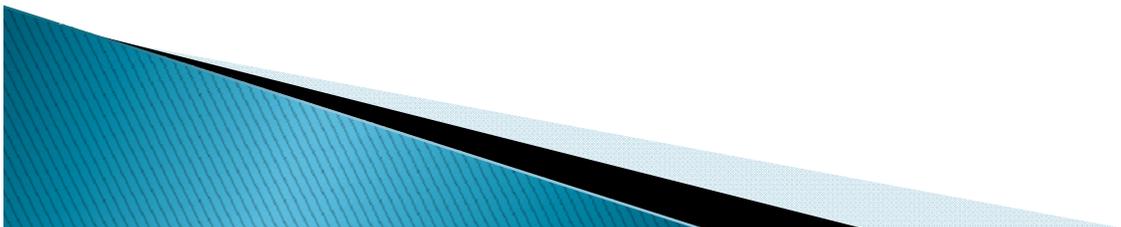


City of Greensboro Minority & Women Business Enterprise Program Update

Summary of Disparity Study Recommendations

Purpose of Summary Information

- ▶ This summary information is intended to be used as a resource while reviewing the MGT Consultant's Disparity Study and recommendations.

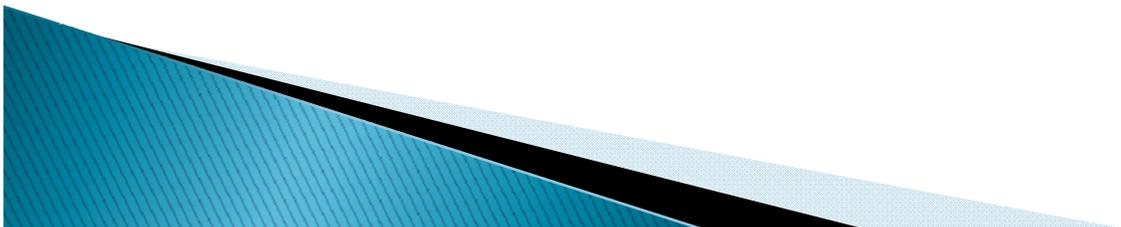


Recommendations Source

- ▶ The recommendations are from the MGT 2012 Disparity Study for Greensboro.
- ▶ The recommendations outlined here do not necessarily reflect every recommendation in the study, but cover key recommendations and many of those details.
- ▶ In order to organize a large amount of information, the recommendations are grouped together in this document under three categories: Program Design, Program Management and Program Compliance.
- ▶ These categories are for organizational purposes only and are not from the Disparity Study. Some of the recommendations may be relevant across these organizational categories.

Program Design

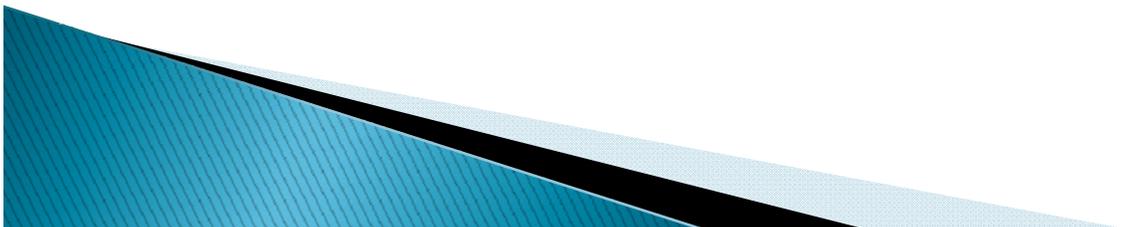
- 1) Small Business Enterprise Program
- 2) M/WBE Program (Narrowly Tailored)
- 3) Update and expand program policies



1) Small Business Enterprise Program

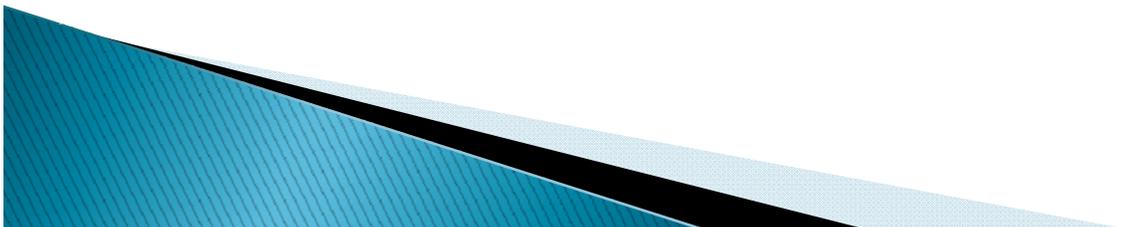
Race/Gender Neutral– based on supporting economic development

