



# Inclusive Contracting Toolkit

January 23, 2024



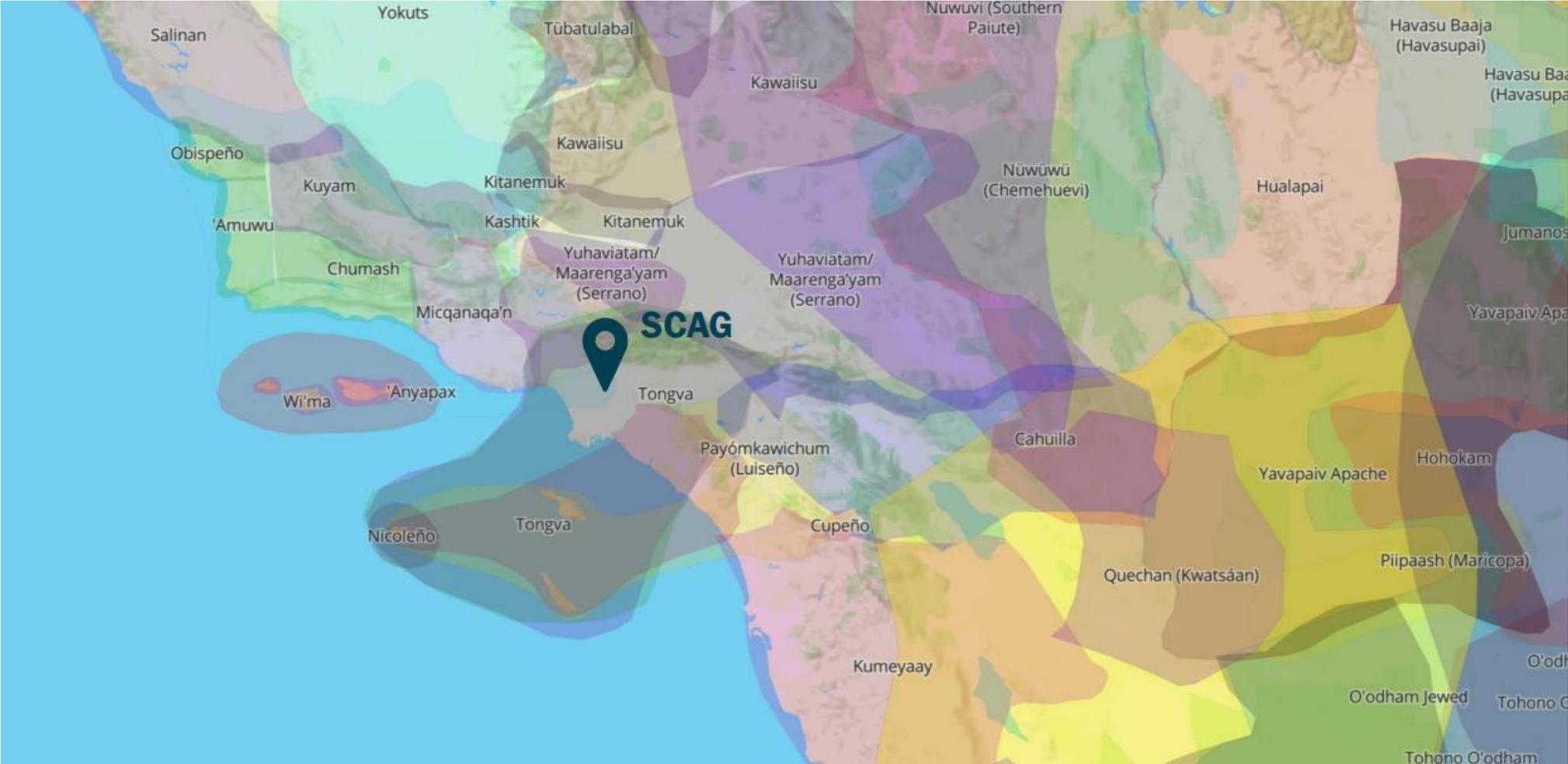
[WWW.SCAG.CA.GOV](http://WWW.SCAG.CA.GOV)

