

**DEPARTMENT OF WATER RESOURCES  
FY 2013/2014  
DVBE IMPROVEMENT PLAN**



**Business Services Office**

**I. Summary of DVBE Participation**

In Fiscal Year (FY) 2013/2014, Department of Water Resources (DWR) expenditures for construction, personal services, commodities and IT services and goods totaled \$351,102,439. DWR posted 2.62 percent DVBE percent participation reflecting a 1 percent decline in DVBE expenditures.

By category DWR's DVBE expenditures and participation levels for FY 2013/2014 are:

	<b>Total FY Expenditures</b>	<b>DVBE Expenditures</b>	<b>DVBE Participation %</b>
<b>Construction</b>	\$ 37,299,967	\$ 631,517	1.7
<b>Non-IT Services</b>	\$ 236,328,924	\$ 1,849,199	.8
<b>Commodities</b>	\$ 38,439,219	\$ 2,412,612	6.3
<b>IT Goods/Services</b>	\$ 36,116,317	\$ 4,297,998	11.9
<b>CAL CARD</b>	\$ 2,918,012	\$ 9,005	.3
<b>Combined Total <sup>1</sup></b>	\$351,102,439	\$9,200,331	2.6

**II. Explain Why the Participation Goal Was Not Achieved**

***CONSTRUCTION SERVICES - DIVISION OF ENGINEERING (DOE)***

State Contract Act (SCA) contracts issued out of DWR's Division of Engineering did not meet DVBE program goals this year. Five (5) of the 15 contracts issued, i.e. thirty (30) percent, produced a total of \$631,517 (or 1.7 percent) for DVBE subcontracting participation. In 2009, with the abolishment of the Good Faith Effort, the Department made a management decision to include DVBE, but set the goal at zero, leaving potential bidders the decision whether or not to take advantage of the DVBE Incentive and include DVBE subcontractors. This management decision was determined to be in the best interest of DWR and is predicated on insuring our ability to provide State Water Project mission critical services without interruption.

<sup>1</sup> Data Source: SAP (Transaction codes – ZSMDV; ZMMBIDOPT) CITS; DOE; US Bank)

### **NON-IT SERVICES**

DWR awarded 163 contracts totaling \$236 million dollars for personal and professional services, including \$93 million for A&E services of which the DVBE community received \$814,000. The personal service sector received 159 contracts which included DVBE subcontractor expenditures totaling \$1.035 million. Between personal and professional services, \$1.84 million was subcontracted to DVBE firms for 0.8 percent DVBE participation overall.

Factors encountered in FY 13/14 affecting the Department's ability to meet DVBE goals include:

- DWR implemented rigorous reviews of scopes of work for DVBE program opportunities when the Good Faith Effort was abolished in 2009. As a result, contract efforts not previously exempt from DVBE program requirements are now exempt because we cannot risk a failed award due to bidder's inability to meet DVBE requirements causing potential disruption of mission critical services. The result is fewer contracts require DVBE participation. Two such contracts include this year's hydro-electric and State Water Project equipment maintenance services.
- DWR exempts contracts for specialized services such as financial, legal, bond, expert witness, board membership consultants, specialized equipment certification, and engineering consulting. Some services are so specialized they are a "product of the mind" having no tangible product and no opportunity for DVBE subcontracting. In these instances, the contract receives a formal DVBE program exemption.
- Use of the DVBE Option is a challenge. Except for commodities purchases, we have been unsuccessful in locating qualified and interested DVBE firms willing to respond to solicitations using Option guidelines. This challenge is compounded by the fact that DWR has remotely located field division and regional offices with few certified DVBE firms located in these areas. As a result, no personal service contracts to DVBEs were issued using the Option.
- Use of DGS or other state entity Master Services Agreements (MSA), such as security services. These contracts do not require DVBE participation yet contract awards must be included in the annual report which dilutes the calculation of DVBE percentage participation. This year eight contracts were issued to Inter-Con for a total of \$5.8 million dollars.

