

# MINORITY & WOMEN-OWNED BUSINESS ENTERPRISE AND SMALL LOCAL BUSINESS ENTERPRISE PROGRAMS

## PROGRAM POLICY

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The City of Columbus has a long history of supporting businesses owned by minority, women and disadvantaged individuals, including small businesses. This Minority and Women Business Enterprise (MWBE) and Small Local Business Enterprise (SLBE) Policy seeks to foster participation by local, small and minority businesses in construction, architectural and engineering, professional services and non-professional services contracting and procurement opportunities at the City of Columbus by increasing the capacities of such firms to perform as prime vendors and subcontractors and as suppliers. The Policy shall allow the City of Columbus to more effectively target small and minority business participation and create opportunities relating to the City's contracting and procurement.

This Policy seeks to promote full and fair opportunities for MWBE and SBE companies certified by the City of Columbus, and whose place of business is located in the City's relevant market service area.

The purpose of this policy is to:

1. To ensure nondiscrimination in the award and administration of contracts;
2. To create a level playing field on which diverse suppliers can compete fairly for contracts;
3. To ensure that the Office of Diversity and Inclusion's MWBE and SLBE Programs are narrowly tailored in accordance with applicable law;
4. To ensure that only business entities that fully meet eligibility standards are permitted to participate as diverse suppliers;
5. To help remove barriers to the participation of diverse suppliers in contracts; and-
6. To provide opportunity for SLBEs located in the City to participate in a sheltered market as prime contractors on City construction, professional services, and goods and services contracts.

## ROLES & RESPONSIBILITIES:

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**MAYOR'S OFFICE OF DIVERSITY AND INCLUSION** - The Mayor's Office of Diversity and Inclusion shall have primary responsibility for the administration of the MWBE Program. The day-to-day administration of the Program is designated to the Assistant Director of Office of Diversity and Inclusion and staff. The Office of Diversity and Inclusion is authorized to:

**CITY DEPARTMENTS** - All City departments with the responsibility for the awarding or monitoring City contracts are responsible for promoting, supporting, and assisting the implementation of MWBE Program policy and administrative procedures. All departments shall be accountable for exercising certain functions to implement the goals and objectives of the MWBE Program. The responsibilities shall include:

Each department director or designee shall be accountable for achieving the MWBE Program goals and shall review, on a continuing basis, all aspects of the Program’s operations to assure that the objectives and requirements are being attained.

**RACE AND GENDER - SPECIFIC PRIME CONTRACT REMEDIES**

**MWBE Subcontracting Goals**

All procurements valued above \$100,000, unless exempted or excluded, must be assessed for MWBE contract-specific goals.

<b>MWBE Contract-Specific Goal – Limited to Groups with Disparity</b>		
<b>Industry</b>	<b>Eligible MBEs</b>	<b>Eligible WBEs</b>
Professional Services	African Americans	Caucasian Females
	All Minority Females	All Minority Females
Construction	African American, Native American, Asian American	All Minority Females

<b>MWBE Overall Goal – Limited to Groups with Disparity</b>			
<b>Industry</b>	<b>Eligible MBEs</b>	<b>Overall MBE Goal</b>	<b>Overall WBE Goal</b>
Professional Services	African Americans	25%	19%
	Caucasian Females		
	All Minority Females		
Construction	All certified MWBEs <b>except</b> Hispanic Males	19%	11%

### **Good Faith Efforts**

A prime contractor/consultant that fails to meet the MWBE subcontract goal at the time of bid opening / proposal submission must provide sufficient proof of a good faith effort to achieve the goal or be deemed non-responsive.

The good faith effort criteria include seven (7) factors that shall enable the prime contractor to secure the MWBEs needed to meet the goal. Each factor is quantifiable, and the prime contractor must achieve a minimum score of 80 points to demonstrate a sufficient good faith effort to be considered a responsive bidder.

### **Professional Services Incentive Credit**

An incentive credit of five (5) percent of the total evaluation points used to score the request for proposals and statements of qualifications shall be applied to MWBE prime contractors in ranking the submittals.

### **Construction and Goods and Services Bid Discounts**

To offset the effects of discrimination manifested in the higher cost of doing business experienced by MWBEs, a bid discount shall be applied to the MWBE prime contractor's bid during the bid ranking process. The bid discount shall be five (5) percent of the bid amount. The maximum discount shall not exceed \$50,000. The contract amount shall be the full value of the bid.