# Housekeeping

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1. Meeting length: 1:00 – 2:30p.m.
2. All participant lines will be muted
3. At the end, there will be a Q&A session
4. If you have a question during the presentation, please type it into the chat box
5. This meeting is being recorded. The recording and PowerPoint slides will be available on the SCAG website. We will send a link to everyone who has registered after the event

# Land Acknowledgement



## **We want to know...**

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- What type of organization are you representing today?
- Where are you joining from?
- In what capacity are you involved in the procurement and contracting of goods/services at your organization?



**Fill out the poll on  
your screen!**

# Agenda

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- Inclusive Economic Recovery Strategy (IERS) Overview
- Inclusive Contracting Toolkit
  - Why This Matters
  - Recommended Immediate Actions
  - Strategies and Tactics
  - Examples
    - Children's Hospital Los Angeles
    - Port of Long Beach
    - County of Orange
    - Southern California Edison
- Q&A



An aerial, top-down view of a city street intersection. The street has multiple lanes with yellow and white lane markings. A prominent yellow crosswalk is visible in the center. Several cars are parked along the sides of the street, and a few are in motion. The surrounding area includes residential buildings with brown roofs on the left and a larger commercial building on the right. There are trees and utility poles scattered throughout the scene.

# INCLUSIVE ECONOMIC RECOVERY STRATEGY

00:00:05:00

## HR&A ADVISORS, INC.

Jill Schmidt Bengochea is a Director in the Los Angeles Office, supporting public and private sector clients on parks and open space projects, neighborhood and master plans, and equitable policy development. Prior to joining HR&A, Jill was a Senior Project Manager at the Brooklyn Navy Yard where she managed historic rehabilitation and ground-up developments to support inclusive economic development. Jill holds a Masters in Urban Planning from the Harvard Graduate School of Design and a Bachelor of Arts in International Studies from the University of Oregon.



# Supporting Small Businesses

## INCLUSIVE CONTRACTING TOOLKIT

Southern California Association of Governments

NOVEMBER 2023



Strategy | GROW PROFESSIONAL NETWORKS



### Advertise Solicitations with Community-Based Organizations Connected to Disadvantaged Businesses

Community-based organizations (CBOs) and business support organizations can assist procurement professionals by directly advertising and promoting solicitations to historically disadvantaged businesses. These partnerships can enable contracting agencies and organizations to reach a larger pool of prospective respondents, particularly historically disadvantaged businesses.

#### PROBLEM TO SOLVE

**Buyers:** Contracting agencies and organizations struggle with limited responses to solicitations, particularly from qualifying historically disadvantaged businesses.

**Suppliers:** Historically disadvantaged businesses struggle to navigate the multitude of procurement websites to identify contract opportunities.

#### POTENTIAL IMPACTS

If implemented effectively, tactic can:

- Increase the number of responses from historically disadvantaged businesses.

#### EXAMPLE

**Pacific Asian Consortium in Employment (PACE)** - PACE regularly hosts events where contracting agencies and organizations advertise potential work opportunities to local businesses. Notably, PACE hosts an annual supplier diversity conference to connect small businesses with private companies and government agencies to pursue contract opportunities. The event features panel discussions, insights on procurement strategies and networking, and discussions on how to win private sector and government contracts.

Strategy | GROW PROFESSIONAL NETWORKS

Southern California Edison (SCE) – SCE collaborates with more than 50 advocacy and community organizations to advance supplier diversity and promote the growth and development of diverse businesses.

This collaboration includes participation in outreach events; capacity building with organizations to support programs that promote diverse business growth; and identifying opportunities for mentorship, education and scholarships for diverse entrepreneurs.

#### STEPS TO IMPLEMENT

- 1 **Compile** relevant bid opportunities for small and disadvantaged businesses.
- 2 **Identify** relevant community-based organizations with networks to historically disadvantaged businesses.
- 3 **Build relationships** with community-based organizations to establish a positive working relationship. If a contracting agency or organization does not have a strong existing relationship with the CBO, building these relationships and establishing trust will be an ongoing effort.
- 4 **Create** concise advertisements or alerts that are readily sharable for the CBO to communicate with their business network.
- 5 **Organize** outreach events or information sessions in collaboration with CBOs to promote solicitations.
- 6 **Recognize and acknowledge** participation from CBOs.

#### CASE STUDY

##### CASE (Chicago Anchors for a Stronger Economy)

Led by World Business Chicago, CASE was a network of more than 100 prominent public, private, nonprofit, and cultural Chicago-land institutions committed to collectively impacting neighborhood economic development through the following:

- **Procurement:** Matchmaking vetted businesses with the contract needs of anchor institutions.
- **Workforce development:** Preparing candidates for employment opportunities within anchors and their suppliers.
- **Business development:** Assessing businesses' capacity to fulfill anchor contracts and providing advisory services and/or recommending resources.
- **Neighborhood and community development:** Creating anchor action plans based on priorities within their geographic area of focus, and developing projects targeting distressed neighborhoods.

CASE facilitated \$51.8 million in revenues to small businesses and 180 new jobs, through contracts with anchor institutions. World Business Chicago sunset the program during the COVID-19 pandemic.

# What is Equitable Procurement?

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An approach to acquiring goods and services that addresses barriers and biases to ensure ***all businesses can fully participate in the procurement and contracting process***. When a person's identity (e.g., race, ethnicity, sex) is no longer predictive of how they fare.

*Equity differs from equality in that it accounts for people's disparate experiences with systems and institutions and involves actively reducing disparities while improving outcomes for all.*

# Approach

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## LITERATURE REVIEW

- Peer-reviewed academic research
- Research institutions
- Public agency and anchor institutions publications and reports
- Mission-driven financial institution publications and reports



## ENGAGEMENT

- A Technical Advisory Committee of public agencies, institutions, and business support organizations in the SCAG region
- Focus groups with stakeholders in the SCAG region
- Interviews with Subject Matter Experts nationally

# Partners



# What do you think?

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- What percentage of small businesses are owned by Black residents in LA County?
- What percentage of small businesses are owned by Latino residents in LA County?



# Inequities in Our Economy

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In LA County, Black residents make up **8%** of the population yet only own **2%** of small businesses.

Latino residents make up **49%** of the population yet only own **11%** of small businesses.



# Barriers to Equitable Procurement

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- 1 Discriminatory Behavior:** Historical and ongoing discriminatory behavior that excludes historically disadvantaged businesses from contracting opportunities.
- 2 Diminished Capacity:** The inherited, cumulative results of this discrimination, which have diminished the capacity of historically disadvantaged businesses today.
- 3 Inadvertent Discrimination:** Inadvertent contracting practices that are not intentionally or directly discriminatory, but which still exert a disparate impact on historically disadvantaged businesses.

