



Santa Clara Valley Water District
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GUIDE FOR SMALL AND LOCAL BUSINESS ENTERPRISES

Thank you for your interest in the Santa Clara Valley Water District. The mission of the District is to provide Silicon Valley safe, clean water for a healthy life, environment, and economy.

INTRODUCTION

The District is the primary water resources management agency for the County of Santa Clara in California. The District, as a water wholesaler, is responsible for clean, safe, and reliable water supply to homes and businesses in the County. The District is also responsible for flood protection and stream stewardship. These responsibilities include construction projects, creek restoration, pollution prevention projects, wildlife habitat restoration, and maintenance of streams, creeks, and reservoirs.

The District supports the local economy and businesses by providing opportunities for companies and the creation of jobs. Annually, the District buys approximately \$40 million in goods and services. Approximately \$14 million is for consulting services and approximately \$26 million is for goods and general services.

Over the past decade, the District has awarded more than \$400 million in capital construction contracts. The annual expenditure for capital construction contracts is dependent on the capital improvement plan and the projects scheduled to be constructed each year.

THE DISTRICT'S SMALL BUSINESS ENTERPRISE PROGRAM

The District actively promotes small businesses in the County and encourages their participation in the District's opportunities. The District offers up to a 5% preference during bid and proposal evaluation to certified small businesses. For Fiscal Year 2013 (7/1/12 – 6/30/13) the small business participation rates were as follows:

- 32% for consultant services
- 21% for consultant contract amendments
- 19% for construction
- 36% for goods and general services

ELIGIBILITY REQUIREMENTS

To participate as a small business with the District, businesses must be registered and certified by the California Department of General Services (DGS) at www.dgs.ca.gov. According to DGS, in order for a small business to be eligible for certification, the small business must meet the following requirements:

- Be independently owned and operated;
- Not dominant in field of operation;
- Principal office located in California;
- Owners (officers, if a corporation) domiciled in California; and,
- Including affiliates, be either,
 - A business with 100 or fewer employees; an average annual gross receipts of \$14 million or less, over the last three tax years;
 - A manufacturer* with 100 or fewer employees; or,
 - A microbusiness. A small business will automatically be designated as a microbusiness, if gross annual receipts are less than \$3,500,000; or the small business is a manufacturer with 25 or fewer employees.

For Small Business Certification purposes, a manufacturer is a business that is both of the following:

- Primarily engaged in the chemical or mechanical transformation of raw materials or processed substances into new products.
- Classified between Codes 31 to 339999, inclusive, of the North American Industrial Classification System (NAICS) Manual, published by the United States Census Bureau, 2007 edition.

BENEFITS

Upon meeting the Small Business Certification eligibility requirements, certified small business (SBs) and microbusinesses (MBs) are entitled to the following benefits:

- A five percent (5%) bid preference on applicable solicitations;
- As a certified small business/microbusiness, you are eligible for the District's Small Business Participation Program. This program sets a goal for the use of small businesses in at least 10% of the District's overall annual contract dollars;
- Under the Prompt Payment Act, the District must pay a certified SB / MB higher interest penalties for late payment of an undisputed invoice. Prompt payment penalties for construction firms are addressed separately under Public Contract Code, Section 10261.5);
- As an incentive, a non-small business prime contractor, who uses certified small business/microbusiness subcontractors is eligible for a bid preference as follows when competing against another non-small business; and, when applying bidder preferences, in which non-small business bidders may be eligible, certified small business/microbusiness bidders have precedence over non-small business bidders.
 - 30%-39% certified Small/Micro business subcontractor: 3% preference
 - 40%-49% certified Small/Micro business subcontractor: 4% preference
 - 50% + certified Small/Micro business subcontractor: 5% preference

THE DISTRICT'S LOCAL BUSINESS ENTERPRISE PROGRAM

To equalize competitive disadvantages some local businesses face and encourage businesses to establish and remain in the County, the District's Board of Directors has adopted a local business preference policy. This policy includes provisions which grant preferences to local businesses during the evaluation of bids and proposals.

ELIGIBILITY REQUIREMENTS

Definition of Local Business Enterprise:

"Local business" means a business enterprise, including but not limited to a sole proprietorship, partnership, or corporation, which has a legitimate business presence in the County of Santa Clara as evidenced by:

- a. Having a current business tax certificate from a city within the County of Santa Clara (not required for local businesses in unincorporated areas of the County of Santa Clara); and
- b. Having either of the following types of offices operating legally within the County of Santa Clara:
 - i. A principal business office; or
 - ii. A regional, branch or satellite office with at least one full-time employee located in the County of Santa Clara.
- c. Post Office box numbers, residential addresses, a local sales office without any support or a local subcontractor hired by the contractor may not be used as the sole basis for establishing status as a Local Business Enterprise

To qualify as a Local Business with the District, businesses must:

1. Self-register on the District's Contract Administration System website (<http://cas.valleywater.org/index.jsp>). If you need assistance registering your business please contact 408-265-2607, ext. 2992.
2. Submit a [Local Business Declaration Form](http://www.valleywater.org/LBE-Declaration.aspx) (<http://www.valleywater.org/LBE-Declaration.aspx>) Please mail the completed and signed form to:

5750 Almaden Expressway
San Jose, CA 95118-3686
Attn: Purchasing and Contracts Unit

Please note that there are consultant services that do not fall under the definition of Government Code Section 4526, for example, marketing, real estate, socio-economic studies, community relations, insurance, and other services. In addition, the terms and conditions of certain funding agreements (e.g., federal or state grants) may prohibit or limit use of local preference when acquiring goods or services with those funds.

