type: none"> • Examine the In-Scope Contract Log provided to the County by the Study team to assess procurement expenditures by sub-industries during the study period as well as future County procurement forecasts • Monitor industry sectors within California and the RGMA to determine which sub-industries offer more opportunities for small and micro businesses. • Identify, research, and develop a list of focus sub-industry trade associations and incorporate into the outreach plan 	<ul style="list-style-type: none"> • Procurement Planning • Sourcing/RFP Process 	<ul style="list-style-type: none"> • Utilization Analysis • Disparity Analysis • Qualitative Analysis • Industry Expertise 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Outreach & Capacity Building</p>



Finding & Recommendation(s)	Potential Actions	Procurement Cycle(s)	Recommendation Source ¹	Supports Study Goal
Finding 9: The County does not have a centralized database of LSMDBE firms. However, the County has recently implemented a new procurement management system, OpenGov, which may allow for the monitoring of LSMDBE firms.				
<p>Recommendation 9: Implement a vendor database that allows vendors to identify their LSMDBE business certifications, location, NAICS codes or other sub-industry classification codes, and average annual revenue</p>	<ul style="list-style-type: none"> • Determine if County’s new vendor management system (OpenGov) allows for the identification and tracking of all LSMDBEs • Ensure OpenGov provides access for prime contractors seeking LSMDBE vendors • Determine process for validating LSMDBE certifications on an ongoing basis • Consider including fields for tracking non-profits, including local and small, in OpenGov • See recommendation 13a for similar local small non-profit database 	<ul style="list-style-type: none"> • Procurement Planning • Sourcing/RFP Process • Evaluation • Contract Management 	<ul style="list-style-type: none"> • Procurement Analysis • Qualitative Analysis • Industry Expertise 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Data Collection & Tracking</p> <p>Improve Outreach & Capacity Building</p>
Finding 10: County departments do not currently collect or track LSMDBE contractor or subcontractor demographic information and metrics.				
<p>Recommendation 10a: Define LSMDBE demographic data to be tracked during key stages of the procurement cycle for informal and formal solicitations</p>	<ul style="list-style-type: none"> • Determine the data collection process and needed LSMDBE forms • Assess the benefit of implementing a supplier diversity specific software application • Coordinate with the update of key procurement documents (see Recommendation 7a). 	<ul style="list-style-type: none"> • Procurement Planning • Contract Award • Contract Management 	<ul style="list-style-type: none"> • Procurement Analysis 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Data Collection & Tracking</p>



Finding & Recommendation(s)	Potential Actions	Procurement Cycle(s)	Recommendation Source ¹	Supports Study Goal
Recommendation 10b: Set performance metrics to monitor the use of LSMDBEs	<ul style="list-style-type: none"> • Develop a metric to measure Diverse Supplier participation: number or percentage of small, local, or diverse businesses participating in the procurement process at each stage • Develop a metric to measure Diverse spend dollars or percentage of contracted dollars spent with small, local, or diverse businesses. 	<ul style="list-style-type: none"> • Procurement Planning • Contract Management 	<ul style="list-style-type: none"> • Procurement Analysis • Industry Expertise 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Data Collection & Tracking</p>
Recommendation 10c: Develop forms to collect prime and subcontractor bidder information for all firms submitting bids	<ul style="list-style-type: none"> • Include both accepted and rejected subcontractors • Analyze bidder information at least annually to review market area 	<ul style="list-style-type: none"> • Contract Management 	<ul style="list-style-type: none"> • Procurement Analysis • Industry Expertise 	<p>Improve Data Collection & Tracking</p>
Finding 11: The County does limited outreach, technical assistance, and training that targets LSMDBE suppliers and vendors.				
Recommendation 11a: Develop and implement outreach strategies to reach various groups of LSMDBEs	<ul style="list-style-type: none"> • Identify key LSMDBE demographic groups based on the County market area • Update and expand list of Community Based Organizations (CBOs) and Industry Associations on an ongoing basis • Conduct ongoing focus groups or outreach to stay up to date on LSMDBE needs • Develop outreach strategies to address identified needs 	<ul style="list-style-type: none"> • Procurement Planning • Scope and Requirements Development • Sourcing/RFP Process • Contract Management 	<ul style="list-style-type: none"> • Procurement Analysis • Qualitative Analysis • Disparity Analysis 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Outreach & Capacity Building</p>