# Benefits of Equitable Procurement

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Advance economic equity



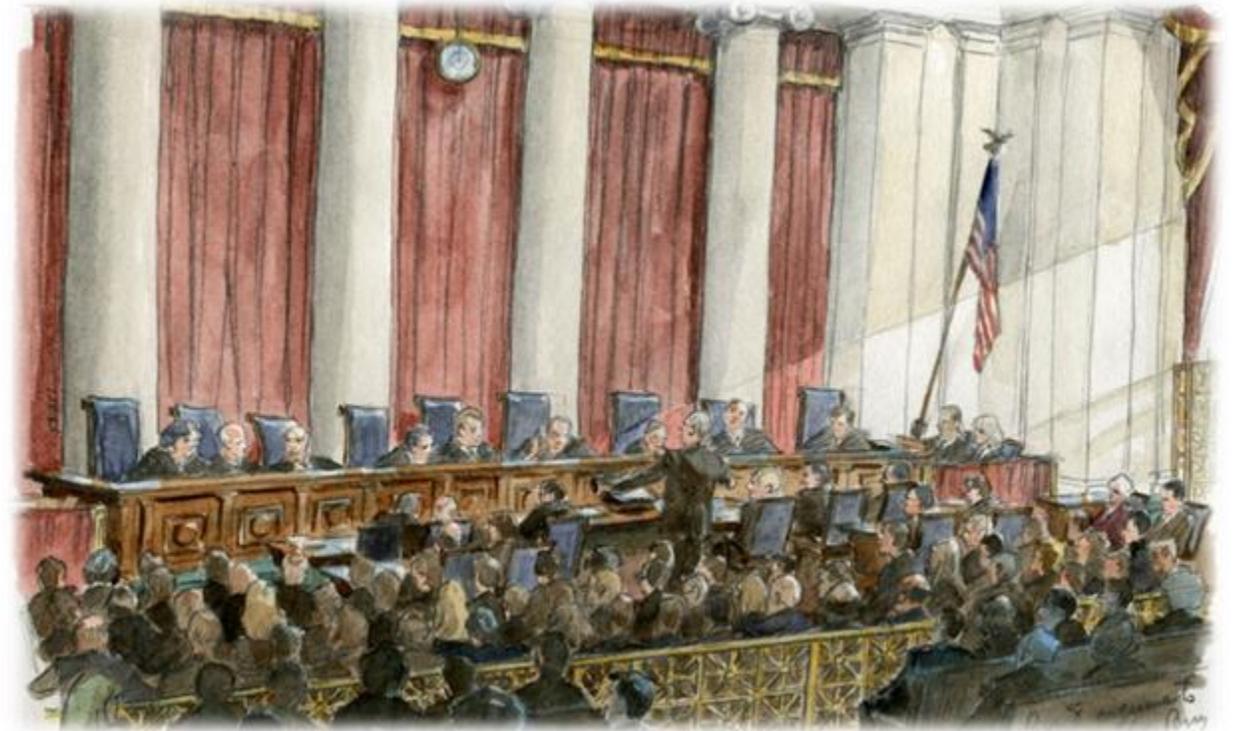
Strengthen local economy



Increased competition can lead to cost-savings

# Historical Context

- 1953** U.S. Small Business Act was adopted.
- 1988** *J.A. Croson Company v. the City of Richmond* court ruling.
- 1988** General Order 156 was established in California.
- 1995** *Adarand v. Peña* court ruling.
- 1996** Proposition 209 was adopted in California.
- 2019** Assembly Bill 962 was adopted in California.
- 2020** Proposition 16 failed in California.
- 2023** *Students for Fair Admissions (SFFA) v. Harvard* and *Students for Fair Admissions (SFFA) v. University of North Carolina (UNC)* court rulings.



# Recommended Immediate Actions

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- 1 Appoint a Leader: Inclusive Contracting Manager
- 2 Build Internal Buy-In and Knowledge Base
- 3 Collect and Review Baseline Data
- 4 Conduct Internal Audit
- 5 Develop Inclusive Contracting Plan

# Inclusive Contracting Strategies

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1

Establish a  
Baseline and  
Collect Data

2

Streamline  
Procurement  
Processes

3

Develop  
Accessible  
Contracts

4

Increase  
Business Access  
to Capital

5

Grow  
Professional  
Networks

6

Build Business  
Capacity

# Inclusive Contracting Strategies

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1

## Establish a Baseline and Collect Data



Create a data management system to collect, monitor, evaluate, and report impacts



Survey vendors



Conduct a disparity study

# Inclusive Contracting Strategies

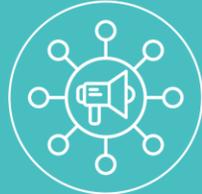
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2

