



Memorandum

TO: RULES AND OPEN
GOVERNMENT COMMITTEE

FROM: Kim Welsh

SUBJECT: SMALL BUSINESS DEVELOPMENT
COMMISSION ANNUAL REPORT

DATE: October 12, 2011

Approved

Date

10/12/11

RECOMMENDATION

It is recommended that the Rules Committee take the following actions related to the Small Business Development Commission:

- (a) Approve the Annual Report for 2010; and
- (b) Approve the 2011 Workplan as Recommended by Staff.

BACKGROUND

The Small Business Development (SBD) Commission is responsible for the following under section 2.08.4330 of the Municipal Code:

- A. Study, review and make recommendations to the Council and/or Redevelopment Agency Board and the City Manager and the Executive Director of the Agency regarding the following areas:
 - 1. The City's nondiscrimination/ non-preferential treatment program and nondiscrimination and non-preferential treatment policies in the City of San José.
 - 2. The City's minority business enterprise/ women business enterprise program and disadvantaged business enterprise programs and policies for federally funded projects.
 - 3. The City of San José's progress in meeting its nondiscrimination/non-preferential treatment program objectives.
 - 4. The City of San José's progress in increasing participation by small businesses in City contracts.

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- B. Study and submit reports as requested by the Council or Redevelopment Agency Board, the City Manager or Executive Director of the Agency.
- C. Perform other functions as requested by the Council or Redevelopment Agency Board.

OUTCOME

Approval of the Annual Report and Workplan as Recommended by staff will provide the SBD Commission with guidance regarding their activities.

ANALYSIS

The Commission's Annual Report covers the 2010 calendar year.

The workplan elements contained in Attachment B and Attachment C reflect the SBD Commission's proposed activities for the 2011 calendar year as required annually of commissions. This is the first year that the Commission has worked under the quarterly meeting structure and with a diminished staff support level. The Commission has proposed 18 activities for the year of which the following are related to their responsibilities as listed in section 2.08.4330 of the Municipal Code:

- Schedule quarterly or semi-annual classes (training/workshop) for Small Business Enterprise on the ABCs of how to be successful with San José City contracts.
- Make self-paced versions of the classes available online so those that could not attend the instructor-led classes can access them online.
- Publish procurement opportunities using Councilmember Newsletters, TV community bulletins, and brochures (to be available on City Building lobbies) as well as City web site.
- Organize semi-annual procurement fairs.
- Advocate for very simple contract procedures for very small contracts.
- Prepare and present Mentor-Protégé program proposal to the Council for approval.
- Facilitate the Council approval of the Mentor-Protégé program.
- Request that quarterly procurement updates be presented to SBD Commission.

The large number of non-procurement activities exceeds the ability of staff to properly support. In addition, despite the Commissioners' expansive workplan recommendations, many of the ad-hoc committees have faced significant difficulties meeting as permitted by the Brown Act between regular Commission meetings.

Although Council has approved SBD Commission workplans previously that included non-procurement issues, Council's FY2010-11 budget direction was to return to the original intent of the Boards and Commissions.

Returning to the core scope listed in the Municipal Code will allow the Commissioners to continue to contribute to the City of San José by refocusing their energy on goals which are both meaningful and achievable. The attached Workplan as Recommended by Staff (Attachment B),

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therefore, reflects a staff proposal in which a number of Commission recommendations, those that do not relate to procurement, have been removed. Given that the City has significantly fewer resources, should the Commission wish to pursue the additional actions staff time could not be allocated to support any Commission-proposed projects that would require significant staff time.

Those Commission proposals which are not consistent with the Municipal Code and therefore not recommended by staff, are contained in the attached Commission Proposed 2011 Workplan Elements Not Within Commission Scope (Attachment C).

COORDINATION

This document has been coordinated with the City Attorney's Office.

/s/

KIM WALESH
Director of Economic Development
Chief Strategist

For questions please contact Dhez Woodworth, Economic Development Officer at (408) 794-1231.

Attachments:

Attachment A: Annual Report for 2010

Attachment B: 2011 Workplan as Recommended by Staff

Attachment C: Commission Proposed 2011 Workplan Elements Not Within Commission Scope

ANNUAL REPORT FOR 2010

	OBJECTIVE FOR 2010	TIMEFRAME	STATUS & ACCOMPLISHMENT	FUTURE TARGET/GOALS
1	Increase and enhance small and disadvantaged business participation in City contracts and vending opportunities.	Ongoing	1. Continued to work with the Airport subcontracting program through its completion, Spring 2010.	Identify 2011 program presentation preferences.
			2. Reviewed survey of businesses regarding experience with City procurements.	Determine the timeline for future small business surveys. Utilize increased technology resources.
			3. Reviewed contracts awarded throughout the year.	
			4. Continued to review DBE programs throughout the year, hosting City department presentations/reports.	
2	Improve the use and effectiveness of City programs that assist small and disadvantaged businesses.	Ongoing	1. Increased SBD Commission participation in various small business fairs - attended the Festiv'All event hosted by a number of Chambers (Black, Hispanic, Portugese, Chinese, et.al.).	Obtain calendars of events from all Chambers of Commerce to determine the best opportunity events to attend.
			2. Assisted in City outreach regarding City business assistance fairs.	Obtain a list of City business assistance fairs for 2011.
			3. Worked closely with diverse Chambers of Commerce to increase participation beyond traditional relationships.	
			4. Co-hosted with existing networking events for businesses to exchange opportunities.	