The District may procure goods and services other than Public Works and Professional Services under a policy that provides local businesses with a preference, if the District legitimately finds that local firms are disadvantaged absent that preference. These findings are necessary in order to withstand any legal challenge that the policy violates the equal protection clause of the U.S. Constitution. (U.S. Const., 14th Amend.)

BENEFITS

Upon meeting the Local Business eligibility requirements, local businesses are entitled to the following benefits:

- In the procurement of goods or services in which price is the determining basis for award of the contract, a “preference” is given to Local Businesses by subtracting five percent (5%) from the bid of the lowest responsive and responsible bidder.
- If best value is the determining basis for award of the contract, a “preference” is given to the Local Business as five (5) percentage points to the rating score of the Local Business’ proposal.
- In both cases, if the Local Business’ bid or proposal results in the lowest price or the highest score respectively, the contract is awarded to the Local Business.

The application of the LBE preference is subject to California regulations. Currently, California law prohibits the District from providing local businesses a preference when government organizations purchase:

- (i) public works services valued at \$25,000 or more (“Public Works Services”); or
- (ii) architectural, landscape architectural, engineering, environmental, land surveying, or construction project management services (“Professional Services”) as defined pursuant to Government Code Section 4526.

REGISTERING YOUR BUSINESS WITH THE DISTRICT

Registration with the District on the type of work or service or goods (See the document titled Goods and Services used by the District available on the District’s website located at www.valleywater.org for further information) your business intends to provide the District.

For goods and general services, including public works construction under \$25,000, please submit a Supplier Registration form (available on the District website located at www.valleywater.org) to the Purchasing Unit staff at the District. The information will be entered into our supplier database. If you need assistance please contact the Purchasing Unit staff at 408-265-2607, ext. 2888.

For consulting services over \$5,000 please self register on the District’s Contract Administration System website at <http://cas.valleywater.org/index.jsp> . If you need assistance registering your business on the Contract Administration System please contact 408-265-2607, ext. 2992.

For public works construction over \$25,000 please contact Capital Program Planning and Analysis Unit Manager at (408) 265-2607, ext. 2682

CONTRACTOR SAFETY PROGRAM

The District is committed to minimizing risk to the public, to contractors, and to District employees by contracting only with businesses whose safety programs meet District standards. With that goal in mind, if bidding on work that involves certain high risk activities, you will be required to complete and submit a Contractor Safety Qualification Packet with your bid. Work that requires this submittal includes construction, maintenance and any other activity that has associated life safety critical tasks or

operations, such as assembly and use of scaffolding, lockout/tagout, confined space entry, working at elevated locations, live electrical work, excavation or trenching, tunneling, hot work, or any other activity that requires specialized training to prevent serious injury or a catastrophic event. The Contractor Safety Qualification Packet will be included in the solicitation documents for each project. Questions about safety requirements should be addressed with the District's Environmental Health and Safety Manager at 408-265-2607 ext. 2431.

INSURANCE REQUIREMENTS

Depending upon the type of procurement, the District may require bidders to submit proof of required insurance coverage prior to contract award. The specific insurance requirements will be included in the solicitation documents. Questions about insurance requirements should be addressed with the District's Risk Manager at 408-265-2607 ext. 2213.

CONTRACTOR WAGE REQUIREMENTS

Prevailing Wage

In accordance with State law, certain District contracts require that the contractor pay its employees prevailing wages for certain categories of workers as determined by the Director of the State of California Department of Industrial Relations. If this is the case, the requirement will be included in the District's solicitation document. Questions about prevailing wages in the State of California should be addressed to the Division of Labor Statistics and Research, Prevailing Wage Unit, PO Box 420603, San Francisco, CA 94142. (415) 703-4774.

Living Wage

It is the District's policy that persons doing work on, for or on behalf of the District must be paid a living wage, be provided with or able to afford health insurance, have reasonable time off, not be subject to lay off merely because the District changes contractors, and work in an environment of labor peace. It is important that bidders thoroughly understand and recognize this policy when preparing their bids and throughout the contract term, including extensions, if awarded a contract. For more information please visit the District's website at www.valleywater.org and click the link for Living Wage Policy under the Business menu.

GIFTS AND GRATUITIES

It is the policy of the District that it conducts its business in a fair and ethical manner. The District employees and Board members are governed by Section 81000 of the Government Code also known as the Political Reform Act. Consultants, contractors, vendors and others who do business or intend to do business with the District are also governed by the Act. Please visit the Fair Political Practices Commission's website at www.fppc.ca.gov.

MORE INFORMATION

District's website at www.valleywater.org under the Business menu also has information on the District's Small and Local Business Enterprise Program.

Please also review the Guide to Doing Business with the District and the Goods and Services Used by the District documents available on District's website at www.valleywater.org.

CONTACT INFORMATION

The District's main telephone number is 408-265-2607. Please use the extension numbers below to contact staff. Contact information is also available within the web pages of the respective units listed below.

For Goods, Services (general), and Public Works construction (less than \$25,000)	x 2888
For Consulting Services (professional and non-professional)	x 2992
For Public Works Construction (above \$25,000)	x 3088

You can also contact the District's Deputy Administrative Officer of the Procurement and Operational Services Division at 408-265-2607 ext. 3021.