- ▶ Central to maintaining narrowly tailored M/WBE Program
- ▶ Can allow set aside contracts for SBEs
- ▶ Can grant financial incentives for contractors such as
 - For contractors training SBEs in bidding on contracts
 - For a prime contractor that waives bonding requirements for SBEs
- ▶ Set SBE goals on formal and informal contracts
- ▶ Set Department goals for SBE utilization
- ▶ Provide financial incentives such as access to low cost insurance
- ▶ Provide bid preferences to SBEs on tax-assisted projects
- ▶ Establish mentor/protégé programs for small businesses
- ▶ Impose mandatory subcontracting clauses on contracts where there are subcontracting opportunities and such clauses would promote M/WBE utilization
- ▶ Consider Federal HUBZone SBE program to provide incentives for SBEs located in distressed areas



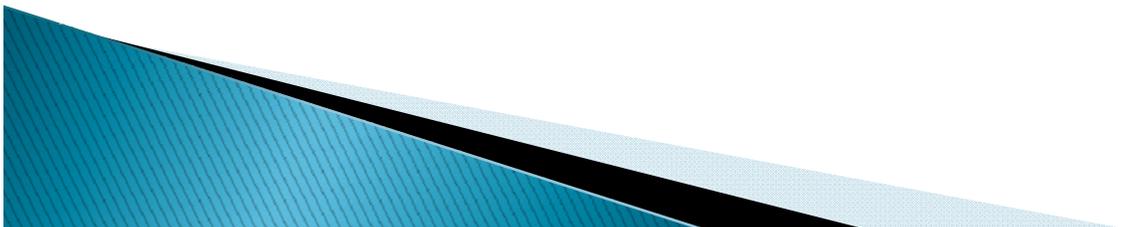
2) Narrowly Tailored M/WBE Program

- ▶ Narrowly Tailored M/WBE Program (Race/Gender Specific)
 - Establish M/WBE Aspirational Goals
 - Establish M/WBE Project Based Goals based on availability
 - Meet maximum amount of M/WBE Goals through race neutral means
 - Use M/WBE Project Based Goals only where there are M/WBE subcontracting possibilities
 - Use Project Based Goals only if Greensboro estimates it can not meet the entire M/WBE goal with race neutral means. If goals are exceeded with race neutral means for two years, Greensboro should not set project based goals the next year
 - If Greensboro uses M/WBE goals, only award to firms that made good faith efforts
 - Give bidders an opportunity to cure defects in good faith efforts
 - Consider using race/gender specific criteria in requests for proposals regarding prime contractor's approach to utilizing M/WBE subcontractors



3) Update and Expand Program Policies

- ▶ Establish commercial anti-discrimination policy
 - Requires submission of a business utilization report on M/WBE subcontractor utilization
 - Policy is important component of race neutral alternatives
 - Requires mechanism for complaints to be filed against firms that have discriminated in the marketplace
 - Requires hearing process before an independent hearing examiner
 - Requires an appeals process to the agency manager and ultimately to a court
 - Imposes sanctions including disqualification from bidding for 5 years, termination of existing contracts, and referrals for prosecution or fraud
- ▶ Establish diverse, but race neutral, joint ventures on projects of over \$10 million
 - Require partnership with secondary firm owned by different race or gender than primary firm
- Track subcontractor utilization on economic development projects subsidized by the City
- ▶ Encourage use of M/WBE's identified on State contracts
 - Encourage Purchasing staff to consider using state contracts
 - Encourage vendors on state contracts, master contracts, and cooperative contracts to report their M/WBE utilization rates
- ▶ Use selective vendor rotation policy to expand utilization of M/WBE groups
 - Institute policy to prequalify firms for undertaking work, then alternate undertaking projects



