

*San Jose Small Business Development Commission  
Outreach Newsletter*

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City Wrestles with DBE Ruling by the 9<sup>th</sup> Circuit Court of Appeals

By Chuck Mondave, SBDC Vice-Chairman

The Small Business Development Commission (SBDC) is currently collecting input regarding the Disadvantaged Business Enterprise (DBE) program administered by the FAA and Caltrans. The United States 9<sup>th</sup> Circuit Court of Appeals has ruled that administration of policies that award programs based on ethnic or race conscious guidelines without justification is illegal and must be discontinued.

The SBDC is in favor of improving DBE participation in FAA and Caltrans sponsored projects because other cities have shown that higher participation from groups that are socially and economically disadvantaged is possible. However, the new ruling requires the City of San Jose to review its programs and justify using race-conscious guidelines. Until this can be justified with a disparity study, the City must halt applying the guidelines.

We are asking for input from the local business community on what your views are regarding this issue. To comment please email us at [sbdc@sanjoseca.gov](mailto:sbdc@sanjoseca.gov).

City Asks for Input on Emergency Communications Services System (911) Fee

The City of San Jose recently conducted a study on the Emergency Communications Services System (911) Fee. This fee was voted into the budget by the city council last year to make up for deficiencies in the city budget. The fee is applied to land lines, mobile phones and VOIP lines as an additional \$1.75 per line. It is estimated that the fee generates about \$20M per year.

The analysis done by the city indicates that if the city repealed or let the fee expire, it would have to cut in other areas such as public services, public works and emergency services. Studies conducted by the Office of Economic Development (OED) claim that most businesses polled in their survey are unaware of the fee and are in favor of keep it.

In an effort to make San Jose more business friendly we want to ensure there are no undo burdens on businesses. Please let us know how you feel on this topic by calling or emailing.

SBDC Looks into Small and Local Preference Credits for Business Owners

The SBDC will be looking into the RFP process for the City of San Jose to understand how it is applied to businesses that qualify for the local and small preference. Small and/or local businesses currently get a 2.5% advantage in bidding by being either a small or local business. A business which is both small and local receives a 5% advantage in their bid.

Now that the city has hired new leadership in the procurement area, this is the time to help shape policy for the future and ensure San Jose provides a simple process for local businesses to bid on

city projects and service needs. Please let us know what your experience with the RFP process is by contacting us by phone or email.

Contact Information:

The San Jose Small Business Development Commission meets on the second Wednesday of every month at room T1150 in city hall from 6pm to 8pm. All city residents are welcome to participate in the meetings and provide input to the commission.

Website: <http://www.sjeconomy.com/businessassistance/sbdc.asp>

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