

Program for Increasing Minority Participation in City Contracting

City of Virginia Beach

City Manager: Mr. James K. Spore

Project Leader: Ms. Patricia A. Phillips
Director of Finance
City of Virginia Beach
Department of Finance
(757)385-4681
pphillip@vbgov.com
Municipal Center, Building 1
2401 Courthouse Drive
Virginia Beach, VA 23456

Team Member: Ms. Barbara Booker-Williams
Minority Business Coordinator
City of Virginia Beach
Department of Finance
(757)385-4067
bbookerw@vbgov.com
2388 Court Plaza Drive
Virginia Beach, VA 23456

Intent of the project/program/service

City management and staff, and the MBC researched minority business initiatives implemented by the Commonwealth of Virginia and localities across the nation. The Commonwealth had conducted a disparity study that was completed in January, 2004, which showed that minority-owned businesses were significantly underutilized in state government contracting, and several Virginia localities were contemplating a disparity study as well. At the conclusion of this research, staff presented a Policy Report to City Council that included three alternatives to be considered to address the issue of minority participation in city contracting. The three alternatives were:

- Continue with the current program, which was basically reporting on progress and an annual educational expo.
- Strengthen procurement processes and programs, including:
 1. Strengthen construction contracting processes by increasing prime contractor accountability for failure to consummate proposed subcontractor participation levels.
 2. Strengthen goods and services contracting to ensure available minority-owned vendors are informed of pending solicitations.
 3. Improve cash flow for small businesses by shortening the time for payment processing.
 4. Break large contracts into smaller ones to increase opportunities for small businesses, to the extent practicable.
 5. Explore the creation of business development programs such as counseling and related services.
 6. Improve vendor databases to improve communications with the minority business community, including a more robust web site.
 7. Provide staff resources and funding to achieve the initiative.
- Conduct a disparity study, which could serve as a basis for a future “set-aside” program.

Anticipated and Actual Outcomes/Results

The MBC has created an organization and programs designed to contribute to helping the City achieve the goal established by City Council to increase the participation of minority vendors in city contracting and procurement opportunities.

The Annual Minority Business Conference and EXPO

A free annual event sponsored by the City and MBC providing minority contractors an opportunity to meet with all City agencies and discuss procurement and contracting opportunities. The program includes a keynote speaker and topical workshops to create a valuable learning experience for minority vendors. As well as City of Virginia Beach agencies, procurement officials from all regional municipalities, state agencies and many federal agencies participate to make this a memorable event. Attendance increases annually by both minority attendees and governmental agency representatives.

Annual Educational Series

The Outreach Committee established an annual educational series for minority vendors with a variety of interesting topics to assist minority vendors in their pursuit of City and other governmental contract opportunities.

Quarterly Industry Hour Presentations

Once per quarter, two minority vendors are invited to present their capabilities and skills in a presentation at the monthly MBC meeting. The vendors are typically selected from an industry segment that is underutilized by the City, and as well as the MBC members and associates in attendance, City staff from the appropriate agencies are invited to attend to hear the presentations and network with the vendors.

Monthly City Department Presentations

On a monthly basis two City agencies are invited to make a presentation to the MBC to educate the MBC and meeting attendees about their specific needs, areas of success, and to highlight areas of difficulty in identifying potential minority vendors to participate in procurement or contracting opportunities.

Annual Minority Business Council Planning Retreat

The MBC members and associates participate in an all day strategic planning retreat to establish goals and objectives for the coming year and to plan and refine the strategy to achieve those goals. A professional facilitator is used and support is provided by City staff. All City department directors are invited to attend as their schedules allow and they participate in the planning process.

Strategic Partnerships and Relationships

The MBC has created strategic relationships with many agencies to broaden the areas of opportunity for minority vendors:

- U. S. Small Business Administration
- Virginia Department of Minority Business Enterprise
- Virginia Department of Business Assistance
- Hampton Roads Hispanic Chamber of Commerce

Organizational Changes and Programs

City staff developed and implemented several measures to improve minority participation and create a receptive environment for increasing minority participation.

- Developed and implemented Administrative Directive 6.09, *Woman and Minority Owned Business Participation in City Procurements*, setting out policy and procedures for inclusion of minorities in delegated procurement situations and departmental procurement planning.
- City Purchasing staff developed and implemented new vendor training sessions provided quarterly targeting new vendors in both construction bidding and other goods & services bidding. Each session is typically well attended.

- City Purchasing staff delivered specific delegated procurement training to 699 staff members focusing on minority requirements and the procedures established in Administrative Directive 6.09. This training was so well received that it was added to the City’s Human Resources standard catalog of training classes. All delegated buyers will be required to attend the training and to attend refresher training on a regular basis.
- City staff developed and implemented an on-line, web based subcontractor tracking program to facilitate the reporting of usage of minority and woman owned subcontractors. This program is provided at no cost to prime contractors and includes email notifications to City project managers, contract administrators and prime contractor representatives when reports are due.
- In May, 2008, City Council adopted a resolution establishing a ten percent minority participation goal for all areas of City expenditures. This emphasized to staff and the business community the importance of the minority initiative for the City.

MINORITY PARTICIPATION IMPROVEMENTS

Minority participation in City expenditures has shown a pattern improvement since FY-05:

➤ FY-05	\$5.3 M (Expenditures)	2.0% (Percentage of total City expenditures)
➤ FY-06	\$8.1 M	3.4%
➤ FY-07	\$7.6 M	3.4%
➤ FY-08	\$12.2 M	5.4%
➤ FY-09	\$14.1M	7.3%

See the trend graph and reports on minority expenditures that are attached.

The Virginia Beach City Council created the MBC in 1995 to encourage minority owned businesses to participate in City contracting. When the measures in place were deemed to be ineffective, the City Council took decisive action and provided clear guidance to staff and the MBC. The MBC revised its organization and developed new and effective programs to carry out the desires of the City Council and meet its initiative.

The results of increased expenditures to minority business speak for themselves. The programs of the City and MBC have resulted in excellent results without the use of “set-asides!”

Presentation Components

1. Innovation/Creativity

There are no instruction manuals on how to increase minority participation in city contracting. This program has evolved with input from not only city staff, but also a Council-appointed board and its constituency. The organization works together to increase minority participation. A private consultant was not used, but a lot of inhouse research and discussion, including facilitated retreats with the Minority Business Council resulted in ideas that shaped this program. The collective inputs have resulted in a multifaceted program that has shown results. As noted above, the program consists of an improved EXPO, Industry Hours, MBC Associates Programs, Departmental Training, Formal policies (Administrative Directives and Council Resolutions) and detailed reporting.

2. Citizen Outcomes

The minority community pushed for more inclusion in City contracting. The community is now fully aware that the City of Virginia Beach values diversity, and the City Council has backed it up with a Council Resolution that established an aspirational goal. As a result, the amount of City expenditures paid to minority businesses has increased steadily over the years the program has been in place.

3. Applicable Results and Real World Practicality

This type of program reflects the nation's values, and as such can be used by any community that wants to insure that all demographic groups benefit from programs of inclusion and wants to increase the vitality of its local economy. The elements of this Program can be replicated in any community.

4. Case Study Presentation

Attached is a power point that serves as a draft of the presentation we would use if selected.