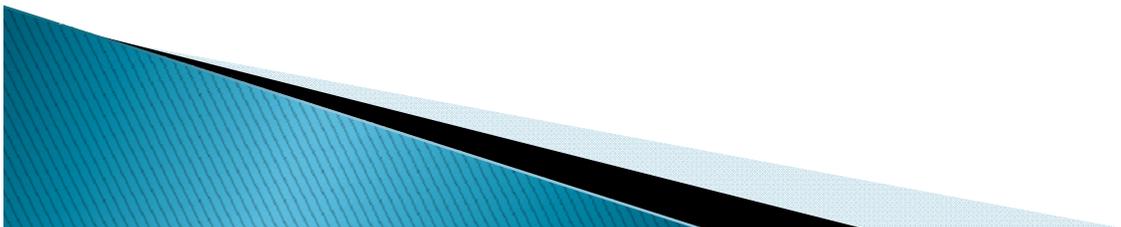
Program Management

4) (a–f) Contract Management

5) Business Development Assistance

6) Incentives

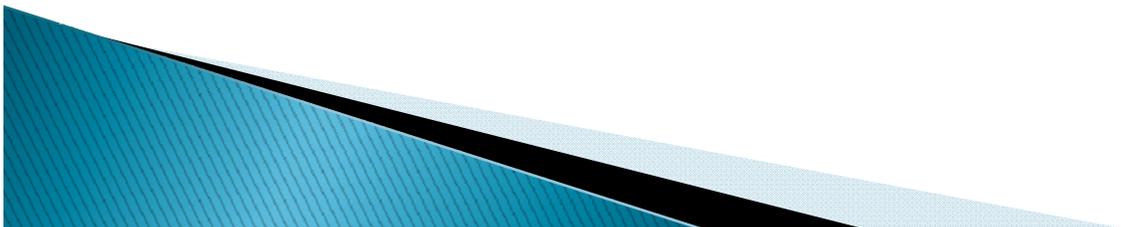
7) Outreach



4) Construction Contract Management

a) Subcontracting Program

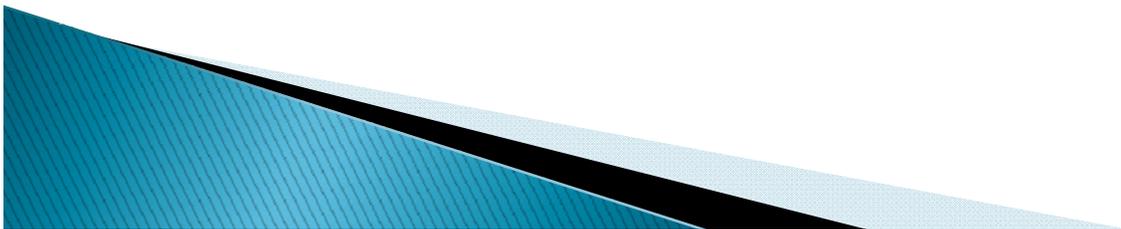
- Apply good faith effort requirements to both M/WBE and non-M/WBE prime contractors
- Consider subcontractor bid documented as excessive as a basis for not contracting with an M/WBE
- Consider documented record of poor performance as basis for not sub-contracting with an M/WBE
- Recognize that a stronger M/WBE subcontractor program will require more resources for monitoring contract compliance



4) Construction Contract Management

b) Multi-Prime Construction Method

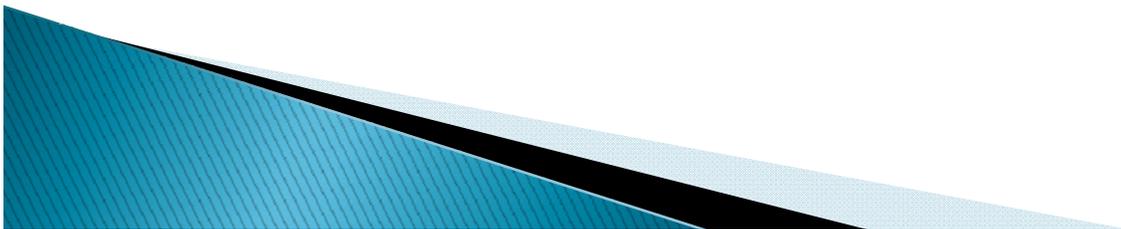
- ▶ Managed by a construction manager at risk
- ▶ On large contracts, a construction manager rotates contracts within an area of work
- ▶ Suitable for installation and repair in certain areas
- ▶ Facilitates rotation of contracts within an area of work



4) Contract Management (Construction)

c) Construction Design Build Method

- ▶ Design and Building of Project is managed by one entity
- ▶ May require performance plans for bidders on design-build projects.