ANNUAL REPORT FOR 2010

OBJECTIVE FOR 2010	TIMEFRAME	STATUS & ACCOMPLISHMENT	FUTURE TARGET/GOALS
		5. Explored unique opportunities and training for San Jose businesses in collaboration with Chambers of Commerce.	Maintain communication with the Chambers of Commerce for opportunities to collaborate.
		6. Made a recommendation to Council that the single-use bag ban include an evaluation of the impacts on businesses.	
3 Increase public awareness of the existence, mission, and activities of the SBDC.	2010	1. Established a committee on public awareness and met regularly throughout the year.	Follow up on 4/8/08 memo to Mayor and City Council on Proposed Change in Ordinance of Commission.
		2. Developed a workplan for the Public Awareness committee that supports the SBDC mission.	
		3. Continued meeting as a commission at alternative locations.	
		4. Continued with presentations by business partner stakeholders to gain awareness of other available services and opportunities.	

2011 Workplan as Recommended by Staff

Objective for 2011	Area	Actions	Timeframe
Provide more contract Literacy Awareness Programs	Procurement	Schedule quarterly or semi-annual classes (training/workshop) for SBE on the ABC of how to be successful with San Jose City contracts	2 nd Quarter
Provide more contract Literacy Awareness Programs	Procurement	Make self-paced version of the classes available online so the those that could not attend the instructor-led classes can access them online	4 th Quarter
Market contract opportunities adequately to San Jose residents	Procurement	Publish procurement opportunities using Councilmember Newsletters, TV community bulletins, and brochures (to be available on City Building lobbies) as well as City web site.	3 rd Quarter
Market contract opportunities adequately to San Jose residents	Procurement	Organize semi-annual procurement fairs	3 rd Quarter
Designate some contracts as "Small Business Set-Aside"	Procurement	Advocate for very simple contract procedure for very small contracts (e.g. below \$50,000)	3 rd Quarter
Facilitate Mentor-Protégé program	Procurement	Prepare and present Mentor-Protégé program proposal to the City Council for approval	2 nd Quarter
Facilitate Mentor-Protégé program	Procurement	Facilitate the City Council approval of the Mentor-Protégé program	2 nd Quarter
Monitor procurement pipeline and Awards	Procurement	Request that quarterly procurement updates be presented to SBDC quarterly	2 nd , 3 rd , and 4 th Quarters

Commission Proposed 2011 Workplan Elements Not Within Commission Scope

The following Workplan elements proposed by the Small Business Development Commission are not within the scope of the Commission’s responsibilities as reflected in section 2.08.4330 of the Municipal Code.

Objective for 2011	Area	Actions	Timeframe
Provide Awareness that Small Business Development Commission exists	Awareness	Assign Commissioners to each councilmember for a direct discussion about the commission’s function, accomplishments, current work plan, and the support we will need from them to make our commission more effective.	2 nd Quarter
Provide Awareness that Small Business Development Commission exists	Awareness	Encourage council members to invite us to awareness sessions in their district. (Re-active? Pro-active?)	2 nd Quarter
Provide Awareness that Small Business Development Commission exists	Awareness	Commissioners to report their efforts at each commission meeting	2 nd , 3 rd , and 4 th Quarters
Provide awareness about existing City Business Services	Awareness	Appoint Liaisons to Business Associations and Chambers - Attend various chamber and business association meetings, in addition to inviting them to our meetings	2 nd Quarter
Provide Awareness that Small Business Development Commission exists	Awareness	Organize a public Input session that integrates presentation about SBD Commission	2 nd Quarter
Provide Awareness that Small Business Development Commission exists	Awareness	Create a message	2 nd Quarter

Commission Proposed 2011 Workplan Elements Not Within Commission Scope (continued)

Objective for 2011	Area	Actions	Timeframe
Provide Awareness that Small Business Development Commission exists	Awareness	Prepare brochure and other marketing collaterals	2 nd Quarter
Provide Awareness that Small Business Development Commission exists	Awareness	Take advantage of CreaTV and SJ Mercury News as media tools	2 nd Quarter
Identify and Support Job Creating Projects	Job Creation	Develop capacity to support Chinese (Foreign?) investment	2 nd Quarter
Identify and Support Job Creating Projects	Job Creation	Identify potential tourist attractions (e.g.: adventure zone)	2 nd Quarter