

City of Milwaukee
Department of Administration
Business Operations Division
Emerging Business Enterprise Program

Presentation of Chapter 370
October 28, 2011

Where we've been...

- ▶ Early 1980s – Chapter 360 was enacted (DBE)
- ▶ 1992 – Disparity Study (County, City and MPS)
- ▶ 2002 – Chapter 360 was revised (EBE)
- ▶ 2007 – EBE Effectiveness Study
- ▶ 2009 – Chapter(s) 355 and 365 were enacted
- ▶ 2010 – Disparity Study completed (City & MMSD)
- ▶ *2011 – Chapter 370 was enacted (MBE/WBE/SBE)*

Disparity Study Recommendations

In light of the Disparity Study findings, D. Wilson Consulting Group provided the following recommendations to the City of Milwaukee:

- I. Changes in procedures and practices
- II. Implementation of a compliance monitoring tracking system
- III. Development and implementation of a race/gender-conscious program
- IV. Monitoring expectations for M/W/SBE program
- V. Enhancements to the proposed M/W/SBE program

M/W/SBE Committee

The M/W/SBE committee shall act as an advisory committee, working with City staff to review the proposed M/W/SBE program, and provide recommendations in support of program changes.

Organization	Representative
AACC	Curtiss Harris
HCCW	David Aragon
Milw. Co. DBE	Freida Webb
MMSD	Pete Coffaro
MPS	Renee Taylor
Nutshell Enterprises	Tina Beckett

Internal Transition Team

The Internal Transition Team consists of City leadership and departmental staff, who worked to ensure that the City's contracting processes encourage and provide increased opportunity for participation by a more diverse group of vendors and contractors.

Department	Team Member
Administration	Kimberly Montgomery
Common Council	Ald. Ashanti Hamilton
CA Office	Linda Burke, Kathy Block
DCD	Sandra Rotar, Scott Stange
DOA	Rhonda Kelsey
DPW	Ghassan Korban

Overview of Chapter 370

- ▶ Implements the Disparity Study recommendations
- ▶ Redesigns the EBE Program as a MBE, WBE and SBE program
- ▶ Creates an Office of Small Business Development
- ▶ Establishes minimal requirements for the utilization of MBE, WBE and SBE firms on various City contracts.

MBE, WBE and SBE Certification Requirements

Across the Board...

- ▶ Firm must be operational for at least one (1) year
- ▶ Firm must have a physical business address located within the limits of Milwaukee, Ozaukee, Washington and Waukesha counties for at least one (1) year
- ▶ Owner controls the day-to-day critical operations of the firm
- ▶ Owner(s) is /are a citizen or permanent legal resident of the United States

Across the Board...

- A United States business which is independently owned and operated, and which is not dominant in its field of operation or an affiliate or subsidiary of a business dominant in its field of operation
- Meets SBA size standards per NAICS/SIC Code
- Demonstrated capability to perform independently or as a subcontractor relative to its field of operation
- Not be owned, controlled, or directed by individuals or groups of individuals who own, control, or direct a large business involved in the same category of work as the business for which M/W/SBE status is sought

Minority Business Enterprise Certification

- Firm must be at least 51% owned, managed and controlled by one or more ethnic minorities. Ethnic minorities include the following groups:
 - African American
 - Asian American
 - Hispanic
 - Native American

Woman Business Enterprise Certification

- ▶ Firm must be at least 51% owned, managed and controlled by one or more non-minority female(s)

Small Business Enterprise Certification

- ▶ Be independently owned and operated;
- ▶ Not dominant in field of operation;
- ▶ Meet SBA size standards per NAICS/SIC Code
- ▶ Be in operation for at least one year
- ▶ Physical business address located within the limits of Milwaukee, Ozaukee, Washington and Waukesha counties for at least one (1) year

ALL INCLUSIVE

MBE/WBE/SBE Annual Participation Goals/Requirements

M/W/SBE Program Annual Goals/Requirements

▶ Construction Services

◦ <u>All Inclusive</u>		<u>12.05%</u>
• SBE	12.05%	
◦ <u>Race/Gender-conscious</u>		<u>12.95%</u>
• African-American Firms	5.57%	
• Asian-American Firms	.07%	
• WBE	7.31%	

Construction = 25% Annual Participation Requirement

M/W/SBE Program Annual Goals/Requirements

▶ Goods & Services

◦ <u>Race/Gender-neutral</u>	<u>4.51%</u>
• SBE	4.51%
◦ <u>Race/Gender-conscious</u>	<u>20.49%</u>
• Hispanic	3.23%
• Native-American	.17%
• WBE	17.09%

Goods & Services = 25% Annual Participation Requirement

M/W/SBE Program Annual Goals/Requirements

▶ Professional Services

- Race-neutral 18%
- **SBE** 18%

Professional Services = 18% Annual Participation Requirement

What have we accomplished...

- ▶ Business inclusion
- ▶ Increased opportunities
- ▶ Contract Compliance Monitoring Software
- ▶ Streamlined certification process
- ▶ Strengthened financial assistance options
- ▶ Increased outreach and education

Next Steps...

▶ Transition

- Branding (12/16/11)
- Existing Certified Firms (12/16/11)
- New Certification Requests (1/3/12)
- Revitalize Performance Bond Program
- Enhance Revolving Loan Program
- OUTREACH, Outreach, outreach...

January 3, 2012

Outreach & Educational Efforts...

- ❑ “How To” Become Certified with the City of Milwaukee
- ❑ Doing Business with the City of Milwaukee
- ❑ Entrepreneurship Workshop (Start-ups)
- ❑ Networking Events
- ❑ Business Solidification Workshops
- ❑ Small Business Roundtable *Re-Work, Real Talk*
- ❑ North End Business Capacity Building & Workforce Development Training Program
- ❑ Workforce Consortium (Ald. Hamilton)

Questions/Answers

Q: *When will Chapter 370 be evaluated to determine it's effectiveness?*

A: **Annually**

Q: *When will Chapter 370 be implemented?*

A: **January 3, 2012**

Q: *I'm currently a certified EBE. When will I receive information on my Chapter 370 certification?*

A: **Certifications and letters will be mailed to currently certified EBEs, beginning on December 16, 2011.**

Q: *I'm NOT currently certified. Can I still apply to be an EBE?*

A: **Yes!!!**

Questions/Answers

Q: *Is there a graduation from the EBE program? Will there be a graduation from the M/W/SBE program?*

A: Yes and YES!

Q: *Does the City ever deny certification or de-certify firms?*

A: Yes

Q: *Are there sanctions for contractors who fail to meet contractual requirements?*

A: Yes. Such sanctions as withholding payment to termination of the contractual relationship.

*Questions/***Answers**

Q: *Will requirements be set on EACH contract?*

A: No. In order for a utilization requirement to be placed on a respective contract, there will still have to be at least 2 certified firms that are capable of delivering the service/good.

Q: *When will the Contract Compliance Monitoring Software be implemented?*

A: January 3, 2012.

Q: *What can the small business community do to help?*

A: Be patient and allow the City of Milwaukee to implement Chapter 370. There are going to be some unforeseen challenges, however, we are committed to working through those challenges.

We promise to keep YOU informed of our progress.