Finding & Recommendation(s)	Potential Actions	Procurement Cycle(s)	Recommendation Source ¹	Supports Study Goal
<p>Recommendation 11b: Formalize a process to identify and outreach directly to LSMDBEs with relevant procurement opportunities as allowed under Proposition 209</p>	<ul style="list-style-type: none"> • Develop a set of guidelines for identifying LSMDBEs • Identify different approaches and media to conduct effective outreach • Review and Identify contracts and LSMDBE categories with greatest potential for subcontracting based on Supplier Diversity Study and other data • Send procurement opportunities directly to LSMDBEs via a targeted contact list • Conduct outreach to include LSMDBEs prior to pre-proposal meetings 	<ul style="list-style-type: none"> • Procurement Planning • Scope and Requirements Development • Sourcing/RFP Process 	<ul style="list-style-type: none"> • Procurement Analysis • Qualitative Analysis • Disparity Analysis 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Outreach & Capacity Building</p>
<p>Recommendation 11c: Facilitate networking events with prime contractors to help LSMDBEs gain subcontractor work</p>	<ul style="list-style-type: none"> • Develop guidelines for conducting networking events • Consider adding networking event as part of Request for Proposal (RFP) • Aim to conduct pre-proposal meetings with LSMDBE networking component 	<ul style="list-style-type: none"> • Procurement Planning • Scope and Requirements Development • Sourcing/RFP Process • Contract Award • Contract Management 	<ul style="list-style-type: none"> • Procurement Analysis • Qualitative Analysis 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Outreach & Capacity Building</p>
<p>Recommendation 11d: Develop a dedicated LSMDBE webpage with links to useful resources to become a vendor and how to do business with the County</p>	<ul style="list-style-type: none"> • Review similar agencies for key information to include on webpage • Determine County LSMDBE programs and initiatives to be included on the webpage • Include forms, FAQs, tutorials, open solicitations, County contacts, etc. • Consider creating a vendor/supplier feedback form to gather information on county procurement process 	<ul style="list-style-type: none"> • Sourcing/RFP Process 	<ul style="list-style-type: none"> • Procurement Analysis • Qualitative Analysis 	<p>Improve Outreach & Capacity Building</p> <p>Improve Data Collection & Tracking</p>



Finding & Recommendation(s)	Potential Actions	Procurement Cycle(s)	Recommendation Source ¹	Supports Study Goal
<p>Recommendation 11e: Develop workshops, technical assistance, and reference documents to help LSMDBEs navigate County procurement processes and respond to requirements</p>	<ul style="list-style-type: none"> • Partner with supportive service organizations to help LSMDBEs and non-profits to build capacity, understand procurement requirements, bonding & insurance requirements, and provide technical assistance, etc. • Consider workshop topics for regularly occurring meetings: <ul style="list-style-type: none"> ▪ Doing Business with the County ▪ Procurement Process ▪ Proposal Writing ▪ Marketing and Teaming ▪ Reporting and Invoicing ▪ Meeting Insurance Requirements 	<ul style="list-style-type: none"> • Sourcing/RFP Process • Contract Management 	<ul style="list-style-type: none"> • Procurement Analysis • Qualitative Analysis 	<p>Improve Outreach & Capacity Building</p>



Finding & Recommendation(s)	Potential Actions	Procurement Cycle(s)	Recommendation Source ¹	Supports Study Goal
<p>Finding 12: LSMDBEs have limited resources, capacity, and/or experience to meet County procurement requirements. Some requirements may be too stringent for LSMDBE firms such as insurance, invoicing, and reporting requirements for certain funding sources.</p>				
<p>Recommendation 12a: Develop a debriefing procedure that provide specific and useful feedback to vendors</p>	<ul style="list-style-type: none"> • Determine a standard for when debriefs must be conducted • Consider adding debriefing language to bid documents and post-award outreach • Ensure competition sensitive or confidential information from selected vendors, including pricing information, is not disclosed, as applicable. • Conduct debriefings with LSMDBE firms to ascertain specific LSMDBE procurement challenges and needs • Conduct follow-up surveys with LSMDBEs that downloaded RFP but did not submit a proposal • Regularly evaluate debrief feedback by bidder categories to better understand challenges, and potential for improvement. 	<ul style="list-style-type: none"> • Procurement Planning • Sourcing/RFP Process • Contract Award 	<ul style="list-style-type: none"> • Procurement Analysis • Qualitative Analysis • Industry Expertise 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Outreach & Capacity Building</p>
<p>Recommendation 12b: Reevaluate base insurance requirements with emphasis on degrees of risk rather than preset requirements for all contracts</p>	<ul style="list-style-type: none"> • Review and set standards/guidelines of insurance requirements based on the risk for the contract (e.g., cyber insurance threshold of \$5M may be too high for most LSMDBEs) • Consider revising contract language to allow and encourage prime contractors to lower insurance requirements for subcontractors when possible 	<ul style="list-style-type: none"> • Procurement Planning • Scope and Requirements Development • Contract Award 	<ul style="list-style-type: none"> • Procurement Analysis • Qualitative Analysis 	<p>Improve Outreach & Capacity Building</p> <p>Refine Procurement Documents, Policies, & Programs</p>



Finding & Recommendation(s)	Potential Actions	Procurement Cycle(s)	Recommendation Source ¹	Supports Study Goal
<p>Finding 13: Concern exists that requiring vendors to be certified as LSMDBEs as well as verifying certification would be administratively burdensome for the County and that it may make the County less desirable for vendors who may see certification as burdensome.</p>				
<p>Recommendation 13a: Develop a certification policy that leverages external certifying agency certifications</p>	<ul style="list-style-type: none"> • Identify regional certifying agencies with comparative LSMDBE standards to County needs • Develop certification eligibility and other policies • Revise solicitation documents to include certification and small and local small business program measures such as goals, preferential points, or set-asides 	<ul style="list-style-type: none"> • Procurement Planning • Sourcing/RPF Process • Scope and Requirements Development • Evaluation • Contract Management 	<ul style="list-style-type: none"> • Procurement Analysis • Qualitative Analysis 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Data Collection & Tracking</p> <p>Improve Outreach & Capacity Building</p>
<p>Recommendations 13b: Identify and provide access to resources for LSMDBEs to obtain certification assistance</p>	<ul style="list-style-type: none"> • Develop partnerships with organizations who offer small and diverse business certification assistance • Develop list of organizations that provide certification support to LSMDBEs 	<ul style="list-style-type: none"> • Procurement Planning 	<ul style="list-style-type: none"> • Procurement Analysis • Qualitative Analysis 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Outreach & Capacity Building</p>
<p>Recommendation 13c: Consider implementing a local, small and micro business preference program</p>	<ul style="list-style-type: none"> • Determine procurement parameters (evaluation factors, contract types, etc.) where program will apply • Determine the preference program dollar threshold for construction and professional services contracts • Determine preference percentage and points for local, small business participation • Develop preference program plan that details eligibility requirements 	<ul style="list-style-type: none"> • Procurement Planning • Scope and Requirements Development • Evaluation 	<ul style="list-style-type: none"> • Procurement Analysis • Qualitative Analysis • Disparity Analysis • Industry Expertise 	<p>Refine Procurement Documents, Policies, & Programs</p>



Finding & Recommendation(s)	Potential Actions	Procurement Cycle(s)	Recommendation Source ¹	Supports Study Goal
<p>Recommendation 13d: Consider implementing a local and small business overall County goal for certain identified procurements</p>	<ul style="list-style-type: none"> • Develop a local and small business goal plan and procedures to include: <ul style="list-style-type: none"> ▪ Size and types of procurements ▪ Exceptions ▪ Good Faith Efforts ▪ Subcontract terminations ▪ Etc. 	<ul style="list-style-type: none"> • Procurement Planning • Scope and Requirements Development • Evaluation • Contract Management 	<ul style="list-style-type: none"> • Procurement Analysis • Qualitative Analysis • Disparity Analysis • Industry Expertise 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Data Collection & Tracking</p>
<p>Finding 14: County solicitation documents do not provide opportunities for local, smaller non-profits (LSNPs) to participate, and it is difficult to locate available local, small non-profits.</p>				
<p>Recommendations 14a: Develop a local non-profit database</p>	<ul style="list-style-type: none"> • Determine if County can utilize new online procurement system (OpenGov) to identify LSNPs or develop separate LSNP database • Outreach to LSNPs to register for online system • Outreach to larger nonprofits to identify LSNP subcontractors via online system 	<ul style="list-style-type: none"> • Procurement Planning • Scope and Requirements Development • Sourcing/RFP Process 	<ul style="list-style-type: none"> • Procurement Analysis 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Data Collection & Tracking</p> <p>Improve Outreach & Capacity Building</p>
<p>Recommendations 14b: Consider implementing local, small non-profit preference programs</p>	<ul style="list-style-type: none"> • Develop LSNP preference programs similar to recommended LSMDBE programs • Revise solicitation documents to include LSNP preferences • Revise evaluation criteria to include factors for use of LSNPs 	<ul style="list-style-type: none"> • Procurement Planning • Scope and Requirements Development 	<ul style="list-style-type: none"> • Procurement Analysis • Industry Expertise 	<p>Refine Procurement Documents, Policies, & Programs</p> <p>Improve Data Collection & Tracking</p> <p>Improve Outreach & Capacity Building</p>



Finding & Recommendation(s)	Potential Actions	Procurement Cycle(s)	Recommendation Source ¹	Supports Study Goal
<p>Recommendations 14c: Review solicitations and determine if unbundling requirements for LSNPs is possible</p>	<ul style="list-style-type: none"> • Survey LSNPs to determine capabilities, capacities, and challenges with County procurements • Unbundle solicitations to allow LSNPs to respond and capture contracts 	<ul style="list-style-type: none"> • Procurement Planning • Scope and Requirements Development 	<ul style="list-style-type: none"> • Procurement Analysis • Qualitative Analysis • Industry Expertise 	<p>Refine Procurement Documents, Policies, & Programs</p>

