

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, JUNE 24, 2025**

MINUTE ORDER NO. 12

**SUBJECT: 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 (6/24/2025 - FIRST READING; 8/26/2025 - SECOND READING
UNLESS ORDINANCE IS MODIFIED ON SECOND READING)
(DISTRICTS: ALL)**

OVERVIEW

The County of San Diego (County) is committed to building a more inclusive and resilient regional economy, especially through supporting the prosperity of small businesses, nonprofits and community-based organizations. This is achieved through a variety of programs and services, and through leveraging its purchasing power. The County spends over \$2 billion annually on contracts.

On April 30, 2024 (12), the Board directed staff to explore ways to expand the County's reach to local businesses through outreach and education, reviewing current programs to enhance local business participation in County procurements, and aligning with California Assembly Bill 2019 (2022) to support small and disadvantaged business enterprises. On August 27, 2024 (22), the Board further directed the Chief Administrative Officer to evaluate the County's use of State and federal business certifications and report back on recommendations, including formalizing local participation requirements for County contracts, increasing the local business preference policy, establishing a small business advancement policy, creating a technical assistance program, and funding an insurance and bonding assistance program.

To ensure these efforts to expand economic opportunity are inclusive and community-informed, the County launched a multi-phase community engagement strategy. This initiative gathered input from business owners, nonprofits, and community leaders on how to strengthen the County's role in supporting local economic development, especially through procurement. Nearly 400 organizations representing broad and diverse communities, including veteran-owned businesses, nonprofits, small businesses, economic development and business support organizations participated in surveys, workshops, stakeholder meetings, and webinars.

Incorporating community feedback, the County has been advancing changes to better support small and local businesses. Key efforts include the creation of a dedicated Small Business Development Unit with a dedicated Small Business Manager to serve as a liaison, expanded technical assistance to help small businesses navigate the County's procurement processes, and the development of new and innovative programs designed to meet the needs of diverse business communities.

California AB 2019, signed into law in 2022, was written to support small business enterprises across California. Among other initiatives, AB 2019 requires a State small business liaisons to develop economic equity action plans, codifies the State's goal of 25% procurement participation for small businesses, tasks the Office of Small Business and Disabled Veteran Business Enterprise Services with recommending simplified procurement procedures to increase opportunities for small and micro

businesses, while encouraging those enterprises which are minority-owned, women-owned, and LGBTQ+-owned businesses, and allows small businesses to self-identify as being minority-, woman-, or LGBTQ+-owned to also have increased access to procurement opportunities.

Today's recommended updates and improvements already made at the staff level align with the provisions of AB 2019. The County's engagement efforts conducted over the past year have informed the work outlined in this Board Letter and may serve as the foundation for an economic equity action plan. Today's recommendations simplify several procurement procedures, which would increase opportunities for small, minority-owned, women-owned, and LGBTQ+-owned businesses to help us achieve the 25% small business participation goal. County staff recently bolstered efforts to encourage higher rates of participation in the self-identification process. These demographic metrics will be used for annual analysis of the effectiveness of all these efforts and will guide the County's outreach strategies, program development, and improvements to procurement. While the recommended actions in this Board Letter align the County to AB 2019, there is still more that can be done. County staff will continue to proactively review implementation strategies of other counties and return to the Board with further recommendations.

Today's actions require two steps. On June 24, 2025, the Board is requested to approve the introduction of an Ordinance amending Article XXIII of the San Diego County Administrative Code relating to County contracting (first reading). If the Board takes actions as recommended, then, on August 26, 2025, the Board is requested to consider and adopt the Ordinance (second reading, unless the ordinance is modified on the second reading). Additionally, today's actions request that the Board approve amendments to Board Policies related to economic prosperity and procurement to be 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

Today's actions further request the Board to sunset several Board Policies related to County procurement that have been consolidated into the language of other existing 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

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

On June 24, 2025:

1. Approve the introduction of the Ordinance (first reading), read the title, and waive further reading of the Ordinance:

AN ORDINANCE AMENDING ARTICLE XXIII OF THE SAN DIEGO COUNTY CODE OF ADMINISTRATIVE ORDINANCES RELATING TO COUNTY CONTRACTING

If, on June 24, 2025, the San Diego County Board of Supervisors takes action as recommended, then on August 26, 2025:

1. Consider and adopt (unless the ordinance is modified on second reading):
AN ORDINANCE AMENDING ARTICLE XXIII OF THE SAN DIEGO COUNTY CODE OF ADMINISTRATIVE ORDINANCES RELATING TO COUNTY CONTRACTING
2. Approve the amendments set forth in Attachments D - M to the following Board Policies to be effective September 25, 2025, and, except for Board Policy A-71, 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
 - i. Board Policy B-39a to be renamed Veteran Owned Business (VOB) and Disabled Veteran Business Enterprise (DVBE) Program
 - B-53 - Small Business Policy (SBP)
 - i. Board Policy B-53 to be renamed to Board Policy B-53 Small-Local Business Policy (SLBP)
 - B-67 - Environmentally Preferable Procurement
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 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 approximate annual procurement spend of \$2 billion to small-local businesses, approximately \$500 million per year would remain in San Diego County.

ACTION:

ON MOTION of Supervisor Montgomery Steppe, seconded by Supervisor Lawson-Remer, the Board of Supervisors took the following actions:

1. Introduced the Ordinance for further Board consideration and adoption on August 26, 2025.
2. Directed the Chief Administrative Officer to amend Board Policy B-53, "Small-Local Business Policy," to add a provision that calls out the DBE (Disadvantaged Business Enterprises) definition pursuant to the Code of Federal Regulations, 49 CFR, Part 26, to specify that small businesses qualify as a DBE and meets one of the small business definitions in the policy.

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

ABSENT: (District 1 Seat Vacant)

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



JUNE 24, 2025