## Streamline Procurement Processes



Prequalification programs and on-call benches



Standardize solicitation procedures



Implement contract forecasting



Create opportunities for businesses to connect with procurement managers

# Inclusive Contracting Strategies

3

## Develop Accessible Contracts



Establish small business contracting goals and preferences



Require prime contractors to achieve inclusive subcontracting goals



Identify contract opportunities for small businesses



Reduce contract requirements and offer financial assistance



Implement prompt payment programs

# Inclusive Contracting Strategies

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4

## Increase Business Access to Capital



Establish lending programs to increase capital among disadvantaged businesses



Increase bonding capacity

# Inclusive Contracting Strategies

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5

## Grow Professional Networks



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Build procurement professional networks



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Advertise solicitations with community-based organizations connected to disadvantaged businesses

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# Inclusive Contracting Strategies

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6

## Build Business Capacity



Provide constructive feedback to unsuccessful respondents



Develop a small business resource guide

## We want to know...

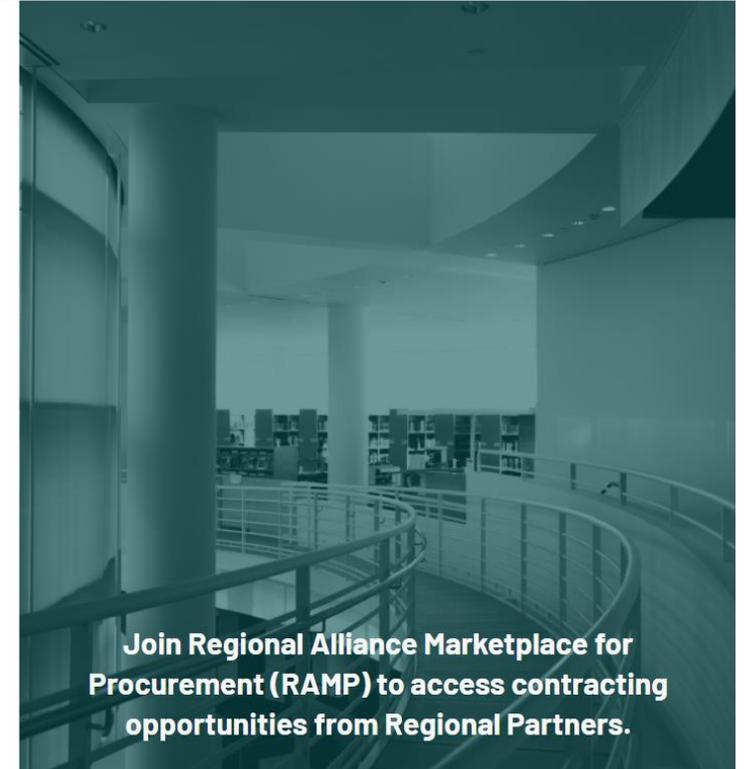
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- How do you see yourself using the Toolkit?
- Which of these strategies is your agency already implementing?



# Resources

- Access the Toolkit [here](#).
- Websites to learn more:
  - [Regional Alliance Marketplace for Procurement \(RAMP LA\)](#)
  - [Compete4LA](#)
  - [Harvard Government Performance Lab](#)
  - [Orange County/Inland Empire SBDC Center for Contracting](#)
  - [Orange County Procurement Alliance](#)





# THANK YOU!

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For more information, please visit:

[scag.ca.gov/iers](https://scag.ca.gov/iers)

Learn more about [HR&A's Inclusive Cities Practice](#)

# Tell us how we did!

Take a quick 2-minute survey to help us improve future Toolbox Tuesdays!



