

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, AUGUST 26, 2025**

MINUTE ORDER NO. 29

**SUBJECT: SECOND CONSIDERATION AND ADOPTION OF ORDINANCE:
APPROVE AMENDMENTS TO AND SUNSET OF BOARD POLICIES
RELATED TO ECONOMIC PROSPERITY AND PROCUREMENT AND ADOPT
AN ORDINANCE AMENDING ARTICLE XXIII OF THE SAN DIEGO COUNTY
CODE OF ADMINISTRATIVE ORDINANCES RELATING TO COUNTY
CONTRACTING, SECOND READING (DISTRICTS: ALL)**

OVERVIEW

On June 25, 2025 (12), the Board of Supervisors took action to further consider and adopt the Ordinance on August 26, 2025.

The County of San Diego (County) is dedicated to fostering an inclusive and resilient regional economy by supporting small businesses, non-profits, and community-based enterprises. To achieve this, the County is leveraging its \$2.2 billion annual contract spend, with a goal of achieving 25% of procurement spend being with small-local businesses, in alignment with California Assembly Bill (AB) 2019. This goal highlights the strategic importance of local businesses in job creation, community wealth building, and inclusive economic development.

One key strategy to reaching this goal is updating the County's procurement guidelines to reduce barriers and increase access for small-local businesses. On June 24, 2025 (12), proposed policy changes were presented to the San Diego County Board of Supervisors (Board) that intended to prioritize local businesses, expand the definition of small businesses, increase the small-local business preferences, and expand the use of simple procurement methods. On this day, the Board approved the introduction of an Ordinance (first reading) to amend Article XXIII of the San Diego County Administrative Code, relating to County contracting. The Board also directed the Chief Administrative Officer (CAO) to revise the proposed Board Policy B-53, Small-Local Business Policy, by including a provision that references the federal definition of Disadvantaged Business Enterprises (DBEs), as outlined in 49 CFR Part 26. This provision will clarify that small businesses qualify as DBEs if they meet one of the small business definitions included in the policy.

If the policy recommendations are approved, the County will add DBEs to the list of definitions in Board Policy B-53: Small-Local Business Policy in recognition of the importance of these businesses. Additionally, the County will recognize a new category of businesses as part of the Small-Local Business Preference implemented by this policy. Businesses located in low-income communities, as defined by the New Market Tax Credits (NMTC) on the Community Development Financial Institutions (CDFI) Fund Map or meet other criteria, will be considered Social Equity Enterprises. In addition, the County is launching a Reciprocal Small-Local Business Certification Program to provide local businesses with certifications from other institutions, such as the federal HubZone or the City of San Diego's Emerging Local Business Enterprise, with the benefits of the Small-Local Preference Program.

To support the implementation of the recommended policy changes, the County has ramped up efforts related to data by conducting a baseline assessment of current data, systems, and definitions related to

Small-Local business contracting. A data governance working group will be established to support long-term efforts to track, monitor and report on progress made towards the County's contracting goals. This group will be a collaborative, cross-departmental team consisting of representatives from all business groups to ensure a County-wide perspective. Additionally, a phased internal training and communication plan has been launched and resources for small businesses to navigate these changes are being implemented.

Today's item requests the Board to consider and adopt the Ordinance amending Article XXIII of the San Diego County Administrative Code relating to County contracting (second reading unless ordinance is modified on the second reading). Amendments to Sections 400-404 are generally administrative and Section 405 is being amended to increase the small-local preference from 5% to 15%.

This item also proposes changes to the following Board Policies related to economic development and procurement that would become effective on September 25, 2025:

- A-71 - San Diego County Economic Development
- A-87 - Competitive Procurement
- B-53 - Small Business Policy
- B-39a - Veteran-Owned Businesses (VOB) and Disabled Veterans Business Enterprise (DVBE) Program
- B-67 - Environmentally Preferable Procurement (EPP)

If recommendations to update Board Policies are approved, it is recommended the Board approve the sunset of the following Board Policies effective September 25, 2025 as components of these policies have been incorporated into other policies:

- A-137 - Environmentally Responsible Use of Copy and Printing Paper
- F-40 - Procuring Architectural, Engineering, and Related Professional Services
- F-47 - Procuring Professional Services to Assist with County Acquisition and Leasing of Real Property

