

Management Committee

Meeting date: January 27, 2016

For the Metropolitan Council meeting of February 10, 2016

Subject: Authorization to Amend the MCUB Metropolitan Council Underutilized Business Program Policy

District(s), Member(s): All

Policy/Legal Reference: MN Statutes Section 473.142; 3-4-6; Policy – Inclusion of Disadvantaged Business Enterprises and Metropolitan Council Underutilized Business Program

Staff Prepared/Presented: Wanda Kirkpatrick (651-602-1085), Luis Morales (612-349-7567)

Division/Department: Office of Equal Opportunity, Regional Administration

Proposed Action

That the Metropolitan Council approve changes to the Metropolitan Council Policy 3-4-6 Inclusion of Disadvantaged Business Enterprises and Metropolitan Council Underutilized Business Program, and that the Metropolitan Council expand the MCUB program in order to increase the inclusion of small disadvantaged businesses in the Council's procurement and grant activities as articulated in Council policy and procedures.

Background

The current policy authorizes the Council to administer two small business inclusion programs: the Disadvantaged Business Enterprise (DBE) program and the Metropolitan Council Underutilized Business (MCUB) program. This policy was out of date, included confusing and contradictory language, and needed to be changed to reflect the MCUB program. The revised policy clarifies and expands the activities to which the MCUB program applies. These activities include construction, construction design, professional technical services, goods and services, and other procurements. The revised policy also identifies several strategies that the Council can use to increase the inclusion of small disadvantaged businesses in the Council's procurement and grant-making activities:

- Setting subcontract goals on non-federally funded projects that are over \$100,000 and feature subcontracting opportunities;
- Targeted solicitations on projects that are under \$100,000; and
- Other outreach efforts.

This policy does not include language authorizing the Council to create a working capital loan program, or language identifying strategies to reduce insurance cost barriers for small disadvantaged businesses. Staff will continue to research both possibilities to assess their viability.

Procedure 3-4-6c specifies how the Council will execute the revised policy. Please refer to the following attachments for details:

- 3-4-6 Policy: Inclusion of Disadvantaged Business Enterprises and Metropolitan Council Underutilized Businesses Program,
- 3-4-6c Procedure: Metropolitan Council Underutilized Business (MCUB) Program.

Rationale

Thrive MSP 2040 and Governor Mark Dayton's Executive Order 15-02 both stress the importance of equity for the region's continued prosperity. This policy change would provide small disadvantaged businesses with more opportunities to benefit from the Council's procurement and grant-making activities.

Funding

Funding for anticipated staffing needs (estimated to be up to 3 full time staff - 2 for the Office of Equal Opportunity and 1 for Procurement) and to make technical enhancements to the MCUB directory and administrative systems to track expenditures with small disadvantaged businesses will be considered separately through the budget amendment process.

Known Support / Opposition

No known opposition.