



# City of Chula Vista

## Staff Report

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**File#:** 16-0551, **Item#:** 15.

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### CONSIDERATION OF ADOPTING A CITY COUNCIL POLICY TO ESTABLISH A DISABLED VETERANS AND SMALL BUSINESS ENTERPRISE PROGRAM

RESOLUTION NO. 2016-265 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ADOPTING A CITY COUNCIL POLICY ESTABLISHING A DISABLED VETERANS AND SMALL BUSINESS ENTERPRISE PROGRAM

#### **RECOMMENDED ACTION**

Council adopt the resolution.

#### **SUMMARY**

At the request of the Veteran's Advisory Commission, the City Attorney's Office has drafted a City Policy to establish a program to encourage and facilitate the participation of state-certified Disabled Veterans Business Enterprises ("DVBES") and Small Business Enterprises ("SBEs") in City contracting by establishing a three percent (3%) participation goal for contractors submitting bids on City contracts.

#### **ENVIRONMENTAL REVIEW**

##### **Environmental Notice**

The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

##### **Environmental Determination**

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because it involves only adoption of a policy that governs how contracts are reviewed and awarded and therefore is an organizational or administrative activity of government that will not result in a direct or indirect physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is required.

#### **BOARD/COMMISSION RECOMMENDATION**

The Chula Vista Veteran's Advisory Commission recommends that the City Council adopt the policy.

#### **DISCUSSION**

Disabled Veterans have made immeasurable sacrifices to protect the citizens of this country. These sacrifices have not gone unnoticed. The State and various local agencies, whether city or county, have enacted certain programs to assist Disabled Veterans and provide them with opportunities in

order to participate in the procurement of State and local contracts. Such programs are called “Disabled Veterans Business Enterprise” programs. Similar programs also exist for small businesses. Small businesses tend to be economic drivers of local economies, so their growth is an important aspect of the success and growth of communities. However, small businesses often don’t have sufficient understanding of government contracting practices to participate in a meaningful way in the government contracting process, so agencies have established “Small Business Enterprise” programs. Through the creation of a Disabled Veterans and Small Business Enterprise program, the City seeks to recognize the sacrifices of veterans, address some of the unique challenges faced by DVBEs and SBEs, and level, to the extent possible, the landscape for such businesses so they may participate meaningfully in the City’s contracting process.

The proposed DVBE and SBE Program is modeled after many in the state, including that of the County of San Diego. It seeks to encourage the utilization and participation of DVBEs and SBEs in the City procurement process to the extent practicable. The main element of the DVBE and SBE Program is a three-percent (3%) participation goal. This participation goal applies to all prime contractors, with certain exceptions, bidding on and intending to use subcontractors on City contracts. It requires that such contractors make Good Faith Efforts, as defined in the City Policy, to obtain the participation of DVBEs and SBEs as subcontractors and to meet or exceed the 3% DVBE and SBE subcontractor participation goal.

Contractors will be informed of the procedures, processes and actions that they may perform to satisfy the Good Faith Efforts requirement. The efforts must be documented, so they can be reviewed and verified by the City. Bidders who fail to make such Good Faith Efforts will be considered “non-responsive” and disqualified from award.

When implemented, the DVBE and SBE Program will provide opportunity and information to disabled veterans and small businesses. It will assist in the rehabilitation of disabled veterans, encourage entrepreneurship and ultimately benefit the City.

#### **DECISION-MAKER CONFLICT**

Staff has reviewed the decision contemplated by this action and has determined that it is not site specific and consequently, the 500-foot rule found in California Code of Regulations section 18705.2 (a)(11), is not applicable to this decision. Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

#### **LINK TO STRATEGIC GOALS**

The City’s Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. The proposed actions support the Economic Vitality strategy to promote an environment for residents and businesses to prosper and the Connected Community Strategy promotes providing opportunities that enrich the community’s quality of life.

#### **CURRENT YEAR FISCAL IMPACT**

Staff does not anticipate any fiscal impacts to the General Fund as a result of this program.

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**ONGOING FISCAL IMPACT**

Staff does not anticipate any ongoing fiscal impacts to the General Fund as a result of this program.

**ATTACHMENTS**

1. City of Chula Vista Disabled Veterans and Small Business Enterprise Program Policy

*Staff Contact: David Miller, Deputy City Attorney*