Finally, the Board is requested to direct the CAO to report back annually in September of each year on the progress and outcomes achieved in the prior fiscal year.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Consider and adopt:
AN ORDINANCE AMENDING ARTICLE XXIII OF THE SAN DIEGO COUNTY CODE OF ADMINISTRATIVE ORDINANCES RELATING TO COUNTY CONTRACTING (second reading).
2. Approve the amendments set forth in Attachments D - M to the following Board Policies to be effective September 25, 2025, and set a sunset review date for these Board Policies of December 31, 2032:
 - A-71 - San Diego County Economic Development
 - A-87 - Competitive Procurement
 - B-39a - Veteran Owned Business (VOB) and Disabled Veterans Business Enterprise (DVBE) Program

- Board Policy B-39a to be renamed Veteran Owned Business (VOB) and Disabled Veteran Business Enterprise (DVBE) Program
 - B-53 - Small Business Policy (SBP)
 - Board Policy B-53 to be renamed to Board Policy B-53 Small-Local Business Policy (SLBP)
 - B-67 - Environmentally Preferable Procurement (EPP)
3. If recommendation #2 is approved, sunset the following Board Policies effective September 25, 2025:
 - A-137 - Environmentally Responsible Use of Copy and Printing Paper
 - F-40 - Procuring Architectural, Engineering, and Related Professional Services
 - F-47 - Procuring Professional Services to Assist with County Acquisition and Leasing of Real Property
 4. Direct the Chief Administrative Officer to report back annually in September of each year on the progress and outcomes achieved in the prior fiscal year.

EQUITY IMPACT STATEMENT

Revisions to policy documents will reinforce equity, expand opportunities for small-local businesses, and reduce barriers to participation. Today's actions to approve and adopt changes to procurement-related policies and Administrative Code sections will enhance equity and community strength and are a major step toward expanding opportunities for small-local businesses to participate in County of San Diego contracting.

SUSTAINABILITY IMPACT STATEMENT

Today's actions align with the County of San Diego's (County) Sustainability Goal #1 to engage the community in meaningful ways and continually seek stakeholder input as the recommendations reflect what was heard during numerous community engagement activities and listening sessions with the business community. In addition, the proposed policy changes align with the County's Sustainability Goal #2 to provide just and equitable access to County contracting by simplifying current procurement policies, increasing procurement authority limits, and expanding the County's local business preference.

Additionally, the proposed changes to Board Policy B-67 align with the County's Sustainability Goal #7 by promoting responsible purchasing practices that reduce pollution, waste, and resource consumption. These updates reflect a broader commitment to considering the full life cycle impacts and costs of County purchases, enabling the County to lead by example in minimizing environmental harm, reducing exposure to harmful products, and promoting fiscal and social responsibility.

FISCAL IMPACT

If the proposed increase to the local preference program from the currently established 5% (not to exceed \$50,000) to 15% (not to exceed \$150,000) is approved and implemented, the potential increased contract costs are estimated to be around \$1.3 million. The actual costs incurred would depend upon the outcomes of specific bids, with a maximum preference ceiling of \$150,000 per procurement. Existing departments funding sources will be used to pay for associated increased contract costs. There will be no change in net General Fund costs and no additional staff years.

BUSINESS IMPACT STATEMENT

The County of San Diego (County) encourages the participation of small-local businesses in County contracting opportunities. Today's actions to approve and adopt changes to procurement policies will enhance equity and community strength and are a major step toward expanding opportunities for Small-Local businesses. By achieving the program's goal of directing 25% of County annual procurement spend of \$2.2 billion to Small-Local businesses, approximately \$550 million per year would be spent to small businesses, nonprofits and social equity focused organizations in the San Diego region.

ACTION:

ON MOTION of Supervisor Montgomery Steppe, seconded by Supervisor Lawson-Remer, the Board of Supervisors took action as recommended and adopted Ordinance No. 10950 (N.S.) entitled: AN ORDINANCE AMENDING ARTICLE XXIII OF THE SAN DIEGO COUNTY CODE OF ADMINISTRATIVE ORDINANCES RELATING TO COUNTY CONTRACTING.

AYES: Aguirre, Anderson, Lawson-Remer, Montgomery Steppe, Desmond

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter