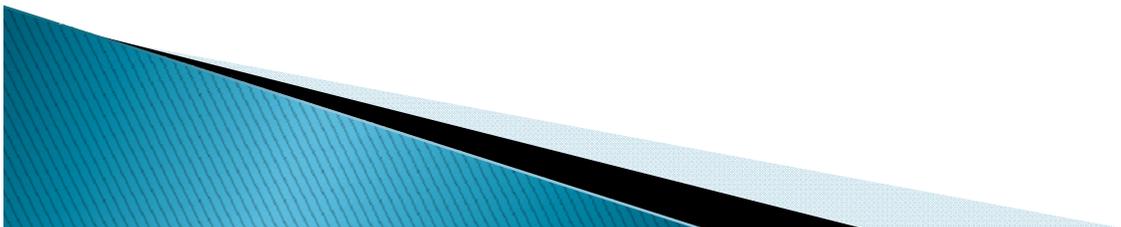


4) Construction Contract Management

d) Development Project contracts

\$10million+

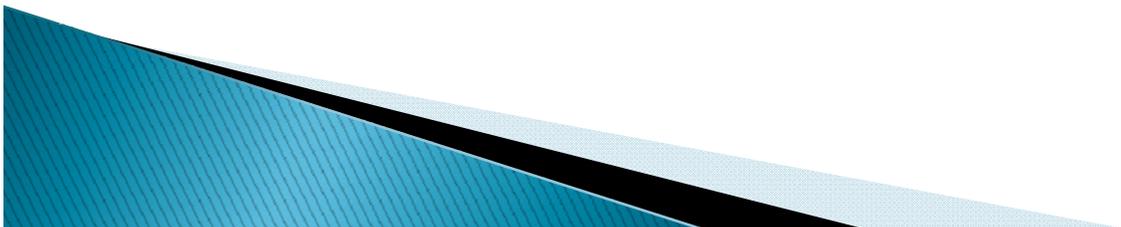
- ▶ Requires Prime Contractors to joint venture with a firm from a different ethnic/gender group in order to ensure prime contracting opportunities for diverse businesses.
- ▶ Race/gender neutral because does not specify what race or what gender, only that the joint venture firms are diverse



4) e) Professional Services Contract Management

Professional Services

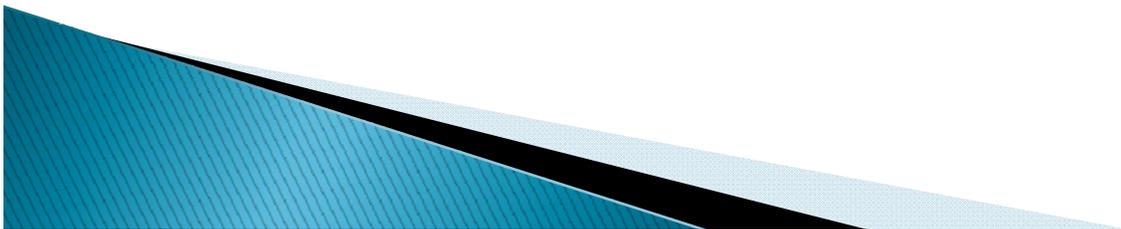
- ▶ Consider selective use of vendor rotation policy to expand utilization of M/WBE groups
 - Prequalify firms to undertake work, then alternate undertaking projects



4) f) Purchased Goods Contract Management

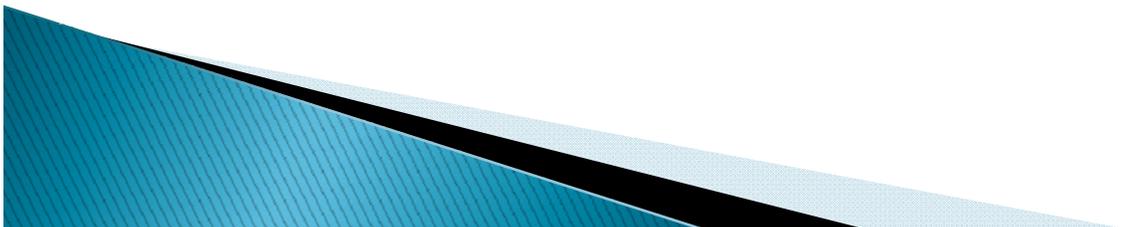
Purchased goods, materials, supplies,
equipment and apparatus