### **Quotes for Informal Bids To Include one (1) MWBE**

To increase MWBE utilization on informal contract awards, the solicitation process used to secure quotes for all informal construction and professional services contract opportunities shall include at least one minority-owned business, one woman-owned business, and one small local business, if available

## **ADDITIONAL RACE AND GENDER-SPECIFIC CONTRACTING REMEDIES**

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### **Joint Venture Policy Incentives**

### **Penalties for Not Achieving MWBE Contract Goals**

### **Bi-Annual Review of the MWBE Directory**

## **RACE AND GENDER - NEUTRAL PRIME CONTRACT REMEDIES**

### **Small Local Business Enterprise Program**

The City is committed to maximizing contracting opportunities for Small Local Business Enterprises (SLBEs) on construction, professional services, and goods and services contracts for

small business enterprises located in the City of Columbus, Ohio. The program includes a sheltered market program and a requirement that all departments shall take active affirmative steps to ensure that small local businesses are able to participate on all City contracts as both prime contractors and subcontractors.

### **SLBE Sheltered Market Program**

The Sheltered Market Program will provide access for SLBEs to receive prime contracts by limiting competition to similarly situated businesses. All departments shall identify sheltered market contracts during the annual budget process and submit quarterly projections to the Office of Diversity and Inclusion. All new formal construction projects valued at under \$100,000 will be set aside for SLBEs.

### **Enhance Solicitation Requirements**

Publication of a solicitation shall minimally occur 21 business days prior to the submission due date, unless waived by the Director of Finance and Management.

### **Unbundle Large Procurements**

UTCs, best value procurements, and large design and construction projects anticipated to be awarded shall be reviewed to determine the solicitations that can be divided into small prime contracts. Annually, during the budget cycle, the Office of Diversity and Inclusion shall meet with each department to review the funded contracts for unbundling. Existing UTCs shall be examined annually to determine those that might be divided into multiple contracts by type of trade or specialty, geographic area, or material specifications. In addition, UTCs shall be reviewed to identify task orders that could be awarded as separate small contracts under the sheltered market program.

### **Bond Waivers on Small Contracts \$100,000**

Payment and performance bonds on construction contracts with a value of less than \$100,000 shall be waived. Service contracts valued at less than \$100,000 requiring the performance of labor or the furnishing of materials for buildings, structures, or other improvements to real property owned by the City shall also be waived.

## **ADDITIONAL RACE AND GENDER-NEUTRAL CONTRACTING REMEDIES**

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Dispute Resolution Procedures

Subcontractor Substitution Standards

Debriefing Sessions for Unsuccessful Bidders

Pay Mobilization for Subcontractors

Subcontract Payment Verification Program

Procurement Opportunities Web Page

Publish Prime Contractor Payments

Reform Pre-Qualification Requirements

# MINORITY & WOMEN-OWNED BUSINESS ENTERPRISE AND SMALL LOCAL BUSINESS ENTERPRISE PROGRAMS

## Minority/Women Business Enterprise Program (MWBE)

**Race / Gender Conscious**

**KEY PROGRAM ATTRIBUTES**

**Eligibility Requirements**

- At least 51% owned, operated and independently controlled by African American, Native American, Hispanic American, Asian American or women.
- Headquartered within the Columbus Metropolitan Service Area (MSA) - Counties Include Franklin, Delaware, Fairfield, Fayette, Licking, Madison, Pickaway and Union

Subcontracting Goals  
 MWBE Directory  
 Quotes for Informal Bids  
 Professional Services Incentive  
 Credit  
 Construction and Goods / Services  
 Bid Discount  
 Waiver of Bonds  
 Compliance Monitoring

## Small Local Business Enterprise Program (SLBE)

**Race / Gender Neutral**

**KEY PROGRAM ATTRIBUTES**

**Eligibility Requirements**

- Is an independently owned and operated for-profit business concern located in Franklin County that is not a subsidiary of another business.
- Has an average gross annual receipt in the prior three fiscal years that does not exceed \$1,000,000. If a business has not existed for three years, the employment and gross annual receipts will be based upon the annual averages over the course of the existence of the business.
- A maximum personal net worth of \$1,000,000 averaged over three years.
- SLBEs must re-certify every two years.

