

**Metropolitan Council  
Underutilized Business  
(MCUB)  
Program Expansion**

# DBE v. MCUB

	DBE	MCUB
<b>Program Funding</b>	Federal (DOT/EPA)	Non-Federal
<b>Certified by</b>	MN UCP	MN UCP, MN Dept. of Admin, US VA
<b>Certification Regulations</b>		
	For Profit	For Profit
	Business Size Cap	Business Size Cap
<b>Owned &amp; Controlled by</b>		
	People of Color	People of Color
	Women	Women
	Soc. & Econ. Disadv. Ind.	Soc. & Econ. Disadv. Ind.
		Veterans
		People with Disabilities

# MCUB Expansion

- **Goal:** To create a more robust small business program that supports and is aligned with Thrive principles and outcomes.
- **Reasons:**
  - Governor Dayton's pledge to increase inclusion (Executive Order 15-02)
  - Thrive MSP 2040

# Recommendations

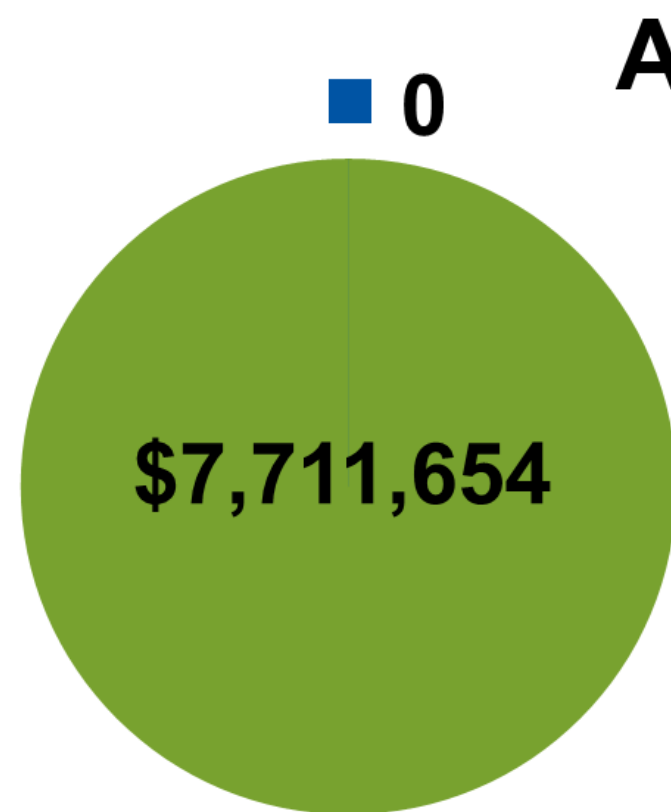
1. Increase **Subcontracting Opportunities**
2. Facilitate opportunities to **Do Business Directly with the Council**
3. Provide more **Resources & Outreach**
4. Invest in **Technical Enhancements**