- ▶ Encourage purchasing staff to use M/WBEs identified on State Contracts
- ▶ Ask those vendors supplying State contracts, master contracts and cooperative contracts to report their M/WBE utilization



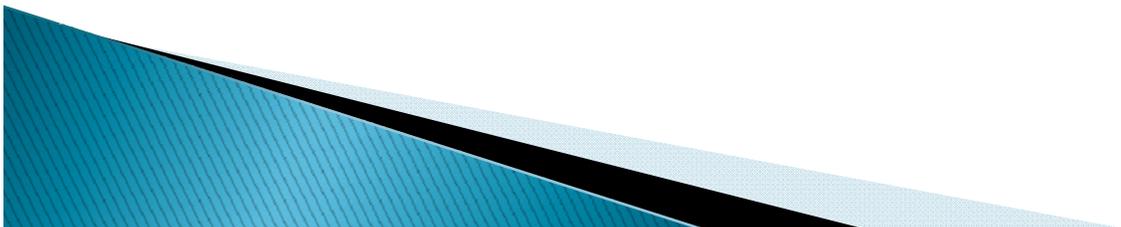
5) Business Development Assistance

- ▶ Consider devoting more resources to business development assistance
- ▶ Review examples of other agencies with substantial business assistance development initiatives and evaluate the impact of these initiatives on M/WBE utilization



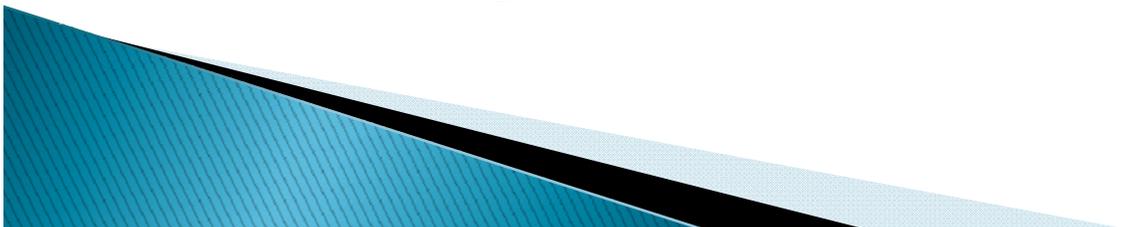
6) Incentives

- ▶ Grant financial incentives for contractors
- ▶ Grant financial incentives for training SBEs in bidding on contracts
- ▶ Grant financial incentives that waive bonding requirements for a SBE prime
- ▶ Fund access to low cost insurance on small projects
- ▶ Structure management and technical assistance contracts to
 - Increase the number of M/WBEs being registered as qualified vendors
 - Increase number of M/WBEs graduating from sub to prime contracting



7) Outreach

- ▶ Provide and distribute more information on how to do business with Greensboro
 - Comprehensive contracting guides
 - Consider creating Procurement Card vendor directory
 - M/WBE Ordinance
 - Status of certification applications
 - Data on SBE and M/WBE Utilization
 - Annual M/WBE Program Reports
 - Direct web links to online purchasing manuals, capacity, bonding qualifications and experience data on certified firms
 - Loan programs