Sheltered Market Program  
 Quotes for Informal Bids  
 Waiver of Bonds

## Good Faith Effort Criteria

Criterion	Effort	Documentation
Advertising (5 points)	<p>Advertise at least twice in the general circulation media, minority-focused media, or trade-related publications 21 days prior to submission, unless the Office of Diversity and Inclusion waives this requirement due to time constraints.</p> <p>Advertisement must be specific to the Office of Diversity and Inclusion contract or procurement, not generic, and must not be a plan holder advertisement provided by the publication.</p> <p>Advertisement must be worded to ensure it does not exclude or limit the number of potential respondents and the contractor's policy concerning assistance to subcontractors including bonding, financing, and/or insurance.</p>	<p>Dated copies of the advertisement or an affidavit from the periodical must be provided. The advertisement shall include the name and location of the project, the location where plans and specifications can be viewed, the subcontractor proposal due date, and the items of work or specialties being solicited.</p>
Outreach to Identify MWBEs (15 points)	<p>The prime contractor must list the names of the MWBEs, contact information, and date of contact. Copies of correspondence received from any subcontractor responding to the outreach or seeking subcontract work must be provided.</p>	<p>To receive the 15 points for outreach to identify MWBEs, the prime contractor must provide a copy of the required advertisements.</p>

## Good Faith Effort Criteria

Criterion	Effort	Documentation
Timely Written Notification (20 points)	<p>The prime contractor must solicit, in writing, subcontract bids and material quotes from certified MWBEs at least ten (10) business days prior to bid opening. The written solicitations must invite MWBEs that can perform a commercially useful function to participate in the contract as a subcontractor, supplier, or subcontractor for specific items of work. MWBEs that can perform a commercially useful function are those that will use their own workforce and facility to provide the services or supplies required for performing the work listed in the bid. The prime contractor's bid must include the following information:</p> <ol style="list-style-type: none"> <li>i. Prime contractor's name, address, and telephone number.</li> <li>ii. Project location and description.</li> <li>iii. Solicited items of work to be subcontracted or materials to be purchased, including a specific description of the work involved.</li> <li>iv. Place where bid, plans, and specifications can be reviewed.</li> <li>v. Date and time when MWBE quotes must be received by the contractor.</li> </ol>	<p>To receive 20 points for a timely written notification, the prime contractor must provide written verification of transmission date, including copies of certified mail-return receipts or copies of emails.</p>

## Good Faith Effort Criteria

Criterion	Effort	Documentation
Contact Follow-up (20 points)	<p>The prime contractor must demonstrate follow-up efforts, including telephone calls, facsimiles, or emails during normal business hours.</p> <p>The contact must include direct written or oral communication with an executive representative of the MWBE within a reasonable amount of time to allow the prospective subcontractor an opportunity to submit a competitive bid.</p>	<p>To receive 20 points for contact follow-up, the prime contractor must provide:</p> <ol style="list-style-type: none"> <li>1) a list of subcontractors who were contacted by telephone and their contact information, including telephone numbers, contact persons' name and title, and dates of contact.</li> <li>2) the documented results of that contact, such as a telephone log, email print-out, or automated facsimile journal/facsimile transmittal.</li> </ol>
Items of Work Identification (20 points)	<p>Prime contractors must attempt to break down items of work into smaller projects that MWBEs may find economically feasible to perform. The smaller portions of work must constitute a commercially useful function that could reasonably be expected to produce a level of participation sufficient to meet the goals. Prime contractors must not deny a subcontract to a qualified and competitive MWBE solely because the MWBE cannot perform the entire package unless unbundling would jeopardize scheduling or increase costs by more than five (5) percent.</p>	<p>To receive 20 points for items of work identification, the prime contractor must provide a list of the specific items of work solicited and the eligible MWBEs contacted regarding the specific items of work.</p>
Negotiating in Good Faith (15 points)	<p>Prime contractors must negotiate fairly with interested MWBEs, even if selection of the MWBE would increase costs. A prime contractor shall not unjustifiably reject bids prepared by eligible MWBEs. However, the prime contractor may choose a low bid if two or more bids for the same item of work are received.</p>	<p>To receive 15 points for a good faith negotiation, the prime contractor must provide the name, address, and telephone numbers of subcontractors contacted to negotiate prices or services, as well as the date and results of each negotiation. If an MWBE bid is rejected because of price, at least two of the lower bids must be provided. The lower bids must be date stamped and include the contractor's name and contact information.</p>



## Good Faith Effort Criteria

Criterion	Effort	Documentation
Assistance in Financing, Bonding, Insurance, or Mentoring (10 points)	Prime contractors must document efforts to provide technical assistance to MWBEs in obtaining bonds, lines of credit, or insurance required by the City. The prime contractor must not deny a subcontract solely because the certified MWBE cannot obtain a bond.	To receive 10 points for offering assistance in financing, bonding, insurance, or mentoring, the prime contractor must provide written statements of the type of assistance offered. The name, contact person, and telephone number of the bonding company or financial institution offering assistance must also be provided.