

Metropolitan Council Small Business Programs

MCUB Update

1/15/2019

Report to Equity Advisory Committee



Met Council Small Business Programs

- Disadvantaged Business Enterprise (DBE)
 - Regulated by 49 CFR Part 26
 - Applicable to Federally Assisted Contracts (FTA & EPA) over \$50,000
- Met Council Underutilized Business Program
 - Regulated by 16C.16 & 473.142 MN STATUTE
 - Applicable to Local and State funded procurements
 - Legally supported by Disparity Study Data

What is MCUB?

- Vision: A robust small business program that is reasonably aggressive and defensible, long-lasting and works in harmony with Thrive MSP principles
- Developed to create a level playing field for minority-, women-, disabled-, and veteran-owned businesses
- Key details:
 - Utilizes existing certification programs (TGB, DBE, CERT, and veterans)
 - Focused on targeting Minnesota-based firms
 - Program is applicable to non-federally funded procurements

TGB = Targeted Group Businesses

DBE = Disadvantaged Business Enterprise

CERT = St. Paul Central Certification



Background on MCUB

- Established in 2012 as part of a mandate from Governor Dayton
 - Metropolitan Council re-emphasizes commitment to Targeted Group Businesses (TGB)
- Expands beyond our existing federal Disadvantaged Business Enterprise (DBE) program
 - Fulfills the need to apply a small business program to non-federally funded procurements
 - Opportunities are not limited to contracts but also include direct spend
 - MCUB includes a larger pool of eligible firms: TGB, DBE, CERT, and veterans

Program Administration

- Project Specific Goal Setting
 - Over \$50,000 (DBE), \$100,000 (MCUB)
 - Subcontracting opportunities
 - Scopes of work for which we have firms to perform
 - Take availability and previous project performance into consideration

DBE Goal Setting Outcomes

- Federal Dollars being awarded to DBE subcontractors continues to meet or exceed Met Council's 15% Triennial Goal.

Year	Total Construction Awarded – Federal Assisted	Total Awarded to DBE	Participation %
2014	\$76 million	\$9.4 million	12%
2015	\$80 million	\$13.7 million	17%
2016	\$77 million	\$13.4 million	17%
2017	\$88 million	\$12 million	14%
2018	\$129 million	\$23 million	18%

Data rounded
2018 totals projected



MCUB Goal Setting Outcomes

- MCUB participation has steadily increased
 - Currently 11% of all local-funded construction spend is an MCUB contract

Year	Total Construction Spend Non-Federal Funds	MCUB Construction	% of Non-Federal Construction Spend
2014	\$119 million	\$1.2 million	1%
2015	\$83 million	\$4 million	5%
2016	\$80 million	\$5.8 million	7%
2017	\$70 million	\$7.6 million	11%
2018	\$59 million	\$6.7 million	11%

Data rounded
2018 totals projected



Program Administration

- Compliance and Enforcement
 - General Contractors bidding on council projects are in compliance (Federal Regulation and State Statute)
 - Meet the goal or show good faith efforts to do so
 - Utilize the firms in the amounts that they committed
 - Prompt payment
 - *Small Business Program Compliance does not include workforce compliance.

Program Administration

- Business Development
 - Provide one-on-one support
 - Resources (MEDA, PTAC, Small Business Resource Center, etc.)
 - Outreach events
 - Robust “Doing Business” page metro council.org
 - Target Solicitations / follow up results

Disparity Study

- Disparity Studies are conducted to provide legal foundation for government race- and gender-based business inclusion programs, such as MCUB.
- 2017 Disparity Study was based on non-federally funded procurements from 2011 to 2016.
- Results show that woman and minority disparities still exist with Council procurements.
 - These results provide rationale and motivation to continue expanding efforts to increase opportunities through MCUB.

Program Advancement

- Measurable, progressive milestones and successes since 2012
- Council has learned from the process and refined the program along the way
 - Expanded goal setting to more than just construction (engineering / PT)
 - Implemented a “Sheltered Market” procurement program - MCUB Select
 - Focusing on direct purchasing opportunities
- Commitment remains to the sustainability and effectiveness of this program, while our continued actions are in line with the original plan set out in 2012

Looking Ahead

- Strengthening our processes and reinforcing expectation of MCUB practices
 - Shifting staff practices to a new way of doing business
 - Implementing mechanisms and technology for reporting, tracking, and accountability
- Education and engagement are key, both internally and externally
 - Working with Communications on a plan for education and training of Council staff
 - Aspirational goal setting with managers across the Council
 - Regular workshops on how to do business with the Council
 - Continue business development training and support in collaboration with partner agencies
 - Re-engage with community organizations and small business industry partners
 - Continue to send targeted solicitations to MCUB firms

Equity & MCUB

- Metropolitan Council's Equity Policy states the Council will conduct its own operations and use its assets and authorities to equitably serve the needs of the metropolitan area.
 - The policy outlines multiple methods to help achieve equity, including: “Evaluate its operations, planning, and investments through an Equity Lens.”
- The Council has a role in helping reduce disparities of minority-, women-, disabled-, and veteran-owned small businesses.
- MCUB program is an effort to increase employment of underutilized firms and conveys our commitment to further eliminate disparities.

Questions?

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