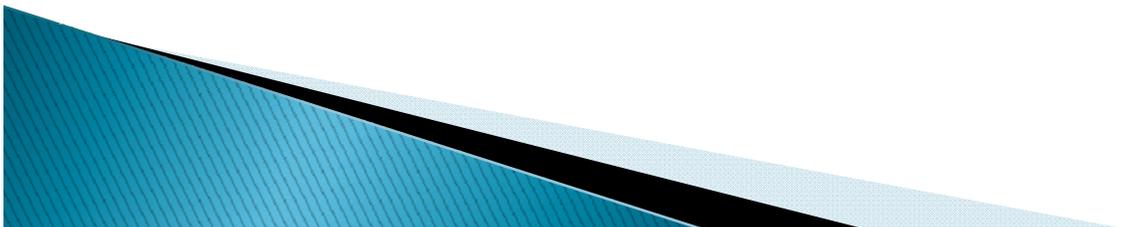


Program Compliance

8) Data Management

9) Performance Measures

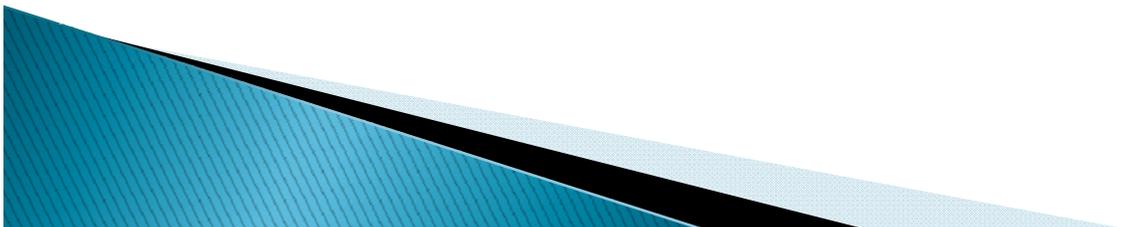
10) Monitoring and Compliance



8) Data Management

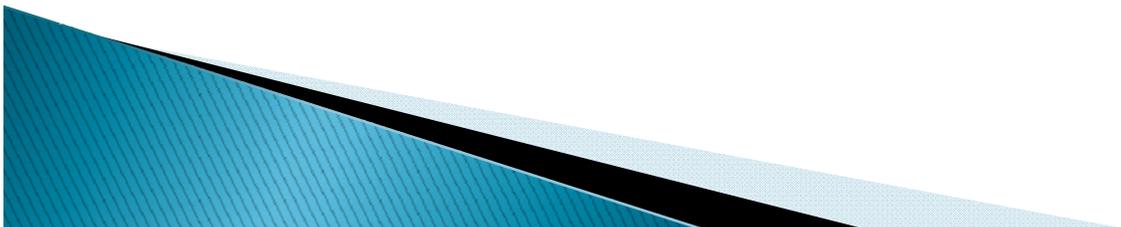
- ▶ Consider implementing a centralized vendor registration database
 - Track ethnicity data, telephone numbers and addresses in addition to the information currently kept for all vendors and bidders
 - Vendor system should ideally use structured codes such as NAICS codes

- ▶ Monitor closely the utilization of all businesses by
 - race, ethnicity, and gender
 - nonminority male subcontractor utilization
 - prime and subcontractor utilization



9) Performance Measures

- Measure increase in utilization of SBE/MWBEs
 - ▶ Measure growth in SBE/MWBEs
 - Registered as qualified vendors
 - Graduating from subcontracting work to prime contracting
 - Winning their first prime or subcontract on Greensboro projects
 - Successfully graduating from the program



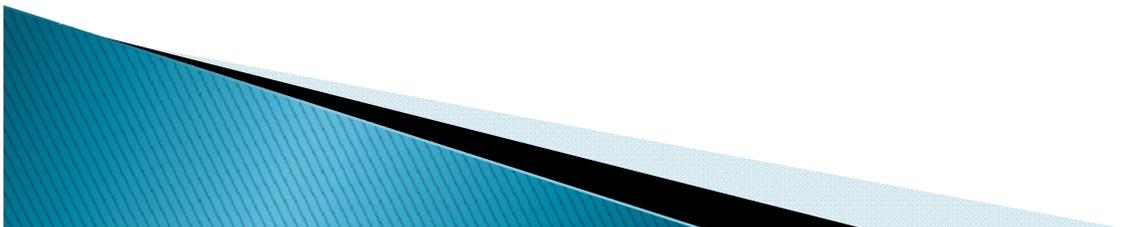
10) Monitoring and Compliance

- ▶ Program Compliance
 - A stronger M/WBE subcontractor program will require more resources for monitoring contract compliance

- ▶ Contract Language for Requests for Proposals
 - Ask proposers about their strategies to include M/WBEs on projects

- ▶ Program Support
 - Greensboro should establish M/WBE Liaisons for its departments with major procurement opportunities
 - Liaisons should pay particular attention to opportunities in the area of professional services
 - This approach should lead to greater accountability from departments based on the new Greensboro organizational model

- ▶ Prompt Payment
 - Survey and interview evidence suggests a prompt payment is still a major issue with some vendors
 - Promptness of payment may require further monitoring



Additional Recommendations

- ▶ All feedback and recommendations are welcome and will be considered in the public planning process.
- ▶ Community input may address the Disparity Study Recommendations, but that is not required.