*SCAN ME*

# **How to do business with Southern California Edison (SCE)**

**Supplier Diversity & Development**  
**January 23, 2024**

Energy for What's Ahead<sup>SM</sup>



# AGENDA

- ❑ About SCE
- ❑ General Order 156 & Spend Highlights
- ❑ Edison's Supplier Diversity Program
- ❑ Suggested Next Steps
  - Ariba Supplier Portal Registration
  - DBE Certification
  - Capability Statement
- ❑ Summary | Questions

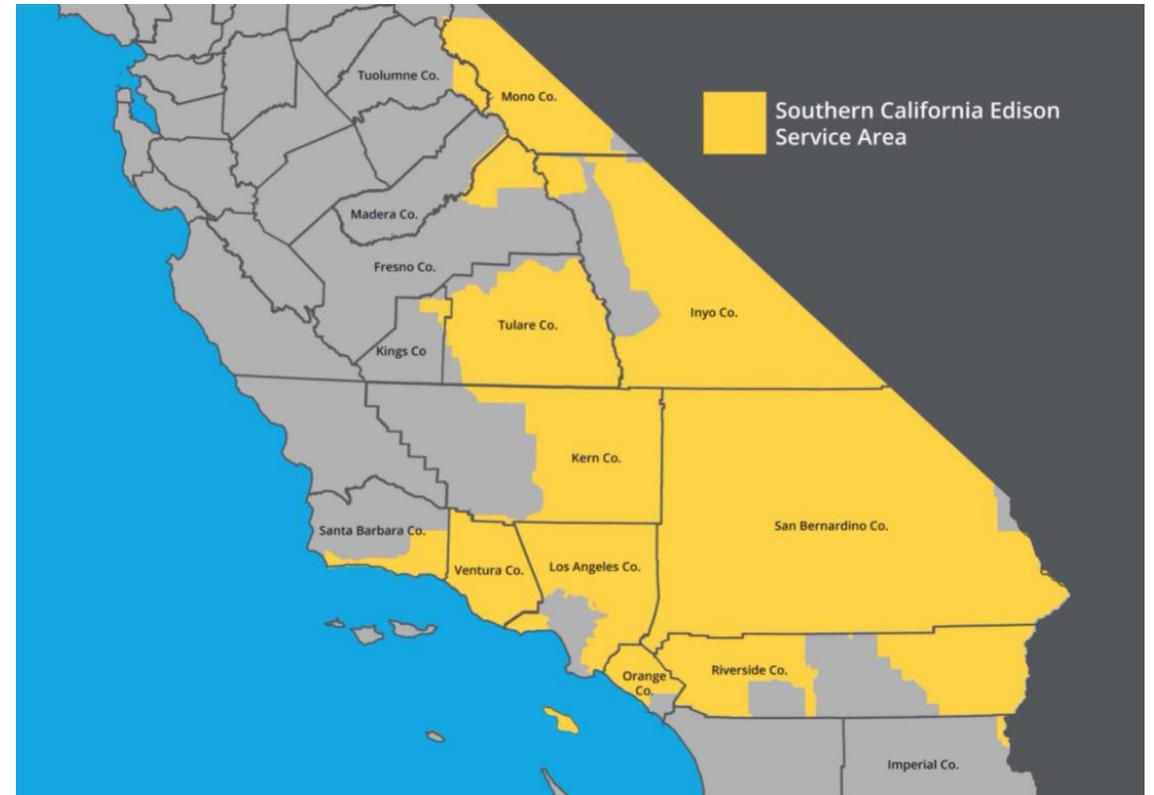


# About Southern California Edison

**MISSION:** To safely provide reliable, clean and affordable energy to our customers.

**VISION:** Lead the transformation of the electric power industry, focusing on opportunities in clean energy, efficient electrification, the grid of the future, and customer choice to strengthen and grow our business.

- One of the largest electric utilities in the United States.
- Serve approximately 15 million customers.
- 50,000 square-mile territory in central, coastal and Southern California.
- Leader in renewable energy and energy efficiency.
- Nearly 40 years of diverse supplier inclusion.



