# MBE/WBE Goal Setting & Procurement Compliance

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# MBE/WBE Goal Setting & Procurement Compliance

- Presentation Objectives:
  - Highlight COA's MBE/WBE Ordinances related to Goal Setting & Good Faith Effort (GFE) Processes
  - Provide overview of goal setting methodology, processes and determinations on COA Projects
  - Review Prime Contractors GFE Requirements
  - Present COA's internal GFE Review
     Processes & Administrative Procedures





## COA Goal Setting Methodology

- § 2-9(A-D)-18 Establishes Annual Participation Goals
- Cumulative Goal for Minority Groups & Separate Goal for Women
- Based on availability of MBEs and WBEs in the City's Marketplace
- Expressed as percentages for each Minority and Women under each type of Contract.





## COA Goal Setting Methodology

 § 2-9(A-D)-18 Establishes Annual Participation Goals

Group	Construction	Professional Services	Nonprofessional Services	Commodities
African- American	1.7%	1.9%	2.5%	0.3%
Hispanic	9.7%	9.0%	9.9%	2.5%
Native/Asian American	2.3%	4.9%	1.7%	0.7%
MBE	13.7%	15.8%	14.1%	3.5%
WBE	13.8%	15.8%	15.0%	6.2%





Small & Minority Business Resources

Opening the door to opportunities.

### COA Goal Setting Methodology

- § 2-9(A-D)-19 ESTABLISHMENT OF MBE/WBE PARTICIPATION LEVELS FOR INDIVIDUAL CONTRACTS
- All COA's solicitations are reviewed for project specific goals
- Exceptions:
  - Solicitations under \$58,000
  - Professional Service Contracts Annual Industry Goals
  - Interlocal Agreements
  - Solicitations exempted from M/WBE Program (SMBR M/WBE Rules Section 1.2)



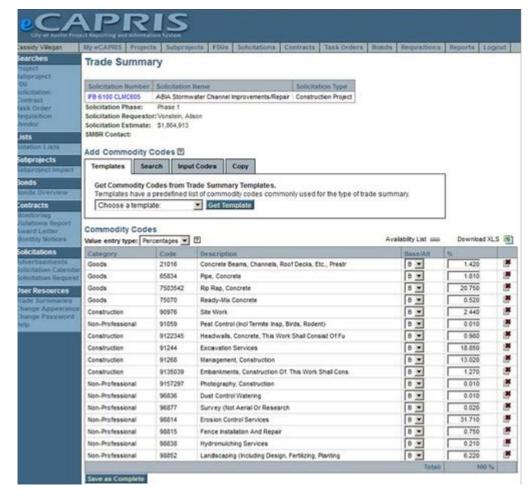
#### Setting Goals

- Solicitation document provide details of project
- Trade Summary Sheet identifies scopes of work
- Percentages reflect the anticipated amount of materials/supplies and services





## Trade Summary Example



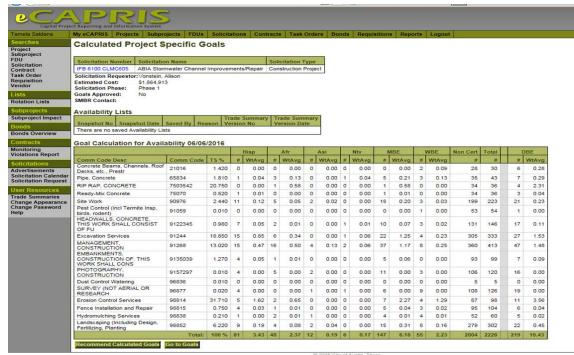




#### Project Specific Goal Calculation

#### formula:

# No. of Certified Vendors (Per Ethnicity) X % of Scope Total Vendors

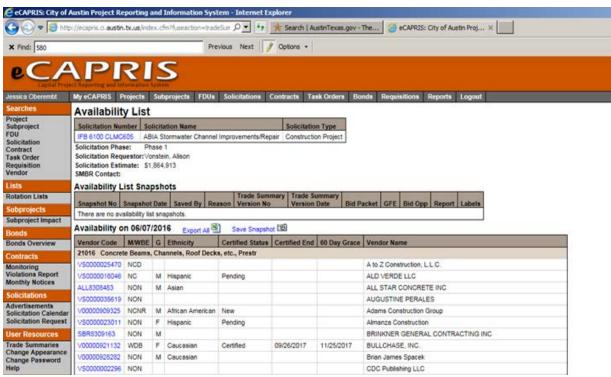






#### **Availability List**

#### Certified Vendors









#### Compliance Determination

- City of Austin MBE/WBE compliance determined under City Code 2-9(A-D)-21(E).
- Firms are compliant by:
  - Meeting goals or
  - Demonstrating Good Faith Efforts (GFE)







#### Requirement to Meet Goals

 Bidders/Proposers must submit Compliance Plan with participation that meets or exceeds solicitation goals

 For any ethnic category where goals are not met, the bidder must demonstrate GFE.







### Counting Participation

Ensure the following:

- Firm is certified by the City of Austin
- Firms are certified for commodity codes on Compliance Plan







### Counting Participation (cont.)

Prime certified firms may count their own participation

 Every level of subcontractor participation may be counted toward the goals

 Dually certified firms can be counted as either MBE or WBE but not both





# Minimum Requirements to Achieve Good Faith Efforts (GFE)

- Notify Certified Firms, using two separate verifiable methods, at least seven business days prior to submission of bid/proposal (fax, e-mail, mail or phone call)
  - Notices should contain project requirements, addenda, contact information and due dates for responding





Opening the door to opportunities.



### Minimum Requirements (cont.)

Follow up with interested MBE/WBE firms

 Negotiate in good faith with interested MBEs and WBEs

 Publish notice in a local publication (i.e. newspaper, trade association publication, or social/electronic media)





#### Minimum Requirements (cont.)

 Seek services of trade associations and other minority and women community organizations

Contact SMBR for assistance

 Select portions of work that will increase MBE/WBE opportunities



#### Additional Considerations

Assist MBE/WBE firms with:

Bonding, lines of credit, and insurance

 Obtaining necessary equipment, supplies, materials, or related services





#### Good Faith Effort Clarifications

 Self performance does not relieve the Bidder/Proposer of the responsibility to demonstrate GFE

 Bidders/Proposers should not disqualify MBE/WBE firms without sound reasons





# Good Faith Efforts Clarifications (cont.)

Bid Shopping is prohibited

 SMBR may consider the performance of other bidders/proposers in meeting the goals





#### Good Faith Effort Review

- Verifies all M/WBE in the SLB were contacted
- Verifies two outreach efforts
- Evaluate GFE to provide subcontracting opportunities
- Verify ad was placed in local or minority publication
- Verify contact was made with minority contracting and business organizations
- Verify contact was made to SMBR
- Send GFE Survey to M/WBEs for ethnic category where goal was not met.





#### Meeting Goals vs GFE

 This fiscal year to-date, 92.78% of bidders/proposers who were awarded contracts were compliant by meeting project goals

Percent of "Met Goal" Awards for FY16 To Date

92.78%







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