



## **Request for City Council Committee Action from the Department of Civil Rights**

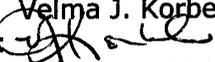
**Date:** October 26, 2011

**To:** Council Member Don Samuels, Chair - Public Safety, Civil Rights and Health Committee

**Subject:** Supplier Diversity in the City of Minneapolis

**Recommendations:** Discuss Supplier Diversity in the City of Minneapolis. Approve an annual goal of 25% for our Small and Underutilized Business Program and a goal of 25% for Supplier Diversity in the city's activity for informal, direct procurement of goods and services. Approval of these aspirational goals will underscore the city's commitment to the inclusion of woman-owned and minority-owned businesses in the city's contracting and procurement efforts.

### **Department Information**

Prepared by: Velma J. Korbel, Director Approved by:  Presenter in Committee: Velma J. Korbel, Director
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### **Financial Impact**

- NONE

### **Supporting Information**

It is the policy of the City of Minneapolis to provide equal opportunities to all contractors, and to redress discrimination in the city's marketplace and in public contracting against women-owned (WBE) and minority-owned (MBE) business enterprises. The city adopted a Small and Underutilized Business Program (SUBP) in 2005 and amended its program in 2011 following the conclusion of a Disparity Study in which the purpose was to provide evidence to support remedying the efforts of past and on-going discrimination. Because of on-going implementation of its SUBP, the city has a good history of including women-owned and minority-owned businesses (W/MBEs) in its purchasing and contracting, but it could be doing better as confirmed by the Disparity Study. Historically the city has achieved a combined inclusion for W/MBEs on formal contracts of approximately 19%. However, data from the Disparity Study showed that, (a) there is a W/MBE availability of 22% in the marketplace in the categories of construction, construction services, professional services and commodities and, (b) implementation of the program at the status quo, will continue to

produce status quo results. Therefore, the department is recommending a goal of 25% for formal contracts in which W/MBE inclusion is tracked via the SUBP. The 25% goal is aspirational, but we believe it is achievable.

Further, the department recommends a 25% aspirational goal for inclusion of W/MBEs on direct procurements that are not put out for formal bid. While the city has done a good job on including W/MBEs on formal contracts, we have not been as deliberate in our approach to W/MBE inclusion on the city's direct purchases. In looking at the city's 2010 expenditures across departments, a conservative estimate would put the dollar amount that could have been opened up to all small businesses at \$95 Million and at a 25% inclusion goal, almost \$24 Million could have been spent with W/MBEs. In order to achieve the 25% aspirational goal, we will need to focus our efforts on making supplier diversity part of our annual spending plan and communicating out to the community about our focused efforts to include W/MBEs in the city's direct purchases. In order to be successful, the city will need to active seek out certified W/MBE firms that can provide competitive, high-quality goods and services, and report to the community on the city's supplier diversity performance.