



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 23-262

Board Meeting Date: 4/25/2023

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Michael P. Callagy, County Executive Officer
Subject: Agreement with GCAP Services, Inc. to conduct a Supplier Diversity Study

RECOMMENDATION:

Adopt a resolution authorizing the County Executive Officer to enter into an agreement with GCAP Services, Inc. to conduct a supplier diversity study for the term of April 25, 2023 through April 30, 2024, for a total amount not to exceed \$456,510.

BACKGROUND:

The Board of Supervisors adopted an [Anchor Institution](https://sanmateocounty.legistar.com/LegislationDetail.aspx?ID=5456292&GUID=1D946CDD-2A9C-43D9-99CA-CEB36A0DBA47) <https://sanmateocounty.legistar.com/LegislationDetail.aspx?ID=5456292&GUID=1D946CDD-2A9C-43D9-99CA-CEB36A0DBA47> resolution on March 8, 2022, to ensure the economic opportunities that the County generates are intentionally aligned with our priorities for equity, inclusion, and a broad-based recovery from the COVID-19 pandemic. One of the key anchor strategies to advance shared prosperity is inclusive procurement, which aims to maximize the County's procurement spend to support an inclusive ecosystem of local businesses and community-based organizations. The Inclusive Procurement Subcommittee of the Core Equity Team prioritized a Supplier Diversity Study in the Racial and Social Justice Action Plan 1.0.

DISCUSSION:

The County Executive's Office equity team conducted a competitive procurement (the "RFP") commencing in December 2022 to identify and select a qualified contractor to develop and deliver a Inclusive Procurement Supplier Diversity Study. The selection committee received five applications. The selection committee interviewed the top three scorers, and determined that GCAP Services, Inc. is the best consultant to meet the County's needs based on the criteria outlined in the RFP, including interviews of the top three scorers. Pursuant to Administrative Memo B-4, a copy of the RFP matrix is included with this memorandum.

Under the proposed agreement with the County, GCAP Services, Inc. would conduct a Supplier Diversity Study to enable the County to:

- a) Understand the County’s existing contracts and vendors that are local, small, or micro business enterprises, and diverse business enterprises (LSMDBEs).
- b) Understand and obtain a dataset of the universe of LSMDBEs located in the County and the County’s geographic market areas that could be doing business with the County based on the categories of industries the County does business with. As part of this analysis, the County will receive a dataset with these identified firms that can be integrated with the County’s procurement system.
- c) Make recommendations for improving data collection and tracking of LSMDBEs and create new or enhance existing outreach and capacity building opportunities for LSMDBEs.

GCAP Services, Inc. would conduct the study and provide the required analyses over a 12-month contract term, for an amount not to exceed Four Hundred Fifty-Six Thousand Five Hundred Ten Dollars and Zero Cents (\$456,510). The work can begin upon execution of the contract subject to the milestones and deliverables which are summarized below.

Measure	Description	Timeline
Procurement Analysis	Assess County’s current procurement policies, practices, templates, and outreach and capacity building programs to identify barriers for LSMDBEs to access County procurement opportunities.	July 2023
Market Analysis	Identify the geographic areas in which the majority of firms seeking contracts with and receiving contract payments from the County are located.	September 2023
Availability Analysis	Identify the availability of ready, willing, and able LSMDBE vendors from the identified geographic market areas that could meet County’s procurement needs.	February 2024
Utilization Analysis	Provides granular understanding of existing County’s contracts and vendors that will enable calculation of the participation of LSMDBEs by group as a percentage of dollars that the County awarded to all businesses during the study period.	February 2024
Inclusive Procurement Disparity Analysis	Examines the difference between participation of LSMDBEs in County’s awarded contracts during the study period and their availability in the market.	February 2024
Public Engagement and Qualitative Analysis	Complements and corroborates findings and results from the deliverables listed above, help identify barriers to procurement opportunities, and co-design the recommendations for the final report.	Ongoing

Remedy Analysis and Recommendations	This report will identify inclusive procurement practices, programs, and policies to address any significant identified disparities in accordance with legal requirements.	February 2024
Sharing Findings	Write a draft and a final report for the Inclusive Procurement: Supplier Diversity study findings and recommendations, including presentations to County staff and leadership on content, findings, and proposed remedies.	March 2024

County Attorney's office has reviewed and approved the agreement and resolution as to form.

EQUITY IMPACT:

The Supplier Diversity Study (Study) will reach out to local, small, micro, and diverse business enterprises (LSMDBEs) across the county to understand their barriers to doing business with the County. The County spends approximately \$500,000,000 per year on goods and services that could contribute to expanding shared prosperity locally. The Study will provide an unprecedented range of data to inform inclusive procurement strategies, including building a dataset of LSMDBEs for proactive outreach to an expanded set of local businesses when bids become available, enabling improved access to County procurement opportunities.

Staff does not anticipate negative equity impacts from this study.

FISCAL IMPACT:

The County's total fiscal obligation under the proposed agreement for the 12-month study is not to exceed \$456,510. Funding has been included in the County Executive's Office FY 2022-23 Adopted Budget and proposed for the FY 2023-2024. There is no additional Net County Cost associated with this Agreement.