



# DISADVANTAGED BUSINESS ENTERPRISE PROGRAM REFORM

## FINANCE DEPARTMENT

Economic Development Committee  
March 21, 2024

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## Background

- **April 21, 2009:** Resolution No. 21815 adopted, initiating DBE Program with Race Conscious component per State of California and U.S. DOT requirements.
- **April 2018:** Airport, Parks and Recreation, and Public Works Departments update program to comply with DOT 49 CFR Part 26, including expanded objectives and administrative revisions.
- **October 1, 2018:** Updated DBE Program Plan approved by City Manager.
- **January 2019:** FAA modifies Airport Capital Improvement projects, necessitating program goal adjustments and revision of Annex A.
- **March 21, 2019:** Latest DBE Program revision approved.
- **November 19, 2020:** Presentation to Committee on Local Preference and DBE Procurement Policies; request for organizational plan development.
- **January 21, 2021:** Finance Department presents Organizational Plan to Committee, incorporating stakeholder input and proposal requests for vacant City-owned land.

2



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## Discussion

- Historical Context and Current Program Information
  - Recognizes need for inclusivity in economic opportunities, reflecting Riverside's diverse demographics.
  - Comparison with State and neighboring municipalities shows varied DBE support approaches but highlights Riverside's limited program scope.



3

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## Discussion

- Research and Possible Reform Options
  - Consensus on creating a Vendor Diversity and Management Function to centralize vendor efforts and promote inclusivity.
  - Proposes expanding vendor engagement and community outreach, including informational sessions and mentor-protégé programs.
  - Suggests enhancing DBE policies for a more equitable procurement ecosystem.



4

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## Discussion

- Identification and Removal of Barriers to DBEs
  - Focus on dismantling systemic and procedural barriers to DBE participation.
  - Consideration of contract unbundling to provide more opportunities for small firms.
- Engagement and Outreach
  - Plans for at least two annual sessions to engage the local business community.
  - Leverage existing programs and explore new support avenues for DBEs.



5

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## Discussion

- Policy Elements to be Determined:
  - Definition of DBE preference and criteria for contract eligibility.
  - Review of procurement policies and DBE programs from Riverside County, City of Corona, City of Moreno Valley, City of Los Angeles, and the State of California.
- Other Considerations:
  - Limitations due to City Charter and state law, including "lowest responsible bidder" requirement and Prop. 218 "cost of service" considerations.



6

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## Proposed Reforms

1. **Vendor Diversity and Management Function:** Centralize vendor diversity and management.
2. **Streamline DBE Onboarding and Certification:** Simplify certification process.
3. **Expand Community Outreach and Engagement:** Increase informational sessions and workshops.
4. **Implement Mentor-Protégé Programs:** Foster knowledge transfer and partnerships.
5. **Revamp the DBE Program:** Include all city procurement activities for broader inclusivity.



7

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## Conclusion

1. **Pivotal Juncture:** Riverside at critical point for enhancing procurement practices.
2. **Comprehensive Reform:** Emphasis on overhauling DBE Program for broader inclusivity.
3. **Advancing Economic Mobility:** Potential significant impact on historically marginalized groups.
4. **Quality Services:** Commitment to delivering superior services to all community members.
5. **Research-Driven:** Reforms based on thorough research and established best practices.
6. **Strategic Roadmap:** Proposed changes serve as a guide towards equitable, efficient, and transparent procurement.



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## STRATEGIC PLAN ALIGNMENT



### ECONOMIC OPPORTUNITY

#### CROSS-CUTTING THREADS



Community Trust



Equity



Innovation



Fiscal  
Responsibility



Sustainability  
and Resiliency



9

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## Recommendations

That the Economic Development, Placemaking and Branding/Marketing Committee:

1. Discuss and provide input for Disadvantaged Business Enterprise Program policy reform; and
2. Direct staff to incorporate discussion decisions, as well as discuss determinations for policy and legislative revisions.



10

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## Q&A

"Open Floor for Questions and Discussion"

