



*The Port of Long Beach*

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September 13, 2005

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Receive and file the attached information regarding the Small Business Enterprises (SBE) and Very SBE (VSBE) Program.

**DISCUSSION**

In November 2004, the Board of Harbor Commissioners implemented the attached small business enterprises program. In its initial year the goal of the program is to award 20% of the value of the Port's construction and professional service contracts to small businesses, which includes in this amount, 3% to very small businesses.

We would be pleased to give a presentation of the program to the Council.

**FISCAL IMPACT**

The estimated cost to administer the program is \$200,000 annually, primarily for a consultant SBE Program Administrator for the first year of the program. The financial impact of the program on contracts will be measured. We expect an increase in competition resulting in lower consultant costs and construction bid prices. Experience at the Corps of Engineers indicates that bid prices are lowered when good competition is achieved. With the size of the Port's capital program, a 1% - 2% reduction in contract costs could save several million dollars per year.

**SUGGESTED ACTION:**

Approve Recommendation

Respectfully submitted,

*Richard D. Steinke*

Richard D. Steinke  
Executive Director  
Port of Long Beach

