

San Mateo County
TRANSIT DISTRICT

Caltrain **samTrans**

Small Business Enterprise Program

February 2, 2012

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Background

- **Small business element required by U.S. Department of Transportation**
 - Race-neutral
 - Small business definition ensures level playing field
 - DBEs are small businesses
 - SBE program submission – February 2012

“Fostering small business participation benefits the DBE Program”
- USDOT

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Internal SBE Evaluation Committee

- **Cross section of Agency representation**
- **Committee evaluated more than 15 options**
 - Goal-based versus Preference-based versus Small Business Set-aside
 - California Department of General Services
 - Santa Clara Valley Transportation Authority
 - San Francisco Municipal Transportation Agency
 - Others

DBE Review Committee

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Preference program most beneficial for Agency

- **Public Contract Code 2002**
- **Consistent with AB 116 (best value)**
- **Preferable to good faith efforts**
- **Apply to all contracts**
- **DBE exception**

Recommend a comprehensive SBE program

- One of three price quotations from a small business for informal procurements
- SBE/DBE database for sourcing needs
- Facilitate interaction between prime contractors and subcontractors
- Applying a 5 percent SBE bid or point preference when small businesses are utilized

Budgetary impact

- No impact with first 3 elements
- 5 percent SBE Bid preference may have a budget impact
 - Limited to Invitation for Bids (IFBs)
 - Impact may not materialize
 - Preference capped at \$50,000

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Example of SBE Bid Preference

Illustration of SBE Bid Preference Evaluation Adjustment
For Construction (Public Works) Contracts Awarded on the Basis of Lowest Responsible Bid
An SBE Goal must be established and publicized in the IFB

	Bid Amount \$	SBE Goal	Total SBE Utilization \$	Total SBE Utilization %	SBE Preference Adjustment \$	Adj. Bid Evaluation \$
	(a)	(assume)	(b)	(c) = (b)/(a)	(d) = (Preference to be assigned from below)	(f) = (a) - (e)
Prime A	\$ 998,000.00	20.0%	\$ -	0.0%	\$ -	\$ 998,000.00
Prime B	1,048,000.00	20.0%	500,000.00	47.7%	49,900.00	998,100.00
Prime C	1,096,000.00	20.0%	150,000.00	13.7%	-	1,096,000.00
Prime D (SBE)	1,036,000.00	20.0%	1,036,000.00	100.0%	49,900.00	986,100.00

Winning Bid = Prime D, which has an adjusted bid of \$986,100 for evaluation purposes, but will be awarded a contract at its bid price of \$1,036,000

Maximum Preference = 5% of lowest bid (up to a maximum cap of \$50,000)
 Lowest Bid = 998,000.00
 Preference to be assigned = 49,900.00

Bidders A and C did not meet the agency goal of 20% and were not given the SBE preference. (No good faith effort required.)


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SBE Implementation Schedule

- Executive Team – January 2012
- Board of Directors – February 2012
- Plan submission to FTA – Feb. 28, 2012
 - Revised DBE Program
- FTA approval – March 2012
- Roll-out – April 2012
- Vendor and Contractor Outreach Event – April/May 2012
 - Internal staff invited and encouraged to attend
- Vendor and Contractor Education – on-going
 - Pre-bid and Pre-proposal meetings

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Questions