### **COMMODITIES**

DWR's commodity buyers continue to exceed DVBE program mandates achieving 6.3 percent DVBE participation overall. Each of the Department's five field divisions exceeded DVBE participation achieving between 9.6 percent and 13.5 percent.

### **CAL-CARD**

Total Cal-Card expenditures were \$2.9 million with \$9,005 to DVBE firms for 0.3 percent participation. A great number of CAL-Card users are in remote locations doing field work. Immediate needs for equipment/supplies are procured from the closest vendor possible and there are few DVBE firms. Our average CAL-Card transaction for FY 2013/2014 was \$311.

### **III. Plan to Enhance Contracting Opportunities for DVBE**

#### **A. Policy**

Review existing internal policies and, when appropriate, recommend updated or new DVBE policy to ensure they reflect the current program purposes, goals and new legislative mandates.

#### **B. Collaborative Efforts**

- a. Engage DWR line-staff, program staff, and mid and executive management levels to keep DVBE opportunities at the forefront.
- b. Support DVBE program activities through collaborative efforts with DOE A&E contract staff, headquarters/field division buyers and contract specialists by helping them further identify additional DVBE opportunities.
- c. Work with DWR prime A&E firms using the DVBE-by-Task Order process to engage them more effectively.
- d. Work with Headquarters (HQ) and field division buyers to identify additional/new DVBE firms to increase participation in the commodity sector to help off-set shortfalls in other sectors.
- e. Work with programs to identify potential services for DVBE Option opportunities.
- f. Work with Headquarters CAL-Card administrator to educate CAL-Card users and help them understand and follow DVBE best procurement practices to increase participation.

#### **C. Contracting Practices**

- a. Attend solicitation pre-bid conferences to discuss DVBE program requirements.
- b. Create lists of DVBE firms that provide related SOW goods/services
- c. Meet with program staff prior to solicitation development to discuss the scope of work to identify potential DVBE services.
- d. Assist prime firms to meet DVBE program requirements; provide pre-review of their DVBE documentation to ensure compliance.
- e. Meet with contract program managers and firms awarded A&E contracts to provide an overview and performance expectations for task order-based DVBE requirements.
- f. Research DVBE firms potentially qualified as a prime contractor and require solicitations be sent directly to DVBE firms inviting their participation.
- g. Provide continued training on the use of the DVBE Option, DVBE Incentive, and program requirements.

### **IV. Planning and Advocacy**

FY 2014/2015 planning and advocacy activities include:

- a. Work with program staff to identify services that lend themselves to the DVBE Bid Option; provide DVBE certified firm lists for staff to use with the Option process.
- b. Visit DWR field divisions to meet and conduct training for contracting and buying staff to assist them in enhancing DVBE program opportunities.

- c. Continue attending CDVA and DGS DVBE sponsored outreach events to increase DWR's visibility and networking opportunities.
- d. Develop DWR sponsored collaborative workshops for prime bidder/DVBE subcontractor opportunities for DWR's bond funded levee repair contracts.
- e. Create awards to acknowledge a division's accomplishments in DVBE participation achievements for buyer and contract staff.
- f. Issue a quarterly report card to be broadcast throughout the Department to managers, buyers and contract staff to keep them apprised of the of our DVBE goals and accomplishments.

## **V. Monitor and Continuously Improve**

FY 2014/2015 monitoring activities and program improvements include:

- a. Monitor DWR CSCR advertised solicitations to track the DVBE bid requirements and resulting DVBE prime and subcontract awards.
- b. Monitor DWR Contract Information Tracking System (CITS) to ensure it captures all DVBE prime or sub-contractor awards for the services sectors.
- c. Monitor prime contractor DVBE activity to ensure prime contractor meets their DVBE obligation.
- d. Meet with buyer/contract staff to help them in identifying ways to improve their DVBE participation performance levels
- e. Monitor DVBE participation by program and division monthly and notify the respective groups of their participation levels.
- f. Monitor contractor quarterly reports to ensure goals are being met; follow up with firms falling short of contract goals.