# How we will increase subcontracting opportunities

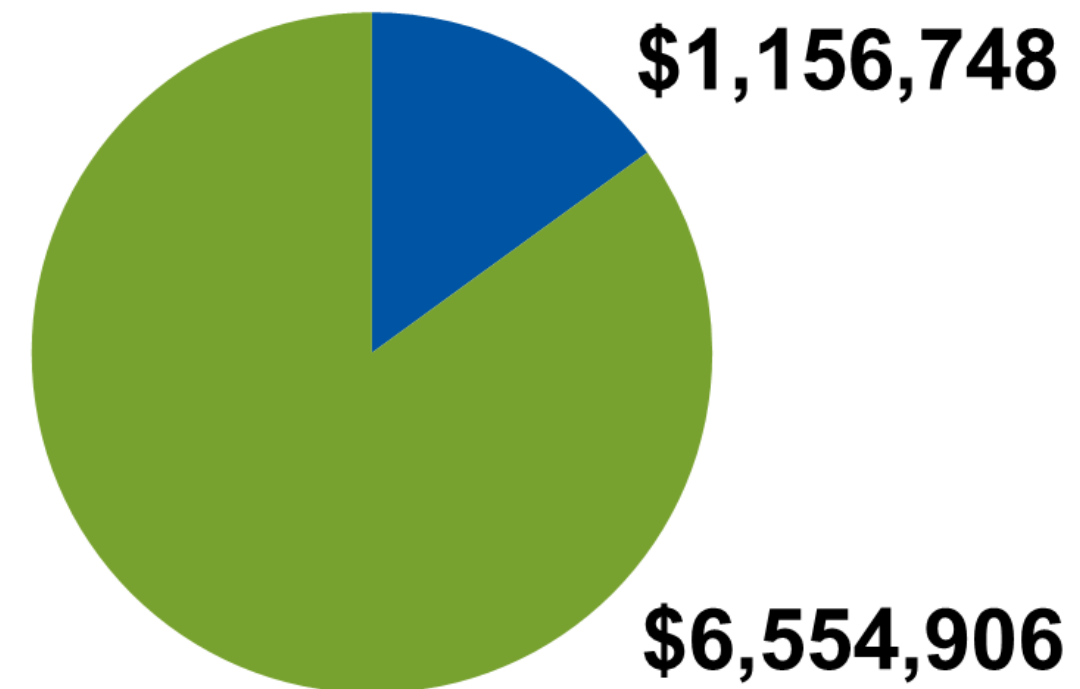
- Apply MCUB goals to more Activities
  - Design (architectural & engineering)
  - Professional/Technical
  - Other services
- Encourage MCUB inclusion & reporting on grant-funded activities

# Current MCUB Policy

# Proposed MCUB Policy



## Architecture/Engineering



# Subcontracting inclusion

- **Benefits**

- Access to more opportunities for MCUBs
- Opportunities Q1 2014 to Q3 2015:
  - Design: 3 projects (approx. \$7 million)
  - Prof./Tech. Services: 55 projects (approx. \$290 million)
  - Non-Construction: 37 projects (approx. \$135 million)

- **Challenges**

- Administrative delays to review projects & efforts to include MCUBs (approx. 3 – 5 additional days)
- Increase staff resources to implement recommendations



# How we will increase business with MCUBs

- Targeted Solicitations
  - Const., design, goods & services – projects under \$100K
- Set division-specific MCUB benchmarks
- Improve how we track MBUC business inclusion efforts



# How we will increase business with MCUBs

- **Benefits**

- Access to more opportunities for MCUBs
- Opportunities - Q1 2014 to Q3 2015:
  - Approx. 30,000 purchases (\$86 million)
  - Variety of purchases that today often have little MCUB participation (Goods, Prof./Tech. Services, Non-Construction)

- **Challenges**

- Change in workflow to identify MCUBs to solicit & include
- Increase staff resources to implement recommendations
- Possible increased cost for certain procurements

# Resources & Outreach

- Establish working capital loan program
- Explore reducing insurance cost barriers
- Focused outreach activities
- Provide regular resource workshops

# Resources & Outreach

- **Benefits**

- Meaningful access to contracting and subcontracting opportunities (working capital loans, explore reducing barriers caused by insurance coverage requirements & costs)
- Greater engagement and expanded relationships with small disadvantaged businesses

- **Challenges**

- Resources
- Risk tolerance for loan program

# Technical Enhancements

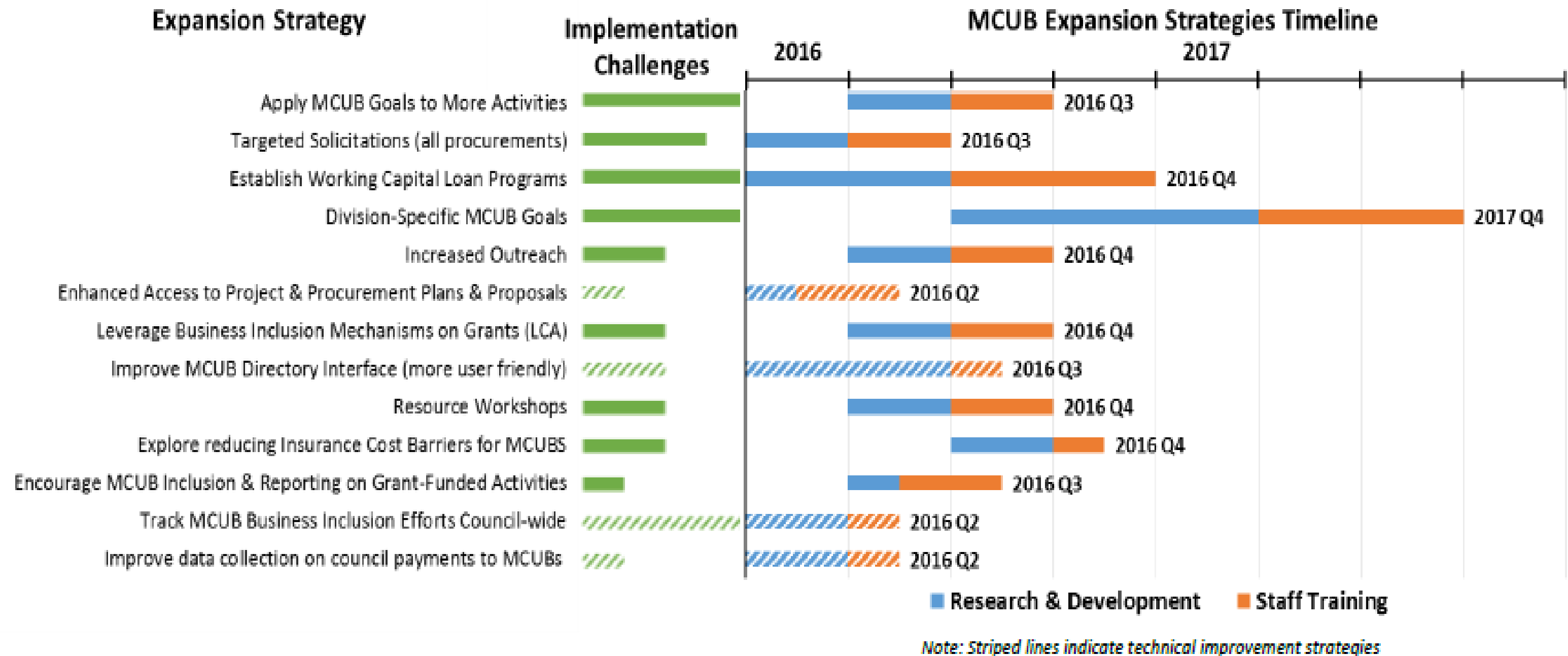
- Improve MCUB directory interface
- Explore providing enhanced access to procurement plans & proposals for MCUBs
- Enhance data tracking on Council usage of MCUBs
  - Create accounting mechanisms to track MCUB spend

# Technical Enhancements

- Benefits
  - Increased access to Council business opportunities
  - Enhanced data collection system to track inclusion efforts
- Challenges
  - Resources

# Impact, Challenges, & Timelines

Smallest ----- Biggest Bang ----- Biggest



**\*\*See handout**



# Resource Plan

Early 2016 Budget Need: 2 FTEs

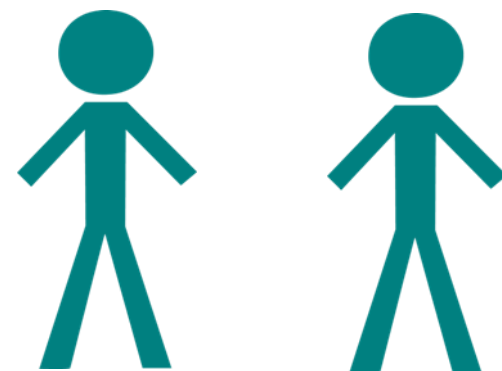


OEO



Procurement

Long-term Budget Need: 3+ additional FTEs



OEO



Procurement



# Program Comparisons

	DBE	MCUB (Current)	MCUB (Updated)
Construction	X	X	X
Construction Design	X	X*	X
Prof.& Tech. Services	X*		X
Goods			X
Grants	X		X
Loan Program			X
Focused Outreach			X
Focused Solicitations			X
Workshops	X*	X*	X

\* Limited



# Questions

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