City of Charlottesville

Minority Procurement Program Strategy

An Approach Designed to Increase the Number and Scale of Minority-Owned Businesses Contracting with the City of Charlottesville.
**Background:** The City of Charlottesville has one of the longest standing supplier diversity programs in Virginia. The City’s initial program was adopted in 1985. The City’s environment includes many procurement and economic development practices that support supplier diversity.

In 2017, former Vice-Mayor Wes Bellamy initiated an effort focused on accelerating the City’s supplier diversity program, particularly the minority-owned (MBE) and women-owned (WBE) business element where City spending is lower than for other certified business designations. City Council appointed a task force, the Minority Business Task Force (formerly the Disadvantaged Business Enterprise Task Force).

The Minority Business Task Force includes: Melvin Burruss, Mark Menafee, Kaye Monroe, Karen White, and Andrea Copeland Whitsett. The task force is tasked with outlining a strategy to increase the number and scale of minority-owned businesses contracting with the City.

The definitions of minority-owned and women-owned businesses and other certified businesses are as per Code of Virginia, § 2.2-4310.

**Purpose:** This plan develops a strategy to increase the number and scale of minority-owned businesses contracting with the City of Charlottesville. The City of Charlottesville will provide opportunities for responsible businesses, and to making every reasonable effort to increase opportunities for minority-owned, women-owned and other certified businesses.

**Objective:** This strategy provides a guide for the City to achieve its goal to increase the number and scale of minority-owned businesses contracting with the City. This includes contracts and subcontracts funded in whole or in part with City funds. The City of Charlottesville intends to advance its supplier diversity program while complying with law. The City will strive to achieve a level playing field for all companies to have access to public procurement opportunities.

**Strategy:** The City will use this strategy to strive to meet the purpose of this plan:

1. **Equitable Approach to Procurement and Good Faith Efforts:**
   - As part of the City’s decentralized procurement process for purchases $50,000 and less, monitor and require documentation of City department compliance with the City’s directive to include MBEs and WBEs in:
     - Opportunities to receive awards of small single-quote purchase $5,000 and less ($3,500 and less for Charlottesville Area Transit).
     - Opportunities to compete in the City’s informal competitive procurement process for purchases >$5,000 - $50,000 where, if available, at least (2) two of at least (4) four businesses invited to participate in the public procurement process are certified businesses.
   - As part of the City’s centralized procurement process for purchases >$50,000, monitor and require documentation of City Procurement’s compliance with the City’s directive to include MBEs and WBEs in:
Opportunities to compete in the City’s formal competitive procurement processes where at least (2) two businesses invited to participate in the public procurement process are certified businesses.

- Invitation for Bids (IFB) will be publicly posted on the City’s electronic bid board, besides direct invitation.
- Request for Proposals (RFP) will be publicly posted on the City’s electronic bid board, and advertised in a newspaper of general circulation in Charlottesville.

For all IFBs and RFPs, include a form for completion by bidders and offerors. The form will include a statement regarding the City’s MBE and WBE procurement objectives, and will request submission of the bidder’s/offeror’s certification data besides that of any subcontractors the bidder/offeror plans to use as part of any contract resulting from the solicitation. For subcontractors, the report will include planned dollars spend for each. As part of contract administration, confirm that City contractors subcontract as agreed to per contract.

- Participate in pre-bid and pre-proposal meetings and instruct potential bidders and offerors on the City’s supplier diversity program and how to search for certified businesses.
- Upon request, provide feedback to unsuccessful bidders and subcontractors to encourage their future successful participation.
- Include prompt payment mechanisms in City contracts.
- Technically assist MBEs and WBEs relative to bonding, insurance and financing required for performance of City contracts.
- Identify and remove barriers that impede MBEs & WBEs from doing business with the City. Determine actual barriers vs. perceived barriers.
- Identify saturated markets & unsaturated markets as areas of possible business growth for MBEs & WBEs and provide meaningful data to Economic Development.
- Collect and analyze City department/division spend data combined with collecting and analyzing MBE and WBE certification data, and market to City departments/divisions to show them MBEs and WBEs that sell what City departments buy.
- Work with the Virginia Department of Small Business and Supplier Diversity (SBSD) to attempt to provide a certification process that is more expedient and user friendly.
- Consider the differences between the state certification program for MBEs and WBEs and the federal certification criteria. Explore options to potentially promote aligning the certifications.

2. Outreach, Vendor Engagement and Training:

- Identify existing MBEs & WBEs not certified, market the advantages of becoming a certified business, and assist with the certification process as needed.
- Develop a systematic method and provide training to City employees on how to easily identify MBE and WBEs that sell what the City buys. The City will use the City’s
vendor database and the Virginia Department of Small Business and Supplier Diversity’s (SBSD) certification database to search for MBE/WBEs.

- Provide internal and external training on the City’s Minority Business Program.
- Develop informational and documentary materials on contract/subcontract opportunities.
- Sponsor and participate in business opportunity-related meetings, conferences, seminars, etc. with minority and women-owned businesses.
- Expand partnerships with other organizations to reach more businesses, i.e. UVA Supplier Diversity, County of Albemarle, etc.

**Performance Measures:** City Procurement will maintain centralized records with statistical data on utilization of MBEs, WBEs and other certified businesses. The City will prepare semi-annual program spend reports and will use this information to measure success:

1. Increase the number and scale of certified MBEs and WBEs that sell the goods and services the City purchases. Note: This can be measured by capturing an existing snapshot of certified MBEs and WBEs registered with the City that sell goods and services the City purchases, working towards increasing this registration, and then measuring the increase.

2. Increase the number and scale of MBEs and WBEs contracting with the City. Note: This can be measure in several ways. The approach will consider the following priority order:
   - Within the City of Charlottesville
     - Certified MBEs
     - Certified WBEs
     - All other certified businesses within the City of Charlottesville, including small local businesses
   - Within the greater Charlottesville Area (defined as Planning District 10)
     - Certified MBEs
     - Certified WBEs
     - All other certified businesses
   - Within Virginia (same order)
     - With the U.S. (same order)
     - Other (same order)

The City must include performance measures within the parameters of enabling legislation.

The City must align the performance measures with the priorities, e.g. a specific aspirational goal is set for minority spend that does not consider jurisdiction, then this prioritizes minority spend generally over spending with other local businesses. Based on task force discussions, that’s not the intent. The City must be careful setting specific spend goals, other than aspirational goals, without first having a disparity study. The City also must be careful regarding the appearance of a geographic preference so we do not run afoul of other applicable law.