# Supplier Diversity & Development Program

- **CPUC General Order 156 (GO 156)** – sets forth guidelines for supplier diversity programs aimed to increase the inclusion of diverse businesses (i.e., women, minority, disabled veteran, lesbian, gay, bisexual, and transgender (LGBT) and persons with disabilities owned businesses) in direct and subcontracting procurement opportunities.
- **GO 156 Components = 22%**
  - Target Spend Goals by Category
    - Minority = 15%
    - Women = 5%
    - Disabled Veteran = 1.5%
    - LGBT = 1.5%
    - Persons with Disabilities = N/A
  - Submission of Supplier Diversity Annual Report
    - [www.sce.com/sd](http://www.sce.com/sd) or [www.cpuc.ca.gov/supplierdiversity](http://www.cpuc.ca.gov/supplierdiversity)
  - Annual Supplier Diversity En Banc (public hearing)
  - Supplier Development (training, technical assistance, capacity building)



# Supplier Diversity Spend Highlights



## 2022 SUPPLIER DIVERSITY HIGHLIGHTS

**\$2.42 billion**  
or 35.42% spent  
with diverse firms



**630+**  
diverse suppliers



**8** diverse firms  
among  
top 25 suppliers



**\$632+**  
million  
diverse subcontracting spend



**130+**   
outreach events  
sponsored and/or supported

**\$835 thousand**  
for technical assistance, capacity  
building and mentoring programs



**50+ STAR**  
business education  
workshops



**\$5.4 billion**  
of capital market  
financings co-managed  
by 20 diverse firms



**100%**  
diverse spend in  
non-generation fuels



# SCE's Supplier Diversity Program



## Maximize DBE Contracting Opportunities

Connect small and diverse suppliers with procurement/contracting opportunities

- Small and DBE Access to Sourcing Opportunities
- Small and DBE Spend Goal Setting & Performance Management
- Small and DBE Procurement Strategy
- DBE Tier 2 Subcontracting Program Management



## Expand Suppliers' Capabilities/Capacity

Programs that prepare suppliers to successfully compete for current and future procurement opportunities

- Workshops
- Procurement Pilot Programs
- RFP Debrief Meetings
- Entrepreneur Educational Scholarships
- Support of Advocacy Partners' Training Programs



## Establish Productive Community Partnerships

Partnership with small and diverse business advocacy organizations and support of events where SCE can engage with small and diverse businesses

- Participate in Outreach Events to Identify Small and DBEs in the Marketplace
- Promote Program Awareness
- Leverage Organizations' Databases to Locate DBE's

# Suggested Next Steps

## ❑ Determine your role

- Prime Contractor/Tier I
- Subcontractor/Tier II

## ❑ Register your company: Ariba system

- Required to receive an RFx from SCE - <http://sce.supplier.ariba.com/register>

## ❑ Three certifying agencies accepted by SCE

- CPUC Supplier Clearinghouse: <http://www.thesupplierclearinghouse.com/>
  - Comparative Agency Verification: NMSDC, WBENC, NGLCC and or Disability:IN
- SBA 8A Only : [www.sba.gov](http://www.sba.gov)
- Dept. of General Services (DGS) CA (disabled veteran-owned): [www.dgs.ca.gov](http://www.dgs.ca.gov)

# SUMMARY

**Drive inclusion through development, contract opportunities, and targeted outreach to benefit small and diverse suppliers, and communities.**

## Procurement Strategy Roadmap

- Early engagement, maintaining a forward-looking approach
- Awareness of RfX sourcing opportunities

## Goals & Performance:

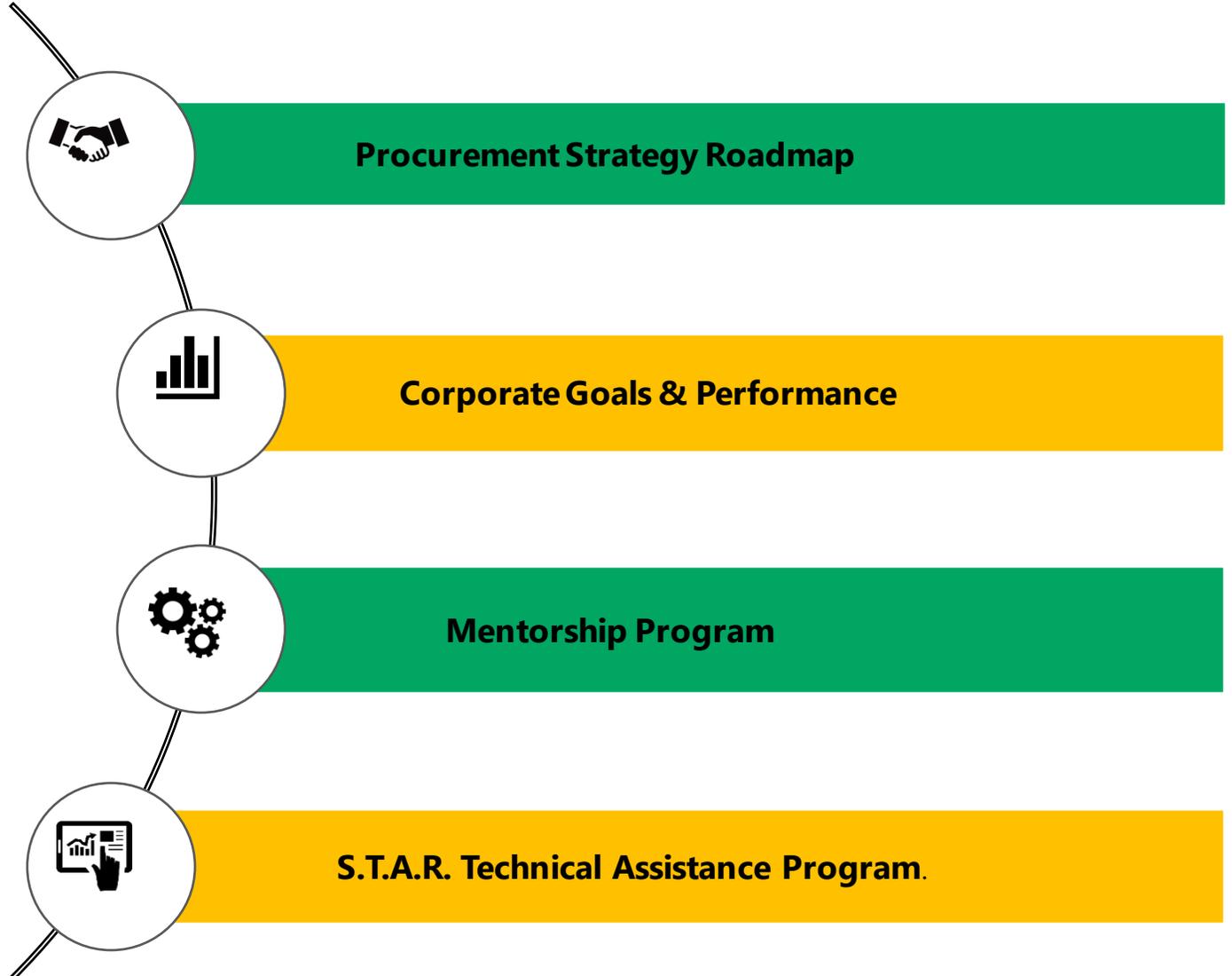
- Corporate DBE spend goals are developed from historical and forecasted spend.
- Measurable, systematic, and sustainable.

## Mentorship Program

- Aim to mentor diverse supplier to increase pipeline
- Share best practices and standards of our company
- Feedback and guidance

## S.T.A.R. Technical Assistance Training

- Strategies, Towards, Achieving, Results
- Technical assistance & Capacity building Workshops to support development of small and diverse businesses



**Procurement Strategy Roadmap**

**Corporate Goals & Performance**

**Mentorship Program**

**S.T.A.R. Technical Assistance Program.**

# Thank you!



SCE Supplier Diversity and Development  
[SCESupplierDiversityDevelopment@sce.com](mailto:SCESupplierDiversityDevelopment@sce.com)

# Tell us how we did!

Take a quick 2-minute survey to help us improve future Toolbox Tuesdays!



